

Non-Paper: Displacement, Humanitarian-Development Linkages and the Financing for Development Summit

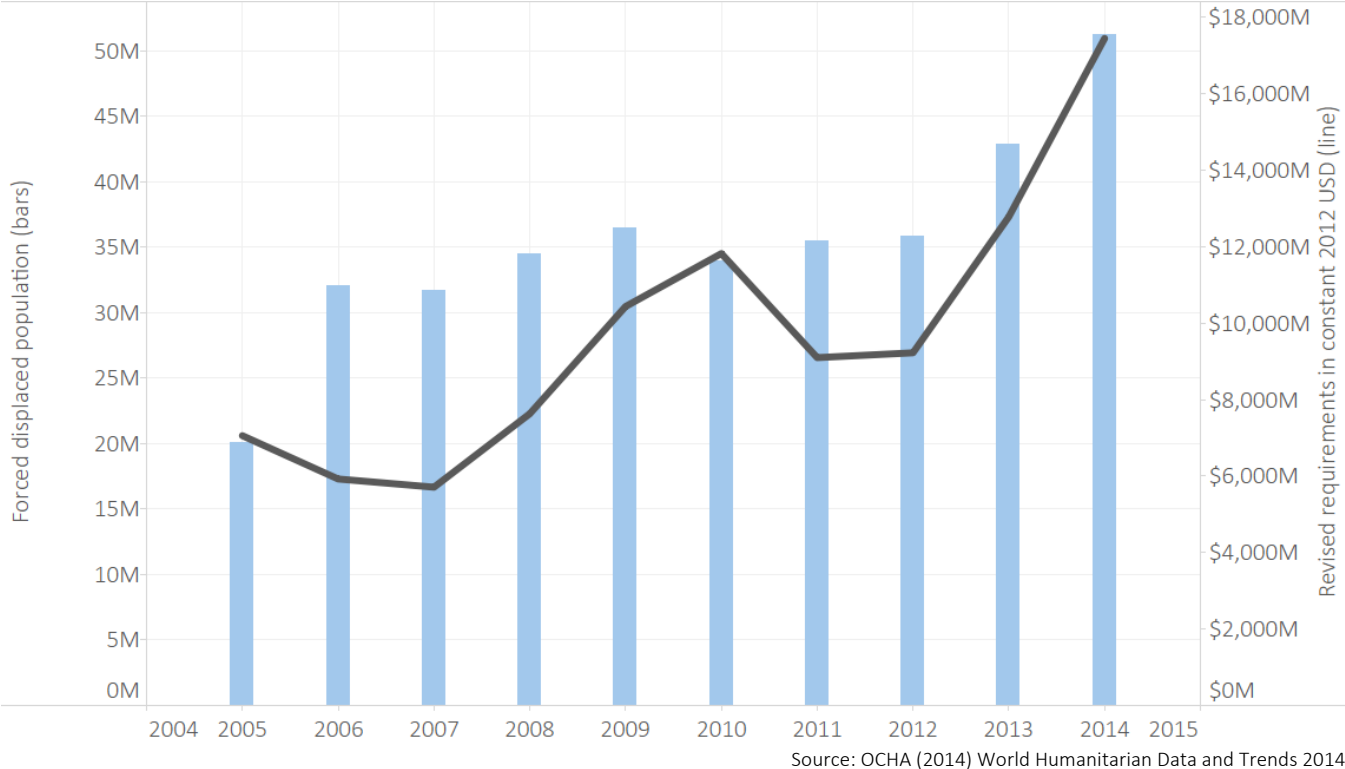
13 May 2015

1. The *Third International Conference on Financing for Development* (FfD) in Addis Ababa in July 2015 will take place against a backdrop of increasing levels and duration of conflict and displacement, more intense and costly natural hazards, and public health emergencies that do not recognize national boundaries. If all countries are to achieve the ambitious sustainable development goals (SDGs), the means of implementation and financial architecture will need to include measures to manage the risks of crisis, build resilience, and to reduce the needs of communities affected by protracted humanitarian crises.
2. This non-paper lays out three reasons why forced displacement and humanitarian-development linkages should be considered as part of the issues addressed at the FfD Conference:
 - a) **Achieving the SDGs by 2030 will require governments to reduce all peoples' vulnerabilities**, including reducing the humanitarian needs of groups affected by prolonged crises specifically: these groups will be left behind on core ambitions and outcomes of the SDGs unless specific policies, finances and instruments are identified to include them in SDG implementation.
 - b) **Development and humanitarian actors must work collectively to reduce needs and vulnerabilities**. The number of people that depend on humanitarian aid has increased from 26 million to 76 million over the last decade. Development and humanitarian actors must commit to jointly manage crisis and risks through building resilience, productivity and inclusion in development processes of vulnerable, hard-to-reach and long-term displaced populations, and their host communities. Solutions to forced displacement should be introduced as early as possible - the longer displacement lasts, the harder it is to support solutions.
