



REPORT
Expert Meeting on Forced Displacement and Development
1 December 2014, Brussels

Organised by the European Commission ¹

1. Rationale

As a part of a consultative process, the European Commission's DG for International Cooperation and Development (DEVCO) together with DG Humanitarian Aid and Civil Protection (ECHO) organised an Expert Meeting with EU Member States and third countries on the issue of refugees, internally displaced persons (IDPs) and innovative development approaches to forced displacement.

The main objective of the meeting was to prompt policy discussions on the above-mentioned topic and to therefore serve as a knowledge and expertise resource to assist in the preparation of a Discussion Paper on Forced Displacement and Development that will be developed jointly by DG DEVCO and DG ECHO. Through this paper, the European Commission seeks to overcome the divide between the development and humanitarian-led approaches to forced displacement and ensure that DG DEVCO and DG ECHO work better together from the outset of a displacement crisis. In addition, the meeting aimed to inform the EU Member States and third countries on the ongoing policy reflection on this topic. A second round of consultations with international organisations, NGOs and civil society groups is foreseen in 2015.

The meeting addressed the following issues: background and objectives of the Discussion Paper; protracted refugee and IDP displacement, including urban displacement; beyond the three durable solutions - the socio, economic and fiscal impacts of forced displacement on host communities and countries and the added value of development-led strategies, including those focusing on the human development and self-reliance of refugees and IDPs; engaging in development approaches from the outset of a crisis; and modalities for overcoming the humanitarian-development divide (structural, procedural and budgetary issues) at the EU level.

Over fifty selected representatives from Member States and non-EU partner countries, EU institutions and international organisations gathered for the discussions. The agenda of the event and a list of participants are attached as an Annex to this report.

2. Key outcomes and recommendations

Key suggestions and recommendations from participants are summarised in the table below, while the subsequent sections of the report provide a detailed account of the discussions held during the various sessions.

¹ This meeting has been organised with the support of the International Organization for Migration (IOM), European University Institute (EUI) and B&S Europe.

Key outcomes and recommendations

- In recent years, forced displacement has increased in particular in the neighbourhood of the European Union, with forcibly displaced people increasingly comprised of IDPs that are particularly difficult to reach;
- The displacement crisis is not only a humanitarian challenge but a developmental, political and economic one, which if well-managed could be turned into a development opportunity. Framing an approach which is either humanitarian or developmental risks losing the potential which each has to offer;
- The issue of protracted displacement needs to be mainstreamed and target humanitarian, development and socio-economic actors; governments of origin, destination and transit, with an emphasis on local authorities; regional and international organisations. The role of the private sector, locally and regionally, also needs to be considered;
- Public debate on the topic of forced displacement should be provoked by using media presence more actively to attract political attention and thus secure further funds and interest of actors from beyond the humanitarian circle;
- There is no one-fits-all solution and all the responses and policies targeting forced displacement need to be context specific, adapted to the specific characteristics of the crisis and unique environment in which it occurs;
- With growing numbers of displaced people residing in urban areas, tools and methodologies, as well as strategies and solutions need to be adapted and developed to reflect this new reality;
- Innovative and sustainable approaches need to be designed to address situations in which the traditional durable solutions (repatriation, local integration, and resettlement) do not apply and consider revisiting the current definition of 5 years of displacement as “protracted”. These new approaches should be based on an assessment of the development dimension from the onset of a crisis and utilising the existing coping mechanisms developed by the displaced population themselves;
- While the negative socio-economic and political effects of refugee/IDP populations on host countries can be significant, they should not overshadow the potential positive consequences for the receiving/hosting areas and the individual refugees/IDPs.

3. Summary of discussions

❖ Introduction and presentation of the ‘Discussion Paper’ on ‘Forced Displacement and Development’

