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FORCED MIGRATION POLICY BRIEFING 2

# **Development assistance and refugees**

## Towards a North-South grand bargain?

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# Forced Migration Policy Briefings

The Refugee Studies Centre's (RSC) Forced Migration Policy Briefings highlight the very best and latest policy-relevant research findings from the fields of forced migration and humanitarian studies. Designed to provide a clear and accessible means by which rigorous and objective research and analysis may influence a wider audience of policy makers and humanitarian practitioners in a manner that is current, credible and critical. The series provides a unique forum in which academic researchers, humanitarian practitioners, international lawyers and policy makers may share evidence, experience, best practice and innovation on the broad range of critical issues that relate to forced migration and humanitarian intervention. The Refugee Studies Centre invites the submission of policy briefings on all topics of relevance to policy and practice in the fields of forced migration, refugee protection and humanitarian intervention. Further details may be found at the RSC website ([www.rsc.ox.ac.uk](http://www.rsc.ox.ac.uk)).

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# Executive summary

In the context of the Global Forum on Migration and Development (GFMD), there is a growing debate on the relationship between migration and development. However, these discussions sideline the older but equally important debates from the 1980s and early 2000s on the relationship between refugees and development assistance.

Over 80% of the world's refugees are hosted by Southern states and remain within their region of origin. Of these, the majority are in so called protracted refugee situations (PRSs), being confined to camps, settlements or located in urban areas for over five years and facing severe restrictions on their access to rights because of the absence of opportunities for durable solutions such as repatriation, resettlement, or local integration.

Targeted development assistance (TDA) refers to the way in which donor states can provide overseas development aid to host countries of first asylum as a means to enhance refugees' access to protection and durable solutions. Its central characteristic is an integrated development approach, which focuses on the needs of both refugees and host communities, through, for example improving livelihood opportunities, service provision or infrastructure. Its aim is to enhance refugees' access to rights, self-sufficiency, and, where possible, local integration.

Under certain conditions, the use of targeted development assistance by Northern donors to Southern refugee hosting regions can enhance refugee protection and access to durable solutions in refugees' regions of origin, while simultaneously addressing the concerns of both North and South.

There are a range of examples from the past, successful and unsuccessful, which provide insight into the conditions under which TDA can effectively enhance access to protection and durable solutions, while meeting the concerns and interests of both donors and hosts. During the 1980s, the notion of 'Refugee Aid and Development' was applied in both the International Conferences on Assistance to Refugees in Africa (ICARA) and to the International Conference on Refugees in Central America (CIREFCA). During the early 2000s, the concept was revived and applied to situations in Zambia and Uganda.

TDA has the potential to benefit both Northern and Southern states because of its ability to address the most serious negative consequences of protracted refugee situations (PRSs). As well as having significant human rights implications, PRSs pose a range of problems for states. For Southern host states, they may create tensions with local communities due to competition for scarce resources, and may be perceived as a security threat in the absence of international burden-sharing. PRSs also pose a challenge for Northern donor states because they may become a source of onward irregular migration or a potential source of terrorist recruitment.

The use of TDA has the potential to be 'win-win', benefiting both North and South. In situations like Central America in the late 1980s and early 1990s, an integrated development assistance approach based on promoting self-sufficiency and local

integration was successful in enhancing refugees' rights while meeting the interests of donors and hosts. For Northern states, TDA has the potential to reduce irregular secondary movements, to eliminate potential sources of terrorist recruitment, and to reduce the long-term humanitarian budget. For Southern states, TDA has the potential to benefit local host communities; to contribute to the development of underdeveloped border regions, and to reduce social conflict and insecurity.

Successful TDA requires a number of **political** ingredients. Past practice suggests that it requires a significant, reciprocal commitment by both donor and host states. Northern states will need to commit to provide:

- significant additional development assistance that does not substitute for existing budget lines that would otherwise benefit country nationals and
- an integrated approach that targets both refugees and citizens.

Southern states will need to be willing to offer:

- self-sufficiency and possibly local integration;
- a commitment to enhance refugee protection capacity. In order to facilitate political agreement, a neutral arbiter and a credible negotiation process will be required.

Successful TDA requires a number of **practical** ingredients. Most notably these include:

- institutional collaboration between UNHCR and development actors;
- joined-up government and new budget lines that can transcend government department divides; and, most crucially;
- the right kinds of interventions, which are based on an integrated approach, focus on livelihoods, use pre-existing community structures, and use evaluations to monitor and follow-up on project implementations.

If these pre-conditions can be fulfilled, it may be possible to work towards a new North-South 'grand bargain', which can enhance refugees' access to protection and durable solutions, while meeting Southern states' concerns with development, and Northern states' concerns with security.

Concrete steps that are required in order to fulfil the promise of an integrated development approach towards refugees include:

- A systematic analysis of the lessons from the past practice of applying development assistance to enhance refugee protection.
- Independent consultations with donor and host states to better understand states' concerns and interests in order to identify the basis of mutually beneficial 'win-win' cooperation.

