

Ministry of Foreign Affairs – (Department for Humanitarian action, migration and civil society - HMC)

Meeting in the Council for Development Policy 31 October 2017

Agenda item 6.b.

- | | |
|---|--|
| 1. Overall purpose | For discussion and recommendation to the Minister |
| 2. Title: | Support to the Global Program on Forced Displacement (GPFD) in support of the implementation of the IDA18 Refugee Sub-window |
| 3. Presentation for Programme Committee: | 19 September 2017 |

Support to the Global Program on Forced Displacement (GPFD) in support of the implementation of the IDA18 Refugee Sub-window

Key results

GPFD is a key actor in securing sufficient capacity and analytical basis for World Bank country programmes to support eligible displacement-affected countries in accessing the new 2 Billion USD IDA18 sub-window for refugees and host communities and thereby contribute to

- Social and economic development for host and refugee populations.
- Facilitating sustainable solutions to protracted refugee situations.
- Strengthened preparedness for potential new refugee flows.

Justification for support

- The contribution is part of Denmark's continuing efforts to strengthen assistance in areas and countries neighbouring crisis and conflict, targeting internally displaced people, refugees and affected local communities – as per the priorities in the “the World 2030”.

How will we ensure results and monitor progress

- Active participation in governing board meetings.
- Enhanced donor coordination through informal yearly donor meetings.
- Direct, regular and close interaction and coordination with the World Bank FCV team and in particular the GPFD management.

Risk and challenges

- Country specific risks related to the interventions funded by GPFD. E.g. resistance to policy change and capacity constraints in local institutions.
- Limited World Bank presence in fragile situations. GPFD is a programme addressing this particular constraint.

File No.	2017-36546				
Country					
Responsible Unit	HMC				
Sector	Humanitarian-development nexus				
	Mill DKK.	2017	2018	2019	2020
Commitment	65				65
Projected ann. Disb.	30	25			65
Duration	2017-2020 (36 months)				
Finance Act code.	06.37.01.19.				
Desk officer	Thomas Thomsen				
Financial officer	Lisbeth Barclay				

SDGs relevant for Programme

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals	

Budget US Dollars ('1000)	
Support to host governments	2,000
Operational support	3,000
Country-level partnerships	750
Analytical work	2,250
Global engagement	1,900
Programme management and contingencies	1,100
Total	11,000

Strat. objective(s)	Thematic Objectives	List of Engagement/Partners
To accelerate and expand the World Bank's scaling up of its engagement in support of refugees and host communities in low-income countries.	Create social and economic development opportunities for refugees and host communities.	The World Bank is the programme manager. The contribution will be channelled through the State and Peace Building Fund (SPF) and allocated to a special window dedicated to forced displacement.
	Facilitate sustainable solutions to protracted refugee situations, and strengthen preparedness for increased or potential new refugee flows.	The SPF is supported by Denmark, Australia, Germany, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom. As the World Bank Group's first-response instrument to crises, the SPF also receives direct financial contributions from IBRD administrative budget. GPFD has received multiannual contributions from Denmark since 2009 and other support from e.g. Norway and Switzerland.

1. Introduction

The Global Program on Forced Displacement (GPDF) is an agile mechanism that enables the World Bank Group to develop **innovative responses to forced displacement and fragility primarily in low-income countries**. The mechanism helps the World Bank develop a pipeline of initiatives in response to the increased World Bank commitment to address challenges related to refugees and affected host communities in low-income countries facing a significant displacement crisis.

The World Bank has requested assistance from Denmark to strengthen the GPDF. The contribution supports the attached funding proposal.

The **World Bank Group** is emerging as a key partner in the global response to fragility and displacement, acting in very close cooperation with UNHCR and seeking to promote inclusive long-term responses based on the recognition of displacement as a development challenge. This is now supported by the development of new substantial financing mechanisms, both for low-income countries and middle-income countries. Efficient and well-designed utilization of these mechanisms will be a key to ensuring sustained and additional support to affected countries, in recognition of the global public good that they deliver. The so-called “IDA18 sub-window for refugees and host communities” has received USD 2 Billion in funding. This has created a strong interest by several governments to engage with the World Bank, and the GPDF will help the World Bank address this interest.

As of 2017, GPDF is anchored organizationally as a special “window” in the World Bank’s State and Peacebuilding Fund (SPF). The SPF is a global fund aimed at financing critical development operations and analysis in situations of fragility, conflict, and violence (FCV). Established by the World Bank with a mandate to operate quickly and flexible in all possible FCV situations worldwide. The GPDF contribution is linked to another new Danish contribution to SPF that will be softly earmarked to address issues of gender-based violence and advance learning on the linkages between humanitarian assistance, development collaboration and peace building.

2. Strategic considerations and justification

The **global forced displacement crisis** has increased in scale and complexity over the last few years and it entails an immense amount of human suffering. As such, it has a direct impact on the achievement of the SDGs, thereby underlining the importance of the principle of *leaving no-one behind*. At the end of 2016, there were about 22.5 million refugees worldwide, of which about 5 million were Palestinians and more than 15 million people were fleeing conflicts in Syria, Afghanistan, and Somalia, as well as Sudan, South Sudan, the Democratic Republic of the Congo (DRC), Myanmar, Iraq, and Eritrea, among others. The overwhelming majority of refugees are hosted in neighbouring countries, often developing countries with limited resources to face the crisis. At the same time, there are an estimated 40.3 million internally displaced persons (IDPs) worldwide, with the largest numbers in Colombia, Syria, Iraq, Sudan, DRC, and Afghanistan.

Many of the developing countries affected by refugee flows are in the low-income group and as such potentially eligible for support from the new IDA-18 sub-window for refugees and affected host communities. The sub-window was introduced in connection with the latest IDA-

replenishment and will be instrumental in helping governments to deliver on commitments to facilitate more inclusive, long-term approaches in support of sustainable solutions to displacement challenges.

The **GPFD** is a crucial resource in ensuring the ability of the World Bank to support efficient utilisation of resources being delivered through the new sub-window. Specifically, it will ensure that World Bank country offices are able to access the required expertise and analytical capacities when supporting eligible countries in developing appropriate long-term, inclusive response programmes. In this perspective, the contribution covered by this Programme Document will address the goal of **“leaving no one behind”**. In committing to the realization of the 2030 Agenda for Sustainable Development, Member States recognized that the dignity of the individual is fundamental and that the Agenda’s Goals and targets should be met for all nations and people and for all segments of society. Furthermore, they endeavoured to reach first those who are furthest behind.

The contribution is fully in line with **Denmark’s Strategy for Development Cooperation and Humanitarian Action (2017)**, which identifies peace, security and protection as a priority area. In areas and countries neighbouring crisis and conflict, Denmark will strengthen its assistance targeting internally displaced people, refugees and affected local communities and through strengthened protection and improved livelihoods, education and employment opportunities contribute to enabling vulnerable people and communities to pursue a life in safety and dignity without having to move on to other countries.

Denmark will focus particularly on fragile countries and regions where poverty and vulnerability is widespread, and where there may be a **direct impact on Danish interests**. We respond to crises and conflicts, in particular in the arc reaching around Europe from the east to the south but also in other prioritised, protracted humanitarian crises.

The Strategy further states that Denmark’s efforts in fragile contexts will always form part of a **comprehensive international approach**. Denmark will strengthen the coherence between humanitarian responses and development cooperation through measures such as matched financial commitments, joint planning and analyses, common agreements bridging humanitarian and development funds to international and civil society partners, linking of humanitarian action to development-oriented country programmes. It also includes – with full respect for the humanitarian principles – comprehensive engagements in fragile and conflict-affected countries and regions.

Denmark will contribute actively to efforts to **break down silos across** the humanitarian and development work in the EU, the UN system, the World Bank Group and in the OECD-DAC cooperation and lead by example. In this, Denmark will support innovative EU initiatives and World Bank efforts to provide long-term developmental assistance to states and local communities that receive large groups of refugees and internally displaced people, as exemplified by this contribution.

3. Thematic Programme summary

The **overall purpose** of the IDA regional Sub-Window on Refugees and Host Communities is to help refugee-hosting countries

- (i) mitigate the shocks caused by an influx of refugees and create social and economic development opportunities for refugees and host communities;
- (ii) facilitate sustainable solutions to protracted refugee situations, including through the sustainable socio-economic inclusion of refugees in the host country and/or their return to their country of origin; and
- (iii) strengthen preparedness for increased or potential new refugee flows.