 - c) **Prevention is better than cure**. The FfD discussion on minimum floors for social spending and protection, and proposals to develop innovative public and private pooled financing mechanisms all present an opportunity to build the resilience of all national institutions, societies and households. Building resilience helps to reduce the risks of crisis and to shorten recovery time from natural disasters and conflict – along with the associated growing costs of recovery. Getting there will require a development commitment to close the finance gap for social spending in the poorest, most vulnerable and conflict-affected situations.
3. The FfD Summit is an opportunity to agree joint policy propositions for development and humanitarian actors that can be built upon in advance of the World Humanitarian Summit in 2016. Thus, this non-paper proposes text for the Addis outcome document.

Achieving the SDGs will require governments to reduce all peoples’ vulnerabilities and needs, especially those affected by protracted humanitarian crisis

4. The number of forced displaced people worldwide (including refugees, asylees, and internally displaced people – IDPs), more than doubled over the MDG era, from 20 million in 2000 to more than 51 million at the end of 2014 (see Figure 1). The numbers are growing more quickly too. 11 million people were newly displaced in 2014, the equivalent of 30,000 people per day. Alongside this trend, the cost of humanitarian crisis has increased from \$5 billion to \$18 billion in 2014¹ (Figure 1). The figure could reach \$20 billion in 2015. The growth in aid is driven, at least in part, by a combination of displacement trends, more people being successfully targeted by the humanitarian system, and higher costs of delivering assistance.

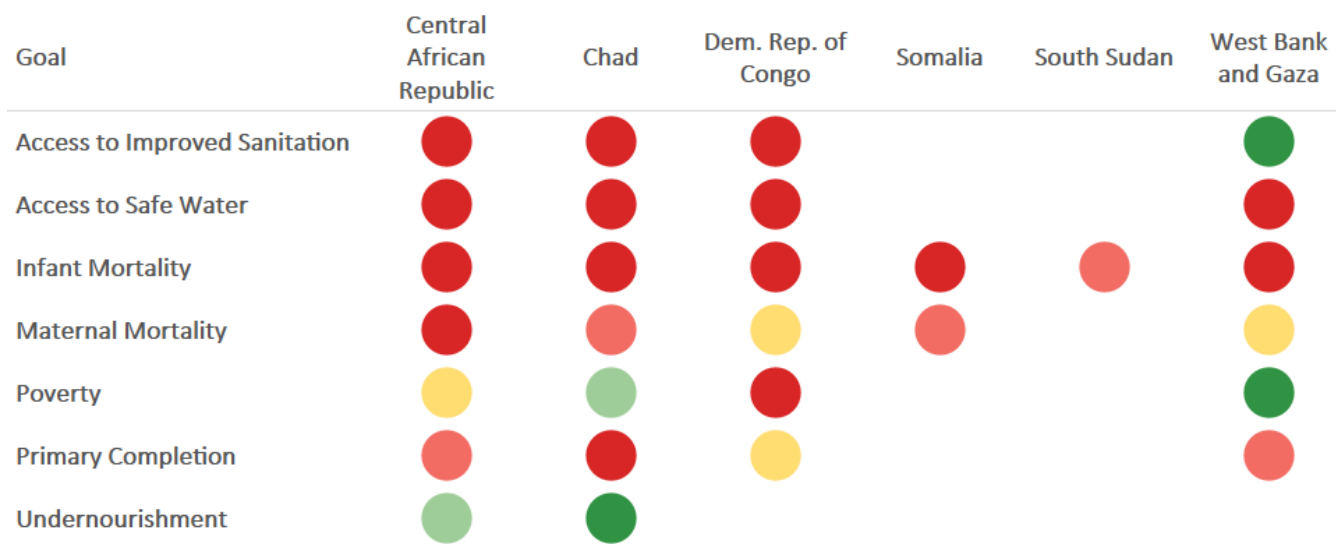
Figure 1: Requested Funds versus Forced Displaced Population



