

Boosting donor engagement to achieve refugees' socioeconomic inclusion

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The international donor community has already moved towards integrating a development approach into its response to protracted refugee situations. Donors now need to enhance their engagement with local, national and regional partners to overcome the remaining obstacles to the sustainable socio-economic inclusion of refugees.

In 2015, the arrival of 1.3 million refugees in Europe led international donors to unlock billions of euros to respond to forced displacement in the Middle East, as well as in Africa and other parts of the world. The EU, for instance, set up four funds to support interventions facilitating refugee access to education, livelihoods and health care.¹ Other global actors like the World Bank Group and UNHCR took part in this transition, with dedicated financial instruments and new operational approaches, such as the Window for Refugees and Host Communities and the Comprehensive Refugee Response Framework (CRRF).² In 2018, following the adoption of the Global Compact on Refugees, a range of host countries such as Ethiopia, Jordan and Costa Rica committed to revising their policies in order to make it easier for refugees to access services and formal employment. In turn, donors pledged to support these reforms. Since then, new

programmes have built on previous attempts to better integrate humanitarian and development approaches in refugee contexts and have generated a range of methods for supporting refugees' socio-economic inclusion.

Putting these integrated approaches into practice has been tricky, however, with many initiatives yet to produce transformative effects. Host governments continue to enforce policies restricting refugees' rights to move, to work, and to access basic services, thereby placing barriers on the road to self-reliance.³ The effects of these obstacles have been further exacerbated by the COVID-19 crisis and its impact on funding, as well as on refugees' vulnerability, their access to care and protection, and their acceptance by host communities.⁴

Despite these setbacks, the Global Refugee Forum to be held in December 2023 offers the opportunity for donors and other

humanitarian and development actors to reset these efforts. Doing so should involve a) taking stock of what has gone wrong and how international partners can improve strategies and programmes, and b) mobilising a new round of funding pledges. Both elements are essential as we emerge from the pandemic and in the context of a global food crisis, with low- and middle-income countries experiencing weaker economies and with increased pressure on official development assistance. Donors could bolster their effectiveness by increasing and enhancing their engagement with policymakers and civil society at regional, national and local levels. This means conducting more comprehensive consultations in the design phase of programmes, striving for robust partnerships throughout implementation, and setting up participatory feedback mechanisms to inform future refugee policies and donor proposals. But taking these three steps requires significant investment and presents its own set of constraints.

Limitations of programmes

Four main obstacles have prevented the successful design and implementation of initiatives to promote the socio-economic inclusion of refugees. First, these initiatives can be disconnected from the actual needs of refugee and host communities. Skills programmes, for example, may target occupations with insufficient labour demand and not take into account the experience refugees already have. In addition, interventions that continue to predominantly target refugees have generated resentment among host communities, especially as the two groups tend to have similar needs. These challenges typically stem from programme design processes that are not sufficiently informed by local stakeholders and lack a nuanced view of the context.

At the same time, local civil society and refugee-led organisations (RLOs) usually have to respond to project requirements that may have been developed without their consultation, and have limited opportunities to propose projects that are more locally relevant. This disconnect and lack of a sense of ownership by local communities can ultimately undermine programme sustainability.

Second, donors and development actors have not prioritised sustained advocacy and dialogue to reform those policies that block refugees' socio-economic inclusion, like restrictions on movement or limited access to the formal labour market. Policy advocacy takes significant diplomatic capital, sometimes more than donors may be willing to expend. This is especially true in countries like Lebanon and Pakistan, where refugee-related issues are extremely sensitive. Besides, many donors and development agencies had not engaged with recipient countries on refugee issues before 2015. It has taken time for these actors to develop their contacts within host country governments. This has proved very challenging in countries like Kenya where it has sometimes been unclear which department was responsible for refugee affairs.

On top of that, donors are limited by the size and duration of their support. Some recipient countries, which have welcomed development funding, have questioned the long-term commitment of their international partners and expressed frustrations with the slow pace of budget disbursement. In response to these uncertainties, countries have delayed acting on their pledges. For example, Ethiopia's commitment to the labour market integration of refugees and Jordan's promise to grant work permits to Syrian refugees have seen slow progress.

Third, the ambitious goal of achieving refugees' socio-economic inclusion requires long-term investments that are difficult to reconcile with donors' funding cycles. Development actors always need more time than humanitarian agencies to initiate interventions and reach a formal agreement with recipient countries to define their scope of activities. Getting the buy-in of government partners on such a framework is even more time-consuming for development programmes supporting refugees, as this is a new way of working that is rarely politically palatable to host countries at the outset.

These time constraints have hindered the ability of implementing partners to achieve long-term progress. Instead, they have often emphasised immediate outputs. For example, livelihoods programmes should ideally

include mentorship that goes beyond initial training, as well as start-up capital for aspiring entrepreneurs and job placement efforts. But in many cases, these programmes only focus on vocational training, which ultimately limits the number of refugees and host community members able to benefit and to build sustainable livelihoods. In Uganda, some local organisations have conducted follow-up mentorship on their own accord; this only occurs on a small scale, however, due to their limited resources.

Fourth, progress has been hampered by the lack of coordination among donors and implementing partners. Since 2018 in particular, there have been more efforts to set up secretariats, task forces and working groups in host countries, including to implement the CRRF. However, these structures have not played the strategic and political roles that were intended. In many refugee situations, donors (and sometimes recipient governments) do not have a full overview of refugee and host community support programmes, and needs assessments, monitoring reports and lessons learned are not shared between donors. This has led to some duplicative programming, with over-saturation of certain types of interventions and over-targeting of certain populations. In the end, siloed information limits the ability of donors to engage strategically and to build complementary, rather than competing, programmes.

