

STATEMENT OF GOOD PRACTICE
ON TARGETING DEVELOPMENT ASSISTANCE
FOR DURABLE SOLUTIONS TO FORCED DISPLACEMENT¹

Introduction

1. UNHCR is mandated by the United Nations General Assembly to assist Governments in “seeking permanent solutions for the problem of refugees”. Experience over the past five decades has confirmed that durable solutions in terms sustainable return and reintegration, or local integration cannot be found by UNHCR acting alone, but require the active engagement and contribution of States and partners.² This is recognized in the *Agenda for Protection*, which calls on UNHCR to encourage multilateral and bilateral partners to extend tangible support for initiatives aimed at achieving durable solutions, notably to make voluntary repatriation sustainable and to underpin self-reliance and local integration. The *Agenda* also encourages States to consider allocating development funds to programmes simultaneously benefiting refugees and the local population in host countries, and the latter to consider including refugee-hosting areas in their national development plans to achieve the broad goal of sharing burdens and responsibilities more equitably and building capacities to receive and protect refugees.

2. UNHCR developed the *Framework for Durable Solutions* with the aim of providing methodological models – *Development Assistance for Refugees (DAR)*, *Repatriation, Reintegration, Rehabilitation and Reconstruction (4Rs)* and, in particular for refugees remaining in the country of asylum, where feasible, *Development through Local Integration (DLI)* – to facilitate the targeting of development assistance more effectively to underpin and sustain solutions for refugees. The targeting of development assistance for refugee solutions is an important component of the Convention Plus initiative, which aims at promoting more effective partnerships and international solidarity with refugee-hosting countries and communities, as well as with countries and communities facing the challenge of durably reintegrating returning refugees. More effective and strategic targeting of development assistance will yield tangible benefits for host States and communities, as well as the international community at large. Such benefits include redressing the economic and social impact in developing countries of hosting refugees, diminishing tensions between host communities and refugees, easing pressures to effect secondary movements, making durable solutions sustainable, reducing the risk of recurrent conflict and, more generally, contributing to peace and security. This would also provide refugees and returnees with human security and hope for a solution to their situation.

Statement of Good Practice

3. The present Statement of Good Practice attempts to *highlight policies and practices needed to realize durable solutions for refugee problems through the more effective targeting of development assistance*. Good practices in this area are those which:

- develop national and local capacities;
- strengthen partnerships and promote burden-sharing and international solidarity in practice;

¹ This document has been revised based upon discussions during the Open Meeting on Targeting Development Assistance for Durable Solutions to Forced Displacement held in Geneva on 28 April 2005.

² Resettlement is not contemplated within this document. Its relevance to solving refugee problems, particularly where it is used strategically, has been highlighted in the Convention Plus Multilateral Framework of Understandings on Resettlement, agreed in June 2004.

- ensure that refugees and returnees are included in national and international post-conflict transition and development plans and programmes;
- encourage adoption of comprehensive approaches to meeting the development needs of refugees or returnees and of their host communities;
- build on the productive capacity of refugees and returnees; and
- acknowledge that the protection of refugees is an international responsibility.

4. The targeting of development assistance for refugee solutions is fully consistent with the objectives and principles of development cooperation, in that:

- it aims at poverty reduction, human development³ and meeting the needs of the most vulnerable groups in society, based on the right of all people to a dignified life free from poverty;
- it abides by the development agenda emerging from the United Nations Millennium Declaration and the internationally agreed Millennium Development Goals (MDGs);
- it integrates a gender perspective in all programmes;
- it respects the principle that national governments have primary responsibility for their countries' development processes, and that development cooperation is based, therefore, on national ownership and leadership, as well as partnership;
- it enables individual human beings to realize their potential; and
- it recognizes that existing development cooperation modalities (national development plans, Poverty Reduction Strategies, Common Country Assessments and United Nations Development Assistance Frameworks and UN/WB Joint Post-Conflict Needs Assessments) constitute a viable framework for programming operational activities at the country level.

5. The following sections attempt to summarize good practice in the key areas of bridging funding and policy gaps; making development aid more effective; and advocacy in the promotion of durable solutions.

To bridge funding and policy gaps

Recent years have seen growing interest from States providing development assistance in “de compartmentalizing” humanitarian and development aid and in incorporating refugee needs in development aid policies (see Annex II). Moreover, a number of development aid recipients have taken steps to incorporate the needs and resources of refugees and returnees in national post-conflict and development plans as well as Poverty Reduction Strategies (see Annex I).

Good Practice:

- Donor States and developing countries – including government at national and local level – take into account the needs of displaced populations, and the implications for development cooperation policies, post-conflict transition frameworks, national development plans and poverty reduction strategies.

³ ‘Human Development’ is a complex concept of development, based on the priority of human well-being, and aimed at ensuring and enlarging human choices which lead to equality of opportunities for all people in society and empowerment of people so that they participate – and benefit from – the development process. (see www.undp.org)

- Donor States and developing countries integrate humanitarian and development aid, allowing the displaced and local communities in countries of asylum and return to benefit from development cooperation, so as to enable them to use their productive capacities and thereby contribute to maximizing the impact of development assistance in reducing poverty.
- UNHCR works closely with development partners to ensure integrated planning from the outset of an operation.

To make development aid more effective

Recent years have seen increased efforts to improve the effectiveness of development assistance. These include commitments to untie aid to the Least Developed Countries (LDCs); to base aid on development criteria; to prioritize partnership and local ownership; to favour “good performers” with policies benefiting impoverished populations; and to coordinate and improve the coherence of donor policies. In addition, new trends in development assistance include sector-wide approaches and budget support. States have also made firm commitments to increase development assistance, based on the Monterrey Consensus of 2002, and reconfirmed in the Paris Declaration on Aid Effectiveness in 2005. Investing in the human development of refugees and returnees in order to boost their productive capacity has the potential to further enhance the impact of additional investments towards development.