5. The increase in the frequency, impact and duration of humanitarian crises poses a major challenge for SDG implementation. Figure 2 shows the challenges to achieving the MDGs in countries affected by protracted humanitarian crises for 17 or more years. Of the six sample countries and seven MDGs listed, four countries are “seriously off-target” for four of the seven goals (another four of the six countries are missing data, so progress cannot be tracked.) “Leaving no-one behind” in the SDG era will require policy commitments to enable inclusion in development processes of forced displaced people and other groups and host communities affected by protracted humanitarian crises, and to significantly reduce humanitarian needs.

¹ In constant 2012 USD (adjusted for inflation)

Figure 2: MDG Achievement of Countries Experiencing Protracted Humanitarian Crises



Achievement Category

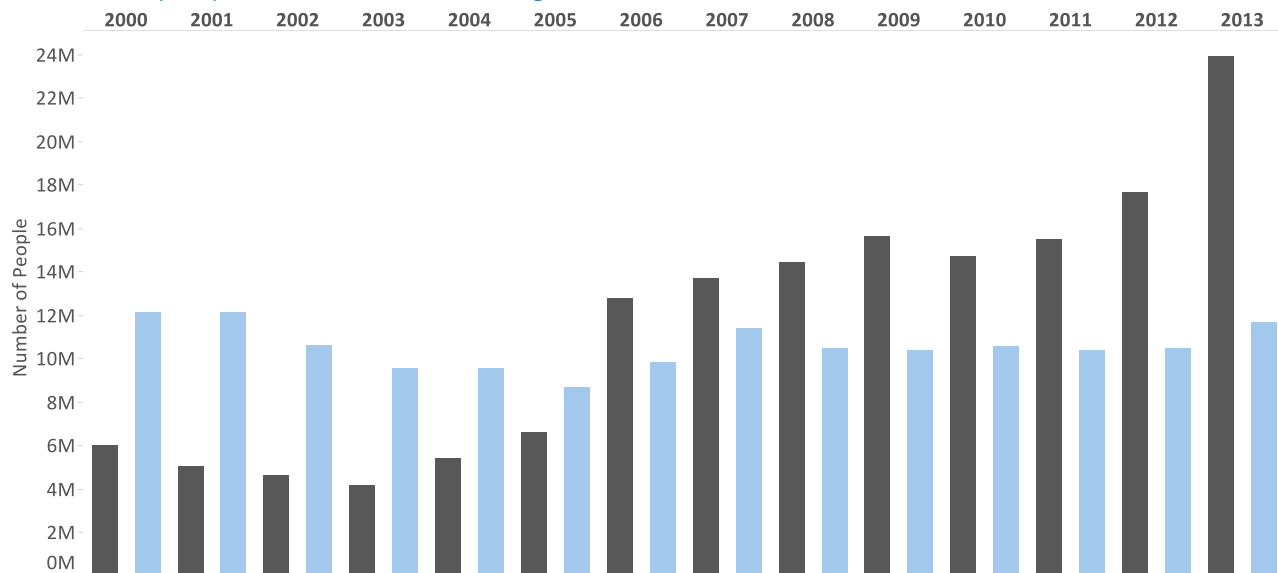
■ Met
 ■ Sufficient Progress
 ■ Insufficient Progress
 ■ Moderately Off-Target
 ■ Seriously Off-Target
 Insufficient Data

Source: World Bank (MDG achievement data) and OCHA (countries in protracted crises)

Development and humanitarian actors must work collectively to reduce needs and vulnerabilities

