PROSPECTS

Improving prospects for forcibly displaced persons and host communities



GLOBAL Vision Note

IFC International Finance Corporation WORLD BANK GROUP

International Labour Organization

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PROSPECTS: Improving Prospects for Forcibly Displaced Persons and Host Communities

Vision Note for a new Partnership

between the Government of Netherlands, IFC, ILO, UNHCR, UNICEF and the WB

1. Context

The forced displacement crisis has increased in scale and complexity in recent years. According to UNHCR, there were about 65 million forcibly displaced persons at the end of 2016, of whom about 24 million refugees and asylum-seekers. Forced displacement is increasingly protracted and disproportionally affects children: one in two refugees worldwide is a child. The overwhelming majority of the forcibly displaced are hosted in developing countries with limited resources and capacities to respond to the situations – with substantive socioeconomic impacts on both refugees and host communities.

The impact of forced displacement is substantial both among those in displacement and hosting communities. Forcibly displaced persons face specific vulnerabilities, including loss of assets and psychological trauma, limited rights, lack of opportunities, a protection risk as well as a risk to be out of school, and a lack of planning horizon. Host communities, which tend to be among the poorest in their country, typically in lagging regions, have to pursue their own development efforts in an environment that has been transformed by a large inflow of newcomers. Economic opportunities and access to jobs as well as services, especially education and protective services, are key to a successful management of such situations – for both refugees and host communities.

Action is urgently needed to mitigate the plight of both forcibly displaced persons and hosting communities. Humanitarian assistance is critical, but insufficient when situations become protracted, and they need to be complemented by a development approach that is focused on the medium- and long-term socioeconomic dimensions of the crisis. This is in line with the global effort to "leave no-one behind" and to achieve the Sustainable Development Goals (SDGs): refugees and their hosts are among the most vulnerable and 'furthest behind' groups.

There is a window of opportunity for improving the management of the forced displacement crises. A new consensus has emerged – especially around the need for displaced persons and host communities to access enhanced economic opportunities, and for children on the move to have effective and inclusive access to protection and education. This consensus is reflected in the 2016 New York Declaration for Migrants and Refugees, in the commitments made by the governments at the September 2016 Leaders' Summit, in the rolling out of the Comprehensive Refugee Response Framework (CRRF), and in the preparation for the Global

Compacts on Refugees. It is paralleled by regional and country-level efforts, in several areas including in the Middle East and North Africa region and in the Horn of Africa.

But these positive trends need to be rapidly consolidated. Significant international support is needed to enhance the education, protection, and economic opportunities available in areas affected by forced displacement – in partnership with the private sector and other stakeholders. Country-level efforts need to be complemented by regional and global action. Improved data needs to be made available and evidence needs to be further built on 'what works' in such contexts that also embraces more vigilantly private sector solutions and crisis prevention. Most importantly, international organizations must build a new set of partnerships, that maximize synergies and leverage comparative advantages.

2. Vision and Value Added of the Partnership

Vision

The proposed Partnership aims to join the partners' efforts to develop a new paradigm in responding to forced displacement crises through the involvement of development actors. Partners include The Government of the Netherlands, International Finance Corporation (IFC), International Labour Organization (ILO), United Nations High Commissioner for Refugees (UNHCR), United Nations Children's Fund (UNICEF), and the World Bank (WB).

The Partnership aims to help transform the way governments and other stakeholders, including the private sector, respond to forced displacement crises – and in particular: (1) to enhance the enabling environment for the socio-economic inclusion of forcibly displaced persons (to mitigate their plight during years of exile and to best prepare them for their return); (2) to enhance access to education and child protection for vulnerable children on the move; and (3) to strengthen the resilience of host communities through inclusive socio-economic development that also benefits forcibly displaced persons.

The Partnership will be grounded on results-based and country-led approaches ("bottom up"). It attempts to accelerate efforts towards sustainable solutions for countries confronted with large influx of refugees. It will aim to develop and implement evidence-based solutions, tailored to each context – as well as to test, and learn from innovative, operational solutions. This will include efforts to improve the availability, collection, and use of data and evidence.

