

UNHCR STOCKTAKING REPORT ON MULTILATERAL DEVELOPMENT BANKS' ENGAGEMENT IN SITUATIONS OF FORCED DISPLACEMENT

ASSESSING PROGRESS MADE SINCE THE 2019 GLOBAL REFUGEE FORUM



Young children play in the Kutupalong Refugee camp, south-east Bangladesh. © UNHCR/Roger Arnold

At the first Global Refugee Forum (GRF)¹ in 2019, the MDB Coordination Platform on Economic Migration and Forced Displacement affirmed its commitment to advance MDB interventions in forced displacement contexts by following a series of good practice principles that recognize the specific needs of vulnerable populations. This report seeks to consolidate the individual and collective actions of the MDB Platform members² in situations of forced displacement and take stock of the progress made towards realizing the Platform's GRF commitments. It is based on information shared by the members of the MDB Coordination Platform during and after the *Stocktaking Event on MDB Engagement in Situations of Forced Displacement* co-organized by UNHCR and the MDB Coordination Platform on Economic Migration and Forced Displacement on 29 September 2021.

¹ The GRF provides an opportunity for states and multi-stakeholders to come together every four years to share good practices, contribute with financial support, technical expertise, and policy changes to reach the goals of the GCR. The forum provides a platform for stakeholders to make concrete pledges that could achieve tangible benefits to both refugees and host communities.

² The African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Islamic Development Bank, the Inter-American Development Bank, and the World Bank.

BACKGROUND

On the margins of the World Bank Group and International Monetary Fund Spring Meetings in 2018, in response to a request made by the G7, seven MDBs launched a new platform to accelerate support for economic migration and forced displacement. The MDB Coordination Platform on Economic Migration and Forced Displacement (henceforth referred to as MDB Platform) works to advance cooperation on knowledge, evidence and data and ensures strategic coordination on priority topics by:

1. refining the common framework for MDB engagement.
2. advancing cooperation on knowledge, evidence, and data.
3. ensuring strategic coordination on priority topics in coordination with governments, UN, and other partners.
4. deploying better-targeted instruments and products.

The members of the MDB Platform affirmed their commitments to work in support of the operationalization of the Global Compact on Refugees (GCR) at the first Global Refugee Forum (GRF) in 2019. The MDB Platform specifically reaffirmed its commitment to:

- Stepping up their work together and individually through a range of **financing and policy instruments** in accordance with each organization's investment and financing criteria and requirements.
- **Coordinating with each other and with core stakeholders on key issues on the ground** in order to build on existing initiatives, enable shorter lead times, and deliver better outcomes for host communities and vulnerable populations.
- In large-scale and rapidly evolving contexts, providing **rapid financing through dedicated financial instruments** or sources that can help alleviate the strain on public services in host countries and support livelihoods, inclusiveness, and resilience for all. Examples of these financing instruments and sources include (but are not limited to):
 - African Development Bank's (AfDB) Transition Support Facility
 - Asian Development Bank's (ADB) Emergency Assistance Loan Instrument
 - European Bank for Reconstruction and Development's (EBRD) Refugee Response Plan
 - European Investment Bank's (EIB) Economic Resilience Initiative
 - Inter-American Development Bank's (IDB) Grant Facility to support countries with large and sudden intraregional migration inflows
 - Islamic Development Bank's (IsDB) Fragility Financing Facility and matching funds mechanisms and other channels
 - World Bank's (WB) IDA18 Sub-window for Refugees and Host Communities, and the WB-administered Global Concessional Financing Facility.
- Promoting and supporting the essential contribution of the private sector through, among other things, MDBs playing a facilitating role in enhancing private sector participation in skills development and employment opportunities, SME and entrepreneurship support, economic and social infrastructure, and provision of essential services for host communities and target groups, including women and youth.

MDBs work closely with governments to help advance their national development objectives through the provision of financial, policy, and technical support. As trusted partners of governments, MDBs are well positioned to encourage and support the adoption of sound government policies on the management of forced

displacement situations, in line with the 2018 Global Compact on Refugees (GCR), which calls for a ‘whole of society’ approach to prevent, respond to, and solve refugee and forced displacement situations.

