

How to move forward on implementing progressive refugee policies?

The analyses and messages presented in this policy brief are based on three main sources of data: 1) Primary data from three case studies of progressive refugee policy initiatives in Jordan, Uganda, and Ethiopia (referred to in this brief as “the Norglobal-2 case studies”), 2) Review of documents on the evolution and global experiences with progressive refugee policy initiatives; and 3) Interviews with international stakeholders involved in design and implementation of refugee policies. In addition, the analyses have benefitted substantially from the lead author’s more than forty years of work experience in the field of refugee policies and management for the World Bank Group, UNHCR, national development agencies and NGOs.

Introduction

This policy brief presents the key findings and messages from the Fafo discussion paper “How to move forward on implementing progressive refugee policies”, with reference to the visions of the Global Compact on Refugees (GCR) and its key focus of promoting refugee inclusion and burden sharing (Harild and Stave, 2023).¹ The discussion paper was published shortly before the December 2023 Global Refugee Forum. The main impression from this forum is that the progress, obstacles, and suggested ways forward presented in the discussion paper are still valid, although new initiatives under the GCR umbrella are regularly being initiated. In the discussion paper the underlying obstacles to progress of the GCR were identified as restrictive host country framework conditions, the entrenched humanitarian approach, inappropriate leadership, resistance to change, weak and incoherent policies, and double standards (Harild and Stave, 2023). Principally, the discussion paper challenges refugee host and donor states to take full responsibility, act accordingly, and to be accountable. Suggestions are made for why, what, how and by whom a reset of the GCR approach can materialize through a more central role of refugee hosting and donor states to improve efficiency, effectiveness and impact for refugees and host communities.

The world is experiencing a “polycrisis” (Lawrence et. al., 2022), i.e. an interaction of many different crisis at the same time, further fuelled by the Ukraine war, the war in Gaza and other conflicts, leading to more refugees and less political attention, solutions, and financial resources for refugees. In addition, most refugee situations are protracted, presenting long-term challenges to improve the daily life of refugees until a durable solution materialises. Six years on from the adoption of the GCR in 2018, most of the world’s refugees are still unable to benefit from economic and service inclusion in host countries and remain dependent on welfare, basically in the form of alms, to survive. While some progress has materialized, policy makers are faced with the reality that the progressive vision of the 2018 Global Compact on Refugees (GCR) has not taken systematic root. Principally, financial burden and responsibility sharing has not been achieved and the traditional costly humanitarian approach thus prevails. This approach is not designed to cope with all protracted refugee situations. It is unsustainable, chronically underfunded, and its practical application runs counter to the comprehensive, progressive, and development-oriented vision of the GCR. Future increase in competition for political space and financial resources is projected to be significant, and for that reason alone a more cost-effective approach to refugee situations is needed.

Obstacles hindering progress on the GCR vision

Host country framework conditions are all decisive for the potential of establishing progressive refugee policies. A progressive refugee policy approach often runs counter to national sentiments, political power dynamics, and self-interests, as well as security, economic, cultural, social, ethnic, and religious aspects in the host country. Refugee issues can be politically explosive, particularly in discussions on rights, degrees of integration, and, perhaps most importantly, in accepting the inevitable longevity of refugee situations. Consequently, popular political resentment and opposition to progressive refugee policies is widespread. Resistance to the GCR and progressive refugee policies can only be overcome if the host state recognises the full positive and negative impacts of refugee inclusion and is convinced that a progressive refugee approach is in the country's self-interest. Only then can trust be developed with donors that the net financial costs can be covered in full.

External actors involved in the GCR process have largely failed to understand the depth of the political and popular opposition to progressive refugee policies. They should have a stronger focus on local realities and adapt to these in a far more strategic and contextual manner than before. The host country and donor dialogue should therefore be underpinned by a solid joint political economy assessment based on social and economic data and evidence. Finding ways to address the opposition to progressive refugee policies so that refugee policies can become more inclusive, and financial burden and responsibility sharing is achieved, is the paramount challenge for GCR progress. In ongoing situations with restrictive framework conditions, progress will take time. The traditional humanitarian model to refugee situations may be needed in a transition phase towards more progressive models, with clear time limits depending on humanitarian situations and needs.

The traditional humanitarian model is based on the structure that separates humanitarian assistance and development cooperation. Costly implementation by external agencies in parallel with local structures and short-term perspective of the traditional model, makes it unfit to deal with protracted displacement - and in opposition to the GCR. More funding for the old short-term 'reactive' model is unlikely to improve prospects for progressive refugee policies, while a more development-oriented approach and funding would promote a more preventive and proactive approaches to refugee situations.

The leadership structure of the GCR process is another obstacle to progress of the compact's vision. GCR state signatories asked UNHCR to lead the GCR process and thereby made UNHCR de facto accountable. However, having a non-political humanitarian actor leading a long-term political and predominantly developmental problem can be questioned, and historic lessons indicate that UNHCR is not the best leader of comprehensive development-oriented initiatives (Harild, 2020, Lehmann et.al., 2023). As states are not accountable in this situation, the GCR does not fill in their policy priorities, and thus the required internal policy, structure, approach changes, and adaptations have not taken place. This leadership challenge is an important obstacle to progressive refugee policy progress and indeed the GCR vision for which states, not UNHCR, should be responsible.