Value-added of the Partnership

The Partnership provides a platform for demonstrating the benefits of innovative approaches that can enhance impact on the ground – including, but not limited to, by fostering synergies across the engagement of partnering organizations. The Partnership encourages the participating institutions to create and test innovative approaches to forced displacement leveraging their respective comparative advantages.

The Partnership will aim to leverage or amplify existing programs funded through each organization's own resources, to eventually mainstream innovative approaches it supports. The Partnership offers an opportunity to complement or adjust existing programs through "stretch" activities that would not be otherwise possible but that may significantly enhance the effectiveness and impact of those programs. Such "stretch activities" would include innovative, complex or politically sensitive interventions as well as improved data, knowledge and technical assistance.

The Partnership will provide a platform for mutual learning across all institutions**,** including to build "bridges" across thematic areas, to strengthen dialogue with host governments and other stakeholders, and to foster innovation. The partnership is expected to build on existing coordination arrangements between partnering organizations and leverage them as may be needed.

Synergies are expected to strengthen strategic coordination, to ensure coherence in identifying priority activities and to seek opportunities for complementarity across individual programs. The Partnership also provides a platform to identify areas in which the institutions can effectively collaborate in joint endeavors to maximize impact on the ground and to collectively stimulate dialogue with other stakeholders, including host governments. Each partner may also form individual alliances with other organizations for specific activities.

In this partnership, the six institutions are expected to leverage their comparative advantages and expertise to achieve the overarching objectives:

Government of the Netherlands

- **The Government of the Netherlands** brings long-term, flexible financial inputs to operationalize a development response to forced displacement situations. The Government leverages its diplomatic link to catalyze dialogue with host governments and other stakeholders to generate an enabling environment for development interventions and to support coordination among development solutions provider. The convening power of the Government also allows other like-minded institutions and partners to share and move toward common goals.

International Finance Corporation (IFC)

- **IFC** brings expertise and experience in promoting private sector development by providing financing instruments and advisory services that can catalyze private investment, create employment opportunities, entrepreneurial activities and more efficient service delivery. IFC is the largest global development institution focused exclusively on the private sector in developing countries. Bringing private sector solutions to refugees and host communities alike in contexts of fragility and conflict fits well with IFC's 3.0 Strategy that aims to stimulate private sector interventions in challenging geographies and to underserved target groups. Recently, the UNHCR has requested IFC to up its presence in the space of refugees and host communities in selected African and Middle Eastern countries.

International Labour Organization (ILO)

- **ILO** brings significant expertise and experience in supporting enabling environments to underpin inclusive socio-economic growth and decent work, strengthen labor market s and promote access to improved working conditions and fundamental rights at work, including through the involvement of its tripartite national constituents The ILO stimulates labour market demand and immediate job creation through employment-intensive investment, local economic and business development and promotion of specific value chains and market systems. The ILO provides targeted support to labour market institutions, services and compliance and monitoring mechanisms that facilitate the integration of refugees into the labour market in accordance with its strong normative foundation of international labour standards. The ILO brings also expertise on technical and vocational education and training and on the recognition of prior learning for certifying the skills of refugees to better ensure access to the labor market, and methods for assessing labor market demand to provide the right skills to refugees needed by employers. ILO and IFC both can leverage the lessons of their ongoing joint program in Jordan targeting the garment sector (Better Work).

United Nations High Commissioner for Refugees (UNHCR)

- **UNHCR** is mandated by the General Assembly of the United Nations to lead and coordinate international action for the worldwide protection of refugees and the resolution of refugee problems. UNHCR is in the field in over 125 countries, using its expertise to protect and care for nearly 55 million people, including through the delivery of life-saving assistance like shelter, food and water, safeguarding fundamental human rights, and helping find solutions for refugees to build a better future. UNHCR's strong field presence, extensive networks and community of partners, and close working relations with refugee authorities in countries of asylum, makes it well placed to implement the types of programming envisaged under this Partnership. UNHCR has led the development of the Global Compact on Refugees (GCR) and Comprehensive Refugee Response Framework (CRRF), and would aim to use this Partnership to further advantage and maximize the synergies being created by various initiatives in the humanitarian-development space.

