

Tackling the Realities of Protracted Displacement

Case Studies on What's Working and Where We Can Do Better

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EXECUTIVE SUMMARY

The international community has come together in new ways to address forced displacement—one of the biggest challenges of the early twenty-first century. A series of high-level events in 2016 acknowledged record levels of displacement, and international actors responded with concrete commitments that recognized the protracted nature of displacement, the centrality of host governments, and the need to support the well-being and self-reliance of both refugees and host populations.

Refugee compacts, such as those first deployed in Jordan and Lebanon, are a new model for bringing together a range of actors, flexible financing, and other investments in support of countries hosting significant numbers of refugees. At the same time, the UN High Commission for Refugees (UNHCR) is shepherding the first Global Compact on Refugees, which includes a Comprehensive Refugee Response Framework (CRRF) that similarly promises to bridge the humanitarian-development divide.

This policy brief examines progress since the 2016 convenings, including how partnerships and financing—especially implementation of the CRRF and World Bank financing—are playing out on the ground. It examines initial efforts in Ethiopia and Uganda, where the CRRF is being piloted and World Bank financing has been approved, and takes stock of the latest prog-

ress in Jordan, where the compact is entering the third year of implementation.

Host governments, the World Bank, UNHCR, and their partners should be commended for novel approaches to a difficult global challenge. But there is much room for improvement in execution. Experience so far indicates that overall governance structures are fragmented; goals, policy changes, and program plans are not yet clear or fully aligned with resources—and there are few mechanisms holding all actors to account for achieving results for refugees and their hosts.

This brief makes four overarching recommendations to address these challenges and ensure implementation of the Global Compact on Refugees and World Bank financing leads to positive changes in the lives and livelihoods of refugees and host communities:

1. **Define shared outcomes and targets at the global and country levels.** It is not yet possible to systematically assess if efforts are improving the lives of refugees and their hosts. Agreement on collective outcomes and shared targets is required to ensure approaches are complementary and have impact. Country-level target setting should not wait for 2019, when the Global Compact on Refugees is expected to incorporate global indicators.

2. **Engage a wide range of stakeholders through improved partnership and coordination models.** Effective stakeholder engagement is critical to avoid duplication of effort, encourage broader support for projects, promote learning between stakeholders with different expertise and perspectives, and ensure refugees' concerns are adequately addressed. An improved model should empower line ministries, local government and municipalities, NGOs, and refugee and hosting populations in the decision-making process.
3. **Conduct joint analysis and planning to align approaches and processes, and ensure actions are responsive to refugee and host needs.** All actors should use the government-led CRRF to align analysis, planning, and funding. Standardized tools should be used to identify needs and constraints to achieving shared outcomes. This process should be accompanied by an explicit exchange of knowledge and expertise among development and traditional refugee-response actors. Truly joint planning will mitigate the risk of actors using new financing to simply expand existing programs and approaches.
4. **Put in place clear accountability mechanisms.** The proposal of ministerial-level refugee summits in the first draft of the Global Compact on Refugees is a good start, and must be accompanied by a set of shared outcomes against which to measure progress, as well as accurate, timely data to support such measurement. Host governments, donors, and implementers will also need to work together to increase transparency on financial flows and their impact.

INTRODUCTION

The international community is by now well acquainted with the challenges of historic levels of forced displacement. As reflected in the rise of anti-immigrant parties in Europe and cycles of displacement and conflict in South Sudan and Afghanistan, forced displacement can have complex and wide-reaching economic, social, and political effects. Indeed, displacement can be a cause and consequence of fragility, conflict, and crisis. Left unaddressed or poorly managed, these realities can—and have—become some of the most significant challenges facing the twenty-first century.

Approximately 84 percent of the world's 22.5 million refugees are hosted by developing countries, which are already struggling to meet the development needs of their citizens. Their commitment is often a medium- to long-term one: on average, refugees have been displaced from their home for 10 years; for those who have been displaced for five or more years, the average jumps to more than 20 years. By hosting refugees, countries are providing benefits to the broader region and global community. Recognizing these “spillover” benefits, development donors have started to invest in responding to forced displacement, even in a difficult fiscal environment.

At a series of high-level events in 2016, the international community came together to address record levels of displacement and made concrete commitments that recognize the protracted nature of displacement, the centrality of host governments, and the need to support the well-being and self-reliance of both refugees and host populations. These events included the Supporting Syria and the Region conference in London, the World Humanitarian Summit, the Leaders' Summit on Refugees, and the UN General Assembly adoption of the New York Declaration, which included the Comprehensive Refugee Response Framework (CRRF) and laid the groundwork for the 2018 negotiation of the Global Compact on Refugees.

Among the many actors engaged in responding to protracted displacement, the World Bank has emerged as a new and catalytic actor and partner to UNHCR. Through establishment of two new mechanisms to support refugee-hosting countries—the Global Concessional Financing Facility (GCFF) and an IDA18 subwindow—the World Bank is providing critical leadership, expertise, and multi-year financing to forge more sustainable solutions.