Good Practice:

- Donor countries devote a share of development assistance to initiatives by refugee-hosting states and countries of origin to include refugees and returnees in national development plans and poverty reduction strategies. Beneficiaries of such aid are refugees, their hosting communities and States, as well as returnees and the communities and States to which they return.
- Donor countries consider the need for new financing mechanisms aimed at generating funds for repatriation and sustainable reintegration, including a global facility for repatriation and durable solutions (see Annex II).
- Refugee-hosting States incorporate durable solutions for refugees in terms of self-reliance opportunities (DAR) and, where feasible, local integration (DLI), as well as the needs of host communities, in national **transition and** development plans as well as Poverty Reduction Strategies.
- Countries of origin incorporate returnee populations and returnee-hosting areas in national development plans and poverty reduction strategies (4Rs).
- UNHCR and its partners enhance the productive capacities of refugees and promote their self-reliance through the approaches set out in the Framework for Durable Solutions and by mobilizing development assistance as a tool to prepare refugees for durable solutions and move away from care and maintenance, where this is not already the case.

To advocate for a sharper focus on refugees, returnees and host communities

*The promotion of durable solutions for refugees and their inclusion **in transition and** development policies and strategies have already yielded results in terms of new initiatives in donor as well as developing countries (See Annexes I and II). This momentum must be sustained.*

Good Practice:

- Donor countries advocate for the inclusion of refugee and returnee populations in development policies and practices in the OECD Development Assistance Committee and its relevant networks; in the governing bodies of the World Bank, regional development banks and UN agencies; and with NGOs and bilateral development partners.

- Developing countries share information, best practices and experiences on including refugees in national development plans and poverty reduction strategies with other interested States and relevant fora (such as the African Union, including the New Partnership for Africa's Development (NEPAD), ECOWAS, SADEC, IGAD, SADC, the African Development Bank and the Asian Development Bank).
- UNHCR continues to play a catalytic role in mobilizing governments, the UN Country Teams, donors, and NGOs to include refugees and/or returnees in CCA/UNDAFs national development plans and Poverty Reduction Strategies.

**Convention Plus
Good Practice**

**Initiatives by Aid Recipient Countries to incorporate displacement issues
in national development and poverty reduction strategies⁴**

1. Afghanistan
2. Armenia
3. Azerbaijan
4. Bosnia and Herzegovina
5. Ecuador
6. Serbia and Montenegro
7. Sierra Leone
8. Uganda
9. Zambia

⁴ This list is not meant to be exhaustive, but to provide a sufficiently diverse sample of State practice.

1. Good Practice in Afghanistan

After thirty years of conflict and consequent marginalization from economic and social development processes, the development challenges in Afghanistan are extensive. Following the fall of the *Taliban* in December 2001, the Interim Afghan Administration prepared a National Development Framework (NDF) and submitted a National Development Budget (NDB) as the key policy instruments for the reconstruction process.

The Afghan authorities correctly anticipated a major repatriation and reintegration challenge. Accordingly, the first draft of the NDF included a chapter on refugees and internally displaced persons (IDPs). It emphasized the importance of providing logistical and immediate reintegration assistance, stabilizing the IDP situation, and improving the Ministry of Refugees and Repatriation's (MoRR) operational capacities.

Following the return of 2 million Afghans from Iran and Pakistan in 2002, the scale and scope of the reintegration challenge became more evident. Consequently, the Government of Afghanistan (GoA) has since taken several initiatives and adopted policies towards the inclusion of displaced populations in national development plans.

- The Ministry of Refugees and Repatriation (MoRR) in partnership with the Ministry of Rural Reconstruction and Development (MRRD), the Ministry of Housing and Urban Development (MoHUD) as well as international actors developed the National Reintegration Strategy in October 2002. The strategy advocates for an integrated approach and seeks affirmative action and interventions in favor of returnees and IDPs and local communities in areas of high return within national programmes, such as the National Solidarity Programme, the National Emergency Employment Programme and the National Area-Based Development Programme.
- The GoA is preparing to develop an I-PRSP. It will build on the 2002 National Development Framework and "Securing Afghanistan's Future", a strategy paper outlining Afghanistan's future investment needs prepared for the Berlin conference on Afghanistan's Reconstruction last year. It is anticipated that displacement as one dimension of poverty and vulnerability will be accorded due priority.
- The MoRR chairs the Consultative Group on refugees and IDPs, a joint mechanism for policymaking and coordination as well as donor consultations on issues pertaining to durable solutions for refugees and IDPs. The Consultative Group is also the vehicle for inclusion of refugee and IDP projects in the framework of the NDB. Other Ministries such as the MRRD and the MoHUD are participating in the group.

The UN Country Team recently completed work on a draft UN Development Assistance Framework (UNDAF) document for the period 2006-08. In line with government priorities, the UNDAF for Afghanistan has made provision for the reintegration of ex-combatants, returnees, and IDPs through interventions supporting sustainable livelihoods.

2. Good Practice in Armenia

The Poverty Reduction Strategy Paper (PRSP) for Armenia, adopted by the Armenian government in August 2003, is an example of a PRSP that takes account of the vulnerabilities and needs of refugees. In the poverty profile of the PRSP, refugees are counted among the least protected and poorest layers of the

Armenian population⁵ and ‘refugees and post-conflict groups’ are identified as one of four major poverty categories. A study⁶ of vulnerable groups within the population identified refugees to be substantially worse off than local Armenians.