The GCR provides a framework for equitable responsibility-sharing and finding durable solutions for displaced persons, emphasizing on the role of the international community in supporting host communities of large refugee populations. It has four objectives:

1. Ease the pressure on host communities.
2. Enhance refugee self-reliance.
3. Expand access to third-country solutions.
4. Support conditions in countries of origin for return in safety and dignity.

A High-Level Officials Meeting (HLOM) is held two years after each GRF to take stock of progress and maintain the momentum towards achieving the objectives of the GCR. The first HLOM will take place in December 2021. The priorities for the HLOM are: (i) expanding support for refugees and host countries, (ii) advancing implementation of pledges made at the first GRF, and (iii) identifying areas in need of support. In September 2021, in preparation for the HLOM, the MDB Platform held a stocktaking event co-organized by UNHCR to collectively reflect on the progress individually and collectively made in relation to their GRF commitments. The outcomes of the stocktaking event’s discussions, which are captured in this UNHCR report, will feed into broader discussions with key stakeholders during the 2021 HLOM.

SUMMARY OF MDB ENGAGEMENT IN FORCED DISPLACEMENT

The stocktaking event was structured around the MDB Platform’s GRF commitments. MDBs examined advancements made in financing, policy, technical support, coordination among members, and supporting private sector investments. This section will showcase the progress made under the four commitments.

1. Stepping up policy and financing instruments for contexts of forced displacement

All MDB Platform members have demonstrated efforts to step up their policy and financing efforts in contexts of forced displacement. Just a few members have developed dedicated strategies, approach papers, and frameworks for refugee contexts, such as the EBRD’s Refugee Response Programme as well as the IDB’s Response to Support Countries with Large and Sudden Migrant Inflows. The majority of members included forced displacement considerations into wider programming, such as EIB’s efforts to target climate induced displacement. In most cases, forced displacement featured in **fragility and resilience** strategies, such as the WB’s Fragility, Conflict and Violence Strategy, the ADB’s Fragile and Conflict Affected Situations (FCAS) Approach Paper, and the IsDB’s Fragility and Resilience Policy. The AfDB is currently developing its third Strategy on Addressing Fragility and Building Resilience in Africa and is engaging UNHCR in consultations to ensure that forced displacement is explicitly featured as an area of engagement under the Strategy. The EIB is also developing a Strategic Framework for engagement in fragile and conflict-affected situations, and this is expected to be ready in 2022. In addition, other **sector or cross-cutting strategies and policies** increasingly feature forcibly displaced and host communities directly, such as AfDB’s new Gender Strategy 2021-2025. Lastly, in this regard, the IsDB created specialized Islamic Social Financing windows to support different sectors programmes such as nutrition, education, and health for refugees and host communities in Jordan, Lebanon, Pakistan, and Bangladesh.

In support of efforts to expand activities in forced displacement situations, most MDB members provided funds to displacement situations through existing **financing instruments**, such as **fragility and resilience-focused financial tools or Grant Facilities**. This is the case for the AfDB's Transition Support Facility (TSF), which helped to disburse financing for displacement situations in Africa's transition states. Additionally, the ADB created the Expanded Disaster and Pandemic Facility (DRF+), which expands the types of emergencies that are eligible for funding support to include health emergencies and the cross-border movement of displaced persons if certain conditions are met. Additionally, **climate funds** for climate induced displacement have been adopted by the EIB as the EU's Climate Bank, which is putting strong emphasis on interlinkages between climate change and migration and the importance of climate adaptation in its programming for its activities outside the EU over the next years.

Among MDB members, only the WB³ has created **dedicated financial instruments in support of countries hosting refugees**,⁴ which so far have benefitted 18 countries across 63 operations spread over 14 different global practices (through a combination of loans and grants for low- and middle-income refugee-hosting governments). In addition, the Bank's Forced Displacement Trust Fund has a portfolio of over 60 active grants totaling almost US\$28 million covering analytical, technical assistance and capacity building activities. In the case of the IDB, its Governors approved in 2019 the use of its Grant Facility to Support Countries with Large and Sudden Migrant Inflows to leverage its migration loan operations in a proportion of 20% grants and 80% loans that may include donor grant resources or co-financing. EBRD's Refugee Crisis Response launched in 2016 includes a dedicated investment framework to support municipal infrastructure in refugee-affected areas of Jordan and Turkey. Since 2016, 13 investments have been signed under this framework.