- At the national level, more coherent coordination between ministries of development, home affairs, and foreign affairs, including the creation of new inter-ministerial budget lines for ‘development assistance and refugees’.
- Development actors such as UNDP and the World Bank should recognise the important potential role played by refugees in national development, and the possible ‘binding constraint’ they pose on development when neglected.
- The GFMD should recognise that refugees are an important component of the wider ‘migration and development’ agenda.
- UNHCR should play a catalytic role in facilitating inter-state and inter-agency dialogue on development assistance and refugees as an important component of its ongoing work on protracted refugee situations.

The first step to fulfilling this potential will involve putting the development-refugee nexus back on the agenda within government ministries, international organizations and international dialogues. It represents an important component of discussions on migration and development, protracted refugee situations, and the external dimension of asylum and immigration policy, and should be an important aspect of all of these debates. Putting the issue back on the agenda will require that development actors at the national and international levels are sensitized to the fact that refugees are not simply a ‘UNHCR issue’ but also require wider engagement by the development community. It will require that states that are already actively committed to the use of TDA – such as the Danish Government – play a leading role in facilitating and promoting wider debate on the important role that it can play in relation to enhancing refugee protection.

The development of initiatives that use targeted development assistance to promote refugee protection and durable solutions could take place on a bilateral level, an inter-regional level, or a multilateral level. In practice, most North-South partnerships in this area are likely to be bilateral (as, for example, the partnership between Denmark and Uganda was) or inter-regional (as many EU-African discussions are). However, a multilateral dialogue in the context of the GFMD or the High Commissioner’s Dialogue on Protection Challenges might provide a context within which an overarching discussion of ‘best practice’ could take place and basic principles agreed upon.

# 1 Introduction

In the context of the Global Forum on Migration and Development (GFMD), there has been growing discussion of the multi-dimensional relationship between migration and development. However, the older debate regarding the relationship between refugees and development (known as 'Refugee Aid and Development' during the 1980s and revived as 'Targeted Development Assistance' in the early 2000s) has largely sidelined. This is regrettable because using development assistance to support refugees in their countries of first asylum has great potential to enhance their access to protection and solutions, while simultaneously benefiting Northern donor states and Southern host states.

Refugee protection is generally viewed as a humanitarian rather than a development issue, and one that is most appropriately addressed by humanitarian actors (Crisp 2001). This view is based on the assumption that refugee movements in the developing world generally stem from short-term humanitarian emergencies and that, once the initial crisis stabilises and immediate needs are met, longer-term solutions will be found to address the plight of those who have been displaced. In reality, however, the majority of the world's refugees remain in exile in the developing world long after the initial 'emergency phase' of a crisis is over.

For the majority of the more than 80% of the world's refugees who remain in their region of origin, few durable solutions are available (UNHCR 2008). Ongoing conflict limits the prospects for repatriation, the reluctance of host states to provide resources to non-citizens limits access to local integration, and the reluctance of third countries outside the region to admit significant numbers of refugees diminishes the opportunity for resettlement. Consequently, most refugees find themselves in protracted refugee situations (Loescher et al 2008; Loescher and Milner 2005) bogged down in an intractable state of limbo and trapped for years in institutionalised camps and settlements (Harrell-Bond 1986). These camps and settlements frequently restrict the refugees' freedom of movement as well as their livelihood opportunities. These often-insecure sites prevent refugees having access to the rights to which they are entitled under international refugee law. There are also increasing numbers of refugees who remain in protracted exile in urban areas, facing long-term rights deprivations.

Protracted refugee situations contribute to what the US Committee for Refugees and Immigrants (USCRI) has described as 'a denial of rights and a waste of humanity' (Smith 2004). However, in addition to their negative consequences for refugee protection, particular problems also arise for states both in the region of origin and beyond. Such situations can lead to direct security threats. Camps are often located in unstable border regions becoming sites for contraband and other small arms trafficking as well as for recruitment opportunities for armed groups.

Refugees may also represent an indirect security threat and source of grievance if the local population perceives them to be in receipt of humanitarian assistance not available to the citizenry or if they move irregularly to urban areas and become dependent upon the informal sector (Milner 2000). Such situations can also become a threat to the wider

international community as they may contribute to irregular secondary movement (SFM 2005) or become a potential source of radicalism and terrorist recruitment. (Kagwanja and Juma 2008).

Development assistance has the potential to enhance the quality of protection through facilitating self-sufficiency for refugees and/or by opening up the possibility for local integration as a durable solution. In the past, most host countries of first asylum have been extremely reluctant to countenance self-sufficiency initiatives let alone to consider locally integrating refugees. They have generally argued for 'voluntary repatriation as the preferred durable solution', a position reinforced by UNHCR since the 1990s. It is therefore very difficult to persuade developing countries (with limited resources and a finite supply of arable land) to provide land, services, the right to work, or permanent residence to foreigners. Southern state politicians have legitimate concerns about self-sufficiency. Although many Sub-Saharan African countries, such as Tanzania, allowed refugee communities to spontaneously self-settle in rural areas and offered land and integrated services in the 1960s and 1970s, this has become less popular over time. Following the structural adjustment policies imposed on developing countries by the International Monetary Fund (IMF) and the World Bank in the 1980s and 1990s, which encouraged a reduction in the size of the public sector through privatization and liberalization, many countries have had to reduce the public services they are able to offer their own citizens, let alone non-citizens. Meanwhile, democratization has made Southern state politicians more accountable to a public that sees few benefits in providing self-sufficiency or local integration to refugees (Milner 2009).