This contribution will maximize the impact of the programs supported under the IDA 18 *Sub-Window for Refugees and Host Communities*, with a view to promoting a New Way of Working and an enhanced response to refugee situations. This would require activities at country, regional and global levels. The contribution will top-up the World Bank's own budgetary resources in order to accelerate and expand the scaling up of its engagement in support of refugees and host communities in low-income countries.

The **contribution will be allocated to five “business lines”**, with a degree of flexibility to adapt to evolving circumstances on the ground:

- (i) Supporting host governments in the design and implementation of policy and institutional reforms to improve the management of refugee situations, in line with the action plans submitted to the World Bank Group;
- (ii) Ensuring an effective design and implementation of World Bank Group projects to be financed under the IDA 18 Sub-Window for Refugees and Host Communities, including timely delivery and quality;
- (iii) Strengthening country-level partnerships, including between humanitarian and development actors, within the broader context of the CRRF and the New Way of Working, and the preparation of the Global Compact;
- (iv) Building the analytical underpinning for an effective country-level engagement over the medium-term, including baseline poverty and vulnerability assessments of refugees and host communities, and policy notes to prepare for stronger synergies between humanitarian and development actors;
- (v) Further engaging at global level, to support access to eligibility of a larger number of countries, strengthen data and evidence, and support the preparation of the Global Compact.

4. Overview of management set-up

The contribution will be channelled through the **State and Peace Building Fund (SPF)** and allocated to a special window dedicated to forced displacement.

The SPF is governed by a Council, which consists of World Bank Group Senior Management and contributing Development Partners. The Council meets periodically to provide feedback on the SPF's progress. In addition, a Technical Advisory Committee-- representatives from the

World Bank Group's Global Practices (GPs), Regions, and corporate units-- review and approve project proposals, integrate the SPF programming with regional WBG priorities, transfer operational knowledge across practices, and to suggest new initiatives that are in line with regional and sectoral priorities. Finally, the SPF Secretariat manages the day-to-day operations of the fund, preparing strategic directions for each year, providing advice to teams on how to make projects more agile, processing grants, as well as monitoring and evaluating the SPF portfolio on the basis of its results framework.

The SPF will ensure that funds are administered and reported on in accordance with the Administration Agreement between the World Bank Group and the Government of Denmark, and in line with World Bank policies and procedures. This program management team will be subject to the WBG's standard quality assurance and fiduciary accountability procedures, and will draw on the advice and support of the World Bank Group's administrative support functions as needed.

The SPF has a dynamic portfolio of more than 150 grants and transfers (US\$295 million) in 40 countries. The SPF is supported by Denmark, as well as Australia, Germany, The Netherlands, Norway, Sweden, Switzerland and The United Kingdom. As the World Bank Group's first-response instrument to crises, the SPF also receives direct financial contributions from IBRD administrative budget.

The special displacement window within the SPF was established in May 2017 following the merger of the four trust funds under the FCV Group as approved by the SPF Council during the last World Bank Spring Meetings. One of these funds was the Global Programme for Forced Displacement (GPDF), which was launched in 2009 with Danish core support in order to promote a developmental response to forced displacement across World Bank programmes. The total Danish contribution to GPDF has been DKK 29 mio, including DKK 6 mio. in 2009, DKK 5 mio. in 2012, DKK 6 mio. in 2015, and DKK 12 mio in 2016. The latter was an earmarked contribution aimed to support required country-level analysis in preparation for the roll-out of the new IDA 18 Sub-window for Refugees and Host Communities.

The GPDF is now the manager of the special displacement window of the SPF. It has full operational and programming autonomy, while benefiting from the SPF fiduciary and reporting structure and oversight. Concrete activities will be implemented by relevant departments and country programmes within the World Bank Group. This structure ensures that the GPDF is agile and flexible.

Key performance indicators (see full results framework in the proposal) will be closely tied to the performance indicators of the country interventions supported through IDA18, and include the following:

- (i) Progress in implementing action plans submitted by host governments to the WBG: number (and significance) of reforms adopted.
- (ii) Number of projects approved by the World Bank Group's Board of Directors within each Fiscal Year of IDA 18; (2) number of projects rated Moderately Satisfactory or above during implementation.

- (iii) Strengthening country-level partnerships, including between humanitarian and development actors: qualitative assessment of (1) the functioning of partnership arrangements at country level and (2) the World Bank Group's role in these structures.
- (iv) Building the analytical underpinning for an effective country-level engagement: (1) number of poverty and vulnerability assessments publicly available for countries eligible to the IDA 18 Sub-Window for Refugees and host Communities; (2) number of policy notes on country-level humanitarian-development synergies publicly available.
- (v) Further engaging at global level: (1) number of eligible countries by the IDA 18 Mid-Term Review and by the end of IDA 18; (2) launch of a World Bank Group supported data initiative; (3) qualitative assessment of the World Bank Groups's contribution to the preparation of the Global Compact.

The GFPD Results Framework is in the attached proposal.

The Ministry of Foreign Affairs will follow the implementation closely through its engagement in SPF in the Council, and through the GPFDP Donor Support Group. The Group meets on average once a year, typically in conjunction with a technical workshop on issues of relevance to the GPFDP. The Danish Ministry of Foreign Affairs participates in these meetings, has hosted them twice in the past, and is likely to do so again during the period covered by this contribution. In the Donor Support Group, Danish priorities will include a strong gender focus to ensure that programmes takes into account women's needs and rights.

Engaging in support of refugees and their hosts is a **high-risk endeavour**, but potential rewards are sizable and the risks of inaction are even higher in many situations.

The World Bank Group will aim to manage and mitigate such risks, rather than avoid them. Yet, residual risks will remain, and in some contexts, they will be substantial: not all engagements will be equally successful. Engaging in such a sensitive area requires a degree of tolerance for risks (including when they materialize) and a willingness to provide the necessary resources to cope with them.

In addition to **country-level risks** (which reflect the specifics of each situation), there are three sets of global risks:

- The first set of risks is **reputational**. For example, a misunderstanding of the proposed contribution's objectives could lead to misplaced expectations. To mitigate these risks, it is important to clearly communicate the IDA-18 Sub-Window's objectives. The WBG will also work closely with UNHCR to ensure the overall protection framework in the countries where it engages remains adequate.
- A second set of risks are linked to the **inherently political nature of the issue**. Success will require progress on policy and institutional issues, but such progress may prove difficult, even elusive, in some contexts. Some governments may not be willing or able to implement actions they have planned. To mitigate these risks, the WBG will engage in a continuous

policy dialogue with the authorities within the context of a broader partnership with other stakeholders .

- The third set of risks are **operational**. Many of the countries eligible for support from the Sub-Window have limited institutional capacity, especially in outlying areas where most refugees are hosted. Forced displacement is also a new area for the WBG, and efforts will be needed to overcome internal capacity constraints, promote consistency across interventions, and ensure that programs go beyond projects and include an adequate element of policy dialogue. Challenges may be heightened should a new major displacement crisis emerge during the implementation period of this strategy. To mitigate these risks, the World Bank Group will strengthen its oversight and support systems to manage implementation, while taking into account that this is expected to be costly.

The effective implementation of this program will require experimentation, learning, monitoring, and regular revisions. Some of the proposed actions, especially those involving the development and piloting of new approaches, will meet unexpected obstacles, while others will deliver more than is expected. The World Bank Group will adjust its strategy as it learns from its own successes and failures, as well as from lessons of other donors' interventions.

5. Programme budget

This Danish contribution will support the attached proposal received by the World Bank. The World Bank proposal amounts to US\$ 11 million and it covers a period of three years.

Given an intense start-up period expenditures under the programme will be front-loaded.

The below budget table provides indicative amounts associated to each business line. The budget might be adjusted based on exchange rate variations and additional World Bank contribution.

Program budget 2017-2019

Business line	Indicative budget in US\$ per fiscal year ¹			
	FY 18	FY119	FY20	Total
Support to host governments	800,000	700,000	500,000	2,000,000
Operational support	1,000,000	1,000,000	1,000,000	3,000,000
Country-level partnerships	250,000	250,000	250,000	750,000
Analytical work	750,000	750,000	750,000	2,250,000
Global engagement	800,000	600,000	500,000	1,900,000
Program management and contingencies	400,000	400,000	300,000	1,100,000
Total	5,150,000	3,500,000	2,350,000	11,000,000

GPFD receives funding from a number of other donors apart from Denmark, including the UK, Norway, and Switzerland. Some is core support, while other contributions are for specific projects and thematic areas as is the case with the present contribution.