The adoption of internal policies and processes to cater to the demands of forced displacement situations has been recognized at different levels of the participating institutions. The WB has been exemplary in enabling a better policy environment and identifying opportunities for further advancement through systematic reviews of the policies and framework for refugees with UNHCR. The IsDB has also adopted new operational strategy, specific tools, framework and a 5-year action plan to tackle the root causes and drivers of conflict and support refugees and forcibly displaced people. The ADB included reference to its commitment to displaced and host communities in its Revised Disaster and Emergency Assistance Policy (RDEAP), which provides an updated policy framework to enhance strategic guidance for ADB's assistance for disasters and emergencies, covering risk reduction, preparedness, and response. Some banks have committed to the **development of tailored processes and procedures**, such as those to prepare and improve project level results (such as the ADB's fragility and resilience assessments), or through the application of **mechanisms** to ensure that this financing reaches refugee-hosting municipalities and localities (such as EBRD's Municipal Resilience Refugee Response framework which aims to alleviate the local pressure of host communities and help the local authorities in the delivery of public services at municipal level). The EIB has conducted an extensive evidence review on the interlinkages between migration and development and, on that basis, has developed an updated operational approach to migration and forced displacement.

To better respond to the multifaceted demands of forced displacement situations, some MDBs have dedicated human resources and capacity for advancing their engagement in forced displacement. For example, the ADB established an internal working group on forced displacement and economic migration; the EIB set up an internal migration team comprising members from a range of relevant departments; and the IDB composed a Migration Unit with the capacity to carry out applied research, capacity building, policy dialogue and operations. In most cases, these initiatives included economic migration and/or human mobility.

³ To note though that the EIB provided lending through its Economic Resilience Initiative to countries in the EU's Southern Neighbourhood Region and in the Western Balkans. EIB also provided financing for refugee housing to host countries within the EU.

⁴ The IDA18 Refugee Sub-window RSW) and IDA19 Window for Host Communities and Refugees (WHR) for low-income countries hosting refugees, and the Global Concessional Financing Facility (GCF) for middle-income countries hosting refugees.

2. Enhanced coordination between MDBs and with external stakeholders

Since its creation, the MDB Platform has provided a space for its members to come together regularly to learn and share knowledge on both economic migration and forced displacement matters. Thematic webinars and workshops on topics of interest (remittances, skills mobility and the inclusion of migrant workers and refugees into social protection) have been organized in response to requests to fill knowledge gaps jointly identified, bringing to the table other expert organizations such as IOM and UNHCR. There is potential to organise more webinars on forced displacement and to capitalise on the MDB Platform to increase coordination of members' interventions in situations of forced displacement.

On **policy dialogues and advocacy**, close collaboration among the platform members and with UNHCR and other partners has also advanced, with recent examples being the Aswan Forum for Sustainable Peace and Development and the AfDB's Africa Resilience Forum.

Overall, the members of the MDB Platform have strengthened their coordination with external stakeholders including humanitarian and development actors, the private sector, regional coordination platforms and organizations of the diaspora. One such example of this collaborative approach is the consultative processes of their respective FCAS-related strategy development. For example, UNHCR, among other stakeholders, was consulted during the development of the AfDB's new Strategy on Addressing Fragility and Building Resilience, the development of the ADB's FCAS Approach Paper, and the WB's Fragility, Conflict and Violence Strategy. Engagement and cooperation with regional support platforms was also identified as progress towards enhanced coordination with other agencies, particularly in multi-stakeholder regional approaches. For example, the IDB is the first MDB to have joined the MIRPS Platform and the Quito Process to support countries hosting displaced Venezuelans (in 2021) and the ADB joined the Core Group of the Solutions Strategy for Afghan Refugees (SSAR) Support Platform in 2020. The WB has also been a part of both the IGAD Support Platform and the SSAR since they were launched at the 2019 GRF.

