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World Bank Group Support in Situations Involving Conflict- Induced Displacement

PRÉCIS



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A Critical Time for Situations of Conflict-Induced Displacement

As of 2017, 68.5 million people—a number likely higher than at any time since World War II—lived in situations of forced displacement. Between 2000 and 2017, the number of internally displaced persons (IDPs) doubled from 20 million to 40 million, and the number of refugees rose from 18 million to 25.4 million. In 2017 alone, the number of new refugees jumped by 2.9 million—the largest annual increase on record. Forcibly displaced people may remain displaced for years: two-thirds of all refugees in 2017 (13.4 million people) had been displaced for five or more years, unable to return home because of persistent conflict and unable, because of government policies, to settle in their host country or move to a third country.

Forced displacement creates four vulnerable populations:



REFUGEES

people who have been forcibly displaced because of conflict or violence in one country and have settled in another country



INTERNALLY DISPLACED PERSONS (IDPs)

people who have been forcibly displaced because of conflict or violence but stay in their country of origin



RETURNEES

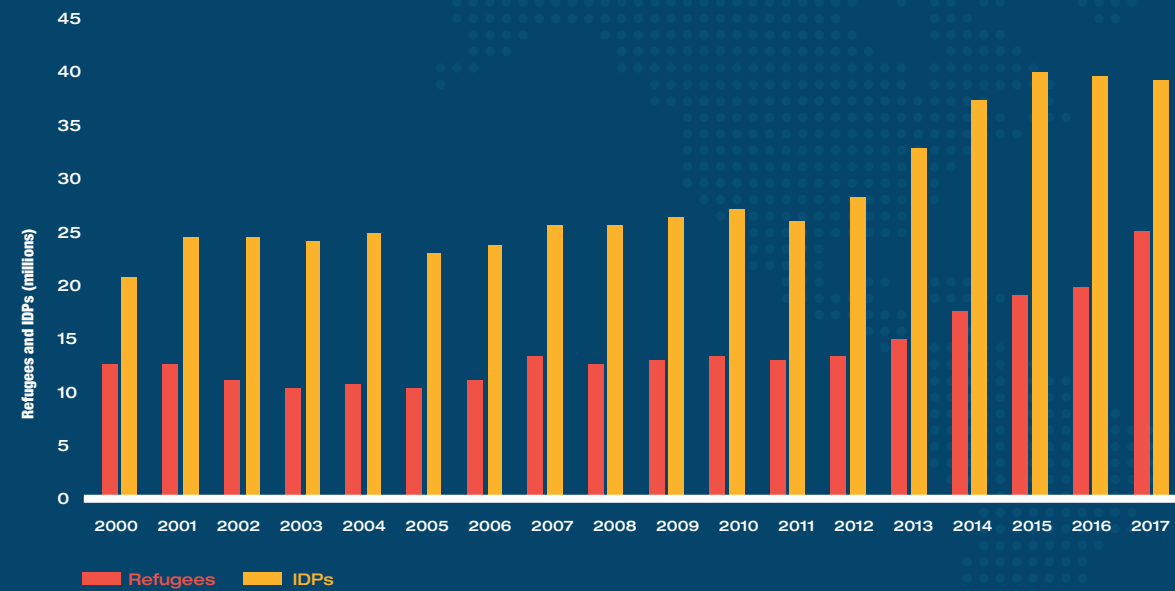
IDPs or refugees who voluntarily return to their own homes or communities



