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Solutions and protection at the center of high-quality funding

A joint call for financing for solutions and principled humanitarian programming.

Joint Agency Recommendation Note
30 November 2022

Refugee Response Plans in major refugee hosting countries are [chronically underfunded](#). There are critical gaps in funding for support to solutions to displacement and woefully inadequate funding for internal displacement crises. Enhancing quality engagement of —and partnerships with— a broad range of actors, not least, financial institutions is imperative. We therefore welcome the focus on Development Cooperation at the [High Commissioner’s Dialogue on Protection Challenges](#).

The following joint analysis and recommendations by the Danish Refugee Council (DRC), International Rescue Committee (IRC) and Norwegian Refugee Council (NRC) on **the role of development cooperation and the need for multistakeholder approaches in improved financing for better protection and solution outcomes** draws on recent DRC, IRC and NRC research¹, including the joint report [The Global Compact three years on](#) - navigating barriers and maximizing incentives in support of refugees and host countries. We will with this statement reiterate and elaborate on some of the key recommendations from recent work and operational experiences related to improving financing for solutions **targeting donors, development banks and operational partners across the nexus**.

[The Global Compact on Refugees \(GCR\)](#) and the [UNSG Action Agenda on Internal Displacement](#) provide important commitments for accelerating the implementation of comprehensive and multistakeholder approaches in protection and assistance efforts in displacement situations. With such approaches now widely adopted by donors, discourse needs to move from calling for development actors to engage, to holding them accountable for their role in providing long-term recovery and resilience-building financing, while at the same time safeguarding financing for principled humanitarian programming. Maintaining a focus on protection outcomes and solutions must be central to efforts to effectively address the protracted nature of forced displacement.

¹ [Home - Displacement Financing \(regionaldss.org\)](#); [Financing for Protracted Displacement - Durable Solutions Platform \(dsp-me.org\)](#); [The Global Compact on Refugees three years on](#)

Creating prospects for solutions

The latest OECD [States of Fragility 2022](#) report confirmed that fragility is a key driver of forced displacement and, at the same time, an obstacle to attain durable solutions. The scale and continued rise in humanitarian needs call for us to work together. This is not only a preferable way forward, but also the only sustainable one. To be able to address the consequences of displacement and compounding crises, build resilience to mitigate and prepare for new ones and find solutions, we need more and better funding across humanitarian, development, peacebuilding responses, and climate adaptation efforts.



Recommendations for strengthened cooperation across the nexus in support of early action for displacement affected populations:

- **Support a more equitable and needs-driven allocation of humanitarian, development, peacebuilding and climate financing** to mitigate risks and build resilience in preparation for new shocks. The response to the escalation of hostilities in Ukraine has demonstrated that immense support can be generated when the international community rallies behind a crisis. At the same time, other [neglected](#) and protracted crises did not receive sufficient financial support and the required mix of financing, with support dominated by short-term humanitarian assistance. Funding allocation criteria need to be revisited and a needs-based approach applied across the whole ecosystem, with a view to prioritizing the most vulnerable populations, and to curb aid reallocation, including in the face of new and emerging crises.

- **Advance solutions from the outset of crises.** With the average humanitarian crisis lasting longer than nine years, longer-term resilience building and solutions should go hand-in-hand with relief operations. The forthcoming IASC review of humanitarian response may bring important recommendations towards better responding to protection and solutions needs of IDPs, including how solutions can be more effectively supported from the outset of a crisis. Humanitarian, development, and peacebuilding needs are interlinked, and efforts should be made to address them in parallel (rather than sequentially) and in a complementary manner, in order to reduce people’s vulnerabilities and risks, and to reduce the impact of crises. Financing can be used as a tool to facilitate the blending of interventions across pillars in support of collective results.
- **Promote comprehensive use of quality funding.** Enhancing self-reliance and improving prospects for solutions requires predictable funding and more comprehensive packages of support. The [Grand Bargain commitment](#) and [caucus outcome document commitments](#) to increase quality funding and multi-year contributions toward humanitarian assistance are good steps in the right direction. But all financing modalities—humanitarian, development, peacebuilding, and climate —need to have built-in flexibilities and reduced earmarking to adapt to quickly changing environments. It also requires an acceptance that there will be shocks and setbacks, including political upheaval, change in governments, and shifting levels of public support.