From an operational perspective, **technical cooperation** was recorded among MDBs, with the IDB signalling 24 technical cooperation projects, including four regional ones, either executed by IDB or non-profits from the region. The WB-hosted GCFF provided an opportunity for external stakeholders (supporting countries, benefitting countries, implementing agencies, and some UN agencies as observers) to provide their inputs to decisions taken at the Steering Committees. WB and UNHCR technical collaboration also took place through the WB's IDA WHR, as UNHCR supported the eligibility phase of the project cycle through joint-eligibility missions and the provision of tailor-made refugee protection assessments (RPAs) as well as its annual Refugee Policy Review Frameworks (RPRFs). The ADB signaled increased engagement with IOM and UNHCR on the ground. The engagement with UNHCR includes coordination on the ground in Bangladesh and activities related to Afghans both inside and outside of Afghanistan as well as discussions on joint training programmes and knowledge products. The IDB recently signed an umbrella Memorandum of Understanding that provides a framework for their partnership with UNHCR. The AfDB has also partnered on several projects across the African continent with UNHCR in recent years, including in the Sahel, East and Horn of Africa and Great Lakes region, and Southern Africa. IsDB has also partnered with UNHCR to carry out the implementation of various refugee programmes including for Rohingya refugees in Bangladesh.

Lastly, the importance of **joint knowledge building and analytics** was recognized as essential to informing forced displacement responses. Recent efforts undertaken include the IDB's study in the Dominican Republic on socioeconomic regularization and the IsDB's global report on the impact of COVID-19 on forced displacement, refugees, and migrants. In efforts to further increase understanding of resilience, the IsDB has also provided the first Global Resilience Index which has five dimensions including refugees, forced displacement and migration. The AfDB is currently working with UNHCR, IGAD and ECA on a study aiming to set up a conducive investment climate for the economic empowerment of refugees and host community women. It also aims to identify solutions to strengthen peaceful coexistence between refugees and host communities in

fragile and conflict-affected contexts in the East and Horn of Africa and Great Lakes (EHAGL) Region. Finally, the WB under its “Building the Evidence on Forced Displacement” research partnership with FCDO and UNHCR has contributed to over 200 research projects across 36 countries.

3. Rapid financing to help alleviate strain on public services

MDBs have demonstrated an **ability to disburse rapid financing** through different modalities to support governments during crises. The COVID-19 pandemic responses are a good example of this as many MDBs rapidly disbursed funds through emergency financing instruments to support governments and the private sector. **Many MDBs emphasized the importance of systematically including refugees and forcibly displaced populations in COVID-19 preparedness and responses.** The pandemic has therefore provided useful lessons on how to ensure the inclusion of displaced populations and hosting communities in the responses to crises at a global, regional and national level.

Forcibly displaced populations have been favourably included into MDB members’ COVID-19 response projects and programmes. Since the beginning of the crisis, **the World Bank Group has approved over USD 150 billion in over 100 countries for COVID-19 health projects** to help countries and their hosted refugees fight the health, economic and social consequences of the pandemic (reaching 70% of the world’s population). The AfDB has shown leadership in the inclusion of forcibly displaced populations and host communities in its **USD 20 million COVID-19 regional response project in the Sahel**, in collaboration with the G5 Sahel and UNHCR. Overall, the AfDB designed the COVID-19 Crisis Response Facility (CRF) in April 2020 with a global financing envelope of USD 10 billion. This is a flexible tool for regional member countries including those facing forced displacement issues to address the effects of COVID-19 and support social protection programs through fast-track budget support, including private sector operations. This also included regional operations such as the USD 27million⁵ support to Africa Centers for Disease Control in 2020. The IDB approved a **health operation in Colombia totalling USD 162.5 million.**

Many projects under ADB’s comprehensive USD 20 billion Covid-19 response package include a focus on migrants, particularly regarding social protection measures. In these cases, support was centred around three areas: (i) balance of payment support in view of the decreased remittance inflow, (ii) livelihood support for remittance-dependent households, and (iii) employment and income support for returnee migrant workers. The IsDB approved over **USD 2.4 billion for its Strategic Preparedness and Response Program** which centers around 3Rs (Response, Restore and Restart) to support member countries affected by COVID-19 including refugees and forcibly displaced persons. The IsDB has also approved **USD 54 million under the Tadamon CSO Pandemic Response Accelerator Program** aimed at supporting fragile and conflict affected countries, refugees and hosting countries to reduce the negative impact of the COVID-19.