Resistance to change among institutions that traditionally have worked with refugees is also observed as an obstacle hindering progress on the GCR vision. The traditional humanitarian approach to refugee situations in host states and in institutions working with refugees is likely to be considerable as these different actors have vested interests and investments in the existing structures, procedures, and resource streams, and might fear that a full-blown localisation and developmental approach will reduce humanitarian funding as well as their

scope of influence, power, and operational involvement. Donors have been slow at taking on refugee issues as a core development issue. Therefore, the approach on how to address refugee situations is stuck in its old ways with too many organisations and people dependent on the old model's continuation for their survival, hindering the GCR vision and the prospects for progressive refugee policies.

Another observed obstacle is weak policy commitments and policy coherence by member states. Global crisis developments have seen GCR signatories' commitment evaporate, illustrating the weakness of states' policy commitments at international forums. The process host and donor states apply when making these policy commitments at international forums is not sufficiently formalized to ensure that these will be resilient to polycrisis shocks. The Ukraine refugee situation has shown that a policy coherent and whole of government approach is possible. This experience should urge states to pursue policy coherence in all major conflicts and refugee situations, even in situations where the strategic interests are less.

Double standards in interpretation and application of the refugee convention for Ukrainian and Syrian refugees are glaring and create animosity and resentment among state policy makers. Recent years have seen donor states applying tougher rhetoric and policy stands on refugees leading to a narrowing of asylum space. Many donors see the GCR as foreign policy rather than a domestic responsibility. Donors are obstructing the GCR at home while trying to be constructive abroad. This has a negative signal value leading to increased distrust, which again hinders the trajectory towards financial burden and responsibility sharing and progressive refugee policies.

Strategic lessons and the way forward

The lessons of most strategic importance from the past are that host and donor states need to lead GCR type processes and that financial burden and

responsibility sharing are prerequisites for progressive refugee policies and can only be achieved through development cooperation. The Ukraine war showed that through a policy coherent approach progressive refugee policies can be established quickly. If the GCR with its progressive visions is to take systematic hold, the identified and interlinked challenges need to be overcome and key historic lessons to date need to be taken into account. A reset of the GCR approach is needed to ensure that the visions of the GCR can be achieved.

Constructive evidence to address the challenges and rethink and revise the old ways is emerging. Important policy and operational evidence has been obtained from the Norglobal-2 case studies on Jordan, Uganda and Ethiopia (Harild and Stave, 2023), and some emerging examples are described in the outcome report from the December 2023 Global Refugee Forum (UNHCR, 2023). Social and economic impact of refugee situations is emerging from research by the World Bank Group (WBG), other development institutions, and research institutions. This includes the benefits of inclusive refugee policies and localization approaches. The method to measure net fiscal costs of including refugees in service and other sectors developed by the WBG is an important new tool to support such policies and approaches, and the 2023 World Development Report on "Migration, Refugees and Societies" prepared by the WBG provides member states with policy and operational evidence and guidance on the importance of taking a development approach to refugee situations from the beginning. Interestingly this report received no attention at the Global Refugee Forum (GRF). The OECD Common Position of DAC-INCAF members supporting the GCR makes recommendations in similar directions (OECD, 2023). It was presented at the GRF and underlined the important notion that in dealing with protracted displacement, we are facing a holding pattern until any of the three legal durable solutions (voluntary repatriation, local integration in the country of first asylum or resettlement in a third

country) become realistic, but the implications of the common position received little attention. Combining the WDR, the Common Position, operational evidence, past lessons, and costing methods, equips host states, donor states, and the WBG with tools to address the economical and the political in the same development cooperation dialogue. Furthermore, it helps in achieving trust, policy change, and financial burden and responsibility sharing. This would ensure that refugee issues are not only part of national policies but also national plans and budgets. Such approaches should apply to each refugee situation. The multistakeholder pledges presented at the December 2023 Global Refugee Forum provides important tools, but their practical outcomes depend on how solid the leadership of host and donor state proves to be.

These recent trends, and indeed the completed Global Refugee Forum (GRF), show the importance of moving discussions on refugee issues to the forums where development is discussed nationally, regionally, and globally. When moving ahead on implementing the GCR visions, step one should be to ensure refugee inclusion through a development approach. Then funding may come through national budget procedures or external development support – if needed. Asking for funding first, as in the traditional humanitarian approach, is not the standard procedure for development cooperation.

An alternative GCR implementation framework

With increase in conflicts, declining resources, prolonged displacement situations, growing resentment, and a narrowing political attention window, the traditional approach to refugee situations is not an option and, most importantly, not in the self-interest of most host countries. Hence, a new approach is needed with full implementation of GCR visions through a localisation approach that secures and satisfies concerns of both host and donor states and results in a path towards inclusive policies and external coverage of the related net fiscal costs.

