



The Venezuelan Displacement Crisis: A Test of Global Commitments and Solidarity

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Summary

The crisis in Venezuela and its regional impact are continuing unabated, driving displacement on a pace and scale that requires greater action from the international community. The Solidarity Conference, scheduled for October 28-29 in Brussels, is an opportunity to apply the lessons learned from other displacement crises, mobilize resources and promote policies that can protect displaced Venezuelans and host communities today and turn the crisis into a development opportunity tomorrow.

Unlike many wealthier countries, which are closing their doors to migrants and refugees, Venezuela's neighbors have shown relative welcome. But humanitarian funding and diplomatic energy for the regional response have lagged, leaving Venezuela's neighbors, who face their own development and security challenges, to bear the burdens of what will almost certainly be a protracted crisis. Without standardized policies and approaches, including on documentation, protection, and access to education and work, countries with more progressive policies like Colombia will be left to host a disproportionate number of Venezuelans, making the realization of their commitments to refugees, migrants and their own populations increasingly out of reach.

In the absence of greater support for host countries, the Venezuelan displacement crisis is certain to beget more crises—humanitarian and political—across the region and threaten remarkable gains made in regional development and stability over the last two decades.

To meaningfully meet the needs of Venezuelans and host communities, the international response will require:

- ▶ **Donors to provide more predictable, multiyear financing while coordinating on a diplomatic strategy** to encourage and incentivize regional states to improve and harmonize policies.
- ▶ **The Inter-American Development Bank (IDB) and World Bank to establish a formal partnership** so that their resources are coordinated and deployed in a way that enables host countries to maintain progressive policies and that addresses longer-term needs, such as livelihoods opportunities and education.
- ▶ **Host governments to harmonize their policies** to promote longer-term solutions across protection, documentation, pathways to citizenship, and access to school, work, and healthcare.
- ▶ **Host governments to develop national action plans**, aligned with and building on the regional response plan, for how they plan to meet the short-, medium- and long-term needs of refugees.

The Venezuelan crisis and its consequences

Conditions inside Venezuela continue to deteriorate as the economic crisis drives catastrophic shortages in food, medicine and clean water and reduces access to basic services. Infant mortality rates inside Venezuela have risen to levels not seen in two decades. Eighty percent of the population faces food insecurity. Levels of moderate and severe malnutrition among children under five have risen from 10 to 17 percent—crisis levels. As a result, 1.3 million Venezuelans who have fled the country were already malnourished.

As of October 2019, 4.5 million Venezuelans had fled the country. This population is estimated to grow to 5.4 million by the end of 2019 and 7.5 million by the end of 2020. These future displacements will likely include increasingly vulnerable populations, such as children, pregnant women, the elderly and people with disabilities, placing greater strain on host countries.

The crisis already represents Latin America's largest displacement in modern history. There is no sign it will end in the near term. Even when it does, it will take years before Venezuelans will be able to safely and sustainably return home.

Venezuela's neighbors are bearing the burden of the displacement crisis with a mixed response, but resources and public support are wearing thin.

Roughly 80 percent of displaced Venezuelans are still in the region. Colombia hosts the largest population (1.4 million), followed by Peru (860,900), Chile (371,200), Ecuador (330,400), and Brazil (212,400).

Many countries initially responded with welcoming policies, but limited resources mean that countries that grant legal rights and access to services may not be able to deliver fully on their commitments and integrate populations. The region already faces stagnated GDP growth while public healthcare and education systems were already strained and underfunded before Venezuelans arrived. Public support among Colombians for welcoming Venezuelans fell by 20 percent from 61 percent in February to 41 percent in June. On average, nearly 47 percent of Venezuelans report facing discrimination; these rates are higher in Colombia (52 percent) and Peru (65 percent), which are hosting a greater number of Venezuelans.

As backlash grows, some countries are retreating from initial commitments. Peru no longer allows Venezuelans to apply for short-term stays nor access to jobs and education. As legal migration pathways close, more refugees and migrants will be forced to take illegal routes that subject them to human trafficking and armed groups. Monitoring this year found over 50 percent of Venezuelans already faced risks during their transit. In Ecuador, the government's requirement that people present their criminal record certificate at entry points contributed to a halving of official entries between January and March 2019, while irregular entries increased by 29 percent. Ecuador's latest requirement that Venezuelans secure an Exceptional Temporary Residence Visa on humanitarian grounds—a near impossible requirement to meet—will only worsen the situation.

A lack of harmonized policies could drive a race to the bottom that would put Venezuelans at risk and discourage welcoming policies.

An inconsistent and unpredictable regional response exacerbates the vulnerability of Venezuelans, who are left to navigate a complex and wide range of legal requirements for entry, documentation and access to basic services. Some hosts—Peru, Ecuador and Chile, among others—have introduced new requirements for documentation, requiring valid passports after previously requiring only a national ID card. This amounts to a virtually insurmountable barrier; it has become nearly impossible for Venezuelans to obtain or renew their passport, as bureaucratic delays can last up to two years and fees to expedite the process can amount to four times the minimum monthly salary.

