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DAC Working Party on Development Finance Statistics

Tracking support for refugees and refugee situations in developing countries in the CRS

Informal meeting of the Working Party on Development Finance Statistics (WP-STAT), 16-18 March 2022, hybrid meeting

This note is presented for discussion under item 6 of the draft annotated agenda [DCD/DAC/STAT/A(2022)1].

At the November 2020 WP-STAT meeting, the Secretariat presented a first proposal to track support for refugee situations in developing countries in the CRS, to be able to provide data to the Global Compact on Refugees Indicator Framework. Members agreed with the need for this tracking but did not agree on the Secretariat's proposal. A written consultation in the WP-STAT community space was opened after the meeting that showed some preference for making use of the keyword field but did not provide conclusive results. On 26 January 2022, to resume discussions on tracking financing for refugee situations in the CRS, the Secretariat organised an informal joint consultation with the WP-STAT and the International Network on Conflict and Fragility (INCAF), to obtain advice from INCAF experts and whole-of-government views on the way forward.

Based on feedback from the consultation, this note presents a new proposal for discussion by WP-STAT and INCAF. Further consultations with experts from UNHCR, OCHA, and DCO are taking place in parallel to make sure the proposed definitions and criteria for reporting address the key policy issues in this area.

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Tracking support for refugees and refugee situations in developing countries in the CRS

1. Introduction

1. At the November 2020 WP-STAT meeting, the Secretariat presented a first proposal [\[DCD/DAC/STAT\(2020\)40\]](#) to track support for refugees and refugee situations in developing countries in the CRS. An agreement on a methodology to track this support would allow the OECD, as custodian agency of data on ODA flows, to respond to its commitment to provide data on a regular basis for six indicators of the Global Compact on Refugees Indicator Framework. Financing for refugee situations is captured in OECD-DAC statistics but not separately identified, so the Secretariat has been conducting ad-hoc surveys to provide data on the above-mentioned indicators.

2. The Secretariat's first proposal was to track support through the CRS field *co-operation modalities*, given that this field is used for reporting in-donor refugee costs in the CRS and that, in the TOSSD framework, expenditures for refugee situations are already reported through the co-operation modalities classification. While expressing broad support for tracking aid to refugee situations in developing countries in the CRS, members did not generally agree with the Secretariat's proposal. The main objection was that the co-operation modalities are difficult to change in the reporting systems of many members. Moreover, some members had concerns over adopting methodologies agreed in the TOSSD framework for the CRS.

3. In December 2020, the Secretariat opened a written consultation in the WP-STAT community space for members to provide more detailed comments on the best way to track these expenditures in the CRS. Four methodologies were considered as options: 1. Co-operation modality; 2. CRS purpose code; 3. Keyword field, 4. A new field in the CRS. Of the four options, preference for the "keyword field" option appeared to emerge in the written consultation¹, although some members indicated that they first would like to see how this approach performed on other topics such as COVID-19. Some members suggested establishing clear criteria for agreements to be tagged with a keyword related to "refugees".

4. On 26 January 2022, to resume discussions on tracking financing for refugee situations in the CRS, the Secretariat organised an informal joint consultation between the WP-STAT and the International Network on Conflict and Fragility (INCAF), to obtain advice from INCAF experts and whole-of-government views on the way forward. Four options were again proposed for discussion: (i) Policy marker, (ii) Keyword field; (iii) Co-operation modality; and (iv) CRS purpose code. Members expressed a clear preference for

¹ See <https://community.oecd.org/docs/DOC-185222>

the use of the keyword field in the CRS to track aid for refugees and refugee situations. In addition, members agreed to track support for forced displacement situations² in developing countries [this includes not only refugees but also Internally Displaced People (IDPs) and host communities].

5. Based on feedback from the consultation, this note presents a new proposal for discussion by WP-STAT and INCAF. It is structured as follows: section 2 provides the rationale for tracking support to refugee situations in the CRS; section 3 provides a summary of the informal joint WP-STAT/INCAF consultation on 26 January 2022; and section 4 presents a proposal by the Secretariat, including draft definitions and criteria for reporting.

6. **The document is presented FOR DISCUSSION under item 6 of the March 2022 WP-STAT meeting.** INCAF representatives will be invited to this session to share their expertise on the matter.