Two years on from the 2016 convenings, and amid the Global Compact on Refugees negotiations, this brief reviews how these efforts, and the simultaneous roll out of the CRRF and new World Bank financing in particular, are playing out on the ground. As the international community confronts the next set of global challenges, it is critical to learn from past experiments and identify successes, shortcomings, and best practices.

INTERNATIONAL POLICY AND FRAMEWORKS FOR REFUGEE RESPONSE

In September 2016, all 193 UN Member States adopted the New York Declaration, which established the Comprehensive Refugee Response Framework (CRRF). The CRRF is designed to foster greater inclusion of refugees in host communities from the start of their displacement. It seeks to minimize encampment, and to build self-reliance by ensuring refugees' access to labor markets, education, and local economies. It also seeks to ease pressure on countries hosting refugees, expand resettlement in third countries, and foster conditions that enable refugees to voluntarily return home. Uganda, Ethiopia, Djibouti, Zambia, Kenya, and Rwanda, and a number of countries in Latin America, have agreed to pilot the framework.¹

The lessons from these pilots will inform the Programme of Action for the Global Compact on Refugees, currently under Member State negotiation. The Programme of Action is expected to provide a blueprint for how the international community should respond when faced with large movements of refugees, including how responsibility should be shared across the system so that host countries do not bear the burden alone. The Global Compact on Refugees will be proposed by the High Commissioner for Refugees in his annual report at the UN General Assembly in 2018.

WORLD BANK FINANCING AND ENGAGEMENT IN REFUGEE CONTEXTS

In 2016, the World Bank, the Islamic Development Bank Group, and other partners created the Global Concessional Financing Facility to provide concessional financing to middle-income countries hosting large refugee populations. This financing was groundbreaking in that it: (1) offered concessional financing to countries traditionally ineligible for such terms; (2) provided resources directly to host governments to expand refugees' access to employment and social services, including by strengthening host country systems; and (3) was aimed at pursuing improved development outcomes—not just meeting basic needs—for refugees and their host communities. This financing has been used to support two

first-of-their-kind refugee compacts in Jordan and Lebanon, which include commitments from each government and international actors to generate solutions that can enable refugees to become self-reliant and thrive alongside host communities.

The World Bank's International Development Association (IDA) 18th replenishment of funds opened a \$2 billion financing window (hereafter IDA18 subwindow) for states seeking longer-term solutions that benefit refugees and host communities. To be eligible, a country must host at least 25,000 refugees or have refugees amount to at least 0.1 percent of its population; have an adequate framework for the protection of refugees; and have an action plan or strategy with concrete steps, including possible policy reforms for long-term solutions that benefit refugees and host communities.² In 2017, Cameroon, Chad, the Republic of Congo, Djibouti, Ethiopia, Niger, Pakistan, and Uganda were selected as eligible for this financing; Rwanda, Kenya, and others are also exploring their eligibility.

While neither GCFF nor IDA18 subwindow financing are directly tied to the CRRF, they are focused on the same actors and share generally aligned aims. UNHCR, the World Bank, and host governments are working to ensure that the World Bank's financing pulls in the same direction as the CRRF and, in many cases, the same staff within organizations are involved with implementation of the CRRF and rollout of the financing. However, the World Bank maintains a level of independence as its investment decisions do not flow directly from countries' CRRF governing bodies. Still, the IDA18 subwindow is a clear display of closer collaboration between UNHCR and the World Bank in CRRF countries.³ Many stakeholders agree that the longer-term financing from IDA18 is critical to achieving some of the aims of the CRRF, including helping governments take the lead in refugee response, enabling self-reliance for refugees and host communities, and increasing burden- and responsibility-sharing.

2 World Bank. 2017. "Eight countries eligible for new IDA financing to support refugees and hosts." <http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/eight-countries-eligible-for-new-ida-financing-to-support-refugees-and-hosts>.

3 UNHCR. 2017. "Developing the Comprehensive Refugee Response Framework: Special Appeal." <http://reporting.unhcr.org/sites/default/files/UNHCR%20Developing%20the%20Comprehensive%20Refugee%20Response%20Framework%20Special%20Appeal%202017%20--%20September%202017.pdf>.

1 UNHCR. 2017. <http://www.unhcr.org/en-us/comprehensive-refugee-response-framework-crrf.html>.

Although the World Bank's financing has the potential to be transformative in addressing protracted refugee crises, a number of challenges have emerged with the entrance of a major development donor into the humanitarian space. In April 2017, the International Rescue Committee and Center for Global Development jointly released a report, *Refugee Compacts*, which offered lessons from World Bank-supported Jordan and Lebanon Compacts and outlined best practices for similar agreements moving forward. Latest observations in Jordan, Ethiopia, and Uganda indicate learnings from earlier efforts are being incorporated. At the same time, new lessons have emerged and there remains room for improvement.

RECOMMENDATIONS TO DRIVE RESULTS

The World Bank, UNHCR, and their partners should be commended for introducing innovative approaches to addressing one of the most difficult global challenges. Successfully reforming the international response to protracted displacement is not only critical for the well-being of refugees and host communities, but also for fostering regional and national security and stability. Despite a trend of nations looking inward, meeting twenty-first-century challenges will require more, not less, commitment to collective action. Flexible financing and new tools for responsibility-sharing in response to forced displacement can provide lessons for other major global challenges, such as pandemic response, disaster preparedness, and climate change.