As a result, the PRSP as a priority includes refugees in the proposed policies. Chapter 4, ‘Poverty and Inequality Reduction Policy Priorities’, specifically highlights the needs of refugees concerning income generation and improvement of residential conditions⁷. Annex 9 lists the main directions of PRSP implementation policies for 2003-2006 and specifically mentions refugees in several of the policies and their objectives, i.e. to increase the accessibility and targeting of services to refugees, to improve the social security system for refugees and to create opportunities for refugees at a par with residents⁸.

Priority sectors such as social services, housing and livelihoods target refugees. The strategy specifically refers to refugees with regard to self-employment and small business, training programs of unemployed in specialties that are in high demand on the labour market. Furthermore, a high quality of social services targeted to the poorest, including refugees, is an important priority and so is the improvement of the residential conditions of people living in hostels and temporary shelters, primarily refugees, including their participation in the residence-title distribution system⁹.

The UN Country Team completed the United Nations Development Assistance Framework (UNDAF) for Armenia in 2004 covering the period 2005-2009. The UNDAF ensures that refugees are dealt with in a much wider development context and the responsibility of integrating refugees is gradually being integrated in government policies, as well as those of UN development agencies. The UNDAF includes the needs and rights of refugees, recognizes refugees as a priority target group for development activities, and ensures that refugees are treated as part of the society and not as a separate group. The UN Country Team shaped the UNDAF in such a way that it complements and supports those sectors identified in the PRSP.

The Government has established an effective and simplified mechanism for naturalization of refugees originating from Azerbaijan. Up to now, the facilitated procedure has been implemented based on the 1995 Law on Citizenship and reinforced by the political will of the Government to facilitate naturalization. Naturalization will ultimately mean an automatic inclusion of refugees in national development programmes.

3. Good Practice in Azerbaijan

As a political settlement to the conflict over Nagorno-Karabagh has not yet materialized, the Government of Azerbaijan and the international community (both humanitarian and development) have increased efforts to improve the standards of living of the IDP communities, including through some local integration initiatives. Since 2001, the Government has been addressing the needs of the IDP population more actively than in the 1990s. The adoption of several presidential decrees in 2001 and 2002 regarding the situation of IDPs, together with the allocation of large proceeds from the State Oil Fund (SOFAR)¹⁰, has led to an improvement in the socio-economic conditions of IDPs. In 2004, President Ilham Aliyev

⁵ Poverty Reduction Strategy Paper, Republic of Armenia, 2003, p. 16

⁶ “Poverty in Vulnerable Groups of the Population in Armenia”, UN Coordinator Fund, UNHCR, UNDP, Yerevan, 1999.

⁷ Poverty Reduction Strategy Paper, Republic of Armenia, 2003, p. 36

⁸ *ibid*, p. 134 - 135

⁹ *ibid*, p. 36, 63, 69 and 76

¹⁰ Under a Presidential Decree (August 2001), the State oil company is obliged to transfer USD 190,000 per month to the State Committee for Refugees and IDPs.

made a commitment to resettle the IDPs still remaining in the so-called “tent camps” in new settlements built by the Government. Finally, in July 2004, the President issued a decree launching a broader programme for further improvement of the living conditions of IDPs.

In February 2003, the Government officially approved a State Programme for Poverty Reduction and Economic Development (SPPRED), covering a three year period (2003-2005). This poverty reduction strategy (or PRSP) was prepared in 2002 with support from international financial institutions, namely the World Bank and the International Monetary Fund (IMF). The UN Country Team (UNCT) and donors, particularly USAID and the EU, are also supporting the implementation of the SPPRED and have aligned their programmes with the Government’s poverty reduction strategy. Fifteen Sector Working Groups have been set up by the Government for the SPPRED to discuss policy formulation as well as changing priorities. These WGs are composed of both government and civil society representatives and are still functional. One of the WGs is on IDPs and counts on the active participation of UNHCR. Since 2004, the refugee agency’s policy vis à vis IDPs in Azerbaijan has been to frame its programmes into the SPPRED’s strategies. The refugee agency is also a board member of the Social Fund for the Development of IDPs (SFDI), the mechanism established for the channelling of WB funds to IDP projects. Finally, UNHCR also participates in UNCT efforts to alleviate the plight of IDPs, within a poverty reduction framework.

The improvement of the living conditions and opportunities of the refugee and IDP population is one of the six strategic aims of the SPPRED. More specifically, the SPPRED identifies several directions for assistance, including the rehabilitation of the non-occupied areas near the ceasefire line, provision of improved housing for 5,000 families, upgrading infrastructure in IDP camps, addressing employment issues for IDPs, education and health, and development of a new repatriation plan. Based on the SPPRED, the Government will soon be establishing a new 10 Year Programme for Economic Development and Poverty Reduction for the Period 2006-2015. The same Working Groups established for the SPPRED will be used to prepare this programme.

The UNCT prepared in 2003 a Common Country Assessment (CCA) for Azerbaijan, followed by a UN Development Assistance Framework (UNDAF) the same year. The UNCT decided to use the SPPRED as the departure point for the CCA and selected three broad themes as the basis for the analysis. Human displacement was one of the three themes chosen. The 2003 CCA concluded that IDP/refugee households, together with pensioners and households with three or more children are the most vulnerable to poverty. While the UNDAF does not include human displacement as a specific area of collective work of the UN in Azerbaijan, it states that the challenge for both the Government and the UN is to target vulnerable groups among the displaced and the population at large.