¹ The World Bank's fiscal year runs from July 1 to June 30. The IDA18 Sub-Window for Refugees and Host Communities became operational with the onset of FY18, i.e. July 1, 2017.



Table of Contents

1. Introduction	10
2. Strategic Considerations	10
2.1 Background	10
2.2 Strategic Objective	12
2.3 Results Framework	13
2.4 Synergies between humanitarian and development assistance	14
2.5 Strategic Value of the Partnership	15
2.6 Risk and Risk Mitigation	15
3. Program summary	16
3.1 Program components	16
3.2 Communications and knowledge sharing	19
4. Program Management	19
4.1 Program Management	19
4.2 Anti-corruption	20
5. Budget	20
Annex 1: Results Framework	22
Annex 2: Country-level interventions	24

1. Introduction

There is a window of opportunity for a change of approach in managing refugee situations in a number of refugee-hosting countries – towards both promoting refugees’ self-reliance and supporting host communities. This is the result of a number of factors, including domestic developments as well as international support and initiatives such as the New Way of Working. In two international summits held in September 2016 (the UN Summit on Large Movements of Refugees and Migrants and the Leaders’ Summit), a number of governments made specific commitments in these directions, which in some cases mark a departure from decade-old practices.

But international support will be key to translate commitments into results on the ground. Many host countries are low income, with limited administrative capacity and many competing priorities. Financing and technical support will be critical for them to be able to effectively implement progressive approaches to refugee management.

Over the last few years, the World Bank Group (WBG) has stepped up its engagement in this area, including with the publication of a flagship report on forced displacement and development (“Forcibly Displaced: Towards a Development Approach to Support Refugees, IDPs, and their Host Communities”) and the establishment of a funding facility for refugee-hosting middle-income countries (the Global Concessional Financing Facility, GCFF).

The WBG has also established a dedicated sub-window under IDA 18 to support programs that can benefit refugees and host communities in low-income countries. The availability of funding under the IDA 18 Sub-Window for Refugees and host Communities has created a strong interest by several governments in low-income refugee-hosting countries to engage with the WBG on forced displacement-related issues. IDA18 resources can be instrumental in helping to deliver on governments’ commitments and in enhancing impact on the ground.

Yet, the challenges ahead are complex, and additional resources are needed to complement IDA 18 and “make the most” of this opportunity – and to ensure an effective support within the context of a programmatic approach developed in partnership across relevant stakeholders, in a manner that is consistent with the New Way of Working.

This proposal seeks to mobilize funds to that effect – to facilitate the deployment of IDA 18 resources, to engage with actors on both sides of the humanitarian-development divide, and to work side-by-side with the affected governments and host communities to devise practical yet innovative solutions.

2. Strategic Considerations

2.1 Background

Recent developments

While not a new phenomenon, the forced displacement crisis has increased in scale and complexity over the last few years and it entails an immense amount of human suffering. At the end of 2015, there were about 20 million refugees worldwide: about 5 million Palestinians and about 15 million people fleeing conflicts in Syria, Afghanistan, and Somalia, as well as Sudan, South Sudan, the Democratic Republic of the Congo (DRC), Myanmar, Iraq, and Eritrea, among others. The overwhelming majority of refugees are hosted in neighboring countries, often developing countries with limited resources to face the crisis. At the same time, there are an estimated 40 million internally displaced persons (IDPs) worldwide, with the largest numbers in Colombia, Syria, Iraq, Sudan, and DRC.

The plight of the forcibly displaced poses significant challenges to achieving the Sustainable Development Goals (SDGs). In some regions, as pressures increase to close borders, the consensus that has underpinned global growth is being challenged. In others, the size of the refugee populations creates risks and affects the environment in which host communities are struggling to make development progress. In a number of situations, refugees are uprooted for extended periods of time and have acquired specific vulnerabilities that put them at risk of falling into a “poverty trap” from which it is difficult to escape. There is a consensus that what is needed is not only a humanitarian response, but also development programs that are focused on the medium-term socioeconomic dimensions of the crisis.

Several international initiatives are underway to enhance the management of refugee situations, including the launch of the Comprehensive Refugee Response Framework (CRRF) in September 2016, and the preparation of a Global Compact on Refugees by end-2018. In this context, there has been increasing demand from host countries, shareholders, as well as UN partners and humanitarian agencies for increased WBG engagement.

IDA 18 and the Sub-Window for Refugees and Host Communities

The overall purpose of the IDA regional Sub-Window on Refugees and Host Communities is to help refugee-hosting countries (i) mitigate the shocks caused by an influx of refugees and create social and economic development opportunities for refugees and host communities; (ii) facilitate sustainable solutions to protracted refugee situations, including through the sustainable socio-economic inclusion of refugees in the host country and/or their return to their country of origin; and (iii) strengthen preparedness for increased or potential new refugee flows.

The Sub-Window aims to help advance policy and institutional reforms to enhance the management of refugee situations. It provides refugee-hosting countries with additional volumes of financing and more favorable terms than traditional IDA resources.

A refugee-hosting IDA country needs to meet three criteria to be eligible for support under the Sub-Window: (i) the number of UNHCR-registered refugees (including persons in refugee-like situations) is at least 25,000 or at least 0.1 percent of its population; (ii) it adheres to an adequate framework for the protection of refugees (which is to be determined in consultation with UNHCR based on adherence to international or regional instruments such as the 1951 Refugee Convention or its 1967 Protocol, or the adoption of national policies and/or practices consistent with international refugee protection standards); and (iii) it has in place an action plan, strategy, or similar document that describes concrete steps, including possible policy reforms that it will undertake to promote long-term solutions that benefit refugees and host communities.

As of July 1, 2017, 30 IDA countries met the minimal threshold of refugee numbers (for a total of about 7 million refugees), based on end-2016 refugee numbers released by UNHCR on June 20, 2017. The corresponding list of countries (see Table) is expected to evolve during the IDA18 cycle based on political and security developments in countries of origin.

In these countries, the WBG has engaged with other stakeholders, including UNHCR, to assess eligibility. This has included a dialogue with the Government, bilateral donors, humanitarian actors, civil society partners, and refugee groups in the field as appropriate in each context.² These consultations have made

² This work was largely financed through Trust Fund resources provided by the State and Peace-building Fund (SPF) and by a contribution by the government of Denmark to the Global Program on Forced Displacement (GPDF). The SPF is a global fund to finance critical development operations and analysis in situations of fragility, conflict, and violence. It is supported by the governments of Australia, Denmark, Germany, the Netherlands, Norway, Sweden, the United Kingdom, Switzerland, as well as IBRD.

clear that host countries are at different stages of readiness for a stepped-up engagement on the refugee issue, and initial work under the Sub-Window hence focused on the countries that appeared most likely to become eligible early on:

- **With regard to protection criteria**, the WBG has received an assessment from UNHCR of the existing protection framework, which has formed the basis for the WBG to determine whether the country meets the corresponding eligibility criteria for support from the Sub-Window.
- **With regard to the Government action plan or strategy**, the WBG has formally received from a number of governments such documents, which reflect a dialogue with both UNHCR and development partners, including the WBG and in some cases the African Development Bank, and are closely aligned with CRRF priorities where relevant.

On this basis, the WBG has adopted a phased approach to eligibility, based on both readiness and the magnitude of the impact of refugee flows at the country or regional level. Management has determined that 8 countries are immediately eligible for financing under the Sub-Window (Cameroon, Chad, Congo (Republic of), Djibouti, Ethiopia, Niger, Pakistan, and Uganda, which together account for 4.1 million refugees, i.e. about 60 percent of the total number living in IDA countries). In parallel, the WBG is engaged in a dialogue with 9 other countries (Afghanistan, Burkina Faso, Burundi, Democratic Republic of the Congo, Kenya, Mauritania, Rwanda, Tanzania, and Zambia, which together account for 1.6 million refugees). The WBG also stands ready to engage other refugee-hosting IDA countries where the dialogue to date has been more limited due either to country circumstances (e.g., countries in conflict or in arrears, or politically complex situations) or to the limited amounts of resources that could be made available (e.g., in the case of small refugee numbers).