Countries in the region recognize the need for better coordination. In September 2018, the Quito Declaration was launched to improve regional cooperation and learn from best practices. In July 2019, Quito members adopted the "Road Map of the Buenos Aires Chapter" which focuses on the integration of Venezuelans—the roadmap includes important commitments in areas like human trafficking and healthcare and proposed an Information Card for Regional Mobility to enhance documentation. However, it lacks longer-term solutions to address longer-term needs.

Challenges and opportunities for Colombia

Colombia, which hosts the largest proportion of displaced Venezuelans, has demonstrated strong commitments to immediate and longer-term needs of refugees and Colombians. However, there are concerning signs that the Venezuelan population is straining Colombia's resources and undermining its ability to implement progressive policies. Without significant progress on regional harmonization and international support, Colombia's welcoming response will be unsustainable.

Colombia hosts a staggering 1.4 million Venezuelans—a drastic 3,490 percent increase from 39,000 in 2015. Colombia is also home to other migratory populations: Venezuelans transiting to other countries (710,000 in 2018), 30,000 Venezuelans who move between the two countries each day, 300,000 returning Colombians, and 7.7 million internally displaced persons.

Cities in Colombia—especially those along the border—have been at the forefront of the response. In Cúcuta, public services are overwhelmed, as it serves as the first stop for 70 percent of Venezuelans entering Colombia while tens of thousands more arrive each day to access services before returning to Venezuela. Given the decentralization of public services like health and education, local officials are responsible for the integration of these populations.

Despite these challenges, Colombia has maintained and expanded progressive policies. In 2017, Colombia created a special stay permit, the Permiso Especial de Permanencia (PEP), which provides regularized status for two years, permission to work and access to emergency health services. Colombia also provides a border permit that allows Venezuelans to remain for seven days to buy goods and access services as well as a transit permit for migration through Colombia. Colombia has now supplied some form of documentation to nearly half of the Venezuelans within its borders. In August 2019, the government announced it would grant nationality to children born to Venezuelan parents in Colombia between August 2015 and 2021 to address their risk of statelessness.

However, the influx of Venezuelans is taking a toll. Real wages dropped 3-6 percent due to an increase in migration. National poverty rates did not decrease from 2017 to 2018 (for the first time since 2002). It will cost Colombia approximately 0.5% of GDP—equivalent to some \$1.5 billion—per year to continue providing services.

Despite initial challenges, the influx of Venezuelans could improve Colombia's economy over the long-term. The majority (over 70 percent) of Venezuelans arriving are working age and the World Bank estimates Colombia's economy could grow by 0.2 percent for every half a million people of working age. But these benefits are contingent on the integration of Venezuelans into the labor force. Currently, the Venezuelan population is twice as likely to be unemployed as the local population and 93 percent with jobs work in the informal sector. Among Venezuelans, 78 percent identified a job as their greatest need and the IRC's assessment of Venezuelans in Colombia in November 2018 found that their top six reported needs could be met with access to an income or regular cash.



A child works on a puzzle at the IRC's care center in Cúcuta while her mother meets with IRC staff. In a few months she will start school.
Andres Brenner/IRC

Global leaders are absent

Funding and the diplomatic response to the Venezuelan crisis have been inadequate given the scale of the displacement and economic, political and social implications for the region. The international community is at risk of missing a critical opportunity to invest early on to mitigate further risks to Venezuelans and leverage the displacement as a development opportunity.

The 2016 New York Declaration for Refugees and Migrants and the Global Compact on Refugees represent agreements by donors and host countries that investments in long-term solutions and more equitable responsibility sharing are needed to address protracted crises. The Venezuelan crisis represents a real-time test of these commitments—and the international community is failing.

Despite its magnitude, the Venezuelan crisis is viewed as a regional problem and is receiving a fraction of the attention required. Funding for the response is far lower than comparable crises. Whereas aid dollars per Syrian refugee hit \$5,000 in 2018, it has peaked at \$300 per Venezuelan. In its first year, the Venezuelan regional response plan is 48 percent funded, while similar plans for the Syrian and Rohingya crises were each funded at 73 percent in their first year.

The U.S. has a particular responsibility to a crisis in its hemisphere. While it is the largest donor to the regional response plan, its investments still fall short. In FY2019, the U.S. provided \$368 million in humanitarian assistance to address the regional crisis and \$36.4 million in bilateral assistance to Colombia—0.2 percent of the anticipated annual cost of the crisis to Colombia.

