

INCAF Common Position on supporting comprehensive responses in refugee situations

The need to prevent and address root-causes of large-scale refugee movements, the protracted nature of many refugee situations as well as the strain large population influxes place on host communities demands coordinated development, peace, and humanitarian responses.

In 2019, the OECD's Development Assistance Committee (DAC) adopted the DAC Recommendation on the Humanitarian-Development-Peace Nexus outlining eleven principles across the three pillars of coordination, programming and financing to deliver the nexus approach in developing countries.

Recognising that the DAC Recommendation on the Nexus applies in refugee situations, the International Network on Conflict and Fragility (INCAF) has developed the following Common Position outlining good practice principles for a nexus approach for refugee situations in low and lower middle-income hosting countries and fragile contexts. These good practice principles are generalized, yet each context presents unique opportunities and challenges. INCAF recognizes that the Common Position must be situated in context.

The Common Position recalls relevant prior instruments and agreements and supports the ambition to make humanitarian, development and peace approaches more coherent through the following principles:

Principle 1: Acknowledge that, due to their typically protracted nature, refugee situations benefit from a nexus approach that includes humanitarian assistance, development and peace interventions from the outset of a crisis

This includes:

- 1. Promoting and supporting a whole of government approach through the inclusion of refugees in national and/or local poverty alleviation and development strategies, sectoral portfolios, and programming to develop and finance collective outcomes.** *The integration of refugees into development strategies can more effectively and efficiently meet the needs of both refugee and host communities, while also responding to challenges identified by the government;*
- 2. Promoting joint humanitarian and development needs assessments and joined-up planning in refugee hosting areas from the beginning of responses.** *Joint needs assessments and joined-up planning will promote application of different actors' comparative advantages to a response, supporting a more efficient and effective use of humanitarian and development resources and the best outcomes for beneficiaries;*
- 3. Supporting interventions, jointly with host countries where possible, that benefit host communities to help promote social cohesion and bring a positive development benefit for all.** *Through investments that benefit both refugee and host communities, there are opportunities to meet refugee needs, while addressing structural development challenges, delivering benefits for host countries, addressing the needs of the most marginalized host communities and promoting social cohesion.*

Principle 2: Support financing and coordination systems, tools and strategies that respond flexibly, where appropriate, to the needs of refugees and their hosts

This includes:

4. **Promoting flexibility and adaptation of host government planning, financing and service delivery models to better address shocks associated with refugee influx and meet host community and refugee needs associated with protracted displacement.** *Even when financing is available, government systems are not always appropriately set up to manage large-scale refugee responses, develop fit-for-purpose public service financing models, or reallocate resources as needed across regions and sectoral priorities;*
5. **Promoting early engagement and early and regular strategic coordination among development actors, including multilateral development banks and organisations, bilateral assistance donors, host governments, humanitarian actors (including multilaterals, INGOs and NGOs), and peace actors when financing projects that support refugees and host communities.** *Early engagement of development actors in refugee situations and strong communication between humanitarian and development actors, starting at the planning phase, will ensure that financing responds to the development, humanitarian and protection needs of refugees and host communities, does not duplicate existing interventions, and promotes efficiencies by relying on comparative advantages;*
6. **Urging donors and other aid actors to collaborate on utilising non-humanitarian financing that benefits refugees and host communities, tracking it, and evaluating the impact of nexus programming on long-term humanitarian response and needs, taking account of host country political sensitivities.** *Strengthening learning and research on implementing and evaluating nexus approaches will promote stronger, evidence-based responses and best practices;*
7. **Using and advocating for development financing mechanisms and programs with greater flexibility and scalability to respond to refugee movements.** *Donor financing that is tightly earmarked to specific geographical regions is not easily able to follow refugees during their displacement and return, constraining the ability to meet refugees' needs in a timely and sustainable manner. Flexible funding also allows host governments to respond in an agile way to the dynamic nature of refugee situations;*
8. **Providing financing that supports the conditions for safe, dignified and voluntary return and reintegration.** *Ongoing financing is needed in countries of origin to promote economic development, reduce fragility, address the root causes of the initial displacement and therefore the risk of continued or secondary displacement, creating an enabling environment for safe and voluntary returns;*
9. **As soon as repatriation appears from changed political conditions to be on the horizon, encouraging planning for return and reintegration that is factored into, and mainstreamed across, all sectors of local and national development planning and financing in countries of origin, where politically feasible.** *Return and reintegration is much too often seen as a solely humanitarian issue that is to be dealt with by a dedicated authority, instead of an integral part of national development policies and planning frameworks, even in situations of mass return. This is often a direct cause of protracted vulnerabilities upon return, leading to secondary displacement and unplanned urbanisation;*
10. **Promoting interventions that address the root causes of forced displacement and fragility and the barriers to sustainable peace.** *Development and peace actors can play a critical role in, not only addressing root causes, but also creating the enabling conditions in countries of origin for safe, voluntary, and sustainable refugee returns. Comprehensively addressing the drivers of*

