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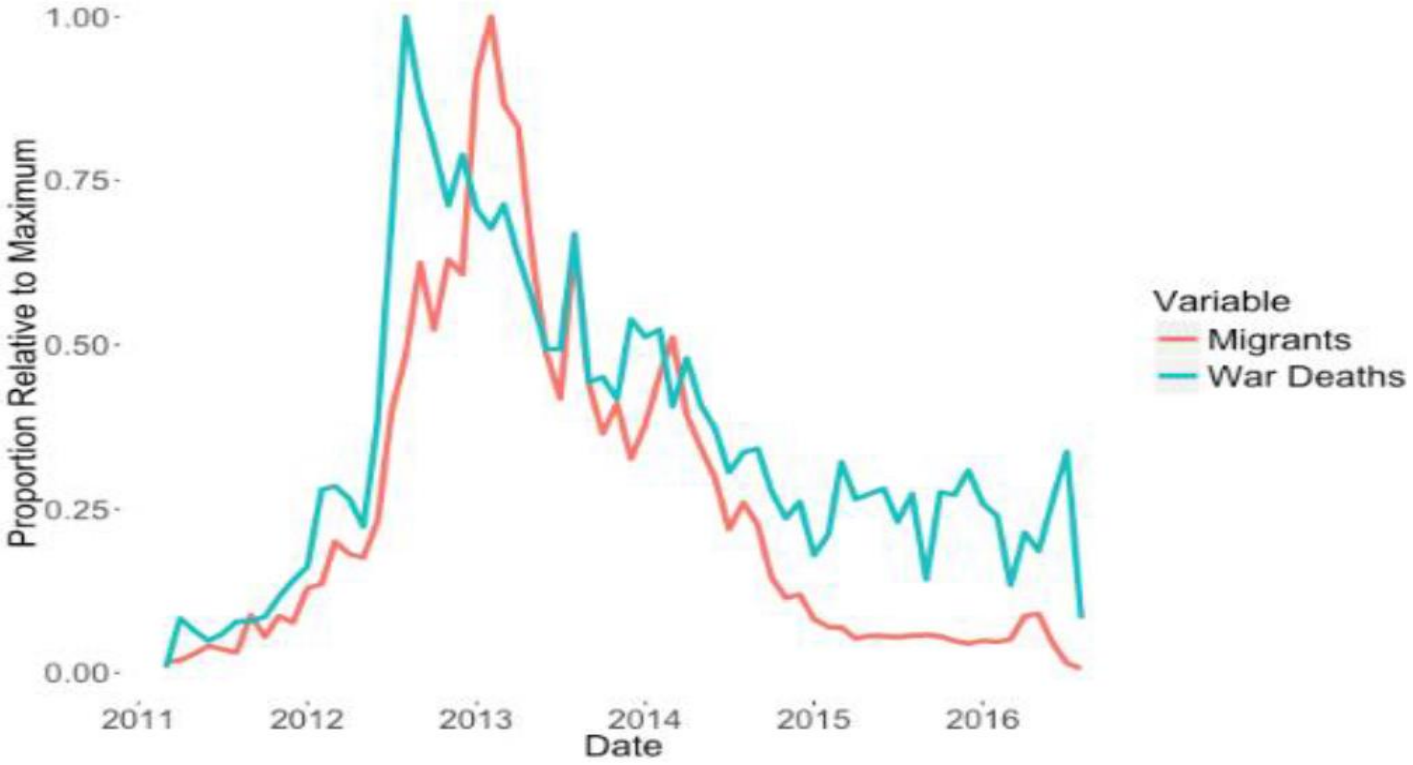
Forced Displacement
- and the World Bank's Response

Caroline Bahnson
Fragility, Conflict & Violence

Migrants, Refugees – same phenomenon?