The experiences in implementing the CRRF and new development financing in Ethiopia, Uganda, and Jordan indicate that overall governance structures remain fragmented; goals, policy changes, program plans, and resources are not yet fully aligned; and there are few mechanisms holding all actors to account for achieving shared outcomes.

The following overarching recommendations are aimed at addressing these challenges to ensure that implementation of the Global Compact on Refugees and World Bank financing leads to real changes on the ground. These should be reflected in the Global Compact's Programme of Action, and translated to country-level implementation of the CRRF and development financing from the World Bank and other partners.

1. Define shared outcomes and targets at the global and country levels

Despite the broadly shared goals of the new World Bank financing and the CRRF, it is not yet possible to systematically assess if these efforts are improving the lives of refugees and their hosts. Agreement on collective outcomes and shared targets is required to ensure approaches are complementary and have impact. The first draft of the Global Compact on Refugees' Programme of Action seeks broad alignment with the 2030 Agenda for Sustainable Development and commits to develop a set of key indicators by 2019 to monitor and evaluate progress and outcomes of the Global Compact. These must include shared outcomes, with specific, measurable, time-bound targets and reliable indicators to meaningfully determine whether the lives of refugees and host communities are improving. For instance, there should be refugee-specific targets for reductions in poverty and unemployment and for improvements in learning outcomes. In the absence of these shared targets, there is a risk of siloed and unaccountable approaches.

Meeting twenty-first-century challenges will require more, not less, commitment to collective action.

Ideally, commonly agreed outcomes at the global level would inform a set of shared targets at the country level, but country-level target setting cannot—and should not—wait until 2019. Currently, progress on implementing the CRRF is primarily measured by success in meeting 2016 Leaders' Summit pledges. However, in most cases pledges are actions the country has committed to take, not the outcomes sought for refugees and host communities. This has the effect of holding host countries accountable for policy changes without commensurate accountability for programmatic interventions supported by international community. In Uganda, the CRRF Secretariat will be developing a results framework and related indicators to track progress against the country's strategy and commitments. This effort should be replicated in other countries, to track progress but also to help drive financing—from bilateral and multilateral donors—toward commonly agreed outcomes and targets.

At the country level, governments and their partners need to improve data collection and analysis. To accurately measure progress toward outcomes, data on the well-being of refugees and host communities need to be collected regularly. Given that many low- and middle-income countries have a low statistical capacity, the recently announced joint World Bank-UNHCR refugee data center will need to play a prominent role in ensuring improved data collection. Initial planning indicates the center will play the institutional role for refugee data, leveraging the analytical expertise of the World Bank to work toward greater coordination, transparency, and more and better data collection, analysis, and dissemination.

2. Engage a wide range of stakeholders through improved partnership and coordination models

Effective stakeholder engagement and partnership models are critical to avoid duplication of effort, encourage broader support for projects, promote learning between stakeholders with different expertise and perspectives, ensure refugees' concerns are adequately addressed, and foster better coordination—all with the ultimate aim of achieving greater impact for refugees and hosts. Pre-existing coordination models do not fit the new way of working and need to be amended to better accommodate the wider range of actors involved in responding to protracted refugee contexts. Poor coordination and consultation are common concerns among stakeholders involved with implementation of the CRRF and World Bank financing. Right now, some stakeholders report frequent, but ad hoc consultation. There is also widespread confusion about how consultations inform decision making and how CRRF planning processes relate to donor program and financing decisions.

Efforts in Ethiopia and Uganda to engage multiple stakeholders are commendable. However, there remains demand for a model that does a better job of empowering line ministries, local government and municipalities, NGOs, and refugee and hosting populations—and does so in a streamlined and effective way. Further consideration needs to be given to how regional bodies such as the Intergovernmental Authority on Development (IGAD), an eight-country trade bloc in Africa that seeks to achieve peace, prosperity and regional integration, should be integrated into or aligned with country-led coordinating mechanisms.

3. Conduct joint analysis and planning to align approaches and processes, and ensure actions are responsive to refugee and host needs

It is well understood that humanitarian and development actors traditionally have different mandates, expertise, approaches, and paces of working—which has repercussions for planning, funding, and prioritization. To help ensure efforts are joint and complementary, all actors should use the government-led CRRF as a way to align on analysis and planning. This alignment would include the use of standardized tools for analysis of needs and constraints; a set of shared, context-specific outcome targets; and clearly defined roles and responsibilities for refugee response over time. Standardized tools can be used to identify and prioritize key policy reforms necessary to achieve agreed upon outcomes and targets. Truly joint planning should also mitigate the risk of development and humanitarian actors using new financing to simply expand existing programs and approaches.