7. **Members are invited to:**

- **Confirm whether they agree with the proposed solution of tracking financing for forcibly displaced populations in developing countries through the keyword field.**
- **Comment on the proposed definitions and criteria of the keywords in table 2.**
- **Comment on the proposed definitions in paragraph 32.**

8. Further consultations with experts from UNHCR, OCHA and the UN Development Coordination Office (DCO) are taking place in parallel to make sure the proposed definitions and criteria for reporting address the key policy issues in the area of forced displacement. Following the WP-STAT and these consultations, the Secretariat will prepare a revised proposal for approval at the June WP-STAT meeting.

2. Rationale for tracking support to refugee situations in the CRS

The importance of tracking financing for refugee situations

9. Tracking financing for refugee situations allows for an analysis of the aggregate picture of the resources allocated to refugee responses across the Humanitarian-Development-Peace (HDP) Nexus. The data inform decision-making by development finance providers, refugee host governments, and key stakeholders supporting refugees worldwide.

10. The UN General Assembly adopted the Global Compact on Refugees (GCR) in December 2018. The GCR is a framework for more predictable and equitable responsibility and burden sharing, recognising that a sustainable solution to refugee situations cannot be achieved without international co-operation. The GCR indicator report includes data from the OECD on development assistance to refugees and is issued on a biennial basis. In the GCR indicator framework, six out of 15 GCR performance indicators are informed by DAC-CRS data:

- I. Flows of Official Development Assistance (ODA) provided to, or for the benefit of refugees and host communities in refugee hosting countries (1.1.1a);
- II. Number of donors providing ODA to, or for the benefit of, refugees and host communities in refugee-hosting countries (1.1.2);
- III. Proportion of ODA provided to, or for the benefit of refugees and host communities, channelled to national actors in refugee-hosting countries (1.2.1);
- IV. Number of partners supporting national arrangements in the refugee-hosting country (1.2.2);

² As opposed to economic migrants, forcibly displaced populations move out of their domicile for reasons against their will, such as an armed conflict.

- V. Flows of ODA provided to, or for the benefit of, refugee returnees in the country of origin (4.1.1);
 - VI. Number of donors providing ODA to, or for the benefit of, refugee returnees in the country of origin (4.1.2).
11. In addition to ODA, tracking the volume of non-concessional financing is also of interest as such financing can support host countries, hosting communities and refugees.

The policy context – latest policies on forced displacement

12. The recognition that forced displacement is not only a humanitarian, but also a longer-term development and peace issue, has been thoroughly documented and translated into policy. Among others, the INCAF Common Position on comprehensive refugee responses, developed in 2019, recalls that refugee situations benefit from a HDP Nexus approach that includes humanitarian assistance, development and peace interventions from the outset of a crisis.

13. Current good practice and policy recommendations favour the inclusion of refugee and host community support in broader development strategies, such as national development plans and social service systems. Especially in protracted, local integration, or voluntary return contexts, refugees are meant to become one beneficiary group, alongside host community members, of broader education, health and social protection systems. In parallel and in emergency situations in particular, humanitarian aid should continue to be delivered as required by the situation, depending on the success of inclusion.

14. Over 86% of the world's refugees are hosted by low or middle-income countries. Hosting over half of the world's refugees in 2019, fragile states are often at the same time the origin, transit, or hosting country of refugees, and face internal displacement situations. While displaced populations are the dire consequence of fragility, ill-managed displacement situations and lack of inclusion of forcibly displaced in broader development strategies can further deteriorate or generate fragility, and trigger onward movements. Financing forced displacement situations means contributing to preserving or attaining development goals, and to reducing fragility.

What data are currently available on financing for refugee situations?

15. Data on financing for refugee situations across the HDP Nexus are hard to find, scattered, difficult to collect, and remain incomplete. The only data available so far have been collected through TOSSD, which is also included in the GCR indicator framework as an official data source.

16. ODA to refugees and host communities in developing countries cannot be identified separately in the CRS. To be able to provide data to the GCR indicator framework, the Secretariat launched an initial limited data survey covering the 2015-17 period. In 2020, it undertook a more comprehensive survey, covering 2018-19 data, seeking data also from provider countries beyond the DAC who report to the CRS and Multilateral Development Banks (MDBs). The survey provided detailed information on financing for refugee situations but imposed an important reporting burden for CRS reporters.