Proposed eligibility		Pre-eligibility work underway		Stand-by	
Country	Refugees	Country	Refugees	Country	Refugees
Pakistan	1,352,560	Congo, Dem. Rep.	451,956	Sudan	421,466
Uganda	940,835	Kenya	451,099	Bangladesh	276,207
Ethiopia	791,631	Tanzania	281,498	Yemen	269,783
Chad	391,251	Rwanda	156,065	South Sudan	262,560
Cameroon	375,415	Mauritania	74,148	Nepal	25,249
Niger	166,093	Afghanistan	59,771	Syria	19,809
Congo, Rep.	46,457	Burundi	57,469	Liberia	18,990
Djibouti	17,683	Burkina Faso	32,552	Togo	12,491
		Zambia	29,350	CAR	12,115
				Somalia	11,574
				Papua New Guinea	9,536
				Guinea-Bissau	9,263
				Gambia, The	7,940

Detailed programs of support have been identified, to help the authorities implement their actions plans. Annex 2 provides details for each of the eligible countries.

2.2 Strategic Objective

The overall objective of the proposed contribution of the Government of Denmark to the WBG is to maximize the impact of the programs supported under the IDA 18 Sub-Window for Refugees and Host Communities, with a view to promoting a New Way of Working and an enhanced management of refugee

situations. This would require activities at country, regional, and global levels. The contribution from the Government of Denmark would be used to top up the WBG's own budgetary resources in order to accelerate and expand the scaling up of its engagement in support of refugees and host communities in low-income countries.

The Government of Denmark's contribution would be used along five "business lines", with a degree of flexibility to adapt to evolving circumstances on the ground:

- (vi) Supporting host governments in the design and implementation of policy and institutional reforms to improve the management of refugee situations, in line with the action plans submitted to the WBG;
- (vii) Ensuring an effective design and implementation of WBG projects to be financed under the IDA 18 Sub-Window for Refugees and Host Communities, including timely delivery and quality;
- (viii) Strengthening country-level partnerships, including between humanitarian and development actors, within the broader context of the CRRF and the New Way of Working, and the preparation of the Global Compact;
- (ix) Building the analytical underpinning for an effective country-level engagement over the medium-term, including baseline poverty and vulnerability assessments of refugees and host communities, and policy notes to prepare for stronger synergies between humanitarian and development actors;
- (x) Further engaging at global level, to support access to eligibility of a larger number of countries, strengthen data and evidence, and support the preparation of the Global Compact,

2.3 Results Framework

Key performance indicators (see full results framework in annex 2) will be closely tied to the performance indicators of the country interventions supported through IDA18, and include the following:

- (vi) Supporting host governments in the design and implementation of policy and institutional reforms to improve the management of refugee situations;
Indicators: progress in implementing the action plans submitted to the WBG: number (and significance) of reforms adopted.
- (vii) Ensuring an effective design and implementation of WBG projects to be financed under the IDA 18 Sub-Window for Refugees and Host Communities, including timely delivery and quality:
Indicators: (1) number of projects approved by the WBG's Board of Directors within each FY of IDA 18; (2) number of projects rated Moderately Satisfactory or above during implementation
- (viii) Strengthening country-level partnerships, including between humanitarian and development actors, within the broader context of the CRRF and the New Way of Working, and the preparation of the Global Compact;
Indicators: qualitative assessment of (1) the functioning of partnership arrangements at country level and (2) the WBG's role in these structures.
- (ix) Building the analytical underpinning for an effective country-level engagement over the medium-term, including baseline poverty and vulnerability assessments of refugees and host communities, and policy notes to prepare for stronger synergies between humanitarian and development actors;

Indicators: (1) number of poverty and vulnerability assessments publicly available for countries eligible to the IDA 18 Sub-Window for Refugees and host Communities; (2) number of policy notes on country-level humanitarian-development synergies publicly available.

- (x) Further engaging at global level, to support access to eligibility of a larger number of countries, strengthen data and evidence, and support the preparation of the Global Compact,

Indicators: (1) number of eligible countries by the IDA 18 Mid-Term Review and by the end of IDA 18; (2) launch of a WBG-supported data initiative; (3) qualitative assessment of the WBG's contribution to the preparation of the Global Compact.

2.4 Synergies between humanitarian and development assistance

The WBG's engagement is hence grounded in its development mandate. Addressing the plight of the forcibly displaced and their impact on host communities is critical to achieving the Sustainable Development Goals (SDGs) and the WBG's own development goals of eradicating extreme poverty by 2030 and boosting shared prosperity. In a world where extreme poverty is increasingly concentrated among vulnerable groups, refugees are often at risk of falling into a "poverty trap" from which it is difficult to escape. Through their ordeal, they acquire specific vulnerabilities (e.g., catastrophic loss of assets and social capital, trauma, lack of rights) that distinguish them from other poor and make it difficult to take advantage of existing socio-economic opportunities. Host communities are also affected: when large numbers of refugees flow in, they experience a demographic shock which transforms the environment in which they can make progress towards poverty reduction and shared prosperity.

The WBG's efforts are part of a multi-dimensional endeavor – to tackle the root causes of conflict and violence, to provide relief during the crisis, and to help move towards durable solutions. This endeavor includes political, diplomatic, security, and humanitarian components. Interventions (in particular, along the humanitarian–development nexus) are not sequential: all sets of actors can engage in a complementary manner throughout the entire episode of forced displacement, by leveraging on their distinct objectives, counterparts, and instruments, and working in synergy.

Within the broader context of the new Way of Working, the WBG can leverage two sources of comparative advantage:

- ***Its approach, which is centered on such concepts as economic opportunity, medium-term sustainability, and cost-effectiveness.*** Economic development aims to finance activities that reduce the need for future support and that foster economic and social opportunities, rather than provide relief to refugees or "compensations" to host countries. It sees the forcibly displaced and their hosts as economic agents who make choices and respond to incentives, and places a heavy focus on institutions and policies. It relies on partnerships with and between governments, the private sector, and civil society.
- ***Its modus operandi.*** The WBG can provide a range of analytical and advisory services to help inform public debates and policy formulation, as well as to help strengthen institutional responses. It can provide significant resources, with a focus on strengthening country systems. It can use its convening role to facilitate synergies and to promote regional approaches. On the other hand, it is neither mandated nor equipped to engage in some issues which are critical to the agenda, especially in the political arena, and it has limited capacity to deliver urgent assistance on the ground compared with others, especially humanitarian agencies.

The WBG is leveraging strategic partnerships to enhance its ability to deliver results on the ground. It is working with a wide range of stakeholders and partners at the country, regional, and global levels, including international organizations, regional organizations, bilateral agencies, the private sector, civil society organizations (CSOs), and refugee groups. The WBG is in particularly developing a strong partnership with UNHCR, which is critical to the effectiveness of its engagement on the refugee crisis. This partnership has already translated into concrete activities on the ground, including joint assessments, joint data analysis and evidence-building, and coordinated policy dialogue. The WBG also participates in the secretariat of the UNHCR-led CRRF process and is supporting preparation of the Global Compact, while UNHCR serves as a member of the GCFF Steering Committee. In the coming period efforts will focus on: continued support to the CRRF (including on the ground in pilot countries) and the Global Compact preparation; a joint data initiative; coordinated humanitarian-development activities in key refugee-hosting countries; and further operational exchanges to transfer lessons of development practice to humanitarian planning, and vice versa.

2.5 Strategic Value of the Partnership

Denmark has been a prominent partner to the World Bank in its efforts to address forced displacement crises for several years. Through early engagement and support, Denmark has been one of the initiators behind the establishment of WB's Global Program for Forced Displacement in 2009, and hence provided the backdrop against which the WBG program has mainstreamed and institutionalized development responses to forced displacement.

The work of the GPDF has played an important role in moving the WBG towards an increased recognition and awareness of forced displacement as a development challenge. This evolution towards the articulation of a development angle, distinct from and complementary to a humanitarian response is reflected in the Development Committee paper on [Forced Displacement and Development](#) presented at the WBG Spring Meetings in 2016 and the publication of the flagship report '[Forcibly Displaced](#)' later in 2016. The FCV Group through GPDF remain the custodian of global knowledge and lessons learned and is now the main source of analysis, staff capacity, and operational advice for WBG regional and country teams on the issue of conflict-induced forced displacement.