Forced displacement vs. Economic migration

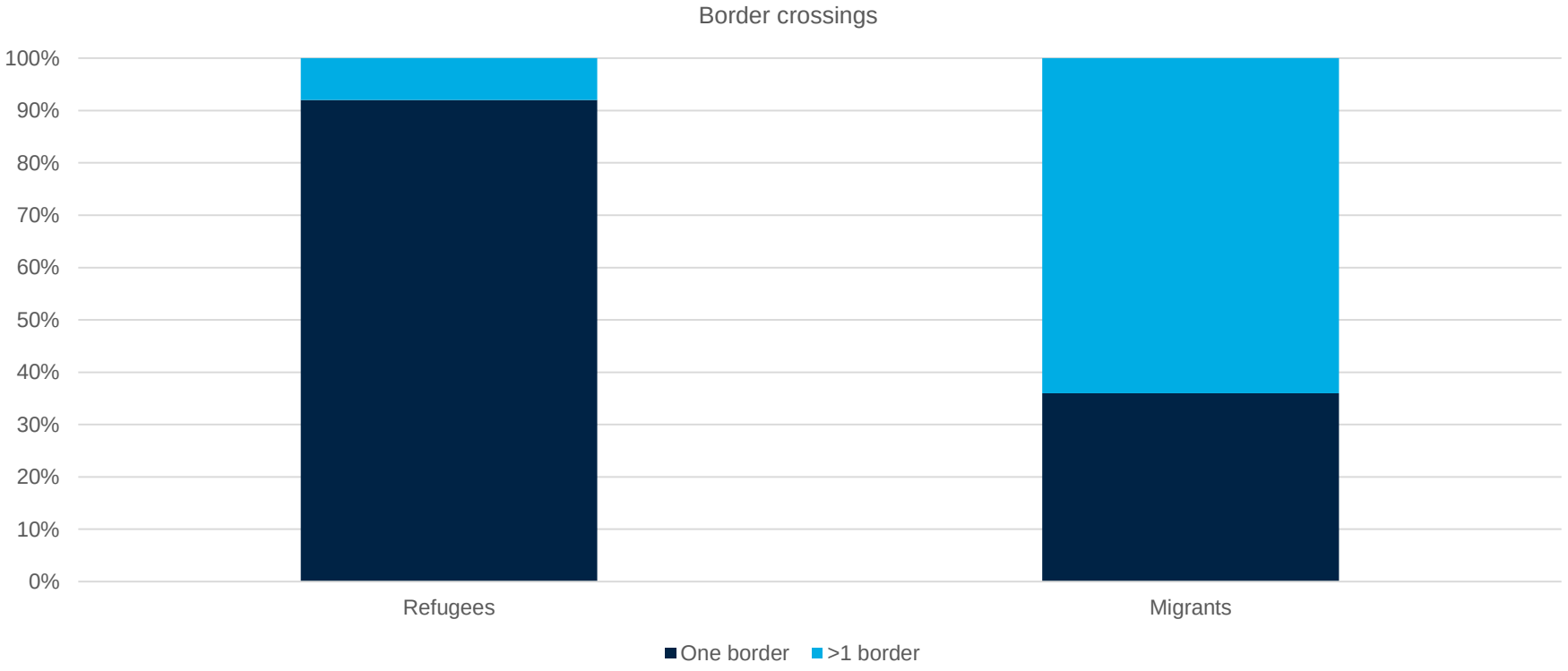
Refugees seek safety, economic migrants seek opportunities