The joint analysis and planning process should be accompanied by an explicit exchange of knowledge and expertise each actor brings to the table. The World Bank, for instance, particularly excels in working with governments to meet the needs of poor and vulnerable populations, but lacks deep expertise in how to meet the unique needs of refugee populations and is not fully versed in refugee-specific issues, such as around legal status and other basic rights—all areas where humanitarian actors like UNHCR and NGOs have expertise. Sharing expertise and related concerns is critical to avoid risks like the prioritization of development goals over protection concerns, potentially jeopardizing refugees' rights.

4. Put in place clear accountability mechanisms

The first draft of the Global Compact on Refugees proposes ministerial-level refugee summits every three years where countries and partners will review implementation of the Compact and take stock of progress toward financial, policy, and other pledges. UNHCR will lead this process in coordination with governments and other partners. Having a time and place to report on progress and identify challenges is an essential step toward accountability, but it must be accompanied a set of shared outcomes, targets, and indicators, as well as accurate, timely data to support measurement. Similar

meetings should take place at the regional and/or country level on an annual basis to improve accountability.

At the same time, host governments, donors, and implementers will need to work together to increase transparency on financial flows and their impact. The World Bank's new financial mechanisms are providing concessional funding to government that is intended to support both host communities and refugees; more regular, detailed, and transparent reporting of how resources are flowing to refugee populations and the impact it is having is key to holding partners accountable for results.

ABOUT THIS BRIEF

This brief provides an early look at efforts in Ethiopia and Uganda, where the CRRF is being implemented and World Bank IDA18 subwindow financing is being deployed, as well as an update on ongoing efforts in Jordan, where the Jordan Compact financed in part by the GCFF, is entering its third year. The contents of this brief draw on expert interviews with World Bank, government, and UN officials as well as NGO representatives, and on desk research. It provides a number of country-specific recommendations for how the international community—including host country governments, the World Bank, UNHCR, and other partners such as NGOs and the private sector—can ensure that this unique potential to bridge the humanitarian-development divide is realized and that the lives and livelihoods of refugees and host communities improve.

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The authors apologize for any omissions. All errors are our own.

ETHIOPIA

THE DISPLACEMENT CONTEXT

Ethiopia is the second-largest refugee-hosting country in Africa. It has maintained an open-door policy toward refugees since the 1990s. Today, Ethiopia is home to about 850,000 refugees primarily from Eritrea, South Sudan, Somalia, and Sudan.⁴ While most refugees in Ethiopia live in the 25 camps established across the country, tens of thousands of refugees also reside outside of the camps—many in the capital city of Addis Ababa.

In 2010, the Ethiopian government introduced an out-of-camp policy that permits Eritrean refugees to reside in rural and urban areas so long as they can support themselves financially or are sponsored by a relative or friend. In addition, about 12,500 refugees of a range of nationalities are authorized to live in Addis Ababa; they are not allowed to work but have access to primary schools and other basic services and continue to receive assistance from UNHCR.⁵

Ethiopia is one of the fastest-growing economies in Africa, but remains one of the poorest in the region, with a \$660 per capita income. Although extreme poverty levels have declined significantly from 55 percent in 2000, the poverty rate remains at nearly 30 percent today.⁶ Refugees reside in some of the poorest communities, placing additional strains on limited resources for public services and livelihoods opportunities. Despite economic struggles, Ethiopia has recognized the positive impact that refugee integration could have on host communities and local economies and is taking bold steps to include refugees in its national systems and societies outside of camps. It is not yet known how the newly elected prime minister, Abiy Ahmed Ali, will take forward Ethiopia's refugee policies amid the pressing task of uniting the country after two years of political instability.

4 UNHCR. 2017. 2018 Planning Summary for Ethiopia. <http://reporting.unhcr.org/sites/default/files/pdfsummaries/GA2018-Ethiopia-eng.pdf>.

5 ODI. 2017. "Journeys on hold: How policy influences the migration decision of Eritreans in Ethiopia." Overseas Development Institute. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11336.pdf>.

6 World Bank. 2018. "The Work Bank in Ethiopia: Overview." <http://www.worldbank.org/en/country/ethiopia/overview>.

ETHIOPIA'S RESPONSE FRAMEWORK: COMMITMENTS AND FINANCING

In 2016, Ethiopia co-hosted the Leaders' Summit on Refugees, where it made nine ambitious pledges to help improve the lives and livelihoods of refugees and host communities in the country. Among its pledges, the government committed to expand its "out of camp" policy; provide work permits to refugees; increase enrollment of refugee children in school; make irrigable land available to refugees; allow local integration of refugees who have lived in Ethiopia for more than 20 years; work with international partners to build industrial parks and generate jobs for refugees and hosts; expand and enhance basic and essential social services for refugees; and provide other benefits including birth certificates, bank accounts, and the option of obtaining a driver's license.⁷

In February 2017, the government agreed to be one of the first pilots for the CRRF, which serves as the vehicle through which these commitments are expected to be realized. Importantly, the pledges not only align with the goals of the CRRF, but also with the government's national development plan, the Growth and Transformation Plan (GTP II).