HOST COMMUNITIES

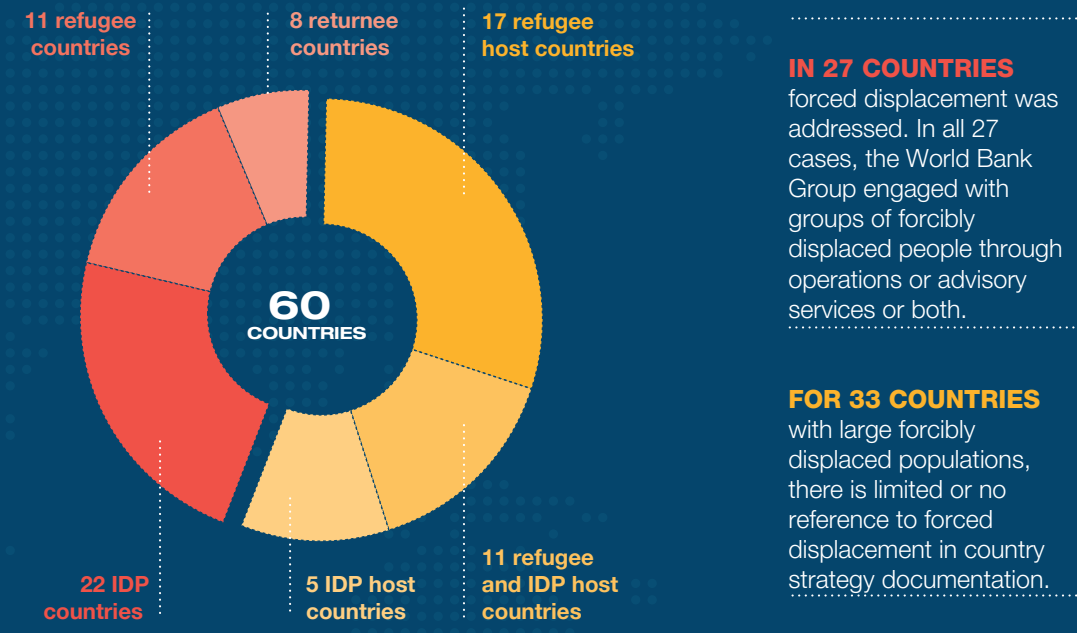
areas where displaced people settle that are affected heavily by the influx of people

REFUGEES AND INTERNALLY DISPLACED PERSONS GLOBALLY, 2000–17



“As of 2017, 68.5 million people—a number likely higher than at any time since World War II—lived in situations of forced displacement.”

WORLD BANK GROUP ENGAGEMENT IN COUNTRIES WITH LARGE FORCIBLY DISPLACED POPULATIONS AT THE COUNTRY STRATEGY LEVEL, FY00–17

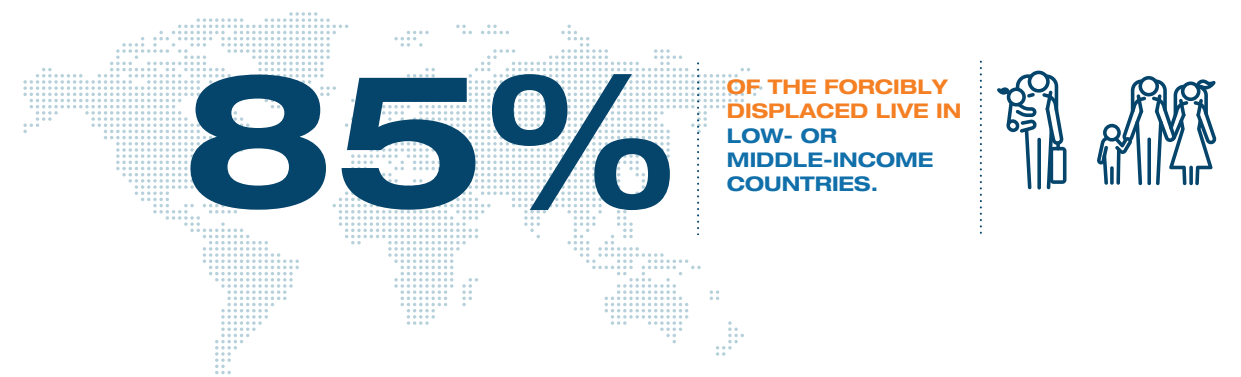


Note: IDP = internally displaced person. The Bank Group has 60 country clients with large forcibly displaced populations. The number of countries that referenced and addressed forced displacement in country strategies (n = 27) is less than the number of groups referenced or addressed in country strategies (n = 41). More than one group can be addressed in any given strategy. For example, the Country Partnership Framework for Chad (FY17–22) addresses both IDPs and refugees.

Conflict-Induced Displacement: Humanitarian Crisis and Development Challenge

The international community recognizes the increasing numbers of internally displaced persons and refugees as both a humanitarian crisis and a critical development challenge. The humanitarian model of care and maintenance by itself is not a sustainable long-term approach: a complementary and simultaneous development response from the onset of a forced displacement crisis helps build the conditions that enable the forcibly displaced to move toward independence, dignity, and hope.