Beyond the pandemic, the ADB’s DRF+ and the AfDB’s Transition Support Facility (both mentioned above) and Special Relief Fund provide opportunities for rapid disbursement of funds in emergency situations related to forced displacement.

4. Enhanced private sector support

MDBs have consistently highlighted the importance of **increasing private sector investments** in situations of forced displacement and it has been acknowledged that more can be done on this, particularly in countries **where public sector clients are less accessible.** This was observed for the Western Balkans and the EU’s

⁵ <https://www.afdb.org/fr/documents/multinational-africa-centres-disease-control-and-prevention-africa-cdc-covid-19-response-project-appraisal-report>

Southern Neighbourhood region by the EIB, for which the Economic Resilience Initiative (ERI) was developed as a powerful combination of an EU guarantee, EIB loans, donor grants and technical assistance for the private and the public sector alike. Under ERI, nearly 60 projects have been approved for a total of 5.7 billion euros in investment as of June 2021. The initiative is expected to provide a total of 15 billion euros in extra financing with more than half of that supporting private sector development to, among other things, ease pressure on host countries by providing loans that help refugees set up businesses. **In most cases, the focus of such private sector operations is on livelihoods**, building the resilience of refugees and host communities, and improving access to labour markets. The EBRD also emphasises a private sector approach, including in its work on equality of opportunity which includes the perspective of migrants and forcibly displaced people. For instance, EBRD's Refugee Crisis Response includes financing support for the private sector, in addition to (mainly public sector) infrastructure projects. EBRD works with its private sector clients to improve access to skills, employment, finance and entrepreneurship opportunities for migrants and host communities.

EMERGING CHALLENGES

Although MDB engagement in contexts of forced displacement has steadily expanded in recent years, there have been challenges. One faced by many development institutions is linked to the **rapid disbursement of funds**. As the internal processes of development institutions are not fully tailored to those required for crisis response, MDBs face **programmatic challenges** when trying to expeditiously disburse financing for emergency situations. Providing predictable and flexible financing to improve preparedness, along with early and rapid response, is key but considerably challenging. As mentioned above, MDB's rapid financial disbursement as seen in their COVID-19 responses provides lessons that could be applied to address future disbursement challenges.

Acknowledging the importance of data collection and analysis, several MDBs have reported a **lack of data and analytical capacity and protection knowledge**. In this regard, besides ongoing collaboration such as the WB-UNHCR Joint Data Center, increased collaboration with UNHCR and institutions such as ICRC, IOM, the Internal Displacement Monitoring Centre and with academia will contribute to growing the body of evidence on forced displacement, which is critical for MDBs to design effective programmes for displaced populations.

MDBs also faced challenges in **overcoming and responding to a mounting negative perception of refugees and migrants**, which is growing in many refugee-hosting communities. This is largely observed in protracted contexts where the level of humanitarian assistance decreases, and host communities are experiencing competition for the limited services or feeling "burdened by" the refugee caseloads.

EMERGING OPPORTUNITIES

During the stocktaking event, MDBs reiterated their intentions to continue working towards the joint commitments made two years ago and to continue identifying further opportunities to advance their interventions and approaches in contexts of forced displacement.

Building preparedness and resilience in countries expecting large caseloads, including climate induced forced displacement, was identified by the group as an opening, and has already been considered and adopted by some MDBs. The EIB (through ERI) is financing investments in essential infrastructure targeting host countries (such as Lebanon) and transit countries (such as Serbia) and these have indirectly benefited refugees as the projects build resilience to future shocks such as large influxes of refugees. A large majority of the participating banks shared their interest in further working together in this area. One such example is the efforts of the WB and the ADB to anticipate and support preparedness activities in some of the potential host countries expecting an influx of Afghan refugees.

Many of the MDBs have been engaging in **joint data and analytics, and such efforts should continue to be streamlined to inform policy, programming, financing, and advocacy.**

It was noted that there is room for further **innovations in approaches, policies, strategies, processes, and financial products** to include forcibly displaced and hosting communities more systematically. Continued efforts to find cost-efficient and high-impact solutions in fragile contexts and communities affected by displacement is also needed. In this regard, there is potential for further expansion of innovation efforts which will be pursued by the MDB Platform together with partners such as UNHCR, IOM, ICRC and others. MDBs need to continue exploiting, where possible, **innovative financing opportunities** as part of efforts to respond to forced displacement situations. There are many potential modalities and entry points, and **solutions to the barriers to development for both refugees and host communities can come in multiple forms**, particularly when addressing and adapting interventions in complex environments. Examples of innovative practices can be along the lines of engaging in private sector opportunities or exploring the potential of **Social Impact Bonds (SIBs)** for refugee socioeconomic inclusion in host communities.