United Nations Children's Fund (UNICEF)

- **UNICEF** brings strong on-the-ground-presence, including at decentralized levels, expertise in fragile settings, and its role as a trusted norm-setting partner with government and civil society in child-focused policy areas such as quality education and child protection for children uprooted as well vulnerable children and youth in affected communities, child health/ health systems strengthening, early childhood development, nutrition, education, water and sanitation, and other areas. Within this Partnership, UNICEF focuses particularly on strengthening national and regional capacities to provide education and child protection for children on the move, with a strong emphasis on children forcibly displaced within or across borders due to violence, conflict, disaster or

extreme poverty, children who are migrating – alone or accompanied – along critical migratory routes and child refugees and asylum seekers.

The World Bank

- **The WB** brings expertise and experience in fostering a development approach to forced displacement through its existing operational and analytical capacity, in areas such as education, livelihoods, private sector development, social protection, and service delivery, including by supporting progressive policies for refugees. Together with IFC, the WB can bridge the public – private spectrum of solutions to the forced displacement crisis. The WB has also deployed new instruments to provide significant amounts of resources to refugee-hosting countries, including through the global Concessional Financing Facility (GCFF) and the Sub-window for Refugees and Host Communities under IDA 18. **Outcomes and Result Indicators**

Expected outcomes of the Partnership will be aligned with the SDGs and the principle of "leaving no-one behind". Outcomes are expected to focus on both forcibly displaced persons and host communities.

Expected outcomes are expected to include a focused set of country-level targets. Specific quantitative indicators will be defined based on the activities that are selected for financing ("bottom up" approach). This will be done through the definition of a simple set of standardized indicators (which could be complemented by additional project-level indicators as may be relevant), with adequate disaggregation by gender, age and legal status – and through the corresponding aggregation of outcomes to be achieved across specific programs. The Partnership is expected to focus on activities that can:

- Improve access to and quality of education for forcibly displaced children and host communities;
- Improve availability and access to functioning child protection systems offering preventive and response services accessible for children on the move
- Enhance livelihood opportunities for forcibly displaced persons and host communities;
- Increase the amount of private investment in targeted areas;
- Enhance the enabling environments for inclusive and job-rich labor markets and entrepreneurship, underpinned by decent work principles;
- Reduce the number of refugees dependent on humanitarian assistance for their subsistence (number of persons who would be below poverty line in the absence of humanitarian assistance);
- Reduce the number of refugees without adequate documentation and associated legal protections; and
- Enhance the capacity of national systems for the protection of refugees.

Results indicators are also expected to include global-level outcomes, such as:

- Availability of enhanced data and evidence to inform decision- and policy-making; • Effective dissemination of the Partnership's lessons to other donors and stakeholders;
- Stronger consistency across interventions by the partners at country level.

3. Areas of focus

Thematic areas

The Partnership will be focused on three broad areas that are critical for refugees to overcome their specific vulnerabilities and for host communities to pursue their own development agenda in a transformed environment: (i) jobs/social protection; and (ii) education and learning; and (iii) protection and legal status – with a view to pursuing sustainable and integrated approaches. Each institution will contribute in areas where it has a comparative advantage.

Education and child protection will be understood in a broad sense, with a focus on shifting from parallel service delivery to inclusion of displaced children in national systems (including early childhood education, formal/informal learning opportunities, secondary education, with a focus on girls, skills development and civic engagement), and increasing national capacity to provide access for children on the move to inclusive child protection systems that prevent and respond to violence, abuse, exploitation and neglect - within countries and across borders. The challenge will be both to scale up / upgrade delivery in refugee-hosting areas (for the benefit of both refugees and host communities) and to develop appropriate responses to the specific needs of displaced children, which will require a combination of evidence-based policy advice, technical assistance and institutional strengthening investments.

