

New aid architecture and resilience building around the Syria crisis

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The international community has been piloting an integrated humanitarian, development and government response to the crisis in the region of Syria.

As middle-income countries, Jordan, Lebanon, Turkey and Egypt to a large extent, and Iraq and Syria to a lesser extent, saw declining official financing flows supporting their development in the years preceding the current Syrian crisis. In middle-income countries, financing for development relies primarily on national resources and international borrowing. The flows of refugees have put national budgets under stress due to the growth in the volume of subsidies for basic goods and services and to mounting security costs, with Jordan and

Lebanon facing higher public debts than their Gross Domestic Products (GDP).

The effectiveness of the support of the international community has also been weakened by the prevalence of separate humanitarian, development and climate adaptation financial 'silos'. The three have different aims and follow different principles. They have evolved separately and operate over different spatial and temporal scales, are aligned with different budget lines and rules, and are managed by different actors. A multitude of

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multilateral, bilateral and non-governmental initiatives exist with their individual funding streams – with communication and coordination among initiatives often lacking even within an individual donor's own aid architecture, within individual governments' line ministries and among UN agencies. Although some donors have been working to overcome the divide between humanitarian and development initiatives and funding channels, the response to protracted crises has remained fragmented. One of the lessons from the Syria crisis is that the prevailing aid architecture for crisis response is not fit for purpose.¹

Towards a paradigm shift in responding to protracted crises

In late 2013, within the framework of the Regional United Nations Development Group (R-UNDG), the United Nations Development Programme (UNDP) established a Sub-regional Response Facility² in Amman, covering the six countries most affected by the crisis, to work closely with humanitarian and development stakeholders and governments to find a more sustainable and affordable response to a protracted crisis. There have been four critical milestones in this challenging journey:

First, the adoption of the **Resilience-Based Development Response to the Syria Crisis**³ by the R-UNDG, which set a new programming and organisational framework for the integration of humanitarian and development interventions. The resilience-building approach included an innovative resilience toolbox (Stress Index, Resilience lens, Vulnerability analysis, Resilience system assessments), an expanded scope of intervention (refugees and also host communities), new partners around the table (private sector, international financial institutions, development funders) and an enhanced role for the governments of the five countries hosting refugees.

Second, the formulation of the **Regional Refugee and Resilience Plan (3RP)**, co-led by UNHCR (the UN Refugee Agency) and UNDP, with the participation of five countries and more than 200 partners, including

relevant UN agencies, and national and international NGOs. The 3RP is innovative inasmuch as it (a) integrates humanitarian and development interventions in a single crisis response programming platform, (b) enhances national ownership by centralising the planning process around national plans (for Jordan and Lebanon), (c) refocuses investment in local delivery systems, particularly municipalities, and, finally, (d) has introduced multi-year programming to enhance financial predictability.⁴

Third, the **Resilience Development Forum** in November 2015 at the Dead Sea, Jordan, gathering senior representatives of governments from Egypt, Iraq, Jordan, Lebanon and Turkey, UN agencies, international organisations and international financial institutions, donor countries, international and national NGOs, research institutions and private sector leaders. The output was a resilience-building roadmap, the **Dead Sea Resilience Agenda**,⁵ which has codified and captured in five principles and ten recommendations the new business model for protracted crises. It is intended to inform the next round of responses in the region, including inside Syria, to strengthen the ongoing national planning processes and to continue leveraging development resources and partnerships for durable solutions.

Four, the organisation of the **London Conference – Supporting Syria and the Region** in February 2016 to mobilise financial resources for resilience building, involving traditional and non-traditional donors, governments of the region, international financial institutions, philanthropists, the private sector and a wide range of national and international NGOs. Here, for the first time, a Syria pledging conference was structured around the resilience building themes of livelihoods and education, with protection as the third one.

The Conference also moved away from traditional pledging exercises by introducing 'commitments for policy change'. Jordan, Lebanon and Turkey committed to opening up their labour markets and increasing economic opportunities for refugees and host communities. In turn, external actors

agreed to support host countries in areas such as preferential access to markets, access to concessional financing and increased support for public and private sector job creation. This new deal is a concrete example of how a crisis can be transformed into a development opportunity.

New resilience building opportunities

The resilience agenda in the context of the Syria crisis has introduced a series of new investment and cooperation modalities, which will certainly influence the next generation of crisis response.

Among the most promising are:

Private sector engagement: Across Syria's neighbours, national resilience plans have identified business development as a key pathway to socio-economic resilience building in affected communities. Governments, through special tax and other incentives, could also catalyse, shape and drive foreign private investment (including Syrian investments) to generate jobs for refugees and host communities through Special Economic Zones. The objective is to attract businesses and create jobs along the border to reduce migration and prepare the ground for reconstruction. The role of government in providing security to these special economic zones is fundamental, while aid can serve as seed funding to attract more private investment. In existing industrial zones in Turkey, aid-funded vocational training programmes have been established, gradually receiving more private funding and benefitting from cooperation agreements with governments to use some public facilities.

Pooled funding: This type of funding, administered by a group of international stakeholders, can gather fragmented contributions to reach a critical mass of resources to fill critical funding gaps. It can then provide sector budget support at the request of governments while fostering better coordination and consistency of programmatic objectives and risk management. Pooled funds are in place for Lebanon and Jordan.

Debt to Development, Nature or Equity Swaps (DDS, DNS, DES): These

are instruments that may reduce the indebtedness (currently above 100% of GDP) of some of the countries neighbouring Syria while funding development projects to address the demographic shock. Trilateral coordination among the UN, international financial institutions and national governments provides a negotiating platform for all these development swaps and to identify national capacity gaps for such financial transactions.

South-South and Triangular Cooperation: What is needed is the consistent engagement of national actors in the region with potential suppliers of solutions elsewhere. From efficient energy and water management to high-impact social entrepreneurship and cohesion-building techniques, there are lessons that can be drawn upon by countries affected by the crisis, given the wealth of experience and knowledge of Southern countries in coping with a wide range of human-made crises.

Although resilience building still remains a vague concept in the sub-region (subject to different technical interpretations and political interests), it has played a remarkable partnership-building role by gathering a wide range of stakeholders – humanitarian, development and government – around a common objective of optimising capacities, knowledge and resources for durable solutions. Through resilience, we aim to stop the spread of the humanitarian crisis while preserving human capital and vital assets, creating momentum for reversing the negative impact of the crisis and ultimately ending the tragedy for millions of human beings.

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1. www.worldhumanitariansummit.org/whs_finance/hlphumanitarianfinancing
2. www.arabstates.undp.org/content/rbas/en/home/ourwork/SyriaCrisisin_depth.html
3. www.arabstates.undp.org/content/rbas/en/home/library/CPR/a-resilience-based-development-response-to-the-syria-crisis.html
4. See Zetter R (2014) 'Development and protection challenges of the Syrian refugee crisis', *Forced Migration Review* issue 47 www.fmreview.org/syria/zetter
5. <http://tinyurl.com/DeadSeaResilienceAgenda>