

Towards a development approach to displacement

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To better respond to displacement, we need to adopt a medium- to long-term perspective rooted in development as well as humanitarian principles.

There is general consensus that displacement requires not just a humanitarian response but also a development response. There is less consensus, however, on what a development response actually is, and how it differs from a humanitarian one. The need to resolve this uncertainty is pressing, with some 66 million people currently displaced by conflict and persecution, most of whom are hosted in a relatively small number of developing countries.

For development institutions, displacement poses significant challenges to achieving the Sustainable Development Goals. In some regions, as pressures increase to close borders, the consensus on the benefits of free movement of people and goods that has underpinned global growth is being challenged. In others, the size of the refugee populations creates risks that could undermine stability in and beyond the region. In a number of situations, displaced people are uprooted for extended periods of time, making traditional humanitarian responses insufficient.

A development approach

Development actors need to focus on the medium-term socio-economic dimensions of a crisis. As part of a broad international effort that also includes humanitarian, security and diplomatic elements, development actors need to focus on what they can do best, not replacing others' agendas but complementing them. They can provide medium-term resources and foster economic opportunities. They can support governments, and leverage the private sector and civil society. They can help strengthen policies and institutions in host countries. The development framework is one of poverty reduction, with a focus on both the displaced and their hosts. But this plays out very differently across countries. Development

actors need to identify the medium-term goals that can be achieved in a given context and to adjust their specific objectives and their programmes to each situation.

Displaced people are of particular concern to the development community because of the specific vulnerabilities arising from their situation. They have lost their assets. They have undergone traumatic ordeals. They often have fewer rights and less ability to exercise them. Most live in places where opportunities are limited. The uncertainty of their situation makes it difficult to plan or invest. These vulnerabilities affect their ability to seize economic opportunities, and often trap them in poverty. It is because this combination of vulnerabilities is specific to displaced people that traditional poverty reduction efforts may not suffice, meaning special interventions are needed. The development response hence aims to help mitigate, or even eliminate, these vulnerabilities, in order to restore displaced people's socio-economic capabilities.

Host countries and host communities also require support. The arrival of large numbers of people creates both risks and opportunities – in terms of national security, jobs, services and social cohesion. Some impacts are positive, some negative, and some members of the host community benefit while others lose out. In most situations this transforms the environment in which poverty reduction efforts are being designed and implemented. Development actors can help host countries and communities to deal with these circumstances and to continue to make development progress in a transformed context, while providing an accepting environment for the displaced.

Supporting change

The World Bank Group has recently established two facilities to support programmes for refugees and host

communities. The Global Concessional Financing Facility (GCFF) uses a mechanism to make traditional development loans for middle-income host countries, such as Jordan and Lebanon, significantly cheaper. Over the next five years, the GCFF plans to raise US\$1.5 billion in grants and to provide \$6 billion in concessional financing. A dedicated \$2 billion, made available through the International Development Association (IDA), the World Bank's arm for low-income countries, will provide host countries such as Ethiopia and Pakistan with additional resources.

These resources will be disbursed through traditional development mechanisms, typically government entities, with a focus on supporting policy and institutional changes to improve management of a crisis. The significant uptake of such financing to date suggests there is a window of opportunity to support change in several host countries. Country-level programmes have been designed in coordination with humanitarian and other actors, and development actors can contribute to supporting this change in a number of ways:

Data and evidence: Improving the evidence base necessary to design successful programmes is critical. Reliable data are scarce, and empirical analytical evidence on what works is even scarcer. Yet this is needed to inform policy recommendations, develop sound interventions, and enable effective synergies between all actors.

Preparedness: Most displacement can be forecast, and for many host countries refugee flows are a recurring phenomenon. There is often an opportunity to shift from a crisis response to a preparedness agenda and this could have a significant impact. Warning systems, contingency plans and institutional readiness are critical to mitigating negative impacts on development, for both displaced people and their hosts.

Early response: Decisions made in the first weeks of a crisis tend to have a lasting impact, for example on the location of refugee settlements or on the sort of agreement

struck with the authorities. Integrating a medium-term socio-economic perspective in these discussions is critical for the overall sustainability of the effort. Early development interventions can also help reduce humanitarian costs, for example reducing the need for trucking water by reinforcing water supply systems.

Jobs: Self-reliance is both an economic necessity and a key element in human dignity. To facilitate this, development actors need to engage with host governments on issues such as the right to work or freedom of movement, address long-standing development issues (most host economies have a poor business environment), and work with the private sector – as is currently happening in Jordan under the Jordan Compact.

Education: Over half of displaced people are children. Their education is of paramount importance not only for them but also in order to build a new generation that can contribute to lasting peace in their country of origin – and to avoid the large-scale disenfranchisement that can breed further violence. Development actors can help strengthen country systems and design education solutions adapted for these children, with a particular focus on building portable skills.

Less-developed regions: Most refugees are hosted in remote parts of countries that are typically among the poorest. Development actors can help strengthen infrastructure and service delivery in these areas to improve development prospects for both refugees and their host communities.

Solutions: Development actors need to focus on achieving solutions to displacement – whether return, integration or resettlement – that are fully sustainable from a socio-economic perspective. This could be achieved by helping to manage the long-lasting socio-economic impacts of displacement through economic opportunities. People who continue to struggle after years

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of exile in camps and other temporary environments may need particular support.

Beyond the humanitarian-development nexus

The activities of humanitarian and development actors have long been seen as sequential, with an initial humanitarian response followed by a development effort when the situation becomes protracted. In many cases, however, the two approaches can be complementary throughout the entire

period of displacement. What is needed, therefore, is a crisis response that is rooted in a medium- to long-term perspective – one that necessarily includes development.

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This article draws on the World Bank Group's report *Forcibly Displaced: Towards a Development Approach Supporting Refugees, the Internally Displaced, and Their Hosts* www.worldbank.org/forciblydisplaced