Jobs will also be understood in a broad sense, including efforts to generate sources of income, to attract private sector investments, to foster entrepreneurship, and to ensure decent working conditions. This is expected to require a combination of evidence-based policy advice, advisory services, institutional strengthening, and investments (including blended finance). Complementary support will be needed to help shift away from dependency on humanitarian assistance, through a mix of aid targeting, use of cash, incentives to work (where possible), and skills development / entrepreneurship / access to finance programs. This is also expected to require a combination of evidence-based policy advice, advisory services, institutional strengthening, and investments – but also a close partnership with key humanitarian aid providing agencies (e.g., UNHCR, WFP).

The Protection pillar under this partnership will focus on both legal and social protection aspects. Legal protection interventions will endeavor to ensure refugees have adequate legal status and documentation through activities which may include policy advocacy, registration, capacity building of national authorities, or protection monitoring. The protection of children and other vulnerable groups from violence, abuse and exploitation, especially by enabling access to quality services in national systems, will also be a priority. The social protection aims

of this partnership will be furthered through interventions that promote the shift toward the delivery of assistance (such as cash assistance) through national welfare systems while also helping recipients to move from assistance to self-sufficiency where possible.

The Partnership will aim to develop at scale innovative approaches - to pilot new ways of working, developing enhanced financing modalities, and using cutting-edge technology. Across all activities, attention will be paid to the gender dimension of forced displacement – especially to the specific needs and opportunities of women and girls who account for a relatively large share of refugees. **Geographical scope**

The Partnership will focus on a targeted set of priority areas. Operational activities are initially expected to be focused on two regions: The Middle East and North Africa (Jordan, Lebanon) and the Horn of Africa (Ethiopia, Kenya, Uganda), however interventions in other countries may also be eligible (e.g. for child protection and education in Egypt, Iraq, and Sudan). A country- and regional-focused approach will be complemented by a set of global activities, particularly around knowledge activities, data collection, and advocacy, to yield truly transformational impact. Activities are expected to cover both forcibly displaced persons (including refugees and internally displaced persons) and host communities in an integrated manner, as well as other vulnerable groups living in the same areas, as may be relevant in each context. **Nature of the activities**

Programs are expected to be demand-driven, and to reflect the situation on the ground ("bottom up"). Individual programs will be identified based on country-level consultations with relevant authorities and stakeholders, and in consultations between participating entities and the Netherlands' representation in each country. To achieve the partnerships' transformative potential, engagements on the ground will be complemented by adequate and smart engagements in advocacy, knowledge, and data activities. The Partnership will implement activities based on country ownership and in adherence with host governments/communities policies.

4. Strategic collaboration and process

Mechanisms for strategic collaboration

The Partnership has a four-year initial time horizon with a notional annual budget of 100 million Euros. The budget is indicative and is subject to change. The partners may opt for a mid-term review if deemed necessary and extend the Partnership beyond the initial period. The Partnership is expected to include four separate legal agreements between the Government of the Netherlands and each participating entity, under a common overarching strategic framework but with dedicated funding allocated to each institution and managed accordingly (i.e. following quality assurance and fiduciary accountability procedures of each organization).

In a rapidly evolving environment, flexibility is key to relevance. The partnership will hence be managed through a process that aims to ensure strategic focus and relevance as well as "agility", while minimizing unnecessary transaction costs.

The partners will explore setting up a mechanism such as a joint committee to ensure strategic collaboration. This would aim to provide a platform to regularly review the strategic approach, results achieved, and lessons learned, and to adjust as may be needed (also in view of trends). Such a committee could be chaired by the Government of the Netherlands and include senior-level representatives of each organization. A global-level mechanism could be complemented by coordination on the ground, based on existing arrangements as needed and relevant in each given context. Any coordination mechanism to be considered should add value for achieving results and build on existing partnership arrangements.

The partners will explore possible activities and common outcomes to be supported under the Partnership to contribute to the overarching vision. Country-level consultations could be informed by the current note to help identify possible areas of engagement and opportunities for potential synergies.