Points of leverage to boost donor engagement

One way to address these challenges is to build stronger partnerships with local, national and regional actors. This involves reaching out to new stakeholders and holding consultations to include all actors in strategic planning, programme design, implementation and learning. Such an approach, however, requires navigating a series of obstacles.

At the national level, having a presence of donors and their partners in-country and coordinating closely with the central government and non-government counterparts will contribute to a more nuanced understanding of national priorities and sensitivities. This is the prerequisite for more effective advocacy to

improve refugee policies. These engagements will also help align donor priorities with national development plans and, in return, influence broader development-related conversations so that they reflect the opportunities and challenges associated with the presence of refugees. Eventually, this knowledge will inform programming and ensure that future interventions are more rooted in national policies. That should prevent resources being spent on programmes which would have no hope of success because of political impediments.

Efforts should also be made to understand local dynamics at the sub-national level, where donors and their partners need to engage with community leaders, civil society and RLOs, and local authorities. Concretely, donors would benefit from needs assessments that are more thorough, especially by research organisations that have an in-country presence. In parallel, donors from headquarters and country embassies would gain from spending time in the regions targeted by their programmes in order to have a better understanding of local issues and perspectives. These engagements can also be useful in identifying new networks of implementing partners. However, exchanges with community leaders are time-consuming – and it is important to take into account the fact that the refugee representatives engaging with international agencies may not reflect the full diversity of experiences within their communities, and thus some specific needs could be neglected.

Finally, engagement at the regional level is essential for learning across refugee contexts, connecting actors working at different levels of governance, and maintaining momentum for political reforms. This includes supporting regional fora where these conversations take place, such as the Intergovernmental Authority on Development (IGAD), the East African Community and the Southern Common Market (Mercosur), as well as other transnational networks such as those for cities or RLOs. In parallel, donors and implementing partners need spaces where they can discuss how to improve the way humanitarian and development actors work together. There has already been progress on partnerships between UNHCR and the World Bank Group,

and also, more recently, between other international organisations including UNICEF and the International Labor Organization.⁵ These partnerships could provide a blueprint for other donors and implementing partners.⁶

Constraints to overcome

Four constraints affecting these engagements arise from how donors allocate resources and approach programming. First, these efforts are all resource-intensive, especially as local actors need to be compensated for their time advising donors. The budget allocated to consultations, research and project design is money not spent on concrete activities for refugee and host communities. Still, this initial investment should pay dividends later as donors can draw on these resources and relationships for future programming. This will avoid repeating a new round of quick consultations at the inception of each new initiative.

Second, donors may have to compromise on programme design when integrating local expertise. This may result in activities or strategies that run counter to their initial preferences but that ultimately offer greater opportunities for addressing communities' needs. For example, refugee and host community leaders may suggest that initiatives target areas that have not previously received much attention and are potentially in greater need of support.

Third, donors may have to overcome funding timelines that are tied to their government's political and budgetary cycles. As these timelines are often legislatively determined, policymakers could think creatively about how they can make longer-term commitments, and how to insulate these pledges from political shifts mid-programme.

Finally, in order to further localise their programmes, donors and implementing partners need to acknowledge the potential for failure. This will allow them to fund organisations that may be less experienced and activities that may be more experimental. Not all donors, however, are able to take these risks, especially smaller development agencies that need to demonstrate the effectiveness of their funding in case they jeopardise their own budget. To overcome this, donors could reframe what they consider to be successful outcomes and ensure

they systematically share lessons learned about their programmes.⁷

As the 2023 Global Refugee Forum approaches, donors and their partners need to initiate these conversations at home and in refugee-hosting countries. Only by doing so will they be able to map out a new route towards refugees' socio-economic inclusion and mobilise the next round of funding pledges.

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1. The EU Regional Trust Fund in Response to the Syrian crisis, the EU Facility for Refugees in Turkey, the EU Emergency Trust Fund for Africa and a global fund encouraging innovative approaches to responding to forced displacement (Lives in Dignity).

2. See World Bank 'IDA18 Regional Sub-Window for Refugees and Host Communities' bit.ly/IDA18-window; UNHCR 'Comprehensive Refugee Response Framework' bit.ly/CRRF-refugee-response

3. For example, at least 55% of refugees live in countries that significantly restrict their access to work. Ginn T, Resstack R, Dempster H, Arnold-Fernández E *et al* (2022) *2022 Global Refugee Work Rights Report* bit.ly/refugee-work-rights

4. Tanner J, Mugerá H, Tabasso D, Lazić M and Gillsäter Björn (2021) *Answering the Call: Forcibly Displaced During the Pandemic* bit.ly/displacement-pandemic; Banulescu-Bogdan N (2022) *From Fear to Solidarity: The Difficulty in Shifting Public Narratives about Refugees* bit.ly/public-narratives

5. See for instance the Dutch-funded Partnership for improving Prospects for host communities and forcibly displaced persons bit.ly/ILO-host-communities and the Joint Data Center on Forced Displacement established by UNHCR and the World Bank <https://www.jointdatacenter.org>.

6. See also: OECD resources relating to adapting development strategy and financing to the reality of forced displacement, including *Financing for Refugee Situations 2018-19* bit.ly/OECD-fragility-resilience and the *Global Compact on Refugees Indicator Report 2021* bit.ly/UNHCR-global-compact

7. The EU Lives in Dignity facility, for example, has attempted to take risks as well as evaluate and disseminate lessons learned. See Lives in Dignity Grant Facility (2022) *Incentivizing through the Granting Process: Some Examples and Lessons Learned* bit.ly/LID-grant-facility