Besides humanitarian agencies like UNHCR and WFP, international financial institutions such as the Asian Development Bank (ADB) and the World Bank are also funding IDP-specific projects. ADB’s near-term country program (2005-06) has four focuses, one of them being assistance to IDPs (namely, to improve their access to essential public services and self-reliance). The WB has recently approved a “repeater” project¹¹ in favour of IDPs, namely in the area of infrastructure microprojects and microcredit.

4. Good Practice in Bosnia and Herzegovina

The ‘Mid-term Development strategy of Bosnia and Herzegovina (PRSP) 2004-2007’ provides an example of a PRSP that includes returnees and their needs. The poverty profile of the strategy describes returning refugees as particularly exposed to the risk of poverty and as the most vulnerable of the poor: “Poverty risk is most marked for children, particularly below the age of five, displaced persons and

¹¹ The IDP Economic Development Support Project (IDPEDS) will replicate and continue the activities developed under the SFDI component of the Azerbaijan Pilot Reconstruction Project ending in June 2005.

returnees, unemployed and people with low educations”¹². According to the PRSP, returnees have fragile economies, as they are often not able to return to old jobs, and they frequently face discrimination and ethnic tension. In addition, they do not have access to basic social welfare provided to other groups.

The PRSP focuses on security and human rights for returnees. The strategy refers to returnees as a group requiring a high degree of protection and monitoring of their human rights in the areas of social and economic development¹³. Many returnees experience minority discrimination upon return, e.g. threats to personal security, obstruction in recovering pre-war residence/property, job discrimination and unequal access to the public job market. The strategy highlights the link between human rights violations and poverty, noting that the link between the two is particularly strong for returnees¹⁴.

In order to achieve the national goal of poverty reduction, the PRSP lists reforms and measures that need to be implemented. One is “to ensure safeguarding of human rights guaranteed by the existing legal framework and signed international treaties”, which will lead to a better integration of returnee and Roma populations into the community and reduce the poverty levels among these categories.

The strategy sets out a number of priorities in order to ensure that refugee return is sustainable¹⁵:

- 1) supplement the legislative framework and ensure its full implementation
- 2) strengthen the coordination among institutions implementing the return of refugees
- 3) improve institutional capacities
- 4) plan the return by placing focus on long term sustainability
- 5) continue the implementation of property laws and the reconstruction of housing units.

At the national level, issues of displacement are included in legislative and institutional frameworks, e.g. in the Constitution of Bosnia and Herzegovina and the Law on Refugees from Bosnia and Herzegovina and Displaced Persons in Bosnia and Herzegovina. The legislation and institutional framework also include returnees and their needs¹⁶. In addition, returnees are specifically targeted in important sectors, including housing, social security, education and health.

Issues related to displacement and return in Bosnia and Herzegovina are appropriately reflected in the CCA and UNDAF documents. Emphasis is on the fact that returnees and IDPs are presently disproportionately represented among those below and very near the poverty threshold in Bosnia & Herzegovina. Also, the CCA/UNDAF focuses on the need to continue to take into account the specific problems faced by returnees in accessing certain rights related to their full social and economic reintegration. Even when returnees are not specifically mentioned, many of the envisaged reforms or activities in the social sector targeting the most vulnerable will also benefit the returnee population. The need for durable solutions for the remaining IDPs is also highlighted. The obligations of Bosnia and Herzegovina in relation to asylum and refugee matters under the 1951 Convention and the 1967 Protocol on the Status of Refugees are also reflected in the CCA/UNDAF.

A clear recognition that the Government of Bosnia & Herzegovina has assumed the leading role and taken ownership for the coordination of the return process in the country is the loan of EURO 8 million agreed with the Council of Europe Development Bank (CEB) in November 2004 in support of the project "Sustainable Return for Residents of Collective Centres and Alternative Accommodations". The

¹² Mid-term Development Strategy for Bosnia and Herzegovina, (PRSP) 2004-2007, March 2004, p. 12

¹³ *ibid*, p. 26

¹⁴ *ibid*, p. 27

¹⁵ *ibid*, p. 158

¹⁶ *ibid*, p. 155

Government will provide a further EURO 4 million towards the project. The CEB loan is the pivotal element of the Council of Ministers and the Ministry of Human Rights and Refugees' strategy for assistance to return and reconstruction.

5. Good Practice in Ecuador

The humanitarian crisis in Colombia, with 2 to 3 million IDPs, has increasingly affected its neighbouring countries. The spill-over of the Colombian conflict has resulted in forced displacement, mostly across borders into marginalized areas. In Ecuador, the number of Colombian refugees and asylum-seekers has grown significantly, with more than 30,000 Colombians having requested asylum over the last 4 years. However, this is only the 'tip of the iceberg', as the total Colombian population in Ecuador is estimated at some 250,000 persons.

Although poor growth and economic instability have crippled Ecuador's capacity to reduce poverty, there is a willingness to share scarce resources with the Colombian population. Ecuadorian authorities have repeatedly indicated that they have no interest in keeping refugees dependent on humanitarian aid, neither in creating 'refugee camps'. Instead, there is a policy which allows for local integration and equal access to basic services.

The Colombian population in Ecuador, although entering through the Northern border, is highly mobile and often ends up in urban areas. In the shanty towns of Quito and other cities they form part of the large informal economy. Studies show there is a great need to provide support to persons of concern in productive projects and to generate income through employment and micro-credit schemes to enhance self-reliance.

In the past years, Ecuador's policy toward refugee protection has been focusing on individual status determination, reinforcing its legal framework and developing its eligibility procedures. More recently, the authorities have recognized the importance of targeting development assistance to obtain durable solutions for refugee and host communities. Instead of creating parallel support systems for refugees, authorities have shown a willingness to include refugees in central and local development plans. Ecuador has also recognized the need to support local development initiatives for impoverished refugee-hosting areas and has appealed to the international community for burden-sharing to address the continuous influx of Colombians.