The Bank Group engaged to varying degrees in 27 of 60 client countries with large forcibly displaced populations in support of refugees, IDPs, or returnees during fiscal years (FY)00–17. Most of the forcibly displaced (85 percent) live in low- or middle-income countries, where their presence may exacerbate preexisting development challenges, for example, by straining government safety nets not designed for large-scale protracted emergencies.



The Bank Group's Development Approach Leverages Its Comparative Advantages

In 2016, growing awareness of forced displacement as a development challenge led to the endorsement of a new approach to World Bank Group engagement in situations of conflict induced forced displacement. The development approach consists of four components:

Socioeconomic aspects of the displaced:

Tailored approaches and special interventions to address the specific vulnerabilities associated with forced displacement to reduce poverty among the forcibly displaced.

Host communities: Interventions to address the negative impacts forced displacement imposes on host countries and communities; balanced support for host countries and communities and the forcibly displaced; social cohesion building; and support to economic situations that leverage opportunities.

Medium- to long-term perspective: Institutions and policies to promote economic opportunities.

Partnerships: Broad partnerships with government, other partners, the private sector, and civil society, especially in areas where the World Bank Group does not have a comparative advantage.

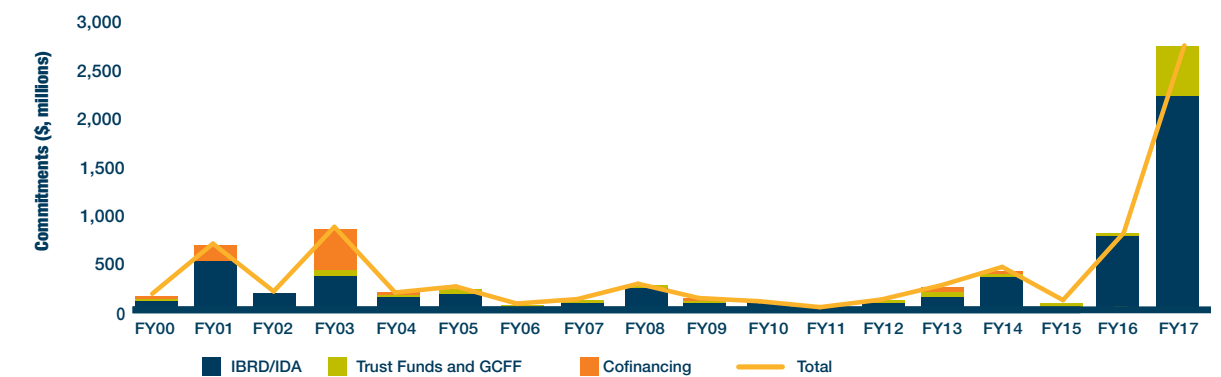
The development approach can ease the impact of forced displacement on host communities and develop the institutions and policies that promote economic opportunities and self-reliance, supporting medium-term solutions through planning and coordination with other development partners.