Professor Philippe Fargues, Director of the Migration Policy Centre at European University Institute made introductory remarks on the topic of refugees, internally displaced people (IDPs) and development. While explaining the definitions (UNHCR vs. UNRWA refugees, protracted refugee situations, IDPs) and statistics, he noted that data shows that the global refugee population as defined by UNHCR has held steady at around 11 million people since the turn of the millennium. By contrast, the number of registered Palestine refugees has continuously risen due to natural population growth, while

the number of IDPs has boomed from under 5 million in 1998 to 24 million in 2014 according to UNHCR. Moreover, with massive numbers of people forcibly displaced from Iraq and Syria, the world's largest refugee populations are now concentrating at the external borders of the EU. Countries of first asylum in the Eastern Mediterranean are under extreme economic strain, while their political stability and security are put at risk by over a million refugees. Using the UNHCR definition of a protracted refugee situation,² nearly two-thirds of refugees in the world today – 6.3 million people – are in protracted refugee situations with an additional 5 million Palestinian refugees. To these numbers, one should realistically add more than 3 million Syrian refugees who may not return soon to their homes and are therefore in a 'nascent' protracted refugee situation. The magnitude of protracted displacement is, however, considered to be far greater depending on the definitions used in data collection. According to the Norwegian Refugee Council's Internal Displacement Monitoring Centre (IDMC), at the start of 2014, some 33.3 million persons were internally displaced, up from 25 million people a decade earlier. Furthermore, the average length of stay in these states of virtual limbo is now approaching 20 years, up from an average of nine years in the early 1990s. This shows that not only is a greater percentage of the world's refugees in protracted exile than before, but these situations are lasting longer. Nonetheless, as Professor Fargues noted, one cannot focus only on the negative aspects of displacement and simply disregard the positive contribution displaced people bring, including additional economical and material resources, as well as education and skills, and the aid received from external donors. To mitigate the problems and find durable solutions, he argued that external actors involved in the topic should focus their activities on finding sustainable approaches to address situations in which traditional durable solutions do not apply and seek ways to foster the positive impacts of displacement, while at the same time, minimizing the social and political tensions that displacement creates.

Ms Dessislava Choumelova, Adviser to the Director, Strategy, Policy and International Co-operation, DG ECHO and **Mr Silvio Cordova**, Programme Manager, Migration and Asylum Unit, DG DEVCO set the scene for further debate with an introduction of the outline of the Discussion Paper. The speakers highlighted that even though discussing the linkages between forced displacement and development is not new, it has been mainly viewed as a humanitarian issue. The European Commission is looking now at how to reframe this debate considering the economic, developmental and political dimensions of displacement to find sustainable solutions and better address the challenges displaced populations present to host governments and countries. The Discussion Paper that the EC is preparing will therefore include stocktaking to assess the EU humanitarian and development assistance towards refugees and IDPs, to identify best practises and examine the added-value of development approaches to forced displacement. Consequently, it will look at how the EU can better link humanitarian and development responses from the outset of a displacement crisis with the aim of preventing protracted displacement and addressing 'locked' situations. As the speakers emphasized, it is essential to move away from compartmentalised approaches and replace them with cooperation and integrated solutions and incorporate socio-economic approaches, including, when appropriate, self-reliance initiatives. As a global donor and policy actor, the EU can play an important role not only by prompting discussions and redefining policy thinking but also by redesigning policy responses and finding new innovative solutions.

During the **discussions**, participants confirmed that a change of mind-set is needed to ensure that the development dimensions of forced displacement are addressed and burden-sharing is established between humanitarian and development actors. Participants agreed that development stakeholders should engage from the outset of a displacement crisis in order to better address forced displacement and find durable solutions. Nevertheless, the difficulty of taking a development approach while basic humanitarian needs of a large refugee population may not be fully met was stressed. The challenge of conducting humanitarian and development assistance in parallel was raised in this context. Participants further remarked that factoring refugees and returnees into development planning and more tailored assistance are needed, while more emphasis should be placed on urban displacement. With growing

² A situation where refugees are in exile for five or more years after their initial displacement, without immediate prospects for implementation of durable solutions (UNHCR 2009a: preamble)

numbers of displaced people now residing in urban areas rather than in camps, it was argued that urban displacement requires entirely new strategies and solutions. In urban settings, self-settled refugees are even more directly connected to the wider host economy and international business networks and their positive impact to the hosting society can be maximised more easily. At the same time, it is extremely difficult to identify and manage large numbers of refugees or IDPs in urban settings. Finally, the need for regional approaches to assist neighbouring countries hosting refugees was strongly underlined. The burden of hosting refugees is distributed unevenly across the world, with neighbouring countries bearing most of it. Sustaining the international refugee protection system will require enhanced support to host countries, also in terms of funding, and more serious efforts by the international community towards meaningful solidarity and burden-sharing. Concurrently, recognition of the potential benefits of hosting refugees is the first step in developing strategies that create “win-win” situations for refugees, host countries, and countries of origin. International actors should thus increase their efforts in finding sustainable solutions to mitigate the negative spillovers and reinforce the positive impacts refugees and IDPs can bring.