There is space for MDBs to increase their advocacy on displacement issues with governments and with the wider international community. **It would be critical for MDBs to increase their involvement in refugee-related events** by both participating in existing platforms (such as the future GRFs and HLOMs) and through the organization of events or the continued inclusion of forced displacement issues in existing events, such as the fragility-related events organised by several MDBs (the WB's Fragility Forums and the AfDB's Africa Resilience Forums). These gatherings provide an opportunity to strengthen partnerships with a broad range of stakeholders, showcase the impact of different financing, strategic, policy approaches and exchange information on good practices and lessons learned to examine what has or has not worked. This will also contribute to the coordination agenda of the MDB Platform and support MDBs' efforts to promote refugee positive policies. MDBs are also encouraged to engage in **regional support platforms** such as SSAR (Support Platform for the Solutions Strategy for Afghan Refugees) or MIRPS (Marco Integral Regional para la Protección y Soluciones) for Central America and Mexico.

Finally, as indicated earlier, the **MDB Platform on Economic Migration and Forced Displacement holds a lot of potential that could be further leveraged** to share good practices, lessons learned and challenges, and, notably, to **support coordination efforts and co-financing among the participant MDBs.**

ANNEX

Examples of actions taken by MDBs in support of the commitments made by the Platform:

The African Development Bank

- On the **policy dialogue and policy/strategy fronts** the AfDB has been advancing in several key areas: such as through the Africa Resilience Forum, the bank's strategic partnership with the Aswan Forum for Sustainable Peace and Development etc.; and the new Gender Strategy which specifically looks at FD and hosting communities.
- **AfDB and UNHCR have systematically increased their collaboration** at the management and technical/focal point level, specifically with a focus on transition states (fragile contexts). This will continue.
- Support to regional members countries, including the ones hosting a high number of refugees and internally displaced persons, to deal with the socioeconomic impact of the pandemic. An important project to highlight is the project for **COVID-19 response in the Sahel in collaboration with the G5 Sahel and UNHCR**.
- AfDB has and continues to collaborate closely with UNHCR on the development of the bank's **third Strategy for Addressing Fragility and Building Resilience in Africa**.
- AfDB is providing **USD 2.1 million via its Transition Support Facility (TSF)** in selected refugee-hosting and return areas in the eleven East and Horn of Africa and Great Lakes (EHAGL) countries. This program addresses legal, regulatory, procedural and infrastructural barriers to the economic empowerment of refugees, returnees and host/return community women; and identifies sectors of comparative advantage for investment and trade.

The Asian Development Bank

- **The ADB launched an integrated approach** to Support Fragile and Conflict-Affected Situations and Small Island Developing States (FSA) that also considers migration and forced displacement. The bank has also introduced **tailored processes and procedures** under the dedicated FSA approach to improve project results (for example, through fragility and resilience assessments).
- **Many ADB COVID-19 Response programmes** included migrants and their livelihoods, notably through employment support.
- Under the framework for ADF13, they introduced an **Expanded Disaster and Pandemic Response Facility (DRF+)** covering the years 2021-2024. The DRF+ expands the types of emergencies eligible for funding to include health emergencies and cross-border movement of displaced persons if certain conditions are met. It is through the DRF+ that ADB is planning to provide partial support for a Phase 2 of its support to Bangladesh for displaced persons from Myanmar.
- Approval of a Revised Disaster and Emergency Assistance Policy (RDEAP) and a Revised Emergency Assistance Loan Policy (REALP).
- Through the MDB Platform, the ADB participated in the organization of **dedicated webinars** on remittances and inclusion of migrant workers and refugees into social protection.
- Produced **publications** on related issues, such as regional cooperation and social protection in support of migrants (<https://blogs.adb.org/blog/countries-asia-and-pacific-need-work-together-support-migrants>)
- Established an internal working group in ADB on economic migration and forced displacement that will be co-led by the Social Development, Regional Integration and FCAS teams.
- **The bank continues to strengthen its partnerships** with UNHCR and other international institutions as well as with academia on the ground and through training and knowledge projects.