Outflows from Syria 2011-2017

Forced displacement vs. Economic migration

Most refugees cross only one border, economic migrants move further away



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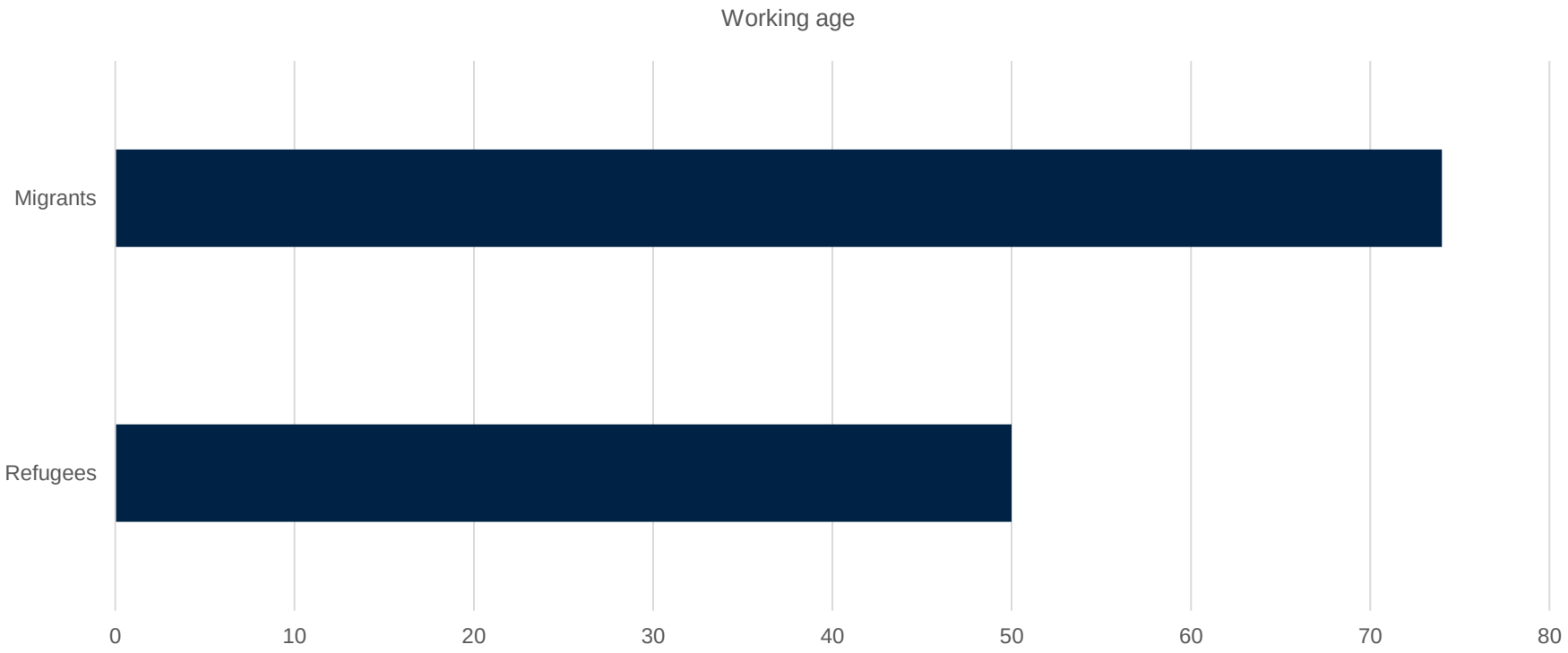
Forced displacement vs. Economic migration