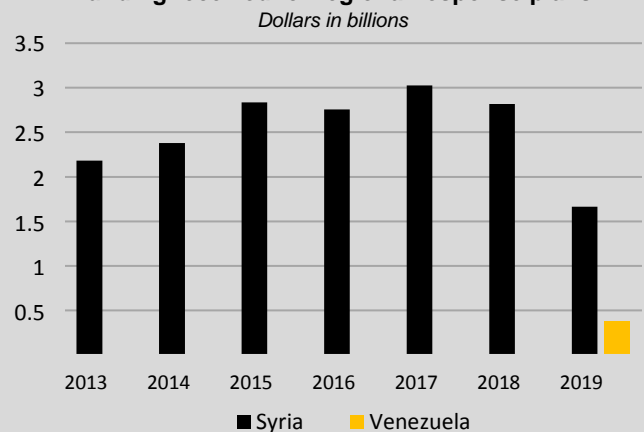
The World Bank and the Inter-American Development Bank have stepped up to meet longer-term needs. In April 2019, Colombia became eligible for the Global Concessional Financing Facility (GCFF)—a donor trust fund hosted by the World Bank—and received a grant of \$31.5 million. As part of the grant, Colombia agreed to policy reforms to facilitate access to the labor market and approved a medium-term National Policy to integrate Venezuelans into public services. However, Colombia has received millions less in its first GCFF-funded program than Jordan (\$77.95 million) and Lebanon (\$45.4 million) in their first year. In May, the IDB set aside \$100 million in grant financing and \$800 million in loans, for countries hosting Venezuelans to promote inclusive national development investments, access to basic and social services, and expanded economic opportunities. Colombia, Belize, Ecuador and Costa Rica are currently drawing on this financing.

Yet no country or group of countries is acting as the global convener, bringing donors, host states, and the UN system together to agree on solutions and responsibility sharing. There are no agreements akin to the Jordan and Lebanon compacts, and beyond Colombia there are few aid or beyond aid incentives for governments to maintain open borders and inclusion.

Venezuelan displacement on par with the Syrian refugee crisis, but receiving a fraction of the international support

Venezuelan displacement is on track to surpass the Syrian refugee crisis, which has produced 6.7 million refugees. The migration of Syrian refugees to Europe sparked international action, yet the number of Syrians hosted in Europe, as reported by UNHCR, is less than one-third the number of Venezuelans who have fled over the past four years. The average per capita income in the six European countries that received the most refugees is \$46,500—far higher than the \$17,000 average in the six Latin American countries hosting the most Venezuelans. Colombia hosts over 2.5 times as many Venezuelans as Germany does Syrians and is doing so with 8 percent of Germany's GDP.

Funding received for regional response plans



Source: OCHA Financial Tracking Service

Recommendations

Short-term humanitarian dollars and approaches will not be enough to meet the needs of refugees and host communities. Displaced Venezuelans need regularized legal status, freedom of movement and access to accredited education, healthcare, and safe and legal work. Otherwise, they will remain dependent on aid and vulnerable to exploitation, negative coping and other protection risks. Host communities, many which required assistance prior to the crisis, need support as more people cross the border and draw on public resources and institutions. At the Solidarity Conference, donors and host countries should promote mutually-reinforcing commitments on financing and policy reforms to achieve shared outcomes.

All donors should

- ▶ Provide **more predictable, multiyear financing** to support refugees and host communities and promote medium- and long-term solutions. Donors should pledge to meet the full commitments of the regional response plans and contribute to and/or align funding with World Bank and IDB funds to bring initiatives to scale.
- ▶ Coordinate funding to encourage and **incentivize host governments to harmonize policies** on documentation, access to employment, education, healthcare and other services. The U.S. has a unique responsibility to use its convening power, diplomatic weight and robust financing to lead the international response.
- ▶ Align financing against well-defined and discreet **outcomes and targets for Venezuelans and host communities** in each country, such as concrete improvements in literacy and malnutrition rates. Outcomes and targets should be aligned to national development plans and the Sustainable Development Goals.

The World Bank and IDB should

- ▶ Establish a **formal partnership** to coordinate and deploy resources in a way that maximizes impact for host communities and Venezuelans and helps populations become self-reliant in the long term.
- ▶ Leverage their financing and convening power to negotiate refugee- and migrant-friendly **policy reforms** to protect and integrate Venezuelans, such as through enabling access to decent work and accredited education as well as including Venezuelans in national development plans.

- ▶ Focus investments on **select sectors** that require multiyear funding to address longer-term needs and enable self-reliance, such as livelihoods and education.

Host governments should

- ▶ **Harmonize policies** through the Quito Process to promote longer-term solutions across protection, documentation, livelihoods, healthcare, education, and pathways to citizenship. This includes standardization of entry requirements, standards for residence and work permits, and a status and documentation framework.
- ▶ **Develop national action plans**, aligned with and building on the regional response plans, for how they plan to meet the short-, medium- and long-term needs of refugees. National action plans should be developed with support and technical guidance from international bodies and in coordination with representative from UNHCR, IOM and other relevant UN agencies, international and local NGOs, donors, and refugee and host communities. Household surveys and national statistics should include Venezuelans to fill data gaps and enable data-driven planning and investments.