In 2004, the UN Country Team undertook an assessment of the Northern border area in Ecuador, in order to better address humanitarian and development needs. Since the assessment, joint field visits have taken place to refugee-hosting areas and the outcome of the study has allowed UN agencies to propose concrete interventions. UN agencies have been requested to include refugees in their planning documents and development plans. The Government of Ecuador has welcomed the UN Assessment and its recommendations.

In coordination with the Refugee Department of the Ministry of Foreign Affairs, UNHCR has supported refugee-hosting areas through community-based projects as a first step towards a DAR. These small projects are now being integrated in longer-term development initiatives of development-oriented agencies. The new DAR approach will be built on broad-based partnerships between authorities and development agencies.

The aim of the DAR initiative in Ecuador is to address the vulnerable refugee hosting areas and build social cohesion. The Ministries of Health and Education have already made commitments to extend their services to the Colombian refugees. And other decentralized authorities have shown interest in further cooperation with the UN to streamline humanitarian assistance with longer-term development assistance.

6. Good Practice in Serbia and Montenegro

The Poverty Reduction Strategy Paper (PRSP) for Serbia and Montenegro comprehensively incorporates refugees, their potentials and needs. While the PRSP contains separate strategies for Serbia and for Montenegro, the poverty profile of both Serbia and of Montenegro reflects the vulnerability of refugees and counts them among the poorest categories in society.

In the part of the PRSP pertaining to **Serbia**, policies and strategies for overcoming poverty among refugees hosted in Serbia are included as a central element.¹⁷ Efficient implementation of both new and existing programmes directly targeting, among other groups, refugees is part of a long-term process of empowering vulnerable groups to move out of poverty.¹⁸ The PRSP includes refugee issues in a comprehensive manner within sector priorities such as quality education, adequate health services, housing and property rights, livelihoods and access to the labour market, as well as human rights.

The strategy explicitly states the responsibility of the Government of Serbia (GoS) to assist refugees based on the 1951 Refugee Convention and the 1967 Protocol. The strategy also highlights that if “programmes of assistance treat such persons [refugees] only as passive beneficiaries, the burden of responsibility for the state will only grow in time, and the problem will not be qualitatively resolved”.¹⁹ Refugees are perceived as social participants who seek to improve their economic position and to escape dependency on assistance. Strategies for dealing with the problems of refugees must consider, therefore, ways and means to encourage economic independence and social integration.²⁰

The GoS has established a ‘National Strategy on Solving the Problems of Refugees and IDPs’.²¹ This strategy seeks to restore the resources of refugees and to contribute to the reduction of poverty among this group. The Strategy considers both repatriation and local integration as viable paths for economic recovery for the majority of refugees.²² The programmes proposed in the PRSP build on policies defined in the National Strategy. The PRSP stresses the importance of a close coordination in order to “ensure that once the programmes under the PRSP are completed they can relieve the relevant programmes envisaged under the National Strategy and vice versa”.²³

One of the central features of the PRSP is the possibility for refugees to acquire Serbian citizenship. Refugees are not entitled to basic social transfers and the Government plans to deal with the issue through a comprehensive policy, including the granting of citizenship. It is estimated that as many as 108,000 refugees have applied or are in the process of obtaining citizenship.

The Government of Serbia, together with partners, is implementing a Development through Local Integration (DLI) policy based on the National Strategy, i.e. the provision of durable accommodation, the closure of collective centres and employment programmes targeting refugees who have applied for citizenship and wish to locally integrate. The DLI programme comes into effect after the granting of asylum, and provides the refugees with assistance allowing them to develop an independent life.

In the part of the PRSP pertaining to **Montenegro**, refugees and their needs are comprehensively included in a number of priority sectors, as is the case with refugees hosted in Serbia. It defines social integration and poverty reduction of refugees as a priority.²⁴ The PRSP stresses the need for authorities and other

¹⁷ Poverty Reduction Strategy Paper, Serbia and Montenegro, May 2004, p. V

¹⁸ *ibid*, p. 4

¹⁹ *ibid*, p. 322

²⁰ *ibid*, p. 322

²¹ *ibid*, p. 320

²² *ibid*, p. 322.

²³ *ibid*, p. 327

²⁴ *ibid*, p. 487

actors responsible for socio-economic development to attend to refugees and IDPs²⁵, and announces the development of a national strategy that will offer long-term solutions for refugees and IDPs in Montenegro. This strategy will include the protection of basic rights as well as a right to return to countries of origin.²⁶

Within the CCA/UNDAF process, DLI in Serbia and DAR (Development Assistance for Refugees)²⁷ programmes are featured in the Socioeconomic Integration of Refugees Programme (SIRP). The SIRP will be supplemented with programmes for capacity building of municipal structures and for economic integration of refugees.

7. Good Practice in Sierra Leone

As development planning advances in Sierra Leone, the issues of displacement, disarmament and demobilisation are seen as problems of the earlier post conflict and transition phases – problems which had to be dealt with so that development could go ahead. Now the country is putting these issues behind it and is planning for the human development of the population as a whole. Displacement issues had an important place in the National Recovery Strategy (May 2002) and its district level equivalents in 2002 to 2003, and in the I-PRSP (2001-5). The PRSP that was ultimately prepared during the last quarter of 2004 and issued in December is forward-looking, with no special emphasis on the displacement and reintegration issues of earlier years.

