

Annex 2: Further reflections on Burden and Responsibility Sharing

1. Introduction

From the combined resource material gathered for this study – the evaluation of the Kalobeyei Integrated Socio-Economic Development Plan (KISED P), the evidence annex (Annex 1), bilateral consultations and the spotlight session at the December 2019 GRF in Geneva on “*how to get burden and responsibility sharing (BRS) right for the Global Compact on Refugees (GCR)*” – point to that (i) BRS is the most important issue to address in order for the KISED P to achieve its full realization, (ii) BRS is the most important issue to address in order to effectively operationalize the transformative vision of the GCR, (iii) BRS can only be achieved through development cooperation, which requires displacement issues to be included in national and if context demands in sub-national development plans. On this basis this guidance note proposes an approach to achieve BRS in displacement situations.

One of the workstreams under the GCR process leading up to the December 2019 GRF was on BRS. A number of workshops were held to discuss how to assess the cost of hosting refugees. Different methods and models were discussed. Two differing views emerged with refugee hosting states viewing fulfilment of the notion being expressed predominantly in financial transfers from the donor states, while donors viewing it both in terms of widening the range of contributing stakeholders (states, private sector) and policy shifts on the part of the refugee hosting states. The workshops highlighted the complexities of BRS including impact on society, fiscal impact and impact on the economy and the challenges in measuring and comparing these. There are plans to start in 2020 by looking at fiscal impact in the education sector in some pilot countries. The strategic alignment of the GCR indicators with the SDGs and the 2030 agenda to track trends over a substantial period combined with OECD digging deeper in donor development and humanitarian funding trends, may eventually also provide useful information for the BRS discussion.¹

While there are some promising trends, the GCR process has not achieved tangible results on BRS yet, and the prospects for breakthrough via this global process in the immediate future looks dim. Hence the importance, as proposed in this study, of host states and their development partners taking this on situation by situation. The KISED P evaluation has such an approach as its central recommendation and this study proposes an approach to be applied and adjusted to the political economy of each context.

The purpose of this annex is to provide displacement-affected states and their bilateral and multilateral development partners inspiration for how best to begin engagement on how to achieve BRS. First the annex describes the most important political economy factors and competing priorities the partners need to consider. Second the annex describes the most important partnership considerations. Third the annex suggests steps on how to move towards the BRS dialogue. Fourth the annex lays out a possible platform for the actual dialogue process to achieve agreement on BRS.

¹ GRF website and consultations with UNHCR and WBG officials.

2. Political Economy Issues

BRS is an issue for both displacement-affected states and the international community. It is about displacement-affected governments' policy position and the way the international system responds to that. BRS is about funding additionality and creating incentives for inclusive refugee policies, and consists of two main elements: (i) government agreement to enact an inclusive refugee policy framework that allows access to work and to engage in business activities and access to services, along with basic legal rights at par with the local population; and (ii) agreement by international development actors to support the process, including through sufficient additional financing. There was agreement among respondents in the consultations conducted for this study that humanitarian funding is continuously exhausted by old and new emergencies. The required substantial additionality can only come from development cooperation sources.

While states are not committed to BRS in the GCR, reaching such agreement in specific displacement situations is essential to the operationalization of the GCR. Therefore, bilateral and multilateral development partners need to be more centrally and actively involved in the operationalization of the GCR. Limiting the engagement to provide financing only will no longer be sufficient. A high level of political will and perseverance is required by both the host state and development partners for BRS to be achieved.

Unless host governments mainstream a displacement response within national and not least sub-national development frameworks, comprehensive engagement of development actors is unlikely to happen. Hence, development cooperation should respond to the expressed prioritized development needs of displacement-affected states.