Targeting development assistance to refugee-hosting areas has the potential to improve refugee protection and possibly to enhance access to durable solutions such as local integration. Such assistance requires an integrated community development approach, which benefits not only refugees but also local host communities. If applied in this way, it can overcome many of the practical and political causes of long-term encampment. Such an approach would involve funding integrated services in areas such as health and education, investing in livelihood opportunities for both refugees and host communities, training refugees to become 'agents of development' rather than burdens on their host countries, and developing infrastructure in refugee-hosting regions. Aside from its practical implications, targeted development assistance can be shown to be in the interest of the host government as it moves beyond encampment and considers self-sufficiency and local integration. Democratically elected developing country governments could make the argument to their electorate that hosting or integrating refugees as part of the wider community represents a benefit.

To be successful, and to entice Southern host states, this approach would require significant additional development assistance from Northern donors. In the past, attempts to persuade some host states to engage in self-sufficiency have failed because of the lack of willingness of donors to firmly commit to significant additional development assistance. However, such commitments could now be in the interests of donors insofar as the failure



to overcome protracted refugee situations in the South has consequences for security and immigration in the North. Making opportunities for self-sufficiency and local integration available can reduce the need for refugees to engage in irregular secondary movement. It can also reduce the long-term drain on humanitarian budget lines and may reduce the threat of radicalisation and terrorist recruitment that comes from the long-term encampment of, for example, Palestinian, Somali or Afghan refugees. In other words, a development-security grand bargain on refugee protection could potentially benefit Northern states, Southern states and refugees.

The idea of using targeted development assistance to promote enhanced protection and access to durable solutions in first countries of asylum is not new. At different historical junctures, UNHCR has employed this tactic with varying degrees of success. During the 1980s, High Commissioner Jean-Pierre Hocke developed the notion of 'Refugee Aid and Development' which was applied in both the International Conferences on Assistance to Refugees in Africa (ICARA) and to the International Conference on Refugees in Central America (CIREFCA). This approach was revived by Ruud Lubbers in the early 2000s under the guise of 'Targeted Development Assistance'. During Lubbers' term, UNHCR conceived the idea of 'Development Assistance for Refugees' (DAR) to promote self-sufficiency pending durable solutions and 'Development through Local Integration' (DLI) to promote local integration. These strategies were based on the case studies of the Ugandan Self-Reliance Strategy and the Zambia Initiative which provided self-sufficiency and local integration for Angolan refugees.

This policy brief considers the conditions under which targeted development assistance can work; when and how it can be made a win-win solution for North and South, and simultaneously enhance refugee protection and access to durable solutions. The paper draws upon empirical evidence from past examples set out in illustrative boxes.

**Box 1.****The International Conferences on Assistance to Refugees in Africa (ICARA I and II)**

During the 1960s and 1970s, large numbers of spontaneously settled rural refugees were hosted by Sub-Saharan African states with little support from the international community. By the early 1980s, the African states decided to collectively seek compensation for the burden that hosting had placed on their infrastructure. UNHCR therefore convened a conference in 1981 followed by a second conference in 1984. These Geneva-based pledging conferences involved these African states. UNHCR submitted a range of projects and programmes to the donor community in order to solicit burden sharing. The projects were designed to function within what was referred to the 'Refugee Aid and Development' framework. In other words, they attempted to attract development assistance in order to support refugee protection and refugees' access to durable solutions. Although the first conference was poorly conceived, the second entitled 'A Time for Solutions' was based on the idea that integrated development assistance could be applied to fund projects focusing on refugee hosting regions, and that, in exchange, African states would provide durable solutions in the form of local integration. Ultimately, however, ICARA was a failure, leading to a short-lived legacy. Donors offered very limited 'additionality', which disappointed African states, while the hosts made very limited commitment to durable solutions. Consequently, when new humanitarian priorities emerged in the form of the Sub-Saharan African famine, state commitment to ICARA waned (Gorman 1987, 1993; Betts 2004).

**International Conference on Refugees in Central America (CIREFCA)**

By the end of the 1980s, in the aftermath of civil conflict in Central America, there was significant displacement. To respond to the refugee situation in the region, UNHCR convened a conference in Guatemala City in 1989. This conference led to a process for developing projects and programmes in order to facilitate access to durable solutions for the regions refugees. A key aspect of CIREFCA was its attempt to build on the 'Refugee Aid and Development' initially applied in the context of ICARA. CIREFCA was jointly managed by UNHCR and UNDP and its projects included a number of initiatives to promote self-sufficiency and local integration for refugees. The most notable of these involved the Guatemalan refugees in Mexico's Yucatan Peninsula who received access to self-sufficiency that led to some being repatriated while others became locally integrated. Similar approaches were developed for Nicaraguans in Belize, and El Salvadorans in Costa Rica. There was limited comprehensive evaluation of the impact of these projects but, anecdotally, it seems that the Guatemalans in Mexico benefited from freedom of movement and livelihood opportunities, while Mexico also benefited from both the contributions these refugees made and the targeted development assistance granted to areas such as Campeche and Quintana Roo (Betts 2009).