The Government of Denmark and the WBG continue to share a number of objectives related to forced displacement and the wider implementation of the New Way of Working, not least on the importance of putting host countries in the lead of the response with backing from international partners. Other donors are also coming on board to approach refugee situations from a policy and institutional angle, and the proposed program will be complemented by support from DFID and the Dutch Government.

2.6 Risk and Risk Mitigation

Engaging in support of refugees and their hosts is a high-risk endeavor, but potential rewards are sizable and the risks of inaction are even higher in many situations. The WBG will hence aim to manage and mitigate such risks, rather than avoid them. Yet, residual risks will remain, and in some contexts, they will be substantial: not all engagements will be equally successful. Engaging in such a new and sensitive area requires a degree of tolerance for risks (including when they materialize) and a willingness to provide the necessary resources to cope with them.

In addition to country-level risks (which reflect the specifics of each situation), there are three sets of global risks:

- ***The first set of risks is reputational.*** For example, a misunderstanding of the proposed contribution's objectives could lead to misplaced expectations. Some stakeholders may expect WBG interventions to

contribute to reducing the number of refugees or preventing their onward movements (e.g., to OECD countries). Others may see development resources as a way to “compensate” host countries or finance humanitarian programs. Others still may criticize the institution for engaging in areas where there are allegations of human rights violations. To mitigate these risks, it is important to clearly communicate the Sub-Window’s objectives. The WBG will also work closely with UNHCR to ensure the overall protection framework in the countries where it engages remains adequate. Finally, the WBG will process operations in accordance with applicable environmental and social safeguard requirements.

- ***A second set of risks are linked to the inherently political nature of the issue.*** Success will require progress on policy and institutional issues, but such progress may prove difficult, even elusive, in some contexts. Some governments may not be willing or able to implement actions they have planned. To mitigate these risks, the WBG will engage in a continuous policy dialogue with the authorities within the context of a broader partnership with other stakeholders (including those who have both a mandate and capacity to engage on politically sensitive issues). It will also align its program of support with the strategies or policy statements that governments have presented to manage the socio-economic dimension of refugee situations and will work closely with partners to maximize impact.
- ***The third set of risks are operational.*** Many of the countries eligible for support from the Sub-Window have limited institutional capacity, especially in outlying areas where most refugees are hosted. Forced displacement is also a new area for the WBG, and efforts will be needed to overcome internal capacity constraints, promote consistency across interventions, and ensure that programs go beyond projects and include an adequate element of policy dialogue. Challenges may be heightened should a new major displacement crisis emerge during the implementation period of this strategy. To mitigate these risks, the WBG will strengthen its oversight and support systems to manage implementation, while taking into account that this is expected to be costly.

The effective implementation of this program will undoubtedly require experimentation, learning, monitoring, and regular revisions. Some of the proposed actions, especially those involving the development and piloting of new approaches, will meet unexpected obstacles, while others will deliver more than is expected. The WBG will adjust its strategy as it learns from its own successes and failures, as well as from lessons of other donors’ interventions.

3. Program summary

It is proposed to manage the program with a relatively large degree of flexibility. This is because of both the potential volatility of refugee situations and the relative “newness” of development interventions in support of refugees and host communities. Adjustments will undoubtedly have to be made during the duration of the program, in terms of the type of activities that are supported or the priority countries where to engage. The program’s strategic objective and its five business lines will provide the framework within which such adjustments can be made. The WBG will also remain closely in contact with the Government of Denmark to report on any substantive adjustments as they happen.

3.1 Program components

Business line 1: Supporting host governments in the design and implementation of policy and institutional reforms to improve the management of refugee situations

The Government of Denmark’s contribution would allow for dedicated support to host governments. One of the main objectives of the IDA 18 Sub-window on Refugees and Host Communities is to encourage governments to support and sustain progressive approaches that will allow refugees to move towards self-

reliance and support host communities. The focus will be on helping implement the specific pledges made at the Leaders' Summit or in government action plans submitted for IDA18 refugee Sub-Window eligibility, and possibly broadening the scope of possible policy changes where relevant. This will require substantive technical assistance, as well as day-to-day hands-on engagement.

The Government of Denmark's contribution would be used to finance activities such as:

- (1) Positioning of a dedicated senior "forced displacement" staff in key countries; this staff would report jointly to the Country Director and the Fragility, Conflict, Violence, and Forced Displacement (FCV) Group; (s)he would be responsible for managing the day-to-day policy dialogue on a continuous basis (in addition to operational and partnership activities as may be relevant) and for coordinating all activities that are necessary to achieve results under the program supported by the IDA 18 Sub-Window for Refugees and Host Communities;
- (2) Technical assistance to prepare or support the design and implementation of critical policy and institutional reforms.

Business line 2: Ensuring an effective design and implementation of WBG projects financed under the IDA 18 Sub-Window for Refugees and Host Communities, including timely delivery and quality

The Government of Denmark's contribution would allow for a stronger design and implementation of critical projects. Such projects are inherently costly and challenging, and extra resources will be needed to ensure timely and quality delivery, as well as effective implementation. The contribution would aim to top up available WBG budget resources to accelerate preparation and intensify supervision, so as to maximize results.

The Government of Denmark's contribution would be used to finance activities such as:

- (1) Top up preparation and supervision resources for project teams, to allow for additional background work, enhanced dialogue with both national and local authorities and stakeholders, and close implementation support so as to rapidly address issues as they arise.
- (2) Time spent on operational support activities by a dedicated "forced displacement" staff positioned in key countries.

Business line 3: Strengthening country-level partnerships, including between humanitarian and development actors, within the broader context of the CRRF and the New Way of Working, and the preparation of the Global Compact

The Government of Denmark's contribution would allow for a stronger WBG engagement in country-level coordination structures. Rather than developing new structures, the WBG will aim to help strengthen existing arrangements, including within the context of the CRRF process. The WBG will also aim to help build a consensus around key elements of a development approach to forced displacement in the field, to develop a solid working relationship with UNHCR (so as to ensure consistency of approaches), to share development experience with humanitarian actors where it is relevant (e.g., targeting), and to reach out to critical partners (e.g., regional organizations, private sector, civil society).

The Government of Denmark's contribution would be used to finance activities such as:

- (1) Time spent on coordination activities by a dedicated "forced displacement" staff positioned in key countries (including outreach to private sector and civil society);

(2) Technical assistance to the CRRF secretariat and/or to national authorities as may be appropriate (with a view to working with all key actors across the humanitarian-development spectrum, ensuring a development perspective is incorporated in the CRRF approaches, and supporting government ownership and leadership of the process);

(3) Organization (possibly in partnership with others) of country-level strategic workshops to build a consensus across all stakeholders (government, humanitarian, development) around critical development elements of the forced displacement response at country level (building on a series of global forced displacement workshops, which were held in Washington DC in May – September 2017); and

(4) Technical assistance to regional institutions (e.g., IGAD) to allow for their effective engagement, as may be needed.

Business line 4: Building the analytical underpinning for an effective country-level engagement over the medium-term

The Government of Denmark's contribution would allow for accelerating the preparation of key analytics, which otherwise may have to be postponed or scaled down. Such analytics remain critical for an effective engagement at country level, including to identify priority interventions, support reforms, and assess progress.

The Government of Denmark's contribution would be used to finance activities such as:

(1) Preparation of poverty and vulnerability assessments for refugees and host communities, so as to identify priority needs and have a baseline to measure progress in countries eligible to the IDA 18 Sub-Window for Refugees and host Communities; this would be achieved either by over-sampling relevant groups in WBG-supported poverty assessments or by relying on UNHCR-collected data, and by building local capacity; the WBG would commit to make the results of such studies publicly available upon completion;

(2) Preparation of policy notes on country-level humanitarian-development synergies, with a focus on practical approaches to ensure a smooth handling of country-level issues (e.g., transition to and scaling up of country systems, targeting and transition to cash); such notes would be prepared through a collaborative process with relevant stakeholders (including humanitarian actors), so as to build a consensus that can be operationalized;

(3) Preparation of other analytics as may be relevant in specific country contexts, including in areas such as gender, youth, unaccompanied minors, obstacles to private sector engagement, etc.

Business line 5: Further engaging at global level, to support access to eligibility of a larger number of countries, strengthen data and evidence, and support the preparation of the Global Compact

The Government of Denmark's contribution would allow for a continuation of efforts spearheaded by GPFD under earlier contributions to engage at global level and mainstream the agenda within the WBG. This is critical to ensure the coherence of activities across countries as well as to influence the broader agenda at global level.