As in most refugee responses, there is a shortage of funding in Ethiopia, and it remains unclear whether the government will be able to implement all of its pledges. In 2017, just 20 percent of UNHCR's \$307 million operating plan for the refugee response was funded⁸ (for comparison, UNHCR's total budget for 2017 was 54 percent funded). Recognizing the need for more—and more long-term—funding, Ethiopia sought eligibility for additional resources through the World Bank's IDA18 subwindow for refugee-hosting countries. Eligibility for financing, expected to be in the range of \$200 million, was approved in September 2017. The European Union and UK's DFID have also committed resources. In total, the financing package from donors to support both refugees and their hosting communities totals more than \$500 million.

7 ARRA. 2017. "Roadmap for the implementation of the pledges of the Government of Ethiopia for the application of the CRRF." <http://crrf.unhcr.org/en/documents/download/119>.

8 UNHCR CRRF Global Digital Portal. 2018. Ethiopia. <http://crrf.unhcr.org/en/country/eth>.

PROCESS, POLICIES, AND PROJECTS: PROGRESS AND CHALLENGES AHEAD

The Process: National Arrangements and Decision-making

The government of Ethiopia has long taken a leading role in managing refugee response. The Administration for Refugee and Returnee Affairs (ARRA), the government's entity for implementing policies related to refugees and returnees, is in charge of implementing the CRRF. To help facilitate the process, a steering committee has been established under the Office of the Prime Minister. The committee is chaired by ARRA, the Ministry of Finance and Economic Cooperation, and UNHCR; a development advisor from the donors will provide technical expertise directly to the co-chairs. The steering committee members, who will provide expertise and support, include representatives from line ministries, donors, national and international NGOs, the World Bank, and other aid agencies, such as the UN Development Programme, the World Food Programme, UNICEF, and the International Labour Organization.⁹

Joint analysis and planning are underway. ARRA has carried out a number of workshops and Refugee Task Force meetings in coordination with UNHCR and the World Bank to analyze policies, map existing programs, and identify gaps and needs of refugees and host communities. To support this effort, UNHCR is adding new field staff to support CRRF implementation and the World Bank has seconded a staff member to East Africa, who is responsible for overseeing the rollout of the IDA18 subwindow funding in the region.

Technical committees that bring together various stakeholders to make project-level decisions and support their implementation are established and workshops on education and basic services were held in early 2018. Four additional workshops on documentation, the out of camp policy, local integration, and work and livelihoods are planned for the near future. Importantly, the technical committees are expected to include refugee voices. However, it is unclear so far to what extent refugees are able to directly engage on these committees, and how and whether their concerns are being raised with

9 ARRA. 2017. "Roadmap for the implementation of the pledges of the Government of Ethiopia for the application of the CRRF." <http://crrf.unhcr.org/en/documents/download/119>.

the overarching steering committee beyond through an NGO representative.

Understanding of how the CRRF is being implemented, implications of the World Bank's new financing, and progress on both is limited so far. There is also still much to be explored in terms of roles and responsibilities between the government, NGOs, and newly involved development actors. To this end, the World Bank plans to host a series of workshops and information sessions in 2018, each examining different topics relating to their work on forced displacement. The first of these events, entitled "Learning Event on Responding to the Forced Displacement Crisis," was held in March in Addis Ababa.

Policy Changes

The government of Ethiopia has taken critical steps to fulfill its pledge to issue birth certificates to children of refugees born in Ethiopia. The government's Federal Vital Events Registration Agency (FVERA) and ARRA conducted a joint assessment in late 2016 to determine how to include refugee children in the national registration system. Following this assessment, the agencies proposed an amendment to Ethiopia's legal framework for the registration of vital events, Proclamation 760/2012, which requires Ethiopians to record major events (e.g., births, deaths, marriages, etc.) with the government. The amendment, which was passed by Parliament in July 2017, enables ARRA to record and register vital events within the national structure.¹⁰

In addition, the government is currently revising its 2004 Refugee Proclamation to ensure that laws and regulations enable the country to meet its other commitments, including revisions to the out of camp policy.

New Programs to Support Refugees and Host Communities

Planning and projects to be financed by the IDA18 sub-window are in very early stages. The pipeline includes efforts to generate jobs for refugees and Ethiopians, with an initial focus on industrial parks, improved refugee children enrolment in school, and improved access to and

the quality of social services available to both refugees and host communities. There are also nascent plans to support self-employment and new business start-up. While still early days, some progress has been made, highlighting early promises as well as potential challenges ahead.

Registration, Documentation, and Data Collection.

Improvements to vital documentation, registration, and data collection have been a key success for Ethiopia since September 2016. Birth certificates for refugees are now being issued and captured in the national system. UNHCR is rolling out biometric registration, with a goal of completing 85 percent by the end of 2018. A census that includes refugees in its surveys is planned for November 2018. Together, these are promising steps to ensuring there is baseline data against which progress on the integration of refugees and improvement in the lives of refugees and host communities can be measured—and against which success can be determined.

Economic Opportunities. The Ethiopian government seeks to expand its industrialization agenda and to create some 100,000 jobs, 30 percent of which will be available to refugees. Since early 2017, the World Bank has been working closely with the government, including the Ethiopian Investment Commission and Ministry of Finance and Economic Cooperation, UNHCR, other donors—including the UK's DFID, the EU, and the European Investment Bank—and NGOs to develop an economic opportunities project (also known as the "Jobs Compact"). The project will draw on IDA18 subwindow financing, with cofinancing from DFID, and be implemented over six years from 2019 to 2025.