**Box 2.****UNHCR's Convention Plus initiative**

Under High Commissioner Ruud Lubbers, UNHCR revived the concept of 'Refugee Aid and Development' under the guise of 'Targeted Development Assistance' in the early 2000s. It formed one part of a broader process known as the Convention Plus initiative, which attempted to develop a normative framework on burden sharing. Targeted Development Assistance (TDA) was just one part of the wider initiative. In relation to host states, it developed the concepts of Development Assistance for Refugees (DAR) and Development through Local Integration (DLI) and tried to build on the success of DAR in Uganda and DLI in Zambia. An inter-state Geneva-based dialogue was convened by Denmark and Japan in order to facilitate the elaboration of general principles on TDA. Ultimately, however, no agreement was reached, and the debate polarised along North-South lines. Southern states were especially disillusioned by the fact that the initial Geneva-based meetings were 'donor-only'. Furthermore, the absence of a commitment by donors to additionality further alienated host states that were concerned about the diversion of existing development assistance to refugees. No host states therefore made significant new commitments to self-sufficiency, let alone local integration (Betts and Durieux 2006).

**The Zambia Initiative and the Ugandan self-reliance strategy**

In the early 2000s, UNHCR proclaimed two 'successes' in targeted development assistance. It applied its Development Assistance for Refugees (DAR) model to Sudanese refugees in Uganda, and its Development through Local Integration (DLI) model to Angolan refugees in Zambia (UNHCR 2006). Both of these built upon pre-existing national initiatives. In Zambia, Angolan refugees had been present since the 1970s. They were already de facto integrated prior to the implementation of the Zambia Initiative, and it is questionable what 'value added' the donor community provided. Nevertheless, the case study highlights the significant developmental contribution that refugees can make. Indeed, there is evidence to suggest that once Angolans were repatriated, agricultural productivity in the Western Province declined markedly and that local people regretted the departure of Angolan refugees. Evaluations of the initiative have been positive but extremely limited in scope. In Uganda, the government had developed a Self Reliance Strategy (SRS) for Sudanese refugees in the Nile River Valley from the late 1990s. It provided plots of land and offered 'integrated services'. In 2003, this became part of the DAR strategy with Denmark contributing additional funding and UNHCR becoming involved. However, reviews of the project reveal its limitations. Refugees were given poor quality land, restrictions on freedom of movement remained, food aid was withdrawn too soon, and significant donor contributions were spent in Kampala (UNHCR Mid-Term Review 2004; Dryden-Paterson and Hovil 2004; Kaiser 2008; Meyer 2006).

## 2 A 'win-win' solution

The model proposed by this brief is a simple one. It involves Northern states offering significant additional, integrated, development assistance to host countries of asylum that meet the needs of both refugees and citizens. In exchange, Southern host countries move beyond the encampment of refugees and provide self-sufficiency or local integration to refugees. This section outlines how such a model can meet both Northern and Southern interests.

### **Northern interests**

If self-sufficiency and local integration were achieved, a series of benefits for Northern states would justify committing significant additional development assistance. The benefits for Northern donors could include:

#### *Reducing irregular secondary movements*

Irregular secondary movements relate to refugees who have or could have found protection in a first country of asylum but who spontaneously move onwards to another country, often outside the region of origin. There is limited empirical evidence on the precise relationship between irregular movement, on the one hand, and refugees' access to protection and solutions in the region of origin. However, the limited evidence that does exist suggests that the quality of protection (including access to freedom of movement and livelihood opportunities) as well as the timely access to durable solutions is related to the number of people who move onwards. A UNHCR-sponsored survey by the Swiss Forum for Migration examined the causes of the onward movement of Somali refugees and asylum seekers from the region of origin to Europe. It found that a significant proportion of those emigrating to the Netherlands and Switzerland, having been in Kenya, Ethiopia, Djibouti or Yemen, for example, did so because of poor quality protection, limited livelihood opportunities, limited freedom of movement, and the limited access to durable solutions such as local integration (SFM 2005). A commitment to targeted development assistance could therefore reduce the need for the onward movement of refugees from South to North and thereby facilitate the management of irregular migration. This could be reinforced if agreements on targeted development assistance were linked to agreements on a definition of 'irregular secondary movement' to ascertain the circumstances under which a refugee has or should have found protection in the region of origin (UNHCR 2005).