3. Summary of the informal joint WP-STAT/INCAF consultation, 26 January 2022

17. At the joint WP-STAT/INCAF consultation held on 26 January 2022, there was broad support to tracking financing for refugee situations in the CRS. Among the four options proposed (policy-marker, keyword field, co-operation modality and purpose code), consensus emerged on the use of the keyword field.

18. The application of the keyword field would allow tracking financing consistent with recent policies on forced displacement (inclusion in broader development programmes etc.). However, there was a request by participants to establish clear definitions and criteria for the keywords.

19. The scope of “refugee groups” to be included for the purposes of tracking financing to refugee situations would be informed by UNHCR/UNRWA policies.

20. There was a concern that this method of tracking would not lead to precise results but rather a good approximation, since in many cases (and in line with policy objectives), support to refugees and refugee hosting communities is embedded in larger development co-operation programmes. This is the case for other policy objectives of development finance, and participants stressed that it would just be important to be clear in the communication. Some participants indicated they would be able to distinguish the part of these programmes that benefit refugees and host communities, while others could not. Two options were discussed for identifying the part of broader programmes that benefit refugees and host communities when possible: splitting the total amount in two lines (in line with what was done by some donors for COVID-19 keyword field) and exploring the possibility of adding a voluntary coefficient to the keyword.

21. Members felt that having the WP-STAT and INCAF networks discuss this topic together was useful. Members were encouraged to consult further with their respective INCAF counterparts ahead of the WP-STAT meeting to convey “whole-of-government” views on the issue.

22. The possibility of tracking financing for internal displacement (IDP) situations was raised at the consultation. Some members felt that given commitments under the GCR, tracking of financing for refugee situations takes priority, while others expressed interest to also track financing for IDP situations. It was agreed that the OECD would propose keywords and criteria for both refugees and IDP situations.

23. Some members asked about “mixed flows” and the link to migration management. The OECD clarified that this process focused on forced displacement. The results will however inform other parallel efforts under the DAC Temporary Working Group on clarifying the ODA-eligibility of migration-related activities.

24. To provide data to the CCR ahead of the Global Refugee Forum to take place in 2023 (dates tbc), the OECD will pursue a “hybrid approach” on 2020-21 flows. In January 2023, the OECD will launch a light version of the refugee financing survey. Members/respondents will have the option to either validate data extracted from the CRS for these two years (based on a word search in the CRS descriptive data i.e. text mining by the OECD), or to respond to the survey and report a specific dataset on financing for refugee situations in 2020-21. The timeline for responding to the survey will be April 2023.

4. A proposal to track support for refugee situations in developing countries in the CRS

25. The Secretariat has analysed the pros and cons of tracking financing for refugee situations via four different CRS fields. Table 1 below summarises the analysis.

Table 1. Pros and cons of four options to track financing for refugee situations in the CRS

Option	Pros	Cons
<p>1. Policy objective marker. Marked as “principal (score 2)” or “significant (score 1)” in benefiting refugees, refugee returnees, IDPs and their hosting communities</p>	<ul style="list-style-type: none"> • Mandatory for DAC members. • Allows tracking support to refugees and host communities across a variety of sector interventions. • Promotes “inclusion” of refugees in broader assistance programmes, as the topic will be 	<ul style="list-style-type: none"> • More detailed consultations might be required to set up. • Sometimes difficult to report against, due to different interpretation of principal/significant scoring - possibly more work intensive to apply. • Not widely used by non-DAC providers and