The project builds on Ethiopia's Growth and Transformation Plan II (2016-2020), which focuses on large-scale safety net programs, expansion of basic services, and public investment in infrastructure. Among the program's aims are to improve the broader investment climate; improve infrastructure; increase labor productivity; and improve refugee-related employment and protection guarantees. Critically, this last aim will entail providing the legal basis for refugees to take up employment opportunities, provision of housing, skill development, developing employer and employment matching capability, and oversight mechanisms to ensure refugees' rights are protected.¹¹

10 UNHCR. 2017. "Working Towards Inclusion: Refugees Within the National Systems of Ethiopia." <http://crrf.unhcr.org/en/documents/download/111>.

11 World Bank. 2017. <http://documents.worldbank.org/curated/>

Ethiopia has agreed to utilize the World Bank's Pay for Results financing instrument, linking disbursement of funds to the achievement of specific program results and activities. This instrument will be used for only part of the project (with the rest being direct investment), and because it includes indicators directly attributable to the program, there is greater focus on outputs and activities versus outcomes, such as increased sustainable incomes or reduced poverty rates among refugees and hosts. Nevertheless, it is an important step in the right direction in terms of accountability.

Until these policy issues are addressed, it is difficult to see how plans can move forward and self-reliance be achieved among even a nominal portion of the refugee population.

At the core of the economic opportunities project is scaling up industrial parks, including the three already in operation. Although the World Bank is doing due diligence to learn from and improve upon similar efforts to scale up special economic zones (SEZs) in Jordan, several questions and concerns remain. For instance, the skill set of refugees in Ethiopia may not match well with those needed in factories operating in the industrial parks; refugees currently live far from the industrial parks and transportation could prove too timely, too costly, and unsafe for women and youth; and earning potential for jobs in industrial parks may not be competitive with what refugees can earn in the informal sector. Furthermore, recent research on factory work in Ethiopia found these jobs are often dangerous and require working longer hours in poor conditions for pay that is no better than agricultural work or selling goods at a market.¹² While there are nascent plans to also generate livelihoods opportunities outside of the industrial parks, investment in and focus on these solutions are lagging.

In addition to these practical challenges are questions about refugee legislation, which does not currently allow refugees to work or move freely from camps. Simply extending the out of camp policy is not a viable solution—the current policy prohibits refugees who choose

to live outside of the camps from obtaining a work permit. Until these policy issues are addressed, it is difficult to see how plans can move forward and self-reliance be achieved among even a nominal portion of the refugee population.

Education. In December 2017, ministers in charge of education in the IGAD Member States agreed to the Djibouti Declaration—an agreement to collectively ensure that every refugee, returnee, and host community member has access to quality education.¹³ This committed states to include refugees in national systems and plans and establish minimum standards and targets on access and delivery of quality education at all levels.

On the heels of signing this regional agreement, Ethiopia has identified education as a key sector to be funded by IDA18 subwindow financing. Discussions are nascent, but those involved have indicated that financing may go to improve teacher qualifications; help the Ministry of Education take over management of mixed schools (i.e., schools serving both refugees and host communities, but currently overseen by ARRA or NGOs) and refugee schools; and improve access to primary education and improve adult literacy for refugees and their hosts.¹⁴

CONCLUSIONS AND RECOMMENDATIONS

Ethiopia is among the first countries to implement the CRRF and receive IDA18 subwindow financing, and it has made great strides since the start of 2017. Still, the pace of progress is relatively slow and accountability mechanisms are not yet in place to ensure best practices are employed with the overall process, policy reforms, and decision-making and implementation of programs.

The government of Ethiopia should:

- Revise the 2004 Refugee Proclamation as soon as possible to align it with the government's pledges and the CRRF. Refugees of all nationalities should have free-

13 IGAD. 2017. "Djibouti Declaration on Regional Conference on Refugee Education in IGAD Member States." <http://crrf.unhcr.org/en/documents/download/115>.

14 World Bank. 2016. <http://documents.worldbank.org/curated/en/384311467996731135/pdf/PAD1678-PAD-PI52822-IDA-R2016-0090-1-Box394886B-OUO-9.pdf>.

en/580241499855149882/pdf/PID.pdf.

12 New York Times. 2017. https://www.nytimes.com/2017/04/27/opinion/do-sweatshops-lift-workers-out-of-poverty.html?_r=0.

dom of movement and be able to realize their rights to work and access to basic services.

- Devise and implement a strategy to incorporate refugees in the planning and budgeting processes of line ministries (e.g., Ministry of Education, Ministry of Women's and Children's Affairs, etc.).