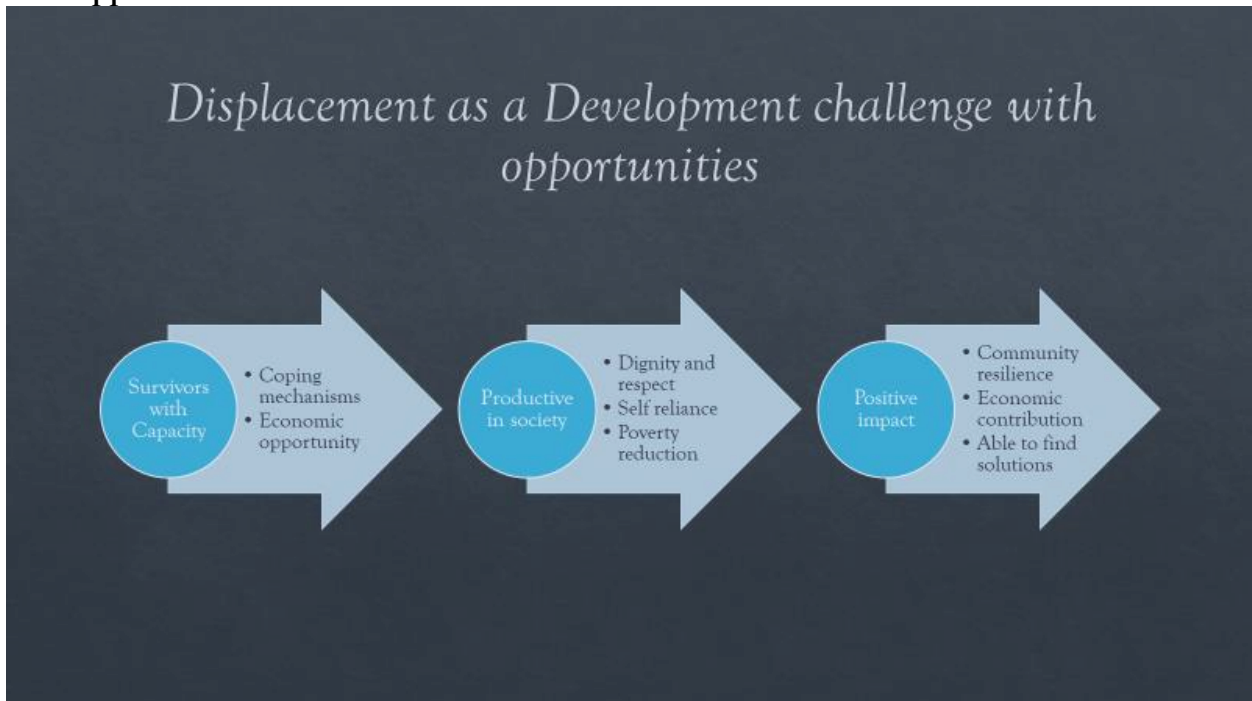
First there has to be joint understanding of the host countries' legitimate concerns regarding the displacement situation and of the possible negative and positive impact of including refugee issues in national and sub-national development plans. Negative impacts could be (i) environmental in terms of stress on natural resources; (ii) economic in terms additional sector expenses and fiscal pressure; (iii) political in terms of a) ethnic imbalance and tension, pressure to return refugees forcefully, and fears that self-reliant refugees may stay on even when they can return voluntarily and b) ramifications of borrowing for non-nationals; and (iv) security in terms of fear of radicalization of refugees and related insecurity. Positive impacts could be (i) self-reliant refugees can contribute to the local economy and pay taxes; (ii) improve host community relations and community resilience; and (iii) reduce tension and limit security concerns.

It is also important to develop a joint understanding of the possible implications of different types of refugee policies as in the examples in Box 1 and 2 below. The starting point for a BRS dialogue on refugee policies will vary between contexts. Displacement-affected states have different refugee policies spanning from very restrictive to fully inclusive. In some situations, a government may take the first steps, in other cases it may be one or a group of development partners that will need to nudge the government to initiate the process. This can be done both informally and in more formal ways. It is important to understand that this process cannot be done through proxies. It is a matter between displacement-affected states and development partners with own resources to develop the required trust and understanding.

Box 1. Possible implications of a restrictive refugee policy that takes a short-term exclusive humanitarian approach.



Box 2. Possible implications of an inclusive refugee policy that takes a comprehensive long-term approach



3. Partnerships

Partnerships among development partners and their joint collaboration with displacement-affected states are central to achieve BRS. Bilateral development partners would need to understand potential obstacles and bear such issues in mind: (i) the degree of political will, including restrictive policy environments and shrinking international support; (ii) slow reaction speed by development partners to new crises; and (iii) frustration among displacement-affected countries in the global south over the mismatch between their liberalizing refugee policy environment and more restrictive policies in the north. Other issues are seen as potentially conducive: (i) the broad international support behind the GCR; (ii) positive political will among certain host governments; and (iii) the mutual benefits inherent in the GCR.