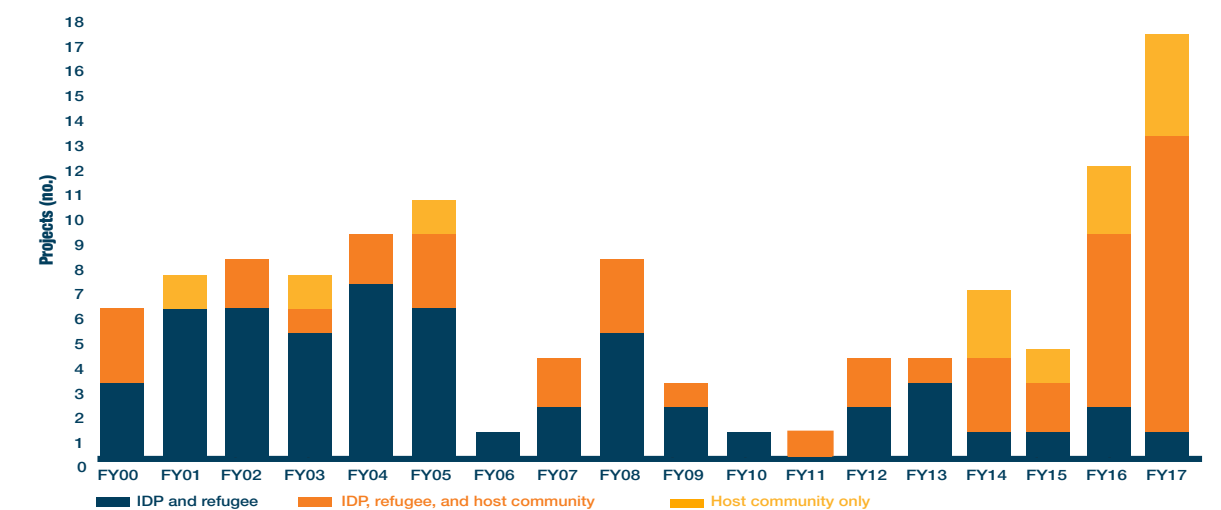
A Notable Shift in Engagement

Since adopting its new approach, World Bank financial support for forcibly displaced populations and their host communities increased and projects became more balanced—targeting both the forcibly displaced and host communities. However, the Bank Group is not yet fully leveraging its comparative advantages in implementing its intended development approach.

World Bank Commitments for Situations of Conflict-Induced Forced Displacement by Approval Year, FY00–17



Projects Directly Supporting IDPs, Refugees, and Host Communities by Approval Year, FY00–17



Note: GCF = Global Concessional Financing Facility; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IDP = internally displaced person.

Using Knowledge to Support and Tailor Project Design and Policy Dialogue

Implementing the development approach goes beyond financing to knowledge work, and the Bank Group is building context-specific knowledge on forced displacement that is aligned with the the approach. Many good examples of analytical work underpinning the development approach exist.

The Bank Group's analytical work has facilitated policy dialogue. For example, analytical work in Turkey found that although refugees displaced Turkish laborers from the informal sector, employment of Turkish men in the formal sector was increased. In Kenya, a social and economic assessment showed that the presence of refugees in the Kakuma refugee camp in Turkana boosted local income and employment levels in and around the camp, particularly for women and agricultural workers. Policy dialogue focused on a new settlement in Kenya, Kalobeyei, which will integrate refugees into the host community.

Still, context specificity is not yet a consistent feature of project design. Although many World Bank projects support livelihoods and economic opportunities, in line with the priorities of a development approach, projects are only now beginning to focus on policies to ensure economic opportunities. Context-specificity requires analyses of, for example, restrictions to refugee employment or the lack of transferable skills. For example, many of Syria's refugees fled from rural to urban areas, where their rural skills were not transferable.

Addressing the Specific Needs of the Most Vulnerable

Knowledge work related to gender could be strengthened. The prominence of gender in displacement programming varies considerably across countries. More gender analyses and a stronger link to project design are needed. Gender-specific programming needs to address the unique circumstances of women refugees and IDPs.



Women in forced displacement situations are less likely to have access to jobs, resources, and services than men are, but new finance mechanisms with explicit emphasis on gender may have improved targeting of services for refugee women in Ethiopia and Iraq.

In Ethiopia, the Economic Opportunities Program-for-Results—funded through the Refugee Sub-Window created as part of the the Bank Group's 2018 IDA Replenishment—is piloting the Employment Promotion and Protection scheme, which requires adequate childcare arrangements, among other services, to improve the likelihood of female labor force participation.

In Iraq, the Emergency Social Stabilization and Resilience Project supports the government's development agenda, which recognizes the role and contribution of female labor force participation to economic growth. The project targets female-specific constraints and vulnerabilities (for example, legal, structural, and social barriers to political and economic development) through tailored cash-for-work programs. The program also provides psychosocial support for survivors of gender-based violence

Gender-specific programming is less evident in countries where, for example, the lack of elder- or childcare keeps women out of the workforce social structures and cultural norms forbid or discourage their participation. For addressing such barriers to women's self-sufficiency and dignity, more context-specific work on women and children will be needed.

Catalyzing the Private Sector

The private sector grows the local economy and is the main engine for economic growth, employment, and sustainable solutions to forced displacement. However, leveraging private sector solutions is constrained. The Bank Group's efforts to catalyze the private sector in situations of forced displacement are premised on removing constraints. It requires the Bank Group to sequence its interventions—to address policy and regulatory barriers to facilitate private sector engagement.

Direct engagement by the International Finance Corporation (IFC) in situations related to forced displacement is relatively new, as it is for the private sector in general. Viable investment opportunities have been scarce because of regulatory and policy barriers, the extreme poverty in areas where the forcibly displaced settle, insecurity inherent in situations of forced displacement, and an overall weak investment climate. A small portfolio of IFC projects supports the forcibly displaced and their host communities. Advisory services have been used to identify possible private sector entry points to support self-reliance and resilience among the forcibly displaced. Analytical work in Kenya generates the kind of local information that may prompt solutions that are context-specific and innovative but has yet to be converted into a pipeline of investments.