GCR progress will always depend on what the host state wants, based on its framework conditions and on effective leadership. To overcome the present obstacles, situation-specific leadership of the GCR's whole of society approach needs to be centred on host and donor states as the main duty bearers, jointly responsible for policies and resourcing of approaches to refugee situations. This will enable evidence-based discussions of refugee issues to have fundamentally different outcomes compared to the traditional often externally driven humanitarian approach to refugee crisis. As progress should be achieved through development cooperation, leadership must move from UNHCR to host and donor states.

The GCR promotes inclusion, which call for a development approach, and the WDR and the OECD's Common Position recommends taking a development approach up front, including in the preparedness and preparations phase. Host and donor states should lead a fresh approach to the GCR with focus on structural and behavioural change, evidence-based dialogue, a localisation approach, and policy coherence. A development approach up front presupposes implementation by national structures, systems, and actors, funded by national budgets and directly by external sources if needed. This is cheaper and more sustainable than expensive external implementation, it builds local capacity where needed and is more sustainable. If host and donor states fully internalize refugee management as a core development issue in this manner, it would enable financial burden and responsibility sharing. A localization approach also secures use of local standards for all, thus reducing xenophobia and tensions between host communities and refugees. The gloomy long-term financial outlooks also necessitate this "internalize" approach. Domestic implementation provides a vehicle to reduce needs and mitigate costs of a given refugee situation, as promoted by the World Development Report. Donors need to take on the risk associated with a localization approach and be willing to

support recurrent sector costs.

As for how this is to be done it is important to recognize that development donors have a long tradition in collaborating in country situations, but have little experience in doing so systematically and whole heartedly on refugee issues. By working towards collaboration on refugee issues, the WBG, other international financial institutions, and bilateral donors would have to prepare well for host country dialogue. In preparation, development donors should work grounded in context-specific strategies with deep understanding of the framework conditions. Such dialogue may succeed where the GCR process so far has not, as it places the host country's concerns up front. However, it is important to be realistic about how much influence international actors can have on host state policies. Realistic and achievable goals must be set, and it must be accepted that dialogue may not work in all situations and that progress may be achieved only in small increments. Political economy analyses of host country framework conditions will enable evidence-based dialogue from where a trust-building process can begin to achieve incremental progress on GCR implementation, as well as financial burden and responsibility sharing through development cooperation and localisation.

The dialogue should include evidence of the impact of refugee inclusion as part of a localisation approach, and how to build trust to achieve financial burden and responsibility sharing. The dialogue should pursue the principle of shifting from a short-term needs and vulnerability-based approach to one based on long-term opportunity and productivity, i.e. from looking at refugees as needy victims to survivors with capacity. This implies that one should map concrete barriers and opportunities in each refugee situation from day one – and base policies on that. This would allow for comprehensive priority setting and sequencing from the beginning.

Key messages for host and donor state policy makers

The country specific responsibility and leadership rests with host states and development donor partners. Leadership should shift from being humanitarian at the core to development at the core. Costs can be reduced through localization approaches and needs can be reduced through economic inclusion of refugees. For this to happen, four things must take place in parallel to reset the GCR approach to meet the visions of the GCR:

- I. Development donor partners need to internalize refugee situations as core development issues in their policies, structures, and approaches (as only the WBG and a few states have started doing so far), and jointly map and analyse situation-specific framework conditions.
- II. Host countries and development partners need to take charge of the GCR process in each refugee situation – and globally.
- III. Host countries and their donor partners need to recognize up front the inevitable longevity of refugee displacement situations and adjust policies and approaches accordingly. This will include addressing refugee situations in a long-term productivity and capacity perspective rather than as a short-term and needs-based issue.
- IV. To achieve the three former points, host countries and development partners should lead an evidence-based dialogue to begin a trust building process to achieve incremental progress on financial burden and responsibility sharing and GCR implementation through development cooperation and localization, i.e. a shift from external to national implementation. This should be done in each specific refugee situation based on a jointly conducted political economy analysis of host country framework conditions. Such an approach will require refugee issues to be integrated in plans and budgets of both host and donor states to ensure the fiscal space needed to realize inclusion.

With this approach, centred on the host country, led by states, and with input from other actors as needed, a development-oriented dialogue process can begin to explore if restrictive framework conditions can be influenced. Success will only be achieved if there are host state and donor policy-makers with the vision, courage, and political will to take on these challenges. This implies leading the required system and behavioural change to ensure that global and national structures and approaches would be established as a sound and robust basis for systematic application of progressive refugee policies in the future. The 2023 world development report (World Bank, 2023) and the OECD common position (OECD, 2023) provide important policy guidance to states to promote these changes.

If the follow up to the December 2023 Global Refugee Forum is to be successful, the obstacles and suggested changes presented in this brief should be addressed. Otherwise, the next Global Refugee Forum in 2027 risks being yet another gathering expressing what should happen rather than being able to initiate and confirm actual transformative change and substantial progress. For this to happen host and donor states need to move from being involved to becoming fully committed to become responsible and accountable leaders.

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