Refugees are largely children, economic migrants are working age



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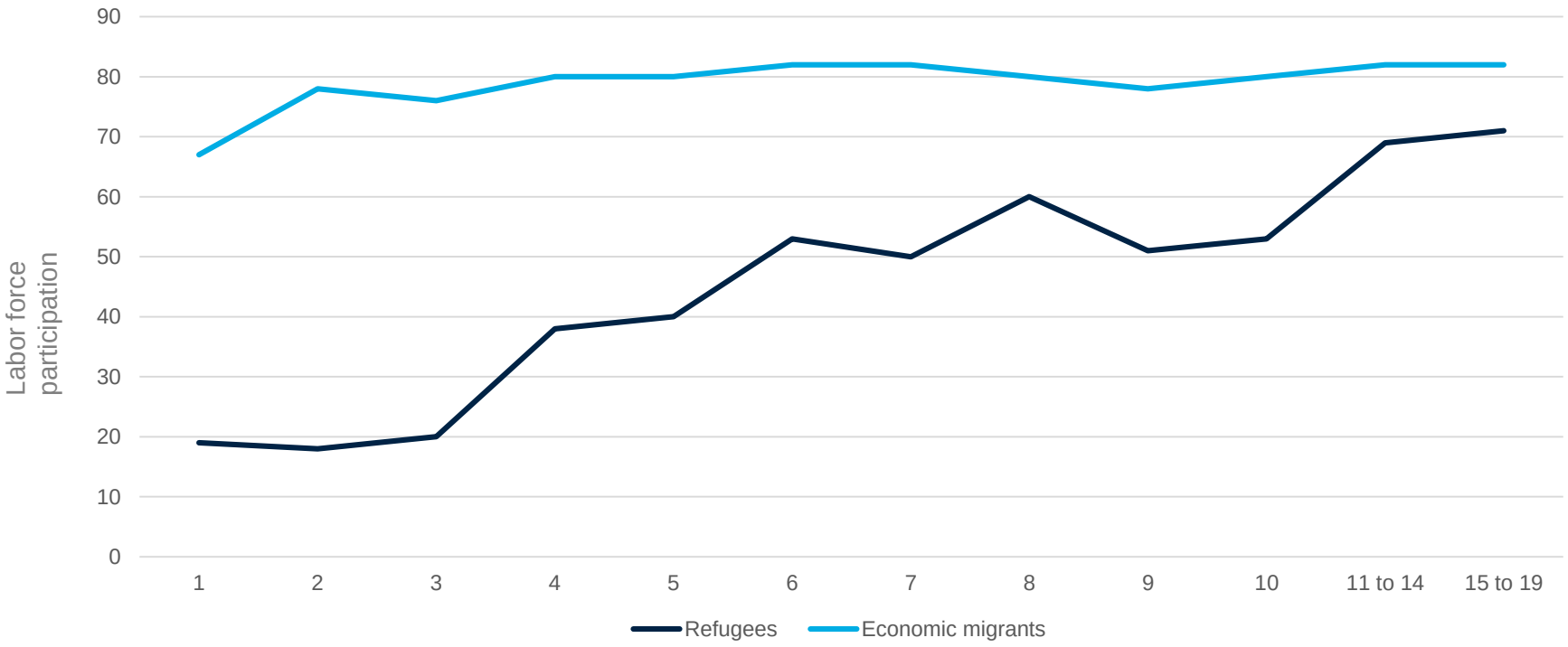
Forced displacement vs. Economic migration

20 years for refugees to catch up with economic migrants in the EU !