	<p>treated as transversal.</p> <ul style="list-style-type: none"> • Relatively precise due to detailed definition. 	<p>multilateral institutions.</p> <ul style="list-style-type: none"> • WP-STAT have been reluctant to add new policy markers in the CRS.
<p>2. Keyword field. Keywords are pre-agreed by all members with clear eligibility rules.</p>	<ul style="list-style-type: none"> • Most flexible and light option. • As the marker, allows tracking support to refugees and host communities across a variety of sector interventions. • Promotes “inclusion” of refugees in broader assistance programmes. 	<ul style="list-style-type: none"> • Voluntary in the CRS. • Relatively less precise, as the data may relate to broader development programmes benefiting the wider host community while only a component could benefit refugees.
<p>3. Co-operation modality. Dedicated assistance intervention category, similar to current approach to “in-donor refugee costs”</p>	<ul style="list-style-type: none"> • In line with reporting of “in-donor” refugee costs. • Widely used field by DAC and non-DAC providers. • Aligns with TOSSD reporting. • Allows tracking support to refugees and host communities across a variety of sector interventions. 	<ul style="list-style-type: none"> • Disincentivises inclusion of refugees in broader sector development programmes, possible “silo effect”. • Reporting would probably miss out information on some forms of co-operation, which benefit refugees and hosts, e.g. support to refugees through earmarked contributions to multilateral institutions or sector budget support to include refugees in broader sector programmes. • Relatively less precise, as the data may relate to broader development programmes benefiting the wider host community while only a component could benefit refugees.
<p>4. Purpose code (sector). “Refugees and host communities” would be approached similar to a sector objective</p>	<ul style="list-style-type: none"> • Captures modality and purpose at the same time. 	<ul style="list-style-type: none"> • Less precise since some DAC members use single purpose code while others use multiple purpose codes. Moreover, the data may relate to broader development programmes benefiting the wider host community while only a component could benefit refugees. • Disincentivises inclusion of refugees in broader sector development programmes, possible “silo effect”. • Reporting would probably miss out refugee-related components of other sector programmes for countries that do not use multiple purpose codes.

26. Based on the outcome of the informal consultation, the above analysis and members’ expressed preferences, the Secretariat proposes to track financing for refugee and IDP situations based on the CRS **keyword field**. This is consistent with emerging consensus at the joint WP-STAT/INCAF meeting and in line with policy objectives of including refugees in broader development programmes. **Members are invited to express whether they would agree with tracking financing through the keyword field.**

27. CRS “keyword fields” are proposed for the following forced displacement issues:

- **#refugees&host_communities** – financing for refugee situations;
- **#voluntary_refugee_return** – financing for refugee voluntary returns (repatriation and reintegration);
- **#IDPs&host_communities**– financing for IDP situations (during displacement, and for solutions).

28. The scope of tracking financing for forced displacement situations is informed by the principle of “responsibility sharing” for hosting refugees under the GCR, by the recommendations of the UNSG High Level Panel on Internal Displacement and related action agenda, the DAC HDP Nexus Recommendation, and the Sustainable Development Goals’ principle to leave no-one behind. These policies and their implementation have in common the inclusion of forcibly displaced in broader development co-operation, with potential benefit for the hosting countries and communities, and for the forcibly displaced themselves.

29. While the “inclusion” of forcibly displaced is desirable, this also means that a broad range of development financing flows will be tracked. Similar to ongoing reflections on the use of keywords in the CRS for other development finance topics, e.g. COVID-19, there may be an option for providers that are

able to do so to identify the part of a programme that benefits forcibly displaced populations. This could be done by separately reporting (in different lines) the part of broader programmes that benefit forcibly displaced populations.

30. The keyword field captures the provider's intentions at the design stage of financing packages. The keyword field can be used to identify both ODA flows and non-concessional financing flows, under any CRS purpose code, including humanitarian and developmental purpose codes.

Proposed definitions and criteria for the new keywords

31. The definition of the three proposed new keywords and exclusions are summarised in the table below. In case members cannot agree on the use of the keyword field for this purpose, the definition and criteria could serve to track support for forcibly displaced populations in developing countries through other CRS fields (e.g. policy marker or co-operation modality).

Table 2. Proposed keywords to track financing for forcibly displaced populations in developing countries