6. The existing policies, resources and instruments available to the humanitarian and development communities are not designed to jointly reduce the long-term needs of populations vulnerable to, and in, crisis. The majority of humanitarian funding is dedicated to meeting immediate needs, and communities affected by crisis are often neglected by development policies and funding streams because they are hard to reach, or outside their country of origin. In addition, in protracted crises, the separation between humanitarian and development work is often divided artificially at the "ministry-level," between policy responsibilities and funded programmes. There is need to introduce flexible and joint funding and programming that would allow the most urgent needs to be met alongside efforts to reduce vulnerability and needs.
7. Political and policy constraints have traditionally blocked the development of more joined-up approaches, in particular because of fears on all sides of entrenching the forced displacement of refugees from their countries of national origin. However, the ratio of IDPs to refugees has changed significantly (Figure 3). IDPs now outnumber international refugees by a factor of almost 2 to 1. Country-led resilience and development solutions can be achieved for IDPs, and indeed, recent experience shows that country-led resilience solutions can also be achieved in countries which host large refugee populations – such as the recent Jordan Resilience Plan. Investing in programmes that build the resilience of both the displaced population and host communities enhance the well-being of all local communities.

Figure 3: Internally Displaced Persons versus Refugees over time



Source: UNHCR

8. Building on these good practices, a new approach to sustainably reducing need must involve the combined efforts of national and international, development and humanitarian actors, to support plans for building resilience, livelihoods, and access to social and economic services of affected populations and host communities. Development actions can be facilitated by humanitarian policy action, including to: (i) a shift from camp- to community-based provision, where conditions allow; (ii) a shift from stove-piped international assistance for social protection/basic services for displaced people to assistance which strengthens local/national systems of social protection and response (governmental and non-governmental); and (iii) given that the average duration of displacement is 17 years, a shift from short-term approaches to a shared 15-year vision coupled with multi-year strategies to achieve that vision.

9. Last, but not least, joined-up efforts will involve addressing the root causes of protracted crises and preventing development setbacks caused by conflict, disasters and other shocks. The SDGs create significant opportunities to do so, across inter-linked goals and targets relating to climate change, sustainable environmental development, building peaceful and inclusive societies and beyond.

Prevention is better than cure: filling the finance gap

10. The discussion on a social spending floor of \$300 per capita per annum (pcpa), or 10 percent of GDP (whichever is higher) for social protection and services envisaged as a potential outcome of the FfD Conference provides an opportunity to build country-level social protection platforms. For many of the least developed countries, this target is more than one third of their GDP in purchasing power parity terms (see Table 1), and reaching it will require official development assistance (ODA) commitments. ODA pcpa is low in aggregate terms - an average of \$45 pcpa for 29 conflict-affected situations for example. These countries face prolonged crises, high internal displacement and structural food insecurity and environmental challenges.

11. Without an overall increase in aid to countries with a large finance gap, the proposed FfD target for social protection will not be possible to achieve. Table 2 shows ODA per capita and humanitarian aid per capita

in Least Developed Countries (LDCs) that have significant numbers of IDPs, with low resources to support them. As noted above, special financing instruments and new modalities for implementation of SDG commitments will be needed to reduce humanitarian needs. For example, renewed commitment from development actors could involve:

- Commitments to providing policy, technical and financial assistance to incorporate crisis prevention and response in national social protection systems.
- Bilateral and multilateral actors must consider raising development investments in under-funded countries that have large finance gaps. IFIs could revisit loan and grant criteria for host-countries of displaced populations, to help to address the finance gap.
- Commitments can also be made to developing pooled public and private funding mechanisms for building resilience that draw on sources of development, humanitarian and climate adaptation finance.²
- The costs of sending and receiving remittances could be reduced. Host countries could reduce transaction fees and rich countries that host diaspora populations could allow tax-free remittances to be sent to countries experiencing emergencies.

Table 1: Safety net of \$300 per person, as a percent of GDP (countries higher than 10% of GDP)