❖ **Session 1: Protracted displacement and the humanitarian-development divide**

The session on protracted displacement and the humanitarian-development divide was opened by **Ms Louise Bloom**, Research Officer at Refugee Studies Centre of University of Oxford, who introduced the terminology used for refugees and IDPs and examined the causes and potential solutions related to protracted displacement. Ms Bloom noted that we are experiencing now a global refugee crisis with more displaced people than at any time since World War II. The 2013 level of displacement was the highest on record since comprehensive statistics on global forced displacement started being collected in 1989, with now 51.2 million people forcibly displaced worldwide.

With regard to definitions, Ms Bloom emphasised the importance of caution in labelling refugees and IDPs given that both groups have different experiences, rights and durable solutions. Referring to the causes and problems of protracted displacement, prevailing issues in the country of origin and inadequate policy responses in host countries were underlined. Other actors may also fail to address the situation while long-term donor funding is lacking, leaving humanitarian agencies to “compensate” for inaction. Furthermore, the three durable solutions (repatriation, local integration, resettlement) may fail to work in practice due to a lack of political will from host countries to locally integrate and accept resettlement claims, limited funding to support repatriation, and inflexibility of current systems to consider the reality of informal arrangements made by the refugees themselves. Restricted access to the “Global North”, which hosts only 14% of refugees worldwide, further exacerbates these challenges

In addressing possible solutions to protracted displacement, Ms Bloom highlighted the need for tailored approaches, sustained discussions linking refugees, peace-building and migration and development, as well support to refugees’ own coping mechanisms and self-reliance. Recent research on the role of technology, innovation and the private sector in refugee assistance in Uganda was presented, which found that refugee communities with thriving and complex economies and innovative livelihoods strategies had developed on their own with strong connections to local, national and transnational networks. Whilst Uganda is a positive example of how refugees’ own skills, aspirations, and entrepreneurship offer a basis to develop market-based solutions to refugee protection and assistance, challenges still remain. Uganda is a rare example of a country that allows refugees the right to work and a degree of freedom of movement. At the same time, refugees’ own hopes of resettlement can, in some cases, be problematic and discourage them from developing self-reliance strategies. Discrimination and language barriers also limit some refugees in their full business freedoms, as well as lack of fully-fledged property rights affecting investment decisions. There is also a very limited understanding of how affected communities find their own self-reliance and operate within their economies and, as Ms Bloom concluded, this is where research has a crucial role to play.

Mr Cordova and **Ms Choumelova** subsequently outlined the respective approaches of DGs DEVCO and ECHO to displacement. The aim of the Discussion Paper and thus the meeting is to find a way to

overcome the humanitarian-development divide and create opportunities for both DGs to work better together, including from the beginning of an emergency. A key concern among humanitarian donors in this debate is that embedding development approaches in a situation of forced displacement can put into question the primacy of humanitarian responses, precepts and principles. Simultaneously, host countries frequently see development strategies that focus on economic empowerment and well-being of refugees as a threat to their economic interests, social stability and domestic security. Furthermore, development and humanitarian actors have different cultures, mandates, timeframes and sometimes even language. These distinctions are consequently being mirrored in the approaches, operational policies, timeframes and tools deployed in both types of assistance.

Humanitarian and development assistance, therefore, encompasses differing funding regimes, programming cycles and guiding principles. DG ECHO, as a humanitarian actor, is firmly committed to upholding and promoting the fundamental humanitarian principles of humanity, neutrality, impartiality and independence. This principled approach is essential to the acceptance and ability of the EU, and humanitarian actors in general, to operate on the ground in often complex political and security contexts. On the other hand, DG DEVCO is responsible for designing EU development policy and delivering development aid in partner countries and can, therefore, exert political influence and leverage on these countries. Moreover, priorities for development cooperation are identified through political dialogue with partner countries and are governed by Aid Effectiveness Principles (Paris Declaration on Aid Effectiveness) with ownership being essential. Lengthy programming processes for development funds can be a barrier in responding swiftly to refugees' and IDPs' needs, while DG ECHO has capacity to mobilize its resources more quickly.