The Government of Denmark's contribution would be used to finance activities such as:

(1) Preparation for eligibility of additional countries under the IDA 18 Sub-Window on Refugees and Host Communities, including assessment of the refugee situation, engagement with other actors (such as UNHCR), and dialogue with the authorities on an action plan that can be supported under the Sub-Window;

(2) Launch of a “data initiative” in partnership with UNHCR, to enhance the collection, analysis, and dissemination of data on refugees, IDPs, and other populations of concern as well as host communities; the principle of such an initiative has been agreed at the top management level of both institutions, including possibly by aggregating some staffing resources, but needs to be operationalized;

(3) Global level analytics and engagement, including in frontier areas (such as preparedness) or with key stakeholders (e.g. catalyzing a dialogue with the private sector on pre-requirements for increased private investment and engagement); this will allow for a gradual expansion of the agenda; and

(4) Participation in the preparation of the Global Compact.

3.2 Communications and knowledge sharing

The WBG will ensure effective communications of partnership activities, focusing on sharing lessons learned to improve global knowledge of ‘what works’ to address forced displacement from the development perspective.

New analytics and data, key features of program design, implementation, and monitoring, as well as outcomes of IDA-18 financed projects will be disseminated through the World Bank’s website, and the Open Knowledge Repository among other digital publishing channels. Activities will be promoted through social media including WB twitter (2.56 million followers). Blogs, feature stories, multi-media, easy-to-digest briefing notes and infographics will be produced to improve outreach.

Various events will also be conducted to showcase activities and strengthen engagement with key stakeholders, including at the WBG-IMF Annual Meetings/Spring Meetings. It is anticipated that early findings from the partnership will be shared in country-level workshops and seminars. A Community of Practice involving World Bank staff and external partners is also planned to raise the profile of the agenda globally and deepen knowledge, ensuring that outputs of partnership activities are directly relevant for programming, and to mobilize experts for further analytical and program work on forced displacement.

4. Program Management

4.1 Program Management

It is proposed to channel the Government of Denmark’s contribution through the State and Peace Building Fund (SPF). The SPF is a global fund to finance critical development operations and analysis in situations of fragility, conflict, and violence (FCV). Established by the World Bank Board of Executive Directors with a mandate to operate quickly and flexibility in all possible FCV situations worldwide, the SPF has a dynamic portfolio of more than 150 grants and transfers (US\$295 million) in 40 countries. The SPF is already generously supported by Denmark, as well as Australia, Germany, The Netherlands, Norway, Sweden, Switzerland and The United Kingdom. As the WBG’s first-response instrument to crises, the SPF also receives direct financial contributions from IBRD administrative budget.

The contribution would be provided to a special window dedicated to forced displacement. This window was established in May 2017 following the consolidation of all trust funds under the FCV Group approved by the SPF Council during the last Spring Meetings. Once allocated to the special window, funds are managed by the Global Program on Forced Displacement within the FCV Group, with full operational and programming autonomy, while benefiting from the SPF fiduciary and reporting structure and oversight. Activities will be implemented by relevant departments within the WBG, under the responsibility of the forced displacement team within the FCV Group.

The SPF is governed by a Council which consists of WBG Senior Management and contributing Development Partners. The Council meets periodically to provide feedback on the SPF's progress. In addition, a Technical Advisory Committee-- representatives from the WBG's Global Practices (GPs), Regions, and corporate units-- review and approve project proposals, integrate the SPF programming with regional WBG priorities, transfer operational knowledge across practices, and to suggest new initiatives that are in line with regional and sectoral priorities. Finally, the SPF Secretariat manages the day-to-day operations of the fund, preparing strategic directions for each year, providing advice to teams on how to make projects more agile, processing grants, as well as monitoring and evaluating the SPF portfolio on the basis of its results framework. The SPF Secretariat includes a dedicated manager for the forced displacement program area.

The SPF will ensure that funds are administered and reported on in accordance with the Administration Agreement between the WBG and the Government of Denmark, and in line with World Bank policies and procedures. This program management team will be subject to the WBG's standard quality assurance and fiduciary accountability procedures, and will draw on the advice and support of the WBG's administrative support functions as needed.

4.2 Anti-corruption

The World Bank Group has a range of institutional and procedural measures in place to prevent and sanction corruption. A dedicated Integrity Vice-Presidency is charged with investigating allegations of fraud and corruption in WBG-financed projects and WBG-managed Trust Funds. To ensure its independence, the Integrity VP reports directly to the President of the Bank Group.

5. Budget

This proposal seeks the support of the Danish Government in the amount of US\$ 11 million for a period of three years. Given the intense start-up period, it is expected that expenditures under the program will be front-loaded. The below budget table provides indicative amounts associated to each business line.

Program budget 2017-2019

Business line	Indicative budget in US\$ per fiscal year ³			
	FY18	FY19	FY20	Total
Support to host governments	800,000	700,000	500,000	2,000,000
Operational support	1,000,000	1,000,000	1,000,000	3,000,000
Country-level partnerships	250,000	250,000	250,000	750,000
Analytical work	750,000	750,000	750,000	2,250,000
Global engagement	800,000	600,000	500,000	1,900,000
Program management and contingencies	400,000	400,000	300,000	1,100,000
Total	5,150,000	3,500,000	2,350,000	11,000,000

³ The World Bank's fiscal year runs from July 1 to June 30. The IDA18 Sub-Window for Refugees and Host Communities became operational with the onset of FY18, i.e. July 1, 2017.

Annex 1: Results Framework

Objective	Outcomes	Outputs	Indicators
Program Development Objective			
Maximized impact of the programs supported under the IDA 18 Sub-Window for Refugees and Host Communities	<p>Increased capacity of host countries and other actors to manage refugee situations and impacts on host communities</p> <p>Relevant and effective use of funds in Sub-Window</p>	<p>Technical assistance to Governments and other partners</p> <p>Technical assistance to project teams to increase effectiveness</p> <p>Studies and assessments to increase relevance and effectiveness</p>	<p>Number of progressive policies adopted</p> <p>Quality of partnership arrangements in country</p> <p>Number of projects rated Moderately Satisfactory or above during implementation</p> <p>Number of studies and assessments undertaken</p>
Component level Objectives			
Increased capacity of host governments in the design and implementation of policy and institutional reforms to improve the management of refugee situations	Host governments in the possession of key technical capacity and analytical background to undertake policy and institutional reforms	<p>Technical assistance provided to Government</p> <p>Sr. Forced Displacement experts in key countries supporting policy dialogue</p>	<p>Progress in implementing the action plans submitted to the WBG:</p> <p>Number (and significance) of reforms adopted.</p>
Improved design and implementation of WBG projects to be financed under the IDA 18 Sub-Window for Refugees and Host Communities	Project teams design relevant, effective and timely projects making use of evidence and right skills mix	<p>Increased “facetime” in country by project teams</p> <p>Studies and assessments supporting preparation or supervision of projects</p> <p>Sr. Forced Displacement experts in key countries supporting project teams</p>	<p>Number of projects approved by the WBG’s Board of Directors within each FY of IDA 18</p> <p>Number of projects rated Moderately Satisfactory or above during implementation</p>
Strengthened country-level partnerships	Enhanced use of comparative advantages among actors engaged in responding to forced displacement situations	<p>Technical assistance provided to relevant actors at country level</p> <p>Technical assistance to regional</p>	Qualitative assessment of (1) the functioning of partnership arrangements at country level and (2) the WBG’s role in these

		<p>institutions</p> <p>Country-level workshops on development response to forced displacement</p> <p>Sr. Forced Displacement experts in key countries supporting coordination</p>	<p>structures.</p> <p>Number of workshops held in recipient countries</p>
Enhanced analytical underpinning for an effective country-level engagement over the medium-term	Expanded public availability of data and evidence driven analytical work as the foundation for effective design of interventions	<p>Poverty and vulnerability assessments for refugees and host communities</p> <p>Policy notes on country-level humanitarian-development synergies</p> <p>Thematic studies/assessments at country level</p>	<p>Number of poverty and vulnerability assessments publicly available for countries eligible to the IDA 18 Sub-Window for Refugees and host Communities</p> <p>Number of policy notes on country-level humanitarian-development synergies publicly available.</p>
Strengthened engagement at the global level	Expanded access to the IDA 18 Sub-Window on Refugees and Host Communities and a stronger international consensus on how to address refugee situation	<p>Preparation for eligibility of additional countries under the IDA 18 Sub-Window on Refugees and Host Communities</p> <p>“Data initiative” in partnership with UNHCR</p> <p>Global level analytics and engagement</p> <p>Development input into the preparation of the Global Compact</p>	<p>Number of eligible countries by the IDA 18 Mid-Term Review and by the end of IDA 18</p> <p>Launch of a WBG-supported data initiative</p> <p>Qualitative assessment of the WBG’s contribution to the preparation of the Global Compact.</p>

Annex 2: Country-level interventions

WBG interventions will be tailored to each country context. Situations vary greatly across countries (and sometimes even within a country across refugee flows from different origins) and so do the challenges that refugees and their host communities are facing. The table below provides a summary of such objectives and priority activities that could be supported by the WBG within the context of the IDA 18 Sub-Window for Refugees and Host Communities.