#### *Eliminating potential sources of terrorist recruitment*

There is no strong evidence to suggest a clear link between protracted refugee situations and terrorism, and nothing exists to prove that there is any greater incidence of terrorism among the refugee population than the general population. However, there is evidence to suggest that refugee camps, prolonged idleness, and lack of opportunity have historically provided a rich source of recruitment for armed and radical groups and non-state actors in civil conflicts and proxy wars. Numerous examples bring to light the way in which refugee camps have become militarised and used to directly or indirectly support armed groups (Zolberg et al 1989; Crisp 2003; Muggah 2007; Milner 2009). Many host governments have also expressed concern about the relationship between the long-term

hosting of refugees and terrorist recruitment (Kagwanja and Juma 2008). There are also concrete examples of situations in which refugee camps have been directly linked to terrorism such as the Palestinian refugee camps and the Afghan refugee camps in the border regions of Pakistan. Facilitating greater opportunity for refugees and overcoming protracted refugee situations through targeted development assistance could therefore reduce the likelihood of radicalisation and recruitment and be part of a preventative approach to terrorism.

#### *Reducing the long-term humanitarian budget*

Humanitarian budget lines are supposedly instigated for short-term relief to be applied during the emergency phase of a refugee crisis. However, a significant proportion of the budget of organisations such as UNHCR now goes towards long-term refugee camp management. Camps and settlements become institutionalised and significant proportions of humanitarian assistance support a long-term culture of dependency. Many protracted refugee situations exist because of the assumption of the international community that the only viable response is to wait for the situation in the country of origin to change thus enabling the return of their refugees. This culture of ‘waiting for repatriation’ places a significant strain on finite humanitarian budgets. Targeted development assistance offers a way to overcome dependency and the institutionalisation of camps even when repatriation is not viable.

#### **Southern interests**

Attracting significant integrated development assistance could have a series of benefits for Southern host states. Provided the commitment of Northern states were sufficient, these benefits could make it worthwhile for politicians and governments to go beyond encampment and make their own commitment to self-sufficiency and local integration.

#### *Benefits for local host communities*

Host states perceive refugees as a threat because their presence often leads to grievances amongst the local population. Refugees are frequently seen to benefit from privileged access to resources unavailable to the local host population. Competition for resources leads to an assumption that the relationship between refugees and citizens is zero sum rather than positive sum. However, a model of integrated development assistance creating significant new services in the area of education, health, infrastructure and markets, and available to both refugees and host populations, could cause a shift in the attitude of local host communities. In regions in which such models of integrated development assistance have been applied, a positive attitude has been noted amongst the local population. The use of so-called Special Programme for Refugee Affected Areas (SPRAA) to develop integrated opportunities in Tanzania provides one such example. The SPRAA was funded by European Commission money and ran from 1997 to 2003. As well as enhancing Tanzania’s ability to host refugees, it had benefits for the host community through promoting sustainable farming, environmental education, road construction, and socio-

economic improvements to surrounding areas (Loescher and Milner 2005). There is also general acknowledgment that other successful programmes connecting refugees and development in countries of origin – such as DDR (demilitarisation, demobilisation and reintegration) and 4R (repatriation, reintegration, rehabilitation, and reconstruction) successful programs have been community based.

#### *The development of underdeveloped border regions*

Refugee camps and settlements are frequently located in underdeveloped and sometimes insecure border regions. Integrated development has the potential to transform such regions. In the 1990s, for example, the use of targeted development to promote self-sufficiency and local integration for Guatemalan refugees in Mexico contributed to the development of the Yucatan Peninsula. The regions of Campeche and Quintana Roo had been amongst the poorest and most neglected in Mexico until integrated development projects, funded by the international community as part of CIREFCA, contributed to developing new infrastructure, markets and social services. The Guatemalan refugees, some of whom eventually returned home, were empowered to become ‘agents of development’ within the previously neglected region.

#### *Reducing social conflict and insecurity*

The concerns of Southern states that host refugees are not dissimilar to those of many Northern states. In the aftermath of structural adjustment programmes, many Southern states have finite resources available to support their own citizens, let alone non-citizens. In the aftermath of democratisation, many Southern refugee-hosting state governments are accountable to their electorates and so find it difficult to argue for prioritising the rights of non-citizens. The presence of large numbers of refugees often represents a source of grievance. In refugee-hosting areas, there may be horizontal inequalities between refugees and non-refugees that may give rise to social conflict. Providing integrated assistance, whether in a camp or in the settlement context of an urban area, may reduce horizontal inequalities and the sense of injustice felt within host communities. This may in turn empower Southern politicians to win votes on the basis of a pro-refugee stance.

#### **‘Making the implicit explicit’**

The model put forward proposes a solution analogous to Hathaway and Neve (1997)’s idea of a refugee regime based on ‘common but differentiated responsibility-sharing’. They suggested that not all states’ contributions to global refugee protection need necessarily be identical. Rather, some states might play a more significant role in making a financial contribution, and others might play a stronger role in providing physical protection space to refugees. Such approaches can be and have been criticised. The danger is that if all states did not agree on the logic of the differentiated responsibility, host states in the South might be alienated from the regime and so reduce their commitment to asylum (Betts and Milner 2006). However, if a consensus commitment to protection were agreed upon, it might offer the most efficient way to maximise the protection space available to refugees.