Discussions were chaired by **Ms Vera Goldschmidt**, Senior Emergency and Post-Crisis Specialist at IOM, and re-affirmed the need for new joint approaches to protracted displacement. All agreed that more research is needed on the positive effects of displacement on host communities and how these benefits can be further advanced, including through better communication and a re-oriented debate on the contributions of refugees and IDPs. At the same time, it has been highlighted that there is no one-fits-all policy and context-specific solutions have to be developed before addressing each of the crises. Furthermore, participants noted the importance of targeting assistance in responses to protracted displacement to the differing needs of potential new influxes of refugees and engaging the different agencies that can be involved with different groups. While a regional approach is essential, it was stressed that policies should be based on an understanding of local markets and involving the national governments and local authorities.

With regard to the humanitarian-development divide, participants discussed how the needs of refugees and IDPs can be better incorporated into the overall EU response and how the EU can maximise the use of its current instruments. Noting the differing funding modalities of DGs ECHO and DEVCO, it was stressed that this can be used more efficiently in developing comprehensive responses in which DG DEVCO complements the immediate humanitarian response of DG ECHO with a longer term, multi-year strategy. While the idea of additional funding instruments was raised, participants generally agreed that the EU should focus on how to better utilise existing instruments and unlock current funding for the assistance to refugees and IDPs, especially in the long term. The links to the EU's Global Approach to Migration and Mobility (GAMM) were also highlighted, in particular the importance of EU efforts on capacity building and dialogue with the countries concerned. In addition, the importance of provoking a public debate and increased political attention to displacement crises was underlined, including through more active engagement with the media, as a means to secure further funds.

❖ Session 2: Development approaches and forced displacement

Mr Massimiliano Paolucci, Special Representative to the EU from the World Bank Group, opened the session with a presentation of the World Bank's Economic and Social Impact Assessment (ESIA) of the Syrian conflict on Lebanon. The report was requested by the Government of Lebanon to analyse and attempt to quantify the conflict's impact on the country as a basis for defining priorities for support from the international community as well as informing its own domestic policy response. Mr Paolucci noted that generally speaking, short-term consequences of a refugee influx have a tendency to be negative, while long-term effects are more likely to have a positive dimension (excluding the environmental impact). In the case of Lebanon, the initial effects of the Syrian conflict were primarily of a humanitarian nature and related to the influx of refugees. With the escalation of the conflict, the impacts have rapidly moved beyond the humanitarian dimension to include the economic and social spheres. The most apparent impact of the refugee crisis is on Lebanese real GDP, which the study estimated to decrease by 2.9 percentage points over the 2012-2014 assessment period. Furthermore, approximately 170,000 Lebanese are expected to be pushed into poverty, with a doubling in the unemployment rate to over 20 percent. Government revenue is expected to decrease by USD 1.5 billion, while demand for public services could increase expenditure by USD 1.1 billion. Basic services such as water supply and sanitation, electricity, health and education services, solid waste management and municipal services are expected to be affected. Moreover, the Syrian displacement is further exacerbating already difficult labour market conditions and is expected to result in further informality, as well as creating social tensions due to decreasing resources

In her second presentation of the day, **Ms Bloom** focused on development-led responses and their added value in addressing forced displacement. In examining why development approaches have failed in the past, she identified a lack of commitment from the side of governments, development actors and other donors, a lack of willingness from the host governments and communities to locally integrate refugees and IDPs, and finally a lack of market-based alternatives beyond the delivery of aid.³ The presentation then, focused on the recent, more successful, examples of bringing development practice alongside humanitarian response, including the *Supporting Community Initiative in Myanmar in 2008*, *Water Market Mapping developed by Oxfam* and *WFP's Cash Programming*. All of these responses were characterised by a bottom-up approach and using innovative methods at the field level, while putting refugees and IDP populations at the centre of longer term programmes. Unfortunately these solutions, although more market and community focused, still have uncertain futures for sustainability when the initial humanitarian funding runs out, and there is a limited engagement from long-term development actors. Nevertheless, Ms Bloom recalled that humanitarian approaches alone proved to be not sustainable in the long term and at the same time, new challenges – such as an increase in a displacement in urban context – are pushing the discussion on development-led responses further.