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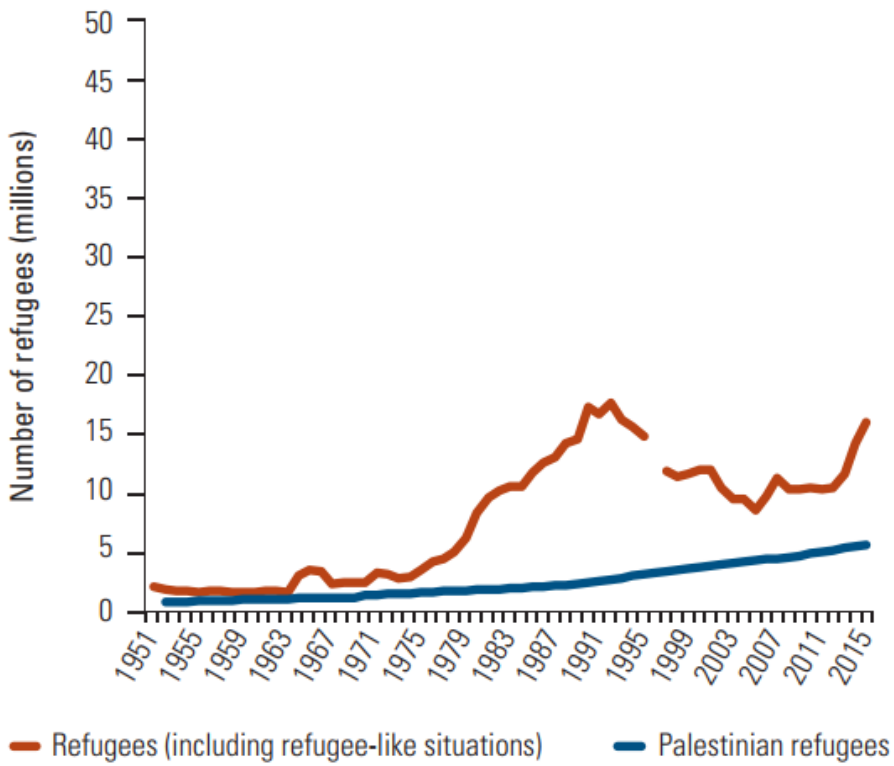
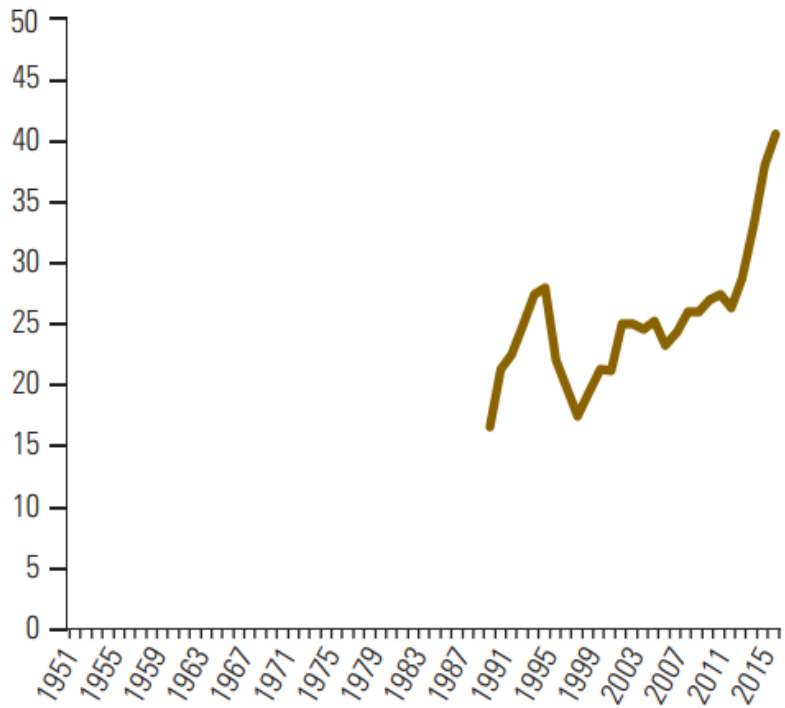
About 65 million people forcibly displaced

The second-largest refugee crisis since World War II...



… and a surge of internal displacement



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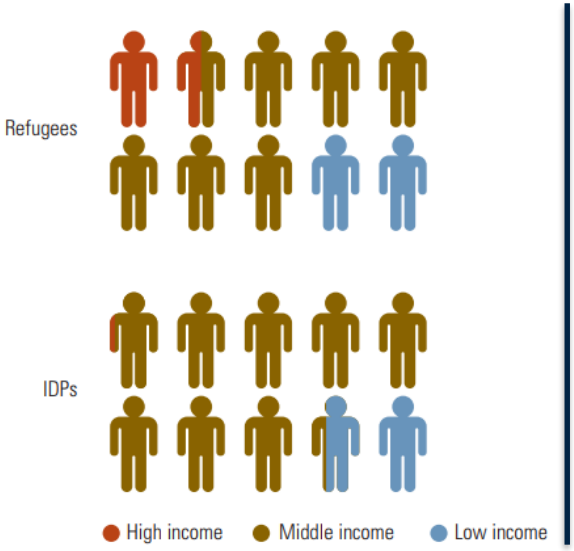
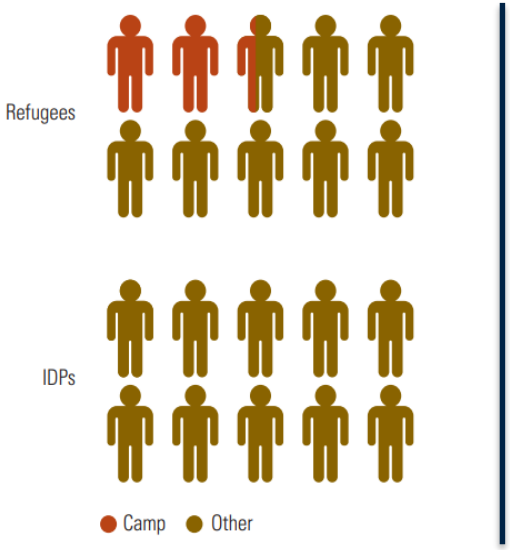
A crisis in the developing world…