Furthermore, the logic of a ‘common but differentiated responsibility’ is the implicit status quo. The reality is that well over 80% of the world’s refugees remain in their region of origin and, given their greater proximity to conflict and human rights abusing regimes, the overwhelming majority of the world’s refugees come from and remain in the developing world. An explicit consensus that reinforces the logic of common but differentiated responsibility would simply be an acknowledgement of reality rather than a radical departure from the status quo. Given that the majority of the world’s refugees are in the South, enhancing burden-sharing to support better protection standards and durable solutions in host countries would seem the most realistic way to enhance protection for the greatest number of refugees. This is certainly not to denigrate the importance of upholding non-refoulement and spontaneous asylum channels in the North for individualised protection needs. However, the reality is that refugee protection is mainly about groups fleeing conflict and rights deprivations in the developing world.

### 3 The ingredients for political agreement

In order for targeted development assistance to be effective, it requires a set of unequivocal and mutually conditional commitments by Northern donors and Southern host states. If these conditions are not fulfilled, then attempts are likely to replicate the past failures of the 1980s and early 2000s.

#### **Northern commitments**

##### *Significant additionality*

It is crucial that development assistance be both significant and additional. Without this, targeted development assistance will not lead to self-sufficiency or local integration. The financial commitment of donors needs to be significant in order to be perceived as an unequivocal benefit for governments and host populations, and, in order to enable host governments to argue for self-sufficiency must include a vote winning strategy for host country politicians. In the past, attempts to use targeted development assistance have failed because there has been no additionality. Donor governments have ruled out providing additional funding and so agreements on self-sufficiency have been dead in the water due to a lack of incentive for host country cooperation. In ICARA during the 1980s, for example, African hosts insisted on additionality. When this was not forthcoming, they became disillusioned. In the early 2000s, during UNHCR's Convention Plus initiative, donors ruled out additionality and host states became quickly alienated, fearing that development assistance that focused on citizens would be diverted to non-citizens.

##### *Integrated assistance*

Assistance cannot simply target refugees, nor can it target only the citizens. It needs to be simultaneously channelled to both. Assistance should be integrated; in other words, it should focus on projects and programmes within which refugees and citizens benefit from the same sets of services, infrastructure, markets, training, and livelihood opportunities. This type of approach has the potential to overcome horizontal inequalities by ensuring that refugees and citizens receive equal opportunities and provisions and so reduce grievances. The integrated nature of the development assistance may also contribute to change the political discourse on refugees in the country, allowing politicians to argue that they constitute a benefit.

#### **Southern commitments**

##### *Self-sufficiency and local integration*

If Southern host states wish to gain from significant additional burden-sharing and development assistance that can benefit citizens, they will need to commit to provide self-sufficiency to refugees and to consider possibilities for local integration. They need to move beyond confining refugees to enclosed camps and settlements and be willing to offer freedom of movement, access to livelihood opportunities and labour markets, and, where available, access to arable land. Furthermore, economic integration needs to be supported by social integration. This type of approach to refugee protection was available in much of Sub-Saharan Africa in the 1970s, for example, when countries such as Tanzania allowed



refugees to spontaneously settle in rural areas and, in some cases, provided access to land and public services. The most prominent recent examples of African states providing self-sufficiency can be found in Zambia and Uganda in the 2000s (UNHCR 2006).

#### *Enhancing protection capacity*

In addition, host countries in the region will also need to develop greater refugee protection capacity. One of the inevitable motives for donor commitment to enhancing protection in the region of origin would be the reduction of irregular secondary movement. If refugee protection capacity in regions of origin can be strengthened, this would remove some of the need for the onward movement of asylum seekers and refugees. However, it would also benefit host states by empowering them to better respond to and manage refugee influxes, as well as increasing their ability to avoid violating their international obligations. In the early 2000s, there was a lot of discussion about the possibility of Northern states making support for Southern state capacity building conditional upon the establishment of readmission agreements. However, states such as Denmark, that have been pioneering in the concept of Targeted Development Assistance have found that their agreements with Southern partners, such as Kenya, are most effectively focused on protection capacity building, and that this by itself may reduce some of the need for onward movement. Nevertheless, in order to persuade Northern states of the value of channelling significant additional resources into targeted assistance, there would need to be an unambiguous commitment by host states to enhance protection capacity.

### **Institutional process**

#### *Neutral arbiter*

North-South agreement on targeted development assistance could be agreed on a bilateral, inter-regional, or multilateral level. However, it would certainly contribute to the overall process if an initial debate or discussion on general principles took place at the global level. In the past, UNHCR has functioned most successfully when it has taken a direct facilitation role in mediating between the interests of states within and beyond refugees' regions of origin. For example, Sergio Vieira de Mello played this role particularly well in the Indo-Chinese Comprehensive Plan of Action (Betts 2009). Unfortunately, in UNHCR's previous attempts to develop North-South agreement on targeted development assistance, it generally shunned this type of facilitation role. In ICARA, it played a more technocratic role, bypassing a process of inter-state dialogue; in Convention Plus, it devolved the responsibility for facilitation to Northern donor states (Denmark and Japan), thus jeopardising the credibility of the process by creating a perception of Northern bias. Furthermore, during Convention Plus, the initial meetings on targeted development assistance were 'donor-only', alienating Southern host states. An inclusive North-South dialogue with UNHCR facilitation is required at the multilateral level in order to establish a common understanding of general principles.