As a consequence, Ms Bloom stressed that development and humanitarian practitioners need to re-think the problem, find innovative solutions and address the displacement more comprehensively. Most humanitarian and development approaches have been designed for camp and rural settings and thus are not compatible within urban settings. In addition, using the given knowledge and practice, we have a limited understanding of the needs of displaced people and their self-reliance strategies. There is a fundamental gap when it comes to understanding the socio-economic lives of refugees, in urban but also non-urban cases, which constitutes a core barrier in incorporating the development-led approaches. At the same time, Ms Bloom pointed out that these differing settings are not only extremely challenging, with many actors and difficult access to certain locations and affected populations, but also offer displaced persons more physical freedoms and economic opportunities. In order to meet the aforementioned gaps in the research, Ms Bloom proposed focusing on a refugee economies approach. The approach places refugees at the heart of the analysis and asks a series of microeconomic questions while focusing on the local and transnational levels. The refugee economies approach has been used in the Humanitarian Innovation Project in Uganda conducted by the Refugee Studies Centre and has

³ Betts A., *Protection by Persuasion*, Cornell University Press, 2009.

challenged conceptions of refugee assistance to a great degree. Premised upon five popular myths about refugees' economic lives, the project challenged common assumptions that refugee economies are: (i) isolated, (ii) a burden, (iii) homogenous, (iv) technologically illiterate, and (v) dependent on humanitarian assistance. The work has shown that most of the refugee households (96%) have an independent income generating activity and the types of refugee livelihoods are very diverse, with a broad range of different livelihood activities and significant levels of internal inequality. Moreover, refugees are economically integrated on local, national as well as transnational levels and as a consequence, their livelihoods are part of intra-settlement, national and global networks, connected to wide economic systems. At the same time, refugees use and adapt technologies in their income-generating activities – they are not only users of communication systems but also creators of 'appropriate technologies'. Finally, although many refugees do receive humanitarian assistance, most are more dependent on other social relationships (with aid supplementing gaps in their income), while at the same time pursuing strategies of economic self-reliance through other means. Of particular interest in these findings, refugees expressed a preference for educational and business support rather than humanitarian assistance.

During the **discussions**, participants questioned findings of the primarily negative impact of refugee influxes in Lebanon, considering that the overall situation may be too complex to assess all of the implications for the country at this stage. It was noted that in addition to stimulating domestic demand and increasing reliance on local products, humanitarian groups have rushed to assist the refugees, thus bringing a booming aid sector.

There was, furthermore, broad agreement on the interest of using development-led approaches to displacement as well as the need for better understanding of refugees' socio-economic lives to have development approaches implemented at policy and practical levels. Although the research presented by Ms Bloom was country-specific and its conclusions not generally applicable, participants considered that it can contribute to a change of thinking about protracted displacement and show the added value of development-led approaches. Participants also agreed that there is a strong need to include a market-based perspective in responding to forced displacement. Based on existing refugee economies, interventions should aim to either improve existing markets or to empower refugees to engage with those markets more effectively. . Finally, Ms Bloom confirmed that due to the limitations of this research but also as a response to a positive feedback from policymakers, the project's next step will be multi-country research.

❖ **Session 3: The way forward**

There was an overarching agreement between the participants that there is a strong need to keep the topic of forced displacement and development on the international agenda and that the Discussion Paper proposed by the European Commission would be very useful in shaping the future discussions and redesigning the policy thinking. Participants agreed that even though development responses to forced migration are receiving increasing attention on the international agenda, the persistence of the humanitarian-development divide and the inadequacy of efforts to address economic impacts and costs, remain major constraints to unlocking protracted displacement situations and maximizing the economic potential of these populations. At the same time, the participants emphasized the fact that forced displacement is both a humanitarian challenge and an economic opportunity, and refugees and IDPs need assistance and protection as well as empowerment and support in self-reliance. It is clear, therefore, that the two strategic approaches are not in opposition but, if used wisely can mutually reinforce each other to restore the livelihoods of refugees and IDPs and generate sustainable responses to the refugee and IDPs crises.

At the EU level, a possible overall goal for DG DEVCO and DG ECHO is to develop a joint strategy on forced displacement as well as more flexible programming, operational and budgetary measures and funds to pave the way for a coherent and coordinated response to forced displacement in the future and seek new sustainable solutions for refugees, IDPs and returnees. Participants were therefore asked to

provide written comments on the outline of the Discussion Paper to provide DEVCO and ECHO with orientations and ideas on how to better approach the topic. A second round of consultations with international organizations and NGOS has been foreseen in early 2015.