Keyword and definition	Exclusions
#refugees&host_communities: Activities with the objective of supporting refugee protection, hosting and assistance arrangements, related earmarked contributions to the UN Central Emergency Response Fund (CERF) and UN country level Pooled Funds, and sustainable development support for refugees and host communities (such as their inclusion in national social service systems).	Financing flows that should <u>not</u> be reported under this keyword include: <ul style="list-style-type: none"> • In-donor refugee costs. • Expenditures on deportation or other forcible measures to repatriate refugees. • Support to migrants, and internally displaced persons (IDPs). If migrants/IDPs cannot be distinguished in the project / programme, reporters should split the flow according to an estimated proportion.
##voluntary_refugee_return Activities with the objective of supporting voluntary refugee repatriation and reintegration in the country of origin. Includes cross-border voluntary repatriation programmes, reintegration programmes, related earmarked contributions to the UN CERF and UN country level Pooled Funds, sustainable development interventions benefiting refugee returnees and hosting communities, and area based rehabilitation programmes in former host countries after refugees' voluntary departure.	Financing flows that should <u>not</u> be reported for this keyword include: <ul style="list-style-type: none"> • In-donor refugee costs. • Financing flows for refugees and host communities in the country of asylum. • Expenditures on deportation or other forcible measures to repatriate refugees. • Support to the return and reintegration of migrants and IDPs. If migrants/IDPs cannot be distinguished in the project / programme, reporters should split the flow according to an appropriate estimated proportion.
#IDPs&host_communities: Activities with the objective of supporting IDP protection, assistance arrangements, and durable solutions for IDPs, including assistance at the place of displacement, support to voluntary return/local integration/relocation, related earmarked contributions to the UN CERF and UN country level Pooled Funds, and sustainable development support for IDPs and host communities (such as their inclusion in national social service systems).	Financing flows that should <u>not</u> be reported for this keyword include: <ul style="list-style-type: none"> • In-donor refugee costs. • Financing flows for refugees and host communities in the country of asylum. • Financing flows for voluntary refugee return and reintegration, if refugee returnees can be clearly distinguished from IDP returnees. If they cannot be distinguished, reporters should split the flow according to an appropriate estimated proportion. • Delivery of emergency services and sustainable development interventions for economic and other migrants. If they cannot be distinguished, reporters should split the flow according to an appropriate estimated proportion. • Expenditures on forcible measures to return or relocate IDPs.

32. Key definitions of the terms included in the keywords are included below:

- **Refugee:** A “refugee”³ is a person who is outside his/her home country because of a well-founded fear of persecution on account of his/her race, religion, nationality, membership of a particular social group or political opinion. A refugee may also be a person who is seeking asylum having fled a situation of armed conflict, civil war or events seriously disturbing public order. Refugees recognised on a prima facie or group basis are also considered eligible. For the purpose of this tracking, the keyword can also be applied to Venezuelans displaced abroad and refugees under UNRWA mandate.
- **Refugee host country:** refers to the country or territory of asylum.⁴
- **Refugee returnees:** refers to refugees and asylum-seekers (pending decision and/or rejected) who decide voluntarily to return to their country of origin. Returns may be spontaneous, that is, outside the context of formal voluntary repatriation programmes, or organised.
- **Country of origin:** refers to refugees’ or asylum seekers’ country of origin and/or habitual place of residence. Habitual place of residence describes a factual situation where a person has chosen a certain country as his or her centre of living at least of some duration but does not require any formal connection with that country of residence.⁵
- **Internally displaced persons (IDPs):** persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalised violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognised state border.⁶ This, however, is a descriptive definition, which does not confer a special legal status because IDPs, being inside their country, in principle remain entitled to all the rights and guarantees as citizens and other habitual residents of their country.
- **Durable solutions for IDPs** should be informed by a choice made by the displaced themselves, and may include return to the area of origin, local integration with communities where IDPs are living, or settlement elsewhere in the country.⁷
- **Host community** refers to the local and national governmental, social and economic structures within which refugees/returnees/IDPs live. The host community may encompass immediate neighbours, populations in the municipality, and in the wider region affected by refugee/returnee/IDP presence. It includes institutions and populations, which interact with, or are impacted by, the refugees/IDPs/returnees.

33. The **Secretariat invites members to:**

- **Confirm whether they agree with the proposed solution of tracking support for forcibly displaced populations in developing countries through the keyword field.**
- **Comment on the proposed definition and criteria of the keywords in table 2.**
- **Comment on the proposed definitions in paragraph 32.**

³ See Chapter I, Article 1 of the [Convention and Protocol Relating to the Status of Refugees](#). For up-to-date global overviews of refugee populations, please see the annual [UNHCR Global Trends reports](#).

⁴ For up-to-date global overviews of refugee host countries, please see the annual [UNHCR Global Trends reports](#).

⁵ For up-to-date global overviews of refugee countries of origin, please see the annual [UNHCR Global Trends reports](#).

⁶ See UN [Guiding Principles on Internal Displacement](#).

⁷ See UN [Guiding Principles on Internal Displacement](#).

34. The Secretariat will consult with key institutions working in the area of forced displacement and will present a revised proposal for approval at the June WP-STAT meeting.