Financing Refugee-Hosting Contexts
Highlights

December 2018
Protecting and supporting refugees is an important responsibility of the international community. The Global Compact on Refugees (GCR) was proposed in 2018 to establish a more predictable and equitable sharing of burdens and responsibilities among United Nations Member States when it comes to fulfilling these obligations.

This working paper is the result of a survey commissioned by the OECD in partnership with UNHCR. It aims to establish a baseline for monitoring progress toward the goals of the Global Compact on Refugees, through “funding and effective and efficient use of resources” as a key tool for effecting burden- and responsibility-sharing among UN Member States when it comes to supporting the world’s refugees. It was conducted via a questionnaire sent to Members and observers of the OECD’s Development Assistance Committee (DAC), over a period of two months. Data was then collected, compiled, and analysed based on these responses. The survey received 29 responses total.

This paper aims to identify the contributions that the OECD’s Development Assistance Committee (DAC) are making to this sharing of burdens and responsibilities, including through highlighting trends in Official Development Assistance (ODA), plans for future funding, and other, non-funding efforts and responses. It also examines some of the strengths and challenges of current donor practices, and recommends a set of priorities to guide future donor support and engagement in order to promote good donorship and to support the international community in meeting the objectives of the GCR.

For further work from the Crises and Fragility Team visit our website here: http://www.oecd.org/dac/conflict-fragility-resilience/
According to results from the Financing Refugee-Hosting Contexts survey, from 2015-17, DAC members have given a total of USD 25.98 billion in ODA to programmes and projects that support refugees and their host communities. Over these past three years, DAC members have contributed ODA bilaterally, through pooled funds, and through international organisations – and have shown no signs of decreasing their levels of assistance. In fact, the majority of respondents to the survey noted that their ODA to programmes and projects supporting refugees and their host communities, both through humanitarian and development funding, will either increase or remain the same in the future.

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Donors are, and will continue to, use Official Development Assistance to support the world’s refugees.
Official Development Assistance to programmes and projects that support refugees and their host communities relies heavily on short-term projects and humanitarian assistance.

From 2015-17, the majority of ODA to refugee-hosting contexts – 70% in 2017 – was humanitarian assistance. This lack of balance in funding is especially visible when we consider the difference in distribution in flows of humanitarian assistance and development funds by geographical region. Meanwhile, a significant portion of DAC members are allocating large percentages of their ODA budgets to programmes and projects over the short term and less over the long term. 8 out of 15 respondents to the Financing Refugee-Hosting Contexts survey have allocated 50% or more of their budget over a period of one year or less, while the longer the allocation period, the lower the number of respondents. However, some multi-annual funding does exist. Although humanitarian assistance is vital in supporting immediate needs in crises, an uneven balance of humanitarian assistance and development funds presents the risk that communities facing more long-term, protracted refugee situations might not receive the type of assistance that they need. If donors want to increase the effectiveness of ODA to refugee-hosting contexts and promote long-term development for the benefit of all, it would be useful to support strategies that promote coherence between humanitarian, development, and peace actors, including by applying the forthcoming DAC Recommendation on Humanitarian-Development-Peace coherence to their funding strategies. Donors should also continue to share lessons on how to balance ODA allocations over the short-term and over multiple years.
Despite the predominance of humanitarian assistance, DAC donors are making efforts to integrate programmes related to refugees into their development policies.

Despite the fact that humanitarian assistance continues to constitute the majority of ODA to programmes and projects supporting refugees and their host communities, there are signs that DAC members are making efforts to improve their responses. It should be acknowledged that certain members do contribute more development funds than humanitarian assistance, and that from 2015-17, there has been an increase in the percentage of development funds going to refugee-hosting contexts – from 23% in 2015 to 30% in 2017. 21 DAC members are also integrating issues related to refugees into their development policies – a positive change that can help donors support the commitments of the GCR. Additionally, although contributions from other development partners such as Multilateral Development Banks (MDBs) exceed the scope of this survey, it is important to recognise their growing engagement in this space. Along with members of the DAC, rising engagement from MDBs will not only be catalytic in drawing other development partners, but also indicates a trend toward greater involvement in refugee-hosting contexts on the development side. Still, a new and well-communicated narrative for development co-operation, ODA, and its contribution to supporting refugees in the context of the SDGs could help mitigate possible perception risks of integrating development into migration policy overall – especially in the currently highly politicised environment.
The Middle East receives the most ODA from DAC donors to support refugees and their host communities.