The World Bank and UNHCR should:

- Develop a mechanism that holds the government accountable to its policy commitments; this would ensure, for example, that the government does not favor one nationality of refugees over another in policy reforms.
- Create a formal process for directly engaging refugees in the decision-making process around World Bank financing.
- Partner with regional bodies, including IGAD, to align strategies for responding to regional refugee crises, recognizing the impact that agreements like the Djibouti Declaration can have on decision-making.
- Address barriers to refugee employment in industrial parks (e.g., cost and time of transportation, housing, child care needs, and skills matching) from the start.
- Accelerate support for livelihood opportunities that are not centered on jobs in industrial parks to reach a wider portion of the refugee population.
- Improve support for data collection on refugee socioeconomic outcomes and needs to inform policy reform and programming decisions.

Other partners:

- NGOs should collaborate and engage with the World Bank to avoid duplication and ensure refugee experiences are reflected in policy changes and programming.
- NGOs should build on the leverage of the World Bank to elevate long-standing policy barriers, such as on freedom of movement, rights to work, and other protection issues.
- Development donors should align their refugee-focused financing against the objectives of the CRRF.

UGANDA

THE DISPLACEMENT CONTEXT

Uganda, which has hosted refugees for decades, is currently home to more than 1.3 million refugees and asylum seekers, including from South Sudan, the Democratic Republic of the Congo, Burundi, and Somalia. In 2017 alone, an average of 1,800 South Sudanese refugees were flooding across Uganda's borders per day to escape a violent civil war and severe famine.¹⁵

Refugees in Uganda are subject to very progressive policies; refugees have the right to work, are provided access to land, and have a significant degree of freedom of movement around the country. Roughly one-quarter of the refugees live in Bidi Bidi camp, which opened in August 2016; the vast majority live in rural and urban areas. The refugee population of Kampala has nearly doubled since 2012, with a significant increase in the past year.¹⁶

Poverty remains high and widespread across the country, with 21 percent of the population living below the national poverty line. This is especially acute in host settlements and transit areas, which have some of the country's highest levels of poverty and lowest human development indicators. Although overall unemployment in Uganda is relatively low, youth unemployment is a serious challenge, making up 64 percent of total unemployed persons.¹⁷

More than half of refugees in Uganda are children. Only 46 percent of school-aged refugee children have access to formal and informal education, with a significant gender gap in enrolment.¹⁸ There is also significant overcrowding in early childhood centers and schools,

15 UNHCR. 2017. "South Sudan refugees in Uganda pass 1 million mark, UNHCR renews call for help." <http://www.unhcr.org/news/press/2017/8/599457a34/south-sudan-refugees-uganda-pass-1-million-mark-unhcr-renews-call-help.html>.

16 International Rescue Committee. 2018. "From Response to Resilience: Working with Cities and City Plans to Address Urban Displacement: Lessons from Amman and Kampala." <https://www.rescue.org/sites/default/files/document/2424/fromresponsetoresiliencefinalweb.pdf>.

17 Uganda Bureau of Statistics. 2012. "The National Labour Force and Child Activities Survey 2011/2012." http://www.ubos.org/onlinefiles/uploads/ubos/pdf%20documents/NCLS%20Report%202011_12.pdf.

18 UNICEF. 2017. "Uganda Humanitarian Situation Report: January-December 2017."

with some classrooms exceeding 150 children to a single teacher.¹⁹

In early 2018, Ugandan and UNHCR officials were accused of inflating the number of refugees and mismanaging funds, which led to the suspension of the Ugandan Commissioner for Refugees and launched a recount of refugees using a biometric registration system.²⁰ While the World Bank has not expressed concerns over this scandal, it may affect other key donors such as the United States, the European Union, and United Kingdom, and is consuming much of UNHCR's energy for the time being.

UGANDA'S RESPONSE FRAMEWORK: COMMITMENTS AND FINANCING

At the Leaders' Summit on Refugees in September 2016, the government of Uganda pledged to continue its settlement approach, provide newly arrived refugees with access to education and employment opportunities, and finalize and implement its Refugee and Host Population Empowerment (ReHoPE) framework. Shortly thereafter, Uganda agreed to be an early adopter of the Comprehensive Refugee Response Framework.

Uganda's deep commitment to policies that include refugees is evident in its ReHoPE strategy and Settlement Transformation Agenda (STA). The ReHoPE framework, adopted in June 2017, is a multi-year strategy for enabling self-reliance and resilience among refugees and host communities, with a focus on sustainable livelihoods and integration of social services. The STA integrates refugees into national development plans.

In addition to these national plans, the Ugandan government has signed on to several regional refugee response agreements. In 2017, Uganda signed the Nairobi Declaration, which aims to coordinate a regional response to the Somali refugee crisis, and later signed the Djibouti

Declaration, which commits countries to improve access to and the quality of education for refugees.

All these commitments are intended to be met through Uganda's strategy for implementing the CRRF. But none of these goals will be achieved without adequate funding—which remains a chronic sticking point for the country. UNHCR's 2017 operating plan for refugees in Uganda was only 29 percent funded, and the country's part of the South Sudan emergency appeal was only 16 percent funded, whereas globally UNHCR's plans are 54 percent funded.²¹ A Solidarity Summit in 2017 aimed to raise \$2 billion to support both immediate and longer-term needs of refugees and host communities, but managed to raise just \$350 million, with most going to emergency response.²²

Since then, Uganda approved a \$50 million loan from the World Bank to implement a five-year effort that will support the STA and ReHoPE. Uganda also received eligibility to draw on IDA18 subwindow resources to support refugees and host communities. Commitments by other donors have also emerged, including \$2.5 million from Norway for technical assistance, analytical support, and to generate evidence of what works to improve refugees' lives.