COUNTRY	OBJECTIVE	POSSIBLE INTERVENTIONS
Cameroon (376,000 refugees mainly from CAR and Nigeria)	Help develop an integrated approach to manage forced displacement situations as part of development plans, with a focus on rural livelihoods, services, and social cohesion in hosting areas.	Projects: Additional financing on community-driven development; social protection; health; and education projects to scale up and adjust activities in refugee-hosting areas; Analytical work: Poverty and vulnerability assessment for refugees and host communities.
Chad (401,000 refugees mainly from Sudan, CAR and Nigeria)	Help create the conditions for a sustainable management of recurrent refugee situations by boosting opportunities and service delivery in host communities and by increasing self-reliance among refugees.	Project: Social Fund to support small- and medium-scale area-based investments (services, livelihoods) in refugee-hosting areas; addressing drivers of instability and fragility in the Lake Chad Region; Analytical work: Poverty and vulnerability assessment for refugees and host communities; policy notes on transition from humanitarian aid to development (including access to documentation, secured access to land, and integration of basic services delivery).
Congo (Republic of) (47,000 refugees mainly from CAR, DRC, and Rwanda)	Help the Government foster a degree of socio-economic inclusion for refugees within national systems and strengthen its capacity to manage refugee inflows in the present and future	Project: Additional financing of the social safety nets project (inclusion of refugees and shift from status- to vulnerability-based approach); Analytical work: Poverty and vulnerability assessment.
Djibouti (18,000 refugees mainly from Somalia, Ethiopia, and Yemen)	Support the Government in facilitating the socio-economic integration of refugees.	Projects: Health and education services; strengthening self-reliance and resilience; Analytical work: Poverty and vulnerability assessment for refugees, migrants, and host communities.
Ethiopia (792,000 refugees mainly from South Sudan, Somalia, and Eritrea)	Support the Government's policy shift from a focus on encampment to a sustainable management of refugee situations within a medium-term	Projects: Support to the "jobs compact"; mainstreaming basic services, with a particular focus on education; Analytical work: Poverty and vulnerability assessment; policy

	perspective – with a focus on out of camp opportunities and human capital for refugees, as well as improved living standards for host communities and increased reliance on country systems.	notes on transition from humanitarian aid to development (including transition from food aid to cash to social protection, institutional arrangements for expanded use of country systems, emergency planning with a medium-term horizon, and economic sustainability of camp areas).
<u>Niger</u> (167,000 refugees mainly from Nigeria and Mali)	<i>Help manage forced displacement situations in insecure environments beyond humanitarian interventions</i> , with a focus on short-term opportunities for self-reliance, capacity-building at local level, and preparation for an eventual recovery.	<u>Projects:</u> Area-based development to prepare for an eventual stabilization of the situation (in areas hosting Nigerian refugees) and human development interventions (in areas hosting Malian refugees); <u>Analytical work:</u> Policy note on the refugee situation at the Malian border; analytics on vulnerability and targeting.
<u>Pakistan</u> (1,400,000 refugees mainly from Afghanistan)	<i>Help manage the situation of refugees and other Afghan nationals in Pakistan in a sustainable manner to reduce risks of marginalization</i> – with a focus on the policy framework (to address the distinct needs of refugees and economic migrants), education and skills, and social cohesion.	<u>Projects:</u> Enhancing education and health services; skills development and entrepreneurial support in refugee-hosting areas; supporting institutional reform; <u>Analytical work:</u> Poverty and vulnerability assessment; documenting the lessons learned from Pakistan’s experience.
<u>Uganda</u> (1,300,000 refugees mainly from South Sudan, DRC, Burundi, Somalia, and Rwanda)	<i>Help secure the sustainability of some of the world’s most progressive policies, which are under stress</i> , by boosting resilience to refugee shocks, enhancing self-reliance and socio-economic development in hosting areas, and strengthening humanitarian - development coordination	<u>Projects:</u> Expansion of a project supporting refugee-hosting areas; emergency response project (for the South Sudan refugee crisis); human development project; infrastructure development project; <u>Analytical work:</u> Poverty and vulnerability assessment of refugees and host communities; policy notes on transition from humanitarian aid to development (including shift from status- to vulnerability-based support, institutional arrangements for expanded use of country systems, emergency planning, and economic sustainability of settlements); just-in-time advice to local governments of refugee-hosting areas in the North.

While each country program has been developed independently, a number of common approaches have emerged and are expected to constitute the focus of WBG interventions:

- ***From crisis response to risk management.*** Several host countries (e.g., Chad, Ethiopia, Uganda) have consistently fragile neighbors and receive repeated waves of refugees. For these countries, the challenge is not only to deal with existing situations, but also to develop an effective approach to manage repeated inflows over the medium-term – including through policies and institutions. Host countries also often have some time to prepare for inflows (as there is typically a several-year lag until they materialize) for example by setting up institutional arrangements, pre-arranging resource transfers to affected areas, building up a surge capacity for service delivery, etc.
- ***Support to host communities and lagging regions.*** Most refugees are hosted in peripheral regions where opportunities are typically scarce and service delivery limited, and their presence can have a substantial impact on host communities. In such areas, large inflows of refugees can exacerbate pre-existing issues, overwhelm service delivery capacity, or deplete the natural environment, although impacts can also be positive and partly depend on government policies. Support to refugee-hosting areas is expected to be a critical component of WBG's efforts, as part of a broader effort to support lagging regions – in countries as diverse as Cameroon, Chad, the Republic of Congo, Ethiopia, Niger, or Uganda.
- ***Towards a degree of socio-economic inclusion.*** A number of country-level objectives are articulated around the concept of inclusion – be it through a gradual shift away from systematic encampment (e.g., in Ethiopia), steps towards integration into country systems and development plans (e.g., in Cameroon or the Republic of Congo), or efforts to reduce risks of marginalization (e.g., in Pakistan). Inclusion is important to allow for dignity and self-reliance, to prevent the emergence of poverty traps, and to prepare for durable solutions. But it is also a complex and politically-loaded concept and it may often be only temporary: support will have to be tailored to the situation of each country.
- ***Regional vs. country-level approach.*** Refugee crises always have a regional dimension – yet, hosting policies primarily reflect country-level situations. Most crises affect several countries, and indeed most countries are affected by several crises, which results in a patchwork of refugee situations. For example, Cameroon, Chad, and Niger all host Nigerian refugees – but Cameroon and Chad also host CAR refugees, Niger (like Mauritania) also hosts Malian refugees, and Chad (like Ethiopia) also hosts Sudanese refugees. WBG interventions need to reflect developments in neighboring countries as well as regional initiatives (e.g., March 2017 Nairobi Declaration on Durable Solutions for Somali Refugees and Reintegration of Returnees in Somalia), but also domestic constraints and political debates.

Across countries, the following sectors and thematic areas are expected to account for the bulk of WBG interventions:

- ***Jobs and private sector.*** Accessing a source of income is necessary for refugees to recover and regain agency, even it is not always sufficient. Interventions can support policies that enhance refugees' right to work and freedom of movement (as appropriate in a given context) and help create economic opportunities (for all) where there are large numbers of refugees – with a focus on ensuring their sustainability, primarily by supporting private sector engagement. The “Jobs Compact” in Ethiopia (external support to new industrial zones aimed at creating 100,000 jobs and issuance of 30,000 work permits for refugees), support to small-scale economic activities in

outlying areas of Cameroon, and short-term opportunities in Niger's Diffa Region are all examples of such an approach.