More ODA to programmes and projects that support refugees and their host communities is allocated to the Middle East than any other region – from 2015-17, it received 35% of geographically allocated ODA contributions to programmes and projects supporting refugees and their host communities. This is followed by Africa, which received 26%. Meanwhile together, Turkey, Lebanon, Jordan, and Iraq comprised the majority of all ODA to programmes and projects supporting refugees and their host communities, representing more than a third of ODA allocations to programmes & projects overall.
Donors are, for the most part, contributing Official Development Assistance where it is needed.

Of the 21 refugee-hosting contexts listed in the Financing for Refugee-Hosting Contexts survey, 18 were also among the top recipients of ODA from DAC members to programmes and projects supporting refugees and their host communities. Contributions from DAC members have also increased from year to year in certain contexts whose refugee populations have recently undergone spikes, such as in Uganda and Bangladesh.
Core contributions play an important role in funding forgotten crises, and in donor strategies.

Although DAC members are mostly contributing funds where they are needed, development assistance strategies are not always perfect – and in some cases, certain contexts may receive less attention from the international community than others. This does not mean, however, that protection for refugees in these contexts is any less important. In many of these cases – forgotten crises – core contributions to international organisations are useful, as they provide funding to contexts that otherwise do not receive high levels of donor attention. It is therefore important to recognise that certain DAC members – such as Belgium, Denmark, Germany, Ireland, Sweden and Norway – have provided unearmarked contributions, both in order to promote good donorship and so as to adhere to the Grand Bargain principle of reducing earmarking where possible.  

There is no easy way to collect information on Official Development Assistance to programmes and projects that support refugees and their host communities.

Despite common recognition of the importance of protecting and supporting the world’s refugees and their host communities, it is substantively difficult to collect data on financing that supports these ambitions. The Financing for Refugee-Hosting Contexts survey is the first attempt to quantify ODA to programmes and projects aimed specifically at supporting refugees and their host communities in non-DAC refugee-hosting contexts. If we are to continue making efforts to measure the effects of the international community’s contributions, we will need a greater investment in data. Without this investment and a more accurate measurement of progress – or lack of progress – towards burden- and responsibility sharing, achieving the goals of the GCR in refugee-hosting contexts will be elusive, as will be our ability to provide effective funding to support refugees and their host communities.
It’s not just about funding – donors are increasing other efforts and responses in support of refugees.

Alongside funding, DAC members are making other efforts to contribute to burden and responsibility-sharing when it comes to supporting the world’s refugees. Overall, they have widely supported the efforts of the New York Declaration through policy changes, advocacy, and participation in negotiations on the GCR – and have expressed interest, concern, and enthusiasm in seeking to find out how they can continue to improve their efforts in response to refugee crises. This is seen not only in the content of the responses to the Financing Refugee-Hosting Contexts survey, but also in the volume of responses it has received – and in the eagerness of DAC members to offer input where needed. If DAC members would like to ensure effectiveness in the implementation of the GCR, they should continue to expand upon this enthusiasm in their refugee policies and financing going forward.

### NUMBER OF DONORS PER EFFORT & RESPONSE

- Participation in the New York Declaration and the discussions on the Global Compact
- Integration of issues related to refugees into development policy
- Advocacy for refugee issues (for example, the right to work)
- Increasing funding for refugee-hosting contexts
- Policy or guidance paper focused on refugees or forced displacement
- Integration of refugee issues into partner country strategies
- Discussions with private sector about how to work in refugee-hosting contexts
- Increasing refugee resettlement quotas
- New trade agreements with countries that host refugees

Prior to NYD | After NYD | Prior to and after NYD
NOTES

1 All figures hereafter refer to results from the Financing Refugee-Hosting Contexts survey.
2 OECD (forthcoming), DAC Recommendation on Humanitarian-Development-Peace Coherence.
3 These figures exclude core contributions to international organisations. When core contributions are accounted for, the Middle East receives 34%, while Africa receives 25%.