While some bilateral development partners consulted for this study appear to be moderately satisfied with their coordination with other bilateral development partners on development policy and financing, others see a need for significant improvements in this area globally, but particularly at the country level. Bilateral development partners see themselves as collaborating well with the UN system, NGOs and civil society but identify challenges with the private sector which they would like to see getting involved in this work.

There is agreement on the need for better data sharing amongst multilateral and bilateral development partners at the country level in order to inform joint advocacy on required development policy adjustments. At the country level, bilateral development partners are keen to achieve better understanding of host country displacement situations through joint political and context and impact analysis. It may be beneficial for likeminded development partners to join forces to create local groups of development actors that could engage the state together to promote a forward-looking GCR approach and burden and responsibility sharing.

The United Nations High Commissioner for Refugees (UNHCR) is urged to nudge the development actors that hold back to form such groups and partnerships, where UNHCR's involvement would be to provide information, data and protection guidance as needed by the groups.

4. Towards a Burden and Responsibility Sharing Mechanism

It is important that displacement-affected states lead the dialogue and if capacity is constrained, development partners can be requested to assist. The local context will be the guiding factor in each case for who in the development community is best suited to provide this assistance and to lead the group of development partners. Mechanisms in a given country that has credibility with the government may be a good starting point. The context will also determine the type and level of UNHCR facilitation and catalyzation that may be needed. Leadership to support the displacement-affected state could for example be a large bilateral development partner or a group of development partners. Of the multilateral development partners, the World Bank Group (WBG) has a specific responsibility as a global leader on development policies and approaches with the clout to bring development partners and the displacement-affected government together at the country level. Encouraging such efforts by the WBG can also be pursued by bilateral donors through their permanent representations at the WBG governing board. It may be that EU DEVCO in some situations is the best lead, as it, together with other arms of the EU, can address both developmental and political issues. But

all – displacement-affected states, multilateral and bilateral development partners – need to be ready for this process.

A closer engagement on policy and sector issues among development partners should promote a more unified dialogue with the host state. Development partners should make more effective use of development coordination mechanisms for this purpose. It is important for the host state and development partners to identify which policy changes are most impactful. This nudging process of who sticks their neck out first will be delicate, but most likely needed in most cases to get the process of the ground. There is a need for a process that generates a genuine tripod of trust, understanding, and commitment.

5. Platform for Burden and Responsibility Sharing Dialogue

As discussed above development partners and displacement-affected states need to first agree on which elements to discuss in order to move towards agreement on real burden and responsibility sharing. It is also important to calibrate the initial steps of the dialogue carefully, depending on the concrete context to ensure a balanced process with full focus on building mutual understanding and trust. When leadership and partnership constellations have been established, the planning of how to proceed with the dialogue can begin. It is important to bring the discussion to a sufficiently high level and to maintain it there. In most countries there are such systems for dialogue between high level decision makers that can be capitalised on. Depending on context the following issues are likely to be needed on the dialogue agenda:

Political economy and context. A comprehensive approach must draw on a political economy assessment and context analysis undertaken jointly so that all actors have the same reference point and planning platform. These analysis will need to look at social, economic, fiscal, religious, ethnic, geographical, regional, security, geopolitical, political, power relations, private sector issues and, the prospects for lasting solutions to the displacement situation. This is important to ensure full awareness up front by all on the overall dynamics in the displacement-affected state. Such analysis is also important as the basis for exploring the “right” balance and sequencing at the host community level between lifesaving humanitarian assistance on the one hand and service delivery, livelihood and other resilience issues on the other (i.e. a nexus approach). Seek clarity on the legitimate self-interests and incentives of the displacement-affected country that are driving their development and refugee policies. Seek clarity on the development partners view of the country and comparative advantages and self-interests driving their incentives for supporting the country’s development in general and their refugee policies in particular. To develop this common contextual understanding bilateral and multilateral development partners need to be actively involved at the diplomatic and operational level in the displacement-affected situation.

Comprehensive engagement by development actors depends on what the displacement-affected state prioritizes in its national and sub-national development frameworks, plans and budgets. Solid joined-up analysis is of particular importance when refugee hosting states have restrictive hosting policies, and the window for policy dialogue may be limited. Starting by discussing respective self-interests to build trust and understanding could in these cases be a good starting point.