The European Bank for Reconstruction and Development

The **EBRD developed a Refugee Response Programme (RRP)** in 2016 to respond to the Syrian refugee crisis (Jordan, Lebanon and Turkey refugees and host communities) with a focus on social cohesion through the private sector to improve labour market access for refugees in key sectors. The three-tier private sector approach focuses on:

1. Infrastructure and local service delivery supported by a **Municipal Refugee Resilience Response (MR3) framework** aimed at alleviating the local pressure on refugee hosting communities and helping the local authorities in the delivery of public services at municipal level.
2. Initiatives supporting **SMEs, entrepreneurship, and access to finance** to strengthen economic resilience in refugee-hosting communities. The EBRD uses its **Small Business Initiative (SBI)** to improve access to finance and know-how for small businesses in underserved areas of south-eastern and central Turkey and Jordan, including for Women in Business. The EBRD works with local **financial institutions** to develop credit lines for on-lending to small and medium-sized enterprises, including risk sharing, as well as providing direct financing to businesses, including under the recently launched Youth in Business programme.
3. Opening up access to employment and skills through private sector engagement, to enhance access to skills, formal employment and entrepreneurship opportunities by leveraging the existing **Gender Equality and Economic Inclusion** expertise.

Strengthened engagement in economic migration and forced displacement situations is also captured as part of the EBRD's two strategies, the **Equality of Opportunity Strategy (2021-2025)** and the **Strategy for the Promotion of Gender Equality (2021-2025)**.

- The **Equality of Opportunity Strategy (2021-2025)** builds on EBRD's approach to economic inclusion through private sector investments and aims to significantly expand the bank's approach to and impact on promoting equality of opportunities through investments and policy engagement, to strengthen human capital development and resilience across the EBRD region. This will include an integrated and intersectional lens on refugee and migrant situations when considering investments, policy dialogue and advisory support engagements.
- As part of the **Strategy for the Promotion of Gender Equality (2021-2025)**, EBRD will introduce cross-cutting lenses such as 'Care Economy' and 'Voice, Agency, and Addressing Gender-Based Violence and Harassment (GBVH)' to further deepen the bank's impact on strengthening women's economic empowerment and equality of opportunity. These intersectional lenses will strengthen the Bank's work to support the needs of women refugees and migrants with regards to access to finance and entrepreneurship, access to skills and employment and access to services and infrastructure.

The European Investment Bank

- The EIB set up the **Economic Resilience Initiative** (due to end by end-2021), targeting an increase in EIB financing by 6 billion euros in the EU neighbourhood regions. Importantly, ERI combined an EU guarantee, EIB loans, donor grants and technical assistance for the private and the public sector. By June 2021, almost 60 projects totalling 5.7bn euros have been approved under ERI.
- Under ERI, the EIB **supported target countries by financing investments in essential infrastructure and by supporting small and medium sized enterprises**. Through SME investments, EIB piloted new and innovative approaches (such as financial rewards to SMEs that reach agreed social impact criteria of

which employing, or being led by, or servicing refugee communities was one criterion for eligible SMEs), to **target more directly the promotion of financial or labour inclusion of refugees.**

- EIB's public sector focus takes on a wider remit and focuses on building long term economic resilience to cater to the limited opportunities of engaging in operations with public sector clients that target refugees directly.
- Over the past two years, extensive evidence review was conducted on the links between migration and development to identify the key drivers of migration and FD and where the EIB, considering its business model and financial instruments, can most add value.
- On the basis of such evidence review, the focus for programming outside EU activities going forward will be as follows: first, as the **EU climate bank**, EIB will put a strong focus on the links between migration, forced displacement and climate change. Climate adaptation is considered essential to prevent the risk of forced displacement and to prepare for future movements of people. EIB's upcoming climate adaptation will detail further how to roll out activities in this area. In addition, EIB will focus on investments in urban development and importantly in social infrastructure more generally, such as health and education, which have both proven vital to help sustain shocks such as the COVID 19 pandemic. Finally, EIB will use more targeted approaches in supporting SMEs and micro finance institutions, focusing on **financial inclusion and job creation**, and in this context will continue to pilot new approaches to incentivize the financial sector to reach specific groups.