Country	Aid as % GDP	% GDP amount needed to cover \$300/person	Financing Gap	Country	Aid as % GDP	% GDP amount needed to cover \$300/person	Financing Gap
Bangladesh	2%	13%	\$12,680,000,000	Benin	7%	18%	\$840,000,000
Congo, Dem. Rep.	7%	44%	\$10,230,000,000	Cambodia	6%	11%	\$720,000,000
Ethiopia	7%	25%	\$7,720,000,000	Togo	5%	23%	\$710,000,000
Kenya	6%	14%	\$3,360,000,000	Rwanda	12%	22%	\$700,000,000
Uganda	8%	22%	\$2,910,000,000	Eritrea	4%	25%	\$660,000,000
Cameroon	2%	12%	\$2,550,000,000	Tajikistan	5%	13%	\$600,000,000
Tanzania	10%	19%	\$2,480,000,000	Malawi	26%	41%	\$600,000,000
Mozambique	14%	31%	\$2,380,000,000	Central African Rep.	8%	32%	\$530,000,000
Cote d'Ivoire	2%	11%	\$2,190,000,000	Burundi	20%	41%	\$520,000,000
Nepal	4%	14%	\$2,000,000,000	Haiti	13%	19%	\$450,000,000
Madagascar	4%	22%	\$1,830,000,000	Sierra Leone	11%	19%	\$290,000,000
Chad	2%	15%	\$1,730,000,000	Kyrgyz Republic	7%	10%	\$230,000,000
Niger	10%	34%	\$1,650,000,000	Liberia	29%	38%	\$160,000,000
Zimbabwe	7%	18%	\$1,380,000,000	Guinea-Bissau	9%	24%	\$120,000,000
Papua New Guinea	4%	13%	\$1,310,000,000	Mauritania	9%	11%	\$70,000,000
Mali	7%	19%	\$1,180,000,000	Comoros	11%	20%	\$60,000,000
Guinea	5%	25%	\$1,110,000,000	Gambia, The	15%	19%	\$40,000,000
Burkina Faso	10%	20%	\$1,020,000,000	Lesotho	12%	13%	\$20,000,000
South Sudan	7%	16%	\$910,000,000	Djibouti	10%	11%	\$20,000,000
Senegal	7%	14%	\$910,000,000	Somalia	insufficient data		

Source: Author's calculations and OECD-DAC, 2012 data

² See, for example, UNDP (2014) *Financing Recovery for Resilience* available at: <http://mptf.undp.org/document/download/13201>

Table 2: Least-Developed Countries with Large IDP Populations vs. ODA

Country	IDPs as % of total population	Number of IDPs	Humanitarian aid, per capita	ODA excl. debt relief, per capita
Dem. Rep. of Congo	4%	2,669,069	\$ 130	\$ 34
Sudan	5%	1,873,300	\$ 189	\$ 26
Somalia	11%	1,132,963	\$ 483	\$ 98
Afghanistan	2%	486,298	\$ 333	\$ 225
Myanmar	1%	430,400	\$ 89	\$ 10
Yemen, Rep.	2%	385,320	\$ 361	\$ 30
South Sudan	3%	345,670	\$ 1,483	\$ 146
Chad	1%	90,000	\$ 557	\$ 38
Burundi	1%	78,948	\$ 217	\$ 53
Central African Republic	1%	51,679	\$ 556	\$ 50

Sources: Humanitarian aid data from DAC, (self-reported by donors), ODA excl. debt relief data from OECD-DAC, IDPs data from UNHCR; all data from 2012
 Note: IDP information is not available for all LDCs

Simple references in the FFD summit outcome text committing to address these issues could help to ensure achievement of the SDGs in these hardest-to-reach countries and communities

12. It is understood that little time remains before Addis to address all of these issues. To ensure that they can be addressed in follow up, however, we propose the addition of text to the summit outcome document – and the SDG declaration - which recognizes the challenge and sets out a process to address it leading into SDG implementation and the mutually-reinforcing World Humanitarian Summit. This could be along the lines of:

“Displaced people and other groups living in protracted humanitarian crisis are amongst the poorest and most disadvantaged groups worldwide: without specific attention to means of implementation to address these most vulnerable groups of IDPs and refugees, and others affected by humanitarian emergencies, they will be left behind and the SDGs will be jeopardized. Better means to address this must include both improved policy frameworks to build national resilience in social protection and basic services; and operational and financing reforms.

Options for operative clauses: “We [the partners at Addis]:

Commit to ensuring that needs in humanitarian emergencies and protracted crises are adequately met and financed, and to working to refine proposals in these areas, including in advance of the World Humanitarian Summit.

Commit to ensuring that crisis prevention and response capacities are created or strengthened within national social protection systems, supported by public and private development and humanitarian assistance and innovative pooled financing mechanisms.

Call for the creation of new instruments that would provide development assistance to states hosting forcibly displaced people, where such states fully include forcibly displaced people in

development planning and support their inclusion in local economies and existing basic service structures”.