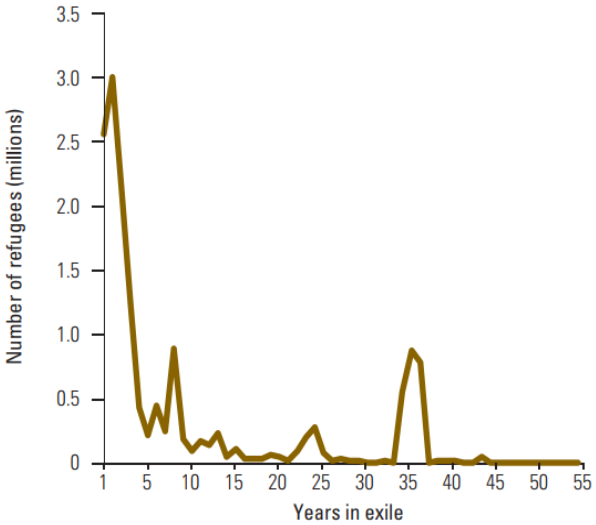
Low- and middle-income countries host most of the displaced



94% of forcibly displaced persons live outside camps



Half of the refugees have been in exile for less than four years

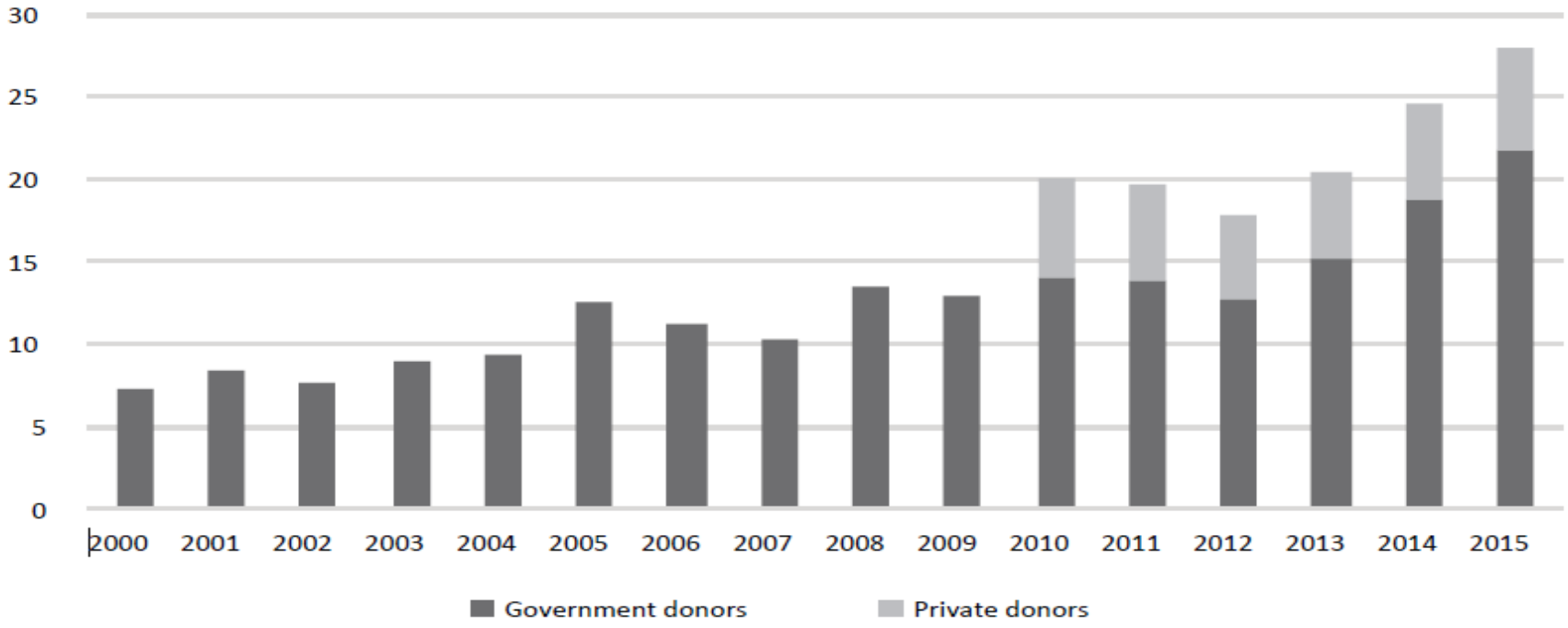


A development approach

Traditional model too costly to be sustainable

Humanitarian financing: $28 billion and growing 89% of crises are longer than 3 years, 66% are longer than 8 years

Humanitarian assistance, 2000-2015 (US$ billion)



A development lens

- Anchored in a poverty reduction mandate, part of broader development effort to reduce poverty and boost shared prosperity
- Part of a broader effort including security, diplomatic, and humanitarian components; distinct from, but complementary to, the humanitarian agenda
- Focused on development institution's comparative advantage (financing, analytics, access)

→ Focus on the medium-term, socio-economic dimension of the crisis – to help both the forcibly displaced and their host communities

Moving towards self-reliance and inclusion

Hindrances to refugees' active labor market participation:

- Right to work
- Location/right to move
- Lack of resources: financial, human, social
- Linguistic barriers
- Others (health, culture…)
- -> within the context of host labor markets!

Consequences for development interventions

The displaced are distinct from other poor

- Specific vulnerabilities: loss of assets, trauma, lack of rights, lack of opportunities, short planning horizon