This trend has to recognize that the country still has more than 60,000 mainly Liberian refugees, both in camps and urban areas, and the 280,000 Sierra Leonean returnees are still in need of continuing support in their reintegration process. The voluntary repatriation of Liberians began on 1 October 2004. By end 2005 when UNHCR discontinues its funding to the reintegration support programme for Sierra Leonean returnees, almost all references to ‘returnees’ and ‘reintegration’ will have been dropped from the development-oriented dialogue in the country – even in the four main districts of return.

In the meantime the management both of the Liberian refugee programme and of the reintegration support to Sierra Leonean returnees continues to benefit from imaginative efforts conceived in earlier years at linking the country’s serious displacement problems with its efforts towards post conflict reconstruction and the transition to development.

The reintegration operation has modeled the ‘4R’s’ process under which UNHCR, UNDP and the World Bank agreed to support multi-year programmes of ‘repatriation, reintegration, rehabilitation and reconstruction’ wherever large refugee populations are returning home. In Sierra Leone the UN Country Team went one stage further by establishing, in 2003, a Transition Support Team (TST) that would be co-located with UNHCR in the four main districts of return and on a continuous basis ensure linkage and complementarity between the ongoing reintegration assistance for returnee communities and the national development processes of which a principal component was the election and installation of new district and ward councils. The TST expanded its field presence in 2004 to 10 of the 14 districts in the country and became the arm of the UN Country Team for supporting the development of the newly elected local government structures.

In 2004 the TST co-managed UNHCR’s reintegration support programme with UNHCR and the Government in a way that ensures close involvement of the UN Country Team, involvement and capacitation of local government and line ministry structures with a view to ensuring the continuity of effective work at the community level after the UNHCR funding comes to an end.

²⁵ *ibid*, p. 519

²⁶ *ibid*, p. 483 and 523

²⁷ Framework for Durable Solutions for Refugees and People of Concern, UNHCR, May 2003, pp 7-15

In the Liberian refugee programme, the effort to achieve a smooth phase down of the camps in parallel with the ongoing repatriation movements has been enhanced by the launch, in mid 2004, of a programme of agricultural, environmental and water and sanitation support targeting both the camps and the local host communities in a four kilometer radius around the camps. This programme is the EU-funded 'LRRD Project' – Linking Relief, Rehabilitation and Development, that extends into 2007. While the EU provides funds directly to NGOs for their activities in the camps and surrounding host communities, it also funds the UNHCR Technical Unit based in Kenema to provide the technical monitoring and oversight to the programme. In this way, the consolidation and re-location of camp populations that is necessary as repatriation proceeds can be managed holistically in conjunction with the programmes for food security, Lassa fever prevention, water supply and sanitation and environmental rehabilitation that address the evolving needs of the entire population of the refugee-hosting areas during both the phase-down and the post-camp closure periods.

8. Good Practice in Uganda

Uganda has a long-standing tradition of progressive refugee policies and practice. For years, Uganda has provided a favourable environment for refugees. The objective of the Government of Uganda's (GoU) current refugee policy is to find durable solutions to refugee problems by addressing refugee issues within the broader framework of government policies. Key elements in Uganda's policy and practice regarding refugees include:

- The introduction in Parliament, February 2004 of a bill addressing issues related to employment, freedom of movement, integration of services and self-reliance for refugees as well as development of host communities.
- The adoption of the Poverty Eradication Action Plan (PEAP - the country's self-developed PRSP covering 2004-2009) as the national planning framework provides additional entry points for incorporating refugee issues in development planning.
- Uganda's ambitious decentralization policy creates systems and structures, which encourage participatory decision-making within and amongst refugee and national communities.

The Self-Reliance Strategy (SRS), launched in 1999, by the GoU and UNHCR, intended to increase access to and quality of services and local infrastructures in host communities to improve the quality of life of both refugees and nationals. Through the implementation of SRS services in the eight key sectors of assistance (health, education, community services, agricultural production, income generation, environmental protection, water and sanitation, and infrastructure), currently provided for refugees, refugee needs and their potential have increasingly been integrated into the regular programming of government structures and policies. In 2004, following a review of the SRS' impact and responding to recommendations, it was agreed to develop the SRS into a DAR programme (Development Assistance for Refugee Hosting Areas), as the main policy framework for refugee assistance in Uganda.

The participation of refugees and host communities is supporting the GoU's efforts to combat poverty and under-development in refugee hosting districts which in turn can promote further peace, security and stability in the region. The DAR is also viewed as an important mechanism for preparing refugees for eventual repatriation. The GoU, in the PEAP, stresses the importance of recognizing the critical role that refugee hosting areas play in the broader socio-economic development of the districts in which they are located and the long-term social, economic, and political stability of Uganda and its neighbours.

The GoU is increasingly integrating refugee issues into national and district development plans, objectives and policies. In the latest draft of the PEAP, issues related to refugees are included under the pillar 'Security, Conflict-Resolution, and Disaster-Management'.

The GoU recognizes that DAR cannot be implemented as a stand-alone project anymore, solely funded by UNHCR, but has to form part of the existing development processes and programmes with a broader resource base also involving development actors.

Moreover, through recent consultations as part of the DAR process, local district authorities have agreed to include refugees into their population figures and their needs into specific District Development Plans.

Finally, both the 2006-2010 United Nations Common Country Assessment (CCA) and Development Assistance Framework (UNDAF) for Uganda, include challenges and opportunities related to refugee hosting areas. The CCA makes specific reference to the Self-reliance Strategy and DAR, in particular their efforts to improve the food security and overall well-being of the refugee and host communities. Similarly, the UNDAF outlines specific areas in which DAR activities can assist in achieving four objectives of poverty eradication, good governance, support to the national AIDS response, and accelerating the transition from relief to recovery. It is perhaps in the last objective that DAR can play a vital role in not only impacting refugee hosting areas, but also serve as a model for other conflict-affected areas in Uganda.