- **Education.** About half of refugees are children. Their education is not only key to their own future, but to the rebuilding and eventual stabilization of their country of origin. Efforts are needed to extend the coverage of existing services, transition from externally managed humanitarian services to country systems, and address the specific needs of refugees (e.g., trauma, unaccompanied minors, missed years of schooling, language barriers), with a focus on building portable skills that refugees can use regardless of the eventual outcome of their situation. Education has emerged as a key area of interventions in contexts as distinct as South Sudanese refugees in Ethiopia and Uganda, Malian refugees in Niger, and Afghan refugees in Pakistan.
- **Area-based development.** An integrated, area-based approach can be instrumental in enhancing living conditions and prospects for both refugees and their host communities – for example in Chad, Niger, Djibouti, Pakistan, and Uganda. This can also help develop services and create opportunities in a way that also reduces potential tensions between refugees and host communities
- **Social protection.** WBG experience with social protection systems can be applied in refugee contexts, where the challenge is to provide long-term assistance in a manner that is fair vis-à-vis host communities and that minimizes the risks of long-term dependency. An eventual shift from status- to needs-based assistance is also key to reach refugees outside of camps and to adequately support those in host communities who are negatively affected. Where systems are in place or being launched, they can be used to support refugees and host communities, for example in Cameroon or in the Republic of Congo.
- **Poverty analysis.** This is critical to the effective targeting of efforts, in terms of both policy dialogue and investments in an environment where detailed data on refugees' and host communities' living conditions are often lacking. It requires a systematic approach across all refugee-hosting countries, sequenced over time to reflect staffing and budget constraints. Partnership with UNHCR will be especially important.

There are also several innovative areas where the WBG needs to learn more and further strengthen its capacity to engage in order to maximize the impact of its interventions in support of refugees and host communities:

- **Refugee policies.** The outcome of the WBG's effort will be a function of its ability to help countries enhance their refugee policies. Yet, this is a new area where the WBG has limited knowledge and evidence to underpin its dialogue. Working in partnership with others, developing a framework to systematically assess strengths and weaknesses of existing country approaches, and building evidence on reforms and how to support them will all be key for the success of WBG programs.
- **"Cascade".** Private financing is key to creating an environment where refugees can recover and their hosts prosper. Yet, such investments are inherently risky, and may need to be supported through both policy dialogue and financing instruments. Through IDA, IFC, and MIGA, the WBG has the ability to stimulate scaled-up private sector engagement (e.g., to create jobs), but fully leveraging this capacity in refugee situations requires better understanding key obstacles and broadening the range of instruments the WBG brings to bear through its various entities.

- ***Transition from humanitarian aid.*** The humanitarian system provides significant assistance in refugee contexts, but it is under considerable financial strain. In a number of situations humanitarian actors are providing services (e.g., education, health) through parallel systems but this is often not sustainable. WBG resources could in principle help strengthen country systems to eventually take over such services, but such a transition is unlikely to be smooth unless it is carefully planned together with the authorities and humanitarian actors. This is particularly important for education, health, and basic support to the most vulnerable refugees.
- ***Gender.*** The refugee crisis has significant gender elements, and conditions for women and girls are often very difficult. Gender-based violence, survival sex, and early marriages are common in many situations. Traditional norms and lack of services (e.g., for maternal health) often reduce opportunities – while men and women may also have different preferences for the future. More evidence is needed on “what works” in an area where needed interventions are inherently complex.
- ***Non-traditional areas of involvement.*** The success of the WBG’s efforts may hang on its ability to deal with issues in which it has a limited track record. For example, there is ample evidence that the impact of trauma can have a significant impact on refugees’ recovery prospects (e.g., on the ability to get and keep a job or on education outcomes). There is also evidence that “social cohesion” – between refugees and host communities as well as within host communities – is critical to mitigate the development impact of refugees’ inflow. The WBG needs to expand its engagement in these areas and build further evidence on the type of interventions that can work.

Overall, effective engagement in supporting refugees and host communities is also expected to require dedicated resources. The engagements that are being considered are likely to be costly because of their very nature – and the corresponding tasks will need to be adequately resourced. The presence of dedicated staff in the field will also be key to help “make things happen”, to manage a complex policy dialogue, to engage in effective partnerships with UNHCR and other stakeholders on the ground, and to ensure that the various parts of the program proceed effectively.

Quality Assurance checklist for appraisal of programmes and projects above DKK 10 million⁴

The checklist is signed by the appraising desk officer and management of the MFA unit and attached to the grant documents. Comments and reservations, if any, may be added below each issue.

File number/F2 reference: 2017 - 36546
Programme/Project name: Global Program on Forced Displacement (GPFD). 2017
Contribution: 65 mio. kr.
Programme/Project period: 2017-2020
Budget: 65 mill. Kr.

Presentation of quality assurance process:

The World Bank is a trusted partner, and the GPFD has a proven implementation track record. It is a relevant and flexible facility, which enables the World Bank to optimise, inter alia, the implementation of the IDA-18 sub-window for refugees. The governance and fiduciary arrangements are in place, and the new commitment will follow existing procedures that guide contributions through the SPF TF. The contribution as such – due to the World Bank's fiduciary record - is therefore considered low-risk.

Furthermore, this allocation will follow several earlier contributions to GPFD. GPFD is not a program with pre-designed objectives and activities but rather a facility or mechanism that through a broad range of analytical and operational activities seeks to ensure a greater focus on forced displacement within World Bank country programmes. Denmark has been a consistent supporter of it since the inception in 2009, and GPFD has managed to prove its worth since then.

HMC has a close and direct dialogue with World Bank's Fragility, Conflict and Violence Group and the MENA Department in relation to DK priorities. This covers not only the GPFD but also the Global Concessional Financing Facility (GCFF) and the State and Peace Building Fund, both of which will also receive Danish contributions in late 2017. This combination of three significant contributions addressing fragility will add to the Danish voice in the World Bank in this area.

☐ The design of the programme/project has been assessed by someone independent who has not been involved in the development of the programme/project.

Comments: The set-up of the GPFD has followed the World Bank due diligence process as does each and every specific output from GPFD.

☐ The programme/project complies with Danida policies and Aid Management Guidelines.

⁴ This format may be used to document the quality assurance process of appropriations above DKK 10 million, where a full appraisal is not undertaken as endorsed by TQS (appropriation from DKK 10 up to 37 million), or the Programme Committee (appropriations above DKK 37).

Comments: The GPFD engagement is fully in line with the Danish Development and Humanitarian Strategy and AMG.

- ❑ The programme/project addresses relevant challenges and provides adequate response.

Comments: GPFD is at the core of the World Bank's global response to forced displacement – both through the IDA 18 refugee sub window and the GCFE.

- ❑ Comments from the Danida Programme Committee have been addressed (if applicable).

Comments: All comments from the Programme Committee were considered in the finalisation Programme Document.

- ❑ The programme/project outcome is found to be sustainable and is in line with the national development policies and/or in line with relevant thematic strategies.

Comments: Not applicable – as this is a global instrument that seeks to advance more sustainable responses in protracted displacement situations. It is fully in line with all relevant Danish thematic strategies.

- ❑ The results framework, indicators and monitoring framework of the programme/project provide an adequate basis for monitoring results and outcome.

Comments: The GPFD produces an annual progress report that provides a comprehensive and detailed overview of all activities.

- ❑ The programme/project is found sound budget-wise.

Comments: Yes.

- ❑ The programme/project is found realistic in its time-schedule.

Comments: Yes.

- ❑ Other donors involved in the same programme/project have been consulted, and possible harmonised common procedures for funding and monitoring have been explored.

Comments: N/A. Not needed; existing set-up.

- ❑ The Danida guidelines on contracts and tender procedures have been followed.

Comments: Not applicable

- ❑ The executing partner(s) is/are found to have the capacity to properly manage and report on the funds for the programme/project and lines of management responsibility are clear.

Comments: Yes.

- ❑ Risks involved have been considered and risk management integrated in the programme/project document.

Comments: Yes.

- ❑ In conclusion, the programme/project can be recommended for approval: yes

- Issues related to HRBA/Gender have been considered adequately

- Issues related to Green Growth has been considered if applicable
- Environmental risks are addressed by adequate safeguards when relevant

Date and signature of desk officer: 17.10.2017, Thomas Thomsen

Date and signature of management: 17.10.2017, Stephan Schönemann