forced displacement requires a nexus approach that extends beyond assistance. More fundamentally, reducing fragility requires commitment by governments and other local actors to address these root causes and barriers to peace within their own countries, without which the impact of development finance may be limited. However, averting and resolving large displacement situations are also matters of serious concern to the international community as a whole, requiring early efforts to address their drivers and triggers, as well as increased collaboration among political, humanitarian, development and peace actors;

11. **Promoting and supporting regional approaches to refugee situations.** *Refugee movements are cross-border movements and often have a significant regional or sub-regional dimension. Support and financing is needed for regional coordination structures and/or regional organizations to provide comprehensive solutions for protection, integration, return and reintegration. This applies to political dimensions as well as specific policies such as the recognition of prior learning, or work experience.*

Principle 3: Financing for refugees and their hosts is most effective when it goes hand in hand with an enabling policy environment for protection in refugee hosting countries

This includes:

12. **Promoting a broad-based consensus and a collective voice among involved humanitarian and development actors to advocate for inclusive policies in refugee hosting countries, backed up by financial commitments and contributions from development partners.** This recognises that access to employment, health services and education, civic documentation, and freedom of movement will promote the ability of refugees to work towards self-reliance and to contribute to local growth and development, thereby benefiting refugees, governments and host communities. *An enabling policy environment can provide greater protection to refugees, lower the cost of the refugee response, enhance refugees' contribution to local sustainable development, promote self-reliance and resilience and benefit host communities but must also take account of the local political circumstances;*
13. **Identifying ways to leverage non-aid contributions, alongside development and humanitarian assistance, to incentivise positive refugee policy change.** *Non-aid contributions, such as through trade facilities, multilateral development banks, private sector investment and other similar approaches can complement traditional humanitarian and development financing, by supporting host country economies and labour markets, benefitting both refugee and the host country economic development;*
14. **Delivering interventions that are accountable to, and informed by, the refugee and host communities they are intended to support.** Ensure that populations affected by forced displacement, particularly women and girls, have meaningful participation in, and influence on, the decisions on how to respond to their needs in the most effective way.

Principle 4: Support national and local service systems in refugee hosting areas through financing and capacity building

This includes:

15. **Promoting a whole of government approach in refugee hosting countries, whereby not only host countries' refugee agencies, but also sector ministries and local governments, include refugees in national and local sectoral development plans;**

16. **Supporting refugee and host community responses that are needs based, targeted to the most affected areas and tailored to local systems, to the extent possible.** *Using area-based approaches that benefit refugees and host communities can help deliver a more effective and equitable response that alleviates the burden on local host communities, enhances the ability of refugees to contribute to local growth and development and promotes socio-economic inclusion and stability;*
17. **Working in coordination with, and support of, host governments and local authorities to leverage their understanding of local needs and challenges and reinforce their ability to respond.** *This may include working with partners such as national line ministries, local authorities, civil society organisations and the local private sector, who are often best placed to identify priorities and pressures and how best to address these at a local level. Working at the national level supports a whole of government approach, while support at the local level can also help to overcome capacity constraints at the national level. Local authorities often have responsibility for infrastructure and social and public services that come under significant additional pressure from hosting refugees.*