Still in the process of being developed, the DAR programme in Uganda has received financial support from the Danish government. The additional funds have primarily been spent on enhancing the capacity of the GoU to develop the DAR programme further.

9. Good Practice in Zambia

The Government of the Republic of Zambia (GoZ) has since the 1960s maintained an open-door policy towards refugees. In late 2000, the GoZ approached the international donor community to propose the Zambia Initiative (ZI). The ZI is based on the understanding that refugees bring human and material assets and resources, can become productive members of a host society and can play a positive role in alleviating poverty.

The aim of ZI is to achieve local development and in the process to find durable solutions for refugees hosted in Western Zambia. The ZI promotes a holistic approach in addressing the needs of remote and resource-strained host communities and local integration of refugees through a regional development process that target the refugee hosting areas in order to improve living conditions for both the refugees and the local population. The ZI programme targets agriculture development, health, education (including vocational training and skills development) and infrastructure. Ultimately, the initiative will contribute effectively to social integration, poverty reduction as well as security and stability in the region.

Voluntary repatriation may not always be possible or it might not be a viable solution for all refugees and consequently some may opt to remain in Zambia. The ZI is benefiting both those refugees who plan to repatriate and those who will remain in Zambia. Repatriating refugees will acquire skills that will help upon return while refugees remaining will have the possibility of local integration.

The GoZ took the leadership of the ZI by detaching all the required technical and administrative staff for both the ZI Programme Unit in Lusaka and the field. The ZI is structured in 22 Local Development Committees that identify and manage projects. Refugees compose 25-50% of these Committees, depending on the concentration of refugees in the area.

The Zambia Initiative has made firm progress towards achieving economic and social empowerment of refugees, and poverty reduction and enhanced food security among the local host communities. After only one year of implementation, the refugee hosting areas reached the target for food self-reliance for the first time in 36 years.

In order to reach the above objectives the GoZ has taken the following measures:

- Adoption of the Poverty Reduction Strategy Paper (PRSP) that includes the ZI as an execution tool;

- In December 2002, introduction of a Refugee Bill permitting naturalization and self-reliance of refugees who wish to remain in Zambia. Unfortunately, the parliament rejected the Bill. The GoZ then launched a campaign towards members of parliament, through workshops and field visits, to explain how local host communities benefit from the Zambia Initiative and to demonstrate the positive contribution of refugees. The GoZ is elaborating an amended Refugee Bill proposing permanent residency status for those refugees who wish to stay;
- Refugees have benefited from the past two consecutive agricultural campaigns (2003-2004 and 2004-2005) in form of subsidized agricultural inputs and implements through the national “Fertilizers/Inputs Support Programme” of the Ministry of Agriculture and Cooperatives;
- The inclusion of the ZI as a Development through Local Integration programme in its Transitional Socio-Economic Development Plan for 2002-2005.

The Zambia Initiative and its objectives have been integrated in the UNDAF prepared by the UN Country Team (UNCT).

The Zambia Initiative has been supported by a number of donors including Sweden, Denmark, the United States and Japan, with funds over and above their agreed and budgeted allocations for Zambia.

**Convention Plus
Good Practice**

**Donor Initiatives to incorporate refugee and returnee needs and
resources in development aid policies and funding²⁸**

1. The Post-Conflict Fund

The World Bank

2. The Trust Fund for Human Security (HSTF)

Japan

3. Peace Building Grant Aid (PBGA)

Japan

4. Linking Relief, Rehabilitation and Development (LRRD)

The European Commission

5. Co-operation with Third Countries in the Area of Migration – (B7-667) and Aeneas

The European Commission

6. The G8 Africa Action Plan

The G8

7. Transition Budget Line

Norway

8. Strategy for Activities in Refugees' Regions of Origin

Denmark

9. The Licus Trust Fund

The World Bank

10. The Millennium Challenge Account

United States of America

11. The Global Facility for Repatriation and Durable Solutions

Denmark

²⁸ This list is not meant to be exhaustive, but to provide a sufficiently diverse sample of State practice.

1. The Post-Conflict Fund

The World Bank's Post-Conflict Fund (PCF) was set up in 1997 and aims at supporting countries in transition from conflict to sustainable peace and economic development. The PCF is to position the Bank through constructive engagement in countries where normal instruments cannot be used or may not be appropriate. PCF grants place a premium on: i) innovative approaches to conflict and development; ii) partnerships with donors, the UN system and NGOs; iii) appropriate exit strategies and iv) scope for using grants to leverage additional funding and thus enhance impact. Grants can range from 25,000 USD to 1 million USD, which can be exceeded for multi-year programmes. The PCF is currently harmonizing work programmes with the LICUS Trust Fund (see below).²⁹

2. The Trust Fund for Human Security (HSTF)

The HSTF likewise forms part of Japan's ODA under the budget for Multilateral Institutions. Only organizations in the UN system may request support from the fund for activities related to the concept of human security. Parameters for the funding of projects include "advancing integrated approaches that preferably involve more than one organization in planning and implementation" and the fund prioritizes "supporting and empowering refugees, internally displaced persons (IDPs), economic migrants and others on the move. Particular attention should be given to the socio-economic impact on the displaced and their host communities". UNHCR's "Imagine Coexistence" in Yugoslavia and Rwanda is an example of a project funded by HSTF. Also, the HSTF has funded an on-going project for internally displaced communities in Colombia, and is currently considering a cross-border project for Ethiopia and Somalia.