### *Credibility*

During the discussions on targeted development assistance in the early 2000s, held as part of the Convention Plus initiative, the process lacked credibility from the start. Early on it became quite obvious that most Northern donors were unwilling to commit significant, additional assistance and that most Southern host states were unwilling to commit to self-sufficiency or local integration. This led to disillusionment and disengagement. It is important that in reviving such an approach, states endeavour to build trust and confidence. There must be a clear expression of willingness to make concessions – for the North in relation to burden sharing and for the South in relation to self-sufficiency. In contrast to both ICARA and Convention Plus, it is also crucial that dialogue be open and inclusive as opposed to allowing separate donor and host discussions.

## 4 The ingredients for practical viability

### **Institutional collaboration**

A key challenge in making targeted development assistance work is to improve collaboration between humanitarian actors and development actors at the international level. In the past, UNHCR has struggled to develop effective partnerships with UNDP and the World Bank, although since 2005 it has been a member of the United Nations Development Group (UNDG).

The World Bank is prepared to become involved in areas where there is a clear link to economic growth. In the past, it has not identified refugees as significant in influencing a host country's GDP/capita. It has claimed that it would become involved in this area if the hosting countries' refugees represented 'a binding constraint on development'. Its commitment to the refugee problem has been limited to an agreement to incorporate refugees in its Poverty Reduction Strategy Papers (PRSPs). Increasingly, however, the World Bank is getting involved in areas relating to human mobility. In particular, it has become involved in work on remittances and, to some extent, circular migration recognising the link these issues have to growth and development. Interviews with senior members of World Bank staff suggest that it might consider working on refugee issues insofar as a correlation could be shown between hosting and economic growth. Indeed, it seems fairly intuitive that if refugees could be seen as 'agents of development' rather than as burdens, this would increase GDP/capita, especially if it brought new sources of labour and created new markets.

UNDP and UNHCR have historically enjoyed a strong working relationship in many field situations. Given that UNDP represents the 'resident country coordinator' for the UN system, it has also developed strong working relationships with a range of other UN actors. Successful targeted development assistance initiatives have relied in the past upon collaboration at Headquarters level. Where this was present in CIREFCA, for example, initiatives were successful; where it was largely absent, as in ICARA and Convention Plus, it was more difficult for UNHCR to conceive and develop appropriate interventions. Kemal Dervish, the current Executive Director of UNDP, has largely shunned any role for UNDP in the current debate on human mobility. For example, he has not involved the organization in the GFMD. Meanwhile, Norway vetoed further UNDP involvement in migration debates (as part of the development of the Programme's strategic plan) in order to avoid duplication of work in this area across the UN system. However, it is important for UNDP to be involved in these debates in general and the issue of refugee protection, in particular, because its expertise in the area of development is crucial to bridging the humanitarian-development gap.

### **Joined-up government and new budget lines**

One of the main obstacles to additionality lies within the domestic politics of donor governments. The idea of targeted development assistance transcends different government ministries and, despite the potential benefits of such an approach, appropriate

budget lines do not exist. In the past, Northern governments and their representatives have found it difficult to commit to additional development assistance because of the absence of appropriate budget lines for such a purpose. Development ministries have been reluctant to commit development funding to refugees whom they have seen as a humanitarian concern. They have also had to work within their existing budget lines able only to offer to substitute existing contributions in a way that has been unacceptable to Southern host states. Meanwhile, other government departments dealing with refugees – such as foreign affairs or home affairs – have not had access to development assistance budget lines. This was a major stumbling block during attempts by UNHCR to revive targeted development assistance in the early 2000s.

In order for additionality to be feasible two things are therefore required. First, there must be greater ‘joined-up’ government across ministries. It is not a coincidence that Denmark has been able to be the most proactive donor government in the area of targeted development assistance since it had already integrated development, foreign affairs, and home affairs. In contrast, governments such as the UK and Sweden still have greatly compartmentalised governments regarding asylum and refugee issues. Secondly, new budget lines specific to the task of targeting development assistance to refugees need to be created, whether at the national or inter-governmental level. In past debates, appeals by UNHCR to donor governments to commit to targeted development assistance have tried to work within existing budget lines. This has led to the substitution of existing development assistance in a manner that has been acceptable to neither the donor nor the recipient. One starting point might be the creation of a new European Union budget line for ‘targeted development assistance for refugees’ in order to institute a series of pilot projects.

## **The right interventions**

### *Integrated*

It is crucial that interventions are developed on an ‘integrated’ basis. In other words, they must simultaneously target both refugees and host communities. Examples of such an integrated approach include the provision of public services and markets that serve both refugee and non-refugee communities. This is important in order to facilitate integration, to reduce grievances and horizontal inequalities, and also to create an incentive for citizens and politicians to support self-sufficiency and local integration. In the past, this approach has not always been adopted. For example, in ICARA, many of the development projects focused on developing infrastructure exclusively for the benefit of the host community ‘as compensation’ for the burden of past refugee presence.