Principle 5: Lending for refugee situations should be as concessional as necessary

This includes:

18. **Assessing the level of concessionality that is necessary and looking for ways to provide grants and/or to increase the concessionality of loans to governments where this is desirable.** *Mechanisms such as the use of grant financing to reduce the cost of borrowing and relaxing terms can help achieve the volume of financing required in refugee situations, while decreasing the fiscal burden on host countries. The appropriate instrument and approach depends on the specificities of a given context. Appropriate mechanisms should promote positive refugee policy reform, and should be developed and implemented in coordination with humanitarian actors, such as UNHCR, to remain sensitive to refugee protection needs;*
19. **Encouraging multilateral development banks to develop and use grant and/or concessional financing mechanisms to support developing countries with good refugee policies to be able to host large numbers of refugees and to promote and maintain good refugee policy.** *Multilateral development bank investment in support of refugees and their host communities should promote, and be predicated upon, positive refugee protection policy and should be developed and implemented in coordination with humanitarian actors, such as UNHCR, to remain sensitive to refugee protection needs.*

Principle 6: Promote interventions and host government policies that support refugee self-reliance

This includes:

20. **Identifying the context and, as appropriate, individual-specific barriers to self-reliance to inform more targeted program and policy interventions.** *Measurement tools can be used by humanitarian, development, national and local actors to understand barriers and measure progress towards self-reliance;*
21. **Working with host governments to increase inclusive access for refugees and host communities to education, healthcare, decent work and livelihoods, entrepreneurship and financial services.** *Refugees experience significant additional formal and informal barriers to economic and educational activities and social services, even when permitted access by the host country's policy*

environment. First priority is government-issued identification cards that are recognized by law enforcement and the right to move throughout the country. Legislation on policy frameworks that help lower those barriers (e.g. regarding work permits, the ability of children to attend school) is essential, but needs to be followed by implementation by administrations at all levels;

22. **Supporting and scaling up initiatives that allow the fast delivery of better learning opportunities at all levels of education – from early childhood to primary, secondary and tertiary education, technical and vocational training.** *Education in emergencies is often an entry point for nexus implementation, playing a unique role as a catalyst for recovery, post-conflict rebuilding, fostering peace and ensuring the protection of children, youth and young adult refugees;*
23. **Supporting, in partnership with national and local authorities and the private sector, local economic development that encourages the creation of decent and productive jobs, business development and self-employment to benefit all workers, including refugees and other forcibly displaced persons.** *Supporting economic activities of refugees and host communities can ensure that no one is left behind in the achievement of the SDGs;*
24. **When making market-systems level investments to support local economies, designing and implementing approaches that will benefit both refugees and host communities.** *Major economic investments by bilateral development partners and development finance institutions do not yet fully account for potential opportunities for refugees and host communities, such as access to decent work, participation in supply chains, or access to goods and services;*
25. **Ensuring that all investments promote the economic, social and political participation of women, children and youth, as well as particularly vulnerable populations affected by forced displacement, including the elderly, and persons with disabilities, and strengthen the role of these populations in societal, economic and peace building processes.**

Principle 7: Improve strategic co-ordination among key development, humanitarian and peace actors in refugee responses and increase engagement with non-traditional donors.

This includes:

26. **Working to improve dialogue and coordination with other cooperation providers, as well as governmental and non-governmental actors, helping expand the provider base where possible and identifying areas for collaboration and complementarity, including opportunities for greater data sharing.** *Even in situations where other cooperation providers and actors play a significant role, information on their contribution to refugee responses remains limited, increasing risks of both gaps and duplication in responses and weakening collective impact.*