Recommendations on enhanced inclusion and solutions financing:

- **Use financing to support legal and regulatory measures and policies that uphold the rights of the forcibly displaced.** Investing in creating an enabling legal and policy environment and ensuring the rights of displacement-affected communities are upheld should be the priority in pursuit of solutions to displacement. Shifting programming, financing models and behaviour from parallel humanitarian models towards government-led approaches is key to achieve this. Development finance actors can influence enabling environments and ensure the interests of displaced population are reflected in national systems through a combination of political dialogue, technical assistance, and financing².
- **Enhance inclusion of refugees, IDPs and other forcibly displaced groups in development programming, including investing in evidence and learning to accelerate progress.** Development actors need to further invest in efforts to ensure that refugees and IDPs can benefit from their programming. Better data and lessons learned from such projects are required to identify concrete obstacles and ensure better and more inclusive development programming.
- **Prioritize fragile, conflict- and displacement-affected contexts in climate adaptation and loss and damage financing mechanisms.** Places affected by armed conflict and instability are also amongst the most vulnerable and least adapted to the adverse effects of climate change, while climate adaptation finance in these settings remain far below the required level³. To match the realities of such contexts funding allocation criteria and processes must be simplified, and flexible.



² Specialized financial mechanisms targeting refugees such as the World Bank’s IDA Window for Host Communities and Refugees and the Global Concessional Finance Facility are examples of such investments by development actors.

³ [Embracing Discomfort A Call to Enable Finance for Climate-Change Adaptation in Conflict Settings](#)

Ensuring a rights-based and principled humanitarian approach in the nexus

While the efforts of development actors to respond to the needs of displaced populations are necessary and welcome, for them to be effective they must be accompanied by recognition of the importance of protection, humanitarian space and principled programming.

Recommendations for upholding protection and preserving space for principled humanitarian action:

- **Enhance partnerships and cooperation between humanitarian and development actors.** Humanitarian engagement will continue to be vital in many protracted displacement situations and respect for the rights of displaced populations must be a cornerstone of all solutions efforts. Humanitarian space must not be subsumed in the pursuit of longer-term development funding and enhanced partnerships with private sector actors and financial institutions. Humanitarian and development actors must work in partnership, sharing technical expertise to design, fund and implement programming which is sustainable, and which is sensitive to the vulnerabilities, needs and agency of displaced populations.
- **Ensure all development-initiatives and investments in displacement contexts do no harm and are conflict sensitive.** All interventions – whether development or humanitarian - must consider potential negative impacts on the (conflict) context and seek to avoid exacerbating existing vulnerabilities and power imbalances, while seeking to enable participation and inclusion of marginalized groups. Bilateral development donors, multilateral development banks, and operational development actors should adopt a protection and conflict sensitive approach as a standard procedure and incorporate it into their existing partnership processes to ensure that it happens systematically to ensure their programming does no harm and has a positive impact on the protection environment.
- **Ensure displaced populations in areas under the control of de facto or non-state actors are not left behind.** A sizable proportion of the world's displaced people currently live under the control of de facto or non-state actors (such as armed groups) and are largely unable to benefit from development financing. Their rights and needs must not be overlooked in the pursuit of development-focused solutions to displacement.



Photo credit: DRC, Burkina Faso 2021

We face a complex global context marked by a rising number of (protracted) armed conflicts, rising global economic inequality, and worsening global warming. The need for collaborative multistakeholder efforts across the humanitarian, development, and peacebuilding pillars and for more innovative financing and smart funding models to complement traditional approaches is evident. As humanitarian organizations, we are committed to contribute and engage with the view to advance protection, inclusion, and solutions for the world's displaced communities.