- Help offset specific vulnerabilities, both while in exile and through long-term solutions

The hosts are not only hosts, but also developing communities

- Inflow of people as a shock, outcome depends on initial conditions, size/nature of the shock, and response
- Help host communities pursue their own development agenda in a transformed environment

Examples of World Bank operations

Legislative framework

- Ex. Jordan work permits

Out of camp and labor mobility

- Ex. Ethiopia jobs compact

Employability and skills

- Ex. Turkey employment services

SMEs and productivity

- Ex. Pakistan (Baluchistan) livelihood development

Generation of low-skilled jobs in lagging regions

- Ex. Burkina Faso high intensity public works

Global Concessional Financing Facility (GCFF) and IDA18 Refugee Sub-Window

Rationale

- Mismatch between IBRD's and IDA's country-based financing model and the fact that refugees do not live in their country

Terms

- GCFF: buying down interest rates for MDB-supported projects
- IDA 18: providing additional resources, half in grants

Focus

- **For medium- to long-term investments** that benefit refugees and host communities in refugee-hosting countries, to:
  - Mitigate shocks and create socioeconomic opportunities
  - Facilitate sustainable solutions
  - Strengthen preparedness

Eligibility criteria

- > 25,000 refugees and / or 0.1 percent of population
- Adequate protection framework
- Government strategy towards long-term solutions for refugees / hosts

Thank you