3. Grant Aid for Conflict Prevention and Peace-Building (PBGA)

PBGA forms part of Japan's Grant Aid System and of Japan's ODA. The fund supports governments of developing countries or international organizations to implement programs for conflict prevention and peace building, including integration and reconciliation programmes in post-conflict countries. Proposed programmes should contribute to the overall peace building efforts of a specific country or region. UNHCR has received funding from the PBGA for its "Reintegration Assistance Programme to Angolan Returnees" and for similar activities in Liberia.

4. Linking Relief, Rehabilitation and Development (LRRD)

The European Commission's Linking Relief Rehabilitation and Development³⁰ is a conceptual framework under the General Development Framework. The objective of LRRD is to fill the gap between relief and development aid. The European Commission emphasizes the interdependence of humanitarian and development aid, arguing that better relief aid contributes to development and that better development reduces the need for relief aid. The LRRD is built into existing EC development co-operation tools and instruments and has no specific budget line attached to it. Therefore, when applied, it draws funds from the European Development Fund (EDF) or the budget line for Uprooted People in Asia and Latin America. UNHCR has received funds for the return programme in Sri Lanka from the Uprooted People's budget and for the return of Eritrean refugees from the EDF.

5. Co-operation with Third Countries in the Area of Migration – (B7-667) and Aeneas

The EC B7-667 budget line is intended to finance preparatory actions in the framework of a partnership with countries and regions of origin and transit in relation to migration and asylum. The objective is to give financial and technical aid to those countries to support their efforts in managing migratory flows, especially within the areas of migration management, international protection and illegal immigration.

²⁹ The Role of the World Bank in Conflict and Development: An Evolving Agenda, the World Bank, 2004

³⁰ Communication from the Commission to the Council and the European Parliament, 2001

The budget line finances projects that join national and regional Community co-operation and development strategies and programmes regarding the third countries concerned. In 2003 UNHCR received funds from B7-667 for four projects. As from 2004, B7-667 has been incorporated into a new EC budget line - Aeneas.

6. The G8 Africa Action Plan

In response to the NEPAD (New Partnership for African Development) initiative, the G8 States launched the G8 Africa Action Plan³¹, in which they reconfirm their new development assistance commitments announced in Monterrey, declaring that: "Assuming strong African policy commitments, and given recent assistance trends, we believe that in aggregate half or more of our new development assistance could be directed to African nations that govern justly, invest in their own people and promote economic freedom. In that way we will support the objectives of the NEPAD."³² The Action Plan strongly promotes peace and security in Africa and expresses a willingness to support post-conflict development, address displacement problems and specifically to support "African countries hosting, assisting and protecting large refugee populations."³³

7. Transition Budget Line

In 2002 Norway established the Transition Budget Line aiming at bridging the gap between short-term relief and long-term development aid in post-conflict situations.³⁴ It is an explicit objective of the Norwegian transition strategy to contribute to the international community's capacity and act in international crisis situations. Thus funds are risk-friendly, allowing Norway to allocate funds for activities in countries with weak government capacity lacking democratic processes. Funds from the transitional budget line are mainly intended for countries which are not recipients of bilateral aid. As from 2004, UNCHR has been benefitting from a grant earmarked for durable solutions to displacement problems.

8. Strategy for Activities in Refugees' Regions of Origin

In 2003 Denmark adopted a strategy with a separate budget line for activities in refugees' regions of origin.³⁵ The objective of the strategy is to promote durable solutions for refugees by integrating refugees in development programmes. It aims to promote durable solutions for refugees by integrating them in development programmes through a combination of multilateral and bilateral activities. In the multilateral field, the strategy emphasizes strengthening the link between humanitarian and development agencies within the United Nations family, for example through the 4Rs approach in post-conflict situations and by increasing self-reliance for refugees in countries of asylum. UNHCR has received funding from this budget line, i.a. for 4Rs activities in Sri Lanka and DAR activities in Uganda.

9. The Millennium Challenge Account

In 2004 the United States established the Millennium Challenge Account (MCA) devoted to support "projects in nations that govern justly, invest in their people and encourage economic freedom".³⁶ Funding for the MCA will increase over three years to USD 5 billion in 2006. In 2004, countries eligible to borrow from the International Development Association (IDA) will be considered. In 2005, all countries with incomes below USD 1,435 per capita may be considered, and in 2006, all countries with

³² G8 Africa Action Plan, June 2002

³³ *ibid.*, para 9

³⁴ www.norad.no

³⁵ 'Naeromraadestrategien' (Strategy for Activities in Refugees' Regions of Origin), Danida, 2003

³⁶ President George Bush's statement at the Monterrey Conference, 2002

incomes up to USD 2,975 per capita will be eligible. 16 indicators have been chosen to identify better performing countries and to assess national performance relative to governing justly, investing in people, and encouraging economic freedom.

10. Licus Trust Fund

In 2004, the World Bank created a \$25 million Trust Fund to help stimulate policy reforms and delivery of social services in the world's poorest countries, where traditional aid approaches have failed but continued international support is crucial. The Trust Fund will target those LICUS (Low Income Countries under Stress³⁷) countries that are not eligible to receive International Development Association (IDA) funding due to their arrears with the Bank. The Trust Fund will be financed by transferring funds from the Bank's surplus and will operate until the end of 2007. It will be administered by the International Development Association (IDA), drawing on the approval system, documentation and procedures of the existing Post Conflict Fund.

11. Global Facility for Repatriation and Durable Solutions

In 2004, Denmark proposed the setting up of a Global Facility for Repatriation and Durable Solutions providing new and additional funding to facilitate repatriation and reintegration of refugees and internally displaced.

³⁷ Low Income Countries Under Stress are characterized by very weak institutions and governance, and constitute the most difficult environments in which to use aid effectively