### *Livelihoods approach*

One of the key challenges in developing self-sufficiency is to enable refugees to develop sustainable livelihoods alongside the host population. The Ugandan Self Reliance Strategy has been criticised because it did not adequately do this and often provided refugees with non-arable land on which they were unable to grow crops. In the past, attempts to develop targeted assistance for refugees have been divorced from a clear understanding

of what 'development' actually is. This has been hampered by insufficient input from the development community. Since the development assistance initiatives of the 1980s and 2000s, there has been a growth in academic and practical thinking about 'livelihoods' approaches to forced migration – both in relation to the country of origin and countries of asylum. These ideas, along with the broader literature on livelihoods, could be drawn upon to inform interventions (Bartsch 2004; Jacobsen 2002; Kibreab 2001; Lautze 1997).

### *Evaluations*

In order to ensure that interventions have a positive impact on both refugees and host communities, ongoing evaluation would be necessary. In the past, UNHCR has often claimed that its attempts to facilitate self-sufficiency have been a 'success'. However, such proclamations have been made in the absence of comprehensive evaluations. For example, in the early 2000s, the so-called Zambia Initiative was declared to be a great triumph in the promotion of self-sufficiency and local integration. Yet, UNHCR did not commission an evaluation until very late and, even then, it allowed an extremely brief period for evaluation while employing a fairly limited focus. There is a need for ongoing evaluation in order to develop a far better understanding of the practical and political conditions under which targeted development assistance will yield benefits for refugees, hosts and the wider international community.

### *Use pre-existing community structures*

Although UNHCR proclaimed the Zambia Initiative a 'success', many of the reasons for de facto local integration pre-dated intervention by the international community. Angolan refugees had been present in the Western Province since the 1970s and many of these Luvalu-speakers had strong kinship and social networks amongst the host community. Refugees were welcomed and supported partly on the basis of these pre-existing social ties which emerged on a 'bottom-up' rather than a 'top-down basis' (Bakewell 2000). This is not an argument to suggest that interventions cannot facilitate self-sufficiency; however, it does imply that they need to take into account pre-existing community structures and the existing relationship between the refugee population and the host population. Furthermore, within different host and refugee communities, different community dynamics and internal power structures are bound to exist. These local dynamics need to be understood in order to appreciate what kind of development interventions are likely to be contextually appropriate (Ferguson 1990; Meyer 2006; Dryden-Paterson and Hovil 2004).

## 5 The way forward

Targeted development assistance has the potential to provide a win-win solution for donors, host states and refugees. It can satisfy states' interests in relation to security and development, while promoting better protection and access to durable solutions. However, planning an approach to targeted development assistance that will fulfil this potential entails overcoming a range of political and practical challenges. This policy brief highlights a number of issues that require further consideration. However, if these challenges are met, targeted development assistance has the potential to radically alter the global landscape of refugee protection.

Concrete steps that are required in order to fulfil the promise of an integrated development approach towards refugees include:

- A systematic analysis of the lessons from the past practice of applying development assistance to enhance refugee protection.
- Independent consultations with donor and host states to better understand states' concerns and interests in order to identify the basis of mutually beneficial 'win-win' cooperation.
- At the national level, more coherent coordination between ministries of development, home affairs, and foreign affairs, including the creation of new inter-ministerial budget lines for 'development assistance and refugees'.
- Development actors such as UNDP and the World Bank should recognise the important potential role played by refugees in national development, and the possible 'binding constraint' they pose on development when neglected.
- The GFMD should recognise that refugees are an important component of the wider 'migration and development' agenda.
- UNHCR should play a catalytic role in facilitating inter-state and inter-agency dialogue on development assistance and refugees as an important component of its ongoing work on protracted refugee situations.

The first step to fulfilling this potential will involve putting the development-refugee nexus back on the agenda within government ministries, international organizations and international dialogues. It represents an important component of discussions on migration and development, protracted refugee situations, and the external dimension of asylum and immigration policy, and should be an important aspect of all of these debates. Putting the issue back on the agenda will require that development actors at the national and international levels are sensitized to the fact that refugees are not simply a 'UNHCR issue' but also require wider engagement by the development community. It will require that states that are already actively committed to the use of TDA – such as the Danish Government – play a leading role in facilitating and promoting wider debate on the important role that it can play in relation to enhancing refugee protection.

The development of initiatives that use targeted development assistance to promote refugee protection and durable solutions could take place on a bilateral level, an inter-regional level, or a multilateral level. In practice, most North-South partnerships in this area are likely to be bilateral (as, for example, the partnership between Denmark

and Uganda was) or inter-regional (as many EU-African discussions are). However, a multilateral dialogue in the context of the GFMD or the High Commissioner's Dialogue on Protection Challenges might provide a context within which an overarching discussion of 'best practice' could take place and basic principles agreed upon.

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