The Islamic Development Bank

The key goals of the IsDB is to provide **holistic and comprehensive programmes and projects addressing the root causes of forced displacement and refugees in its member countries.** Guided by its fragility and resilience policy, the bank supports the efforts of refugee-hosting countries to cope with refugee crises through **programmes that strengthen social cohesion between refugees and host communities.** IsDB also provides long-term development for refugees and conflict-affected people, particularly for women, children, elderly, and persons with a disability.

- The IsDB has been very active in supporting the refugees and hosting communities in the member countries through economic programs extending Islamic microfinance, SMEs, livelihoods development programs, skills development, entrepreneurships for young refugees, water sanitation and community resilience building.
- The IsDB's specialized **Islamic Social Financing windows** such as the Global Muslim Philanthropists Fund for Children (GMPFC) with UNICEF has also supported nutrition, education, and health sectors programs for refugees and hosting communities in Jordan, Lebanon, Pakistan, and Bangladesh.
- More recently, the bank, through the **Islamic Solidarity Fund for Development (ISFD)**, and UNHCR is finalizing the establishment of USD 500 million of Global Islamic Fund to support refugees and forcibly displaced people.
- The bank has also approved their **Tadamon CSO Pandemic Response Accelerator Program** aiming at supporting 16 fragile and conflict affected member countries, refugees, and forcibly displaced people to respond to the impact of the COVID-19.
- On the knowledge side, the bank has recently finalized **a global report on assessment of the impact of COVID-19 on forced displacement, refugees, and migrants.**

The Inter-American Development Bank

- Between December 2019 and Q1 2022, the IDB would have allocated USD 1.36 billion for 13 forced displacement investment and policy operations, leveraged by the IDB Grant Facility for migration (USD 94 million), USD 49 million from donors and USD 17.6 million through GCF financing.
- IDB, with IOM, has certified over 2,000 migration professionals on migration-related issues such as migration policy, border management, etc. on **online tutored courses** since January 2020. The IDB has also published more than **30 studies and papers.**

- IDB has stepped up its **capacity and response framework** not only in countries of arrival, countries of origin but also countries of transit and countries receiving returns. The IDB continues to engage with client countries and to include innovative approaches to address migration and forced displacement.
- The IDB has counted 24 technical cooperation and has a solid partnership with UNHCR (with recent a study in Dominican Republic on socioeconomic regularization) and the imminent signature of a Memorandum of Understanding.
- The IDB has been also working closely with the WB's Fragility, Conflict and Violence unit, for example in Colombia in sister policy operations that will be leveraged by GCFF resources. In addition, the IDB strengthened its presence in regional forums such as through its engagement on the MIRPS platform and the Quito Process and Action Plan.

The World Bank

- The WB's **approach to forced displacement** is multifaceted and includes the dedicated financing instruments for refugees and host-communities, project operations, data and evidence building, partnerships with humanitarian and bilateral organizations and field coordination/strategic engagement.
- **Operationally**, USD 3.1 billion of financing from the GCFF and WHR has been committed to 18 countries across 63 operations, spread over 14 different global practices, with prospective eligibility for more countries (such as Kenya, Tajikistan, Sudan and South Sudan under the WHR). The countries supported under the GCFF and WHR include Bangladesh, Burkina Faso, Burundi, Cameroon, Chad, Congo Rep, DRC, Djibouti, Ethiopia, Mauritania, Niger, Pakistan, Uganda and Rwanda, Jordan, Lebanon, Ecuador and Colombia.
- In addition to financing, the WB engages in **data, evidence and knowledge building, technical assistance and capacity building** through initiatives including the UNHCR-WB Joint Data Center, Prospects Partnership, Statement and Peacebuilding Fund forced displacement window and a dedicated research program on Building the Evidence on Forced Displacement.
- On the strategic engagement and policy fronts, the WB has worked with UNHCR in multiple host countries to conduct a systematic review of the policies and institutional framework for refugees that aims to advance policy dialogue in RSW/WHR eligible countries. This engagement is supported by **field-based FCV/Forced Displacement Coordinators** at country-level.