IFC's initiative to set up the Kalobeyei Kakuma Challenge Fund (a business competition) in Kenya is an innovative and context-specific approach to encourage business development for refugees (including women) and host communities and to attract potential businesses, such as financial institutions, agricultural producers, and social service providers.





Maximizing Potential through Partnerships

Strategic partnerships can help the Bank Group achieve its goals. The Bank Group leverages existing coordination platforms such as the Comprehensive Refugee Response Framework, compacts, or government-established mechanisms, and pursues partnerships at the country level and with other development organizations. Since 2016, in response to the growing awareness of refugee issues, political leaders, humanitarian actors, and development actors have come together at high-level events. These meetings demonstrate a global shared responsibility and encourage national commitments and government accountability for refugee issues. These events have focused on crowding in resources, making access to those resources more predictable, increasing the efficient use of resources, and improving burden sharing for governments hosting refugees.

The Bank Group's 18th IDA Replenishment emphasized forced displacement with the formation of a joint secretariat, a call for stronger collaboration between the UN and multilateral development banks to improve outcomes in host countries, and recognition of the particularly acute vulnerabilities of IDPs, who are among the world's poorest, and displaced women, who face gender-based violence and other hardships.

The World Bank was integral in helping to establish two new financing mechanisms specifically designed to increase support for refugees and the communities that host them.

The Global Concessional Financing Facility (GCFF), established in 2016, mobilizes funding for middle-income countries.

The IDA18 Regional Sub-Window for Refugees and Host Communities, established in January 2017, provides support to IDA-eligible countries.

The World Bank may need to better leverage partnerships with humanitarian organizations and other development institutions at the country level. World Bank staff need to be aware of the donor landscape in each country and how the World Bank can best define and execute its role and comparative advantages.



Nurturing the Development Approach

There is no “normal” or “typical” forced displacement situation. Each is a unique convergence of factors and forces that are unpredictable, dynamic, and susceptible to sudden dramatic change.

External factors vary widely among countries and regions and can inhibit the development approach. These factors include culture and language differences between the refugees and hosts, complex political economy issues, reduced local government capacity, socioeconomic conditions where refugees have settled, and regulatory and policy frameworks constraining refugee employment and livelihood opportunities

The Bank Group’s internal context influences how it performs in situations of conflict-induced displacement and can be optimized. Leadership of Country Management Units (CMUs) is critical to prioritizing and incentivizing partnerships, ensuring coordination across Global Practices, and tackling the regional dimension of forced displacement. CMUs, as the World Bank counterparts in national and subnational governments, have local knowledge and convening power, and their active leadership is important for driving engagements in forced displacement situations. CMUs show considerable variation in the extent to which they have been able to integrate these dimensions into project work. The evaluation finds that the Bank Group is not yet fully leveraging its comparative advantages in implementation.

To fully implement its development approach, the Bank Group will need to ensure processes, resources, and incentives are aligned. It takes additional resources and time to plan, collaborate, and build consensus on how to mitigate the consequences of forced displacement. Global compacts and frameworks, regional response plans, and country road maps require greater levels of coordination among humanitarian and development actors to support refugees, IDPs, and host communities. Thus far, IDPs have not received the same level of global attention as refugees.

The Bank Group’s new approach to situations of forced displacement requires unique experience, including a nuanced understanding of the local political economy, legal issues, employment rights, and cultural and economic integration challenges.



Recommendations

RECOMMENDATION 1

Intensify the use of analytical work related to conflict-induced forced displacement to inform policy dialogue, programming, and operational design.

RECOMMENDATION 2

Improve monitoring and evaluation to demonstrate the intended development impacts on displaced populations and host communities—especially women and children.

RECOMMENDATION 3

Foster selective partnerships with key humanitarian and development agencies at the country level and promote stronger coordination with key agencies and the government to leverage the World Bank's comparative advantages to operationalize the development approach in situations of forced displacement.

RECOMMENDATION 4

Identify and catalyze private sector solutions to promote the self-reliance and resilience of the displaced and host communities.

RECOMMENDATION 5

Ensure Country Management Units can effectively operationalize the World Bank Group's development approach in situations of forced displacement.

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