Global evidence. In each situation it is important to have access to updated relevant information on policies and developmental interventions, and research both on the positive and negative impact of different refugee policies in different displacement situations. Such global evidence will inform the dialogue between the governments and development partners. One important step to take forward or to stimulate host country interests, is for the WBG to work with national statistics bureaus with input from UNHCR to document the poverty eradication aspects in displacement-affected communities, looking both at refugees and host populations. The analysis would also provide a natural link to the broader SDG framework of leaving no one behind in the national setting. Such analysis is also core to development plans and would inform country specific development policies, budget processes led by ministries of finance and the development of sub regional development plans. It is also important to discuss respective structural and procedural impediments and what is needed in term of adaptation and change based on global evidence.

Long timeline. Seeking acceptance and agree early in dialogue on the inevitable longevity of the displacement situation is key, this implies tabling, if needed, evidence of historic timelines for displacement crisis to document that they all, at best, last at least 10 to 20 years. Shared understanding of the timeline, is enabling for creating a different foundation for the dialogue. This means thinking long term from the beginning and because it takes so many years to resolve a refugee crisis, it is to be understood more as a development situation than a humanitarian crisis. The implications of this from specific displacement situations would eventually influence the global structure on how to deal with displacement.

It is also important to share evidence of the often long timelines for achieving temporary self-reliance until voluntary return can take place. This would provide indications for timing and level of humanitarian assistance and additional development investments needed to reach the breakeven point where net savings can begin to be achieved. It is also important to assess and discuss a self-reliance approach versus the more restrictive care and maintenance model. What are the respective impacts on relations with host populations, economic and security impacts, how the refugee's level of capacity and self-reliance affects the ability of refugees to find their own durable solution, contra the care and maintenance approach that erodes capacity and leave asylum country with increased number of vulnerable people?

Net Impact. Seeking agreement on methods for sector costing of inclusive refugee policies and seeking agreement on methods for assessing the impacts in social, economic, fiscal, public service delivery and social safety net terms. Use these findings to seek agreement on the real positive and negative impacts to quantify the host country net contribution. Looking at the respective fiscal contributions by host country and its development partners may be a good starting point as these are comparable. Looking at Efforts to agree on net impact may be best done on a case by case basis as a global formula will be difficult to reach agreement on. When discussing how to look at impact, it is important to shift the mindset from looking only at needs and vulnerability to also look at capacity and opportunities. The importance of not only looking at refugees as victims in need but also as survivors with capacity that can contribute to the local economy. The long-term net economic costs that will need to be covered as a result of mainstreaming refugees into national development plans is not a conditionality but a natural consequence of how development support works and what is required to achieve outside support. This should also include agreement on what part of the support from the development

partners is additional, and what comes from more effective use of existing resources and reprioritization.

Reaching agreement. Based on the net impact information develop and agree on a refugee policy framework that satisfies the incentives of both the displacement affected state and the development partners. If the above approach is followed, it could then lead to a situation where a BRS agreement is achieved and committed to by both parties. Agreement can only be developed and agreed between displacement affected states and development actors with own resources. The humanitarian donor funds are continuously exhausted by crises. External development partners are the only entities that can provide the required substantial financial additionality. They will only be able to do that if the displacement affected state makes displacement a development priority.

Agreement on BRS will provide an essential foundation for joint planning and program design under a host state development framework to be undertaken by national and external development and humanitarian partners in a way that operationalizes a nexus approach to displacement situations or in other words in a way that operationalizes the transformative vision of the GCR. The key recommendation from the KISED P evaluation underscores how agreement on BRS will be essential for the future success of that program. Such an approach utilizes the comparative advantages of both development partners (addressing the long-term needs and opportunities) and humanitarian partners (for life saving needs and specific vulnerabilities of refugees falling through the cracks of host state service delivery systems). This approach also implies a shift in the center of gravity of dialogue, planning, implementation and resources from the humanitarian to the development sphere.

Such an approach could also inspire host states and development partners to think ahead and be prepared before the refugee flow begins. A thorough political economy analysis regularly updated could predict such events way in advance allowing time for framework discussions on the burden and responsibility sharing to be in place up front.

For all the above to work, the international community and host states need to understand that displacement situations need to be seen as a development issue as a default as exemplified by recent engagement by multilateral development actors, and not as has mostly been the case so far, as a humanitarian crisis as a default. Understanding and operationalizing the full implications of this would indeed be a new way of working and exemplifying doing development differently.