PROCESS, POLICIES, AND PROGRAMS: PROGRESS AND CHALLENGES AHEAD

The Process: National Arrangements and Decision-making

The Ugandan Government has remained in the driver's seat in designing a strategy for implementing the CRRF and other relevant frameworks. The Permanent Secretary of the Office of the Prime Minister (OPM) chairs the CRRF steering group, which is supported by a small secretariat, and features 32 representatives from within the government, such as relevant line ministries, department and agencies, and organizations external to the government, including UNHCR, the World Bank and other donors, and international and national NGOs. Lo-

21 UNHCR CRRF Global Digital Portal. 2018. <http://crrf.unhcr.org/en/country/uga>.

22 UN News. 2017. "More than \$350 million pledged for refugees in Uganda." <https://news.un.org/en/story/2017/06/560242-more-350-million-pledged-refugees-uganda-good-start-we-cannot-stop-says-un>.

19 UNHCR. 2017. <https://reliefweb.int/report/uganda/eager-refugees-cram-crowded-classrooms-ugandan-school>. UNHCR. 2016. https://reliefweb.int/sites/reliefweb.int/files/resources/57_Uganda%20Operational%20Update%20on%20the%20South%20Sudan%20Emergency%20Response%202-8%20November%202016.pdf.

20 Guardian. 2018. "They exaggerated figures: Uganda aid officials suspended over alleged fraud." <https://www.theguardian.com/global-development/2018/feb/08/they-exaggerated-figures-uganda-aid-officials-suspended-over-alleged-fraud>.

cal populations are, or soon will be, directly involved—a refugee welfare forum is under creation to ensure refugees are included and representatives of district chairpersons and chief administrative officers represent local host communities.²³

Importantly, Uganda’s CRRF Secretariat has indicated it will develop a results framework and related indicators to track progress against its commitments and to identify priority areas for international support. The results framework will include both indicators that are universal to all CRRF countries (which are being developed by UNHCR) and indicators specific to Uganda.²⁴

Beyond the steering group and its secretariat, there is a plethora of coordinating platforms ostensibly linked to the CRRF governance framework. These include the semiannual National Partnership Forum; sector working groups; the Local Development Partners’ Group and Development Partner Technical Working Groups; the Humanitarian Donor Partners Group; the CRRF Development Partners Group; the National NGO Forum; and the Regional Durable Solutions Secretariat for the East and Horn of Africa.²⁵ Despite efforts to establish a clear governance framework, lack of coordination among these groups and with the overarching CRRF platforms and around new World Bank financing remains a major challenge. Better coordination, and perhaps even the phasing out or streamlining of some of these groups, is essential and among the most important areas for improvement.

Further, while the government is clearly in the lead, responsibility for meeting the needs of refugees remains largely with the OPM Department of Refugees, supported by UNHCR and NGOs, rather than as part of the portfolio of work of other ministries. There are also competing priorities between local leadership, district leadership, and national authorities, and there have been some parallel processes where OPM management of settlements runs separately from the local governance structures—a set up that produces challenges in

trying to shift to a model where all line ministries also cover refugee-related issues. To address this concern, the World Bank’s approach seeks to support government capacity and ownership of refugee issues across all relevant ministries, from health to education to finance. This type of integration and capacity building draws effectively on the World Bank’s expertise and experience.

Even as Uganda is seen as a model for progressive refugee policy, it still struggles to implement some of these policies.

Policy Changes

In 2017, the government doubled-down on its open-door policy for Somali refugees through the Nairobi Declaration,²⁶ and on its policies for refugee education via the Djibouti Declaration. Even as Uganda is seen as a model for progressive refugee policy, it still struggles to implement some of these policies.

New Programs to Support Refugees and Host Communities

The World Bank in Uganda has adopted a multi-year strategy, with plans to eventually be active in 11 districts across the country, where over 1 million refugees and asylum seekers reside.²⁷

Uganda and the World Bank intend to use the IDA18 subwindow financing for a range of projects in a variety of sectors, including infrastructure, livelihoods, education, health, land tenure, and gender. Projects in the pipeline largely piggyback on existing efforts, bringing refugees into the projects that were already in development or implementation. However, efforts are in very early stages. Financing is likely to go to the Uganda Support to Municipal Infrastructure Development Program; a water and sanitation project; and the Development Re-

23 Government of Uganda. 2018. “Road map for the implementation of the Comprehensive Refugee Response Framework in Uganda 2018-2020.” <http://crrf.unhcr.org/en/documents/download/131>.

24 Government of Uganda. 2018.

25 Government of Uganda. 2018.

26 IGAD. 2017. “Nairobi Declaration on Somali Refugees.” <https://igad.int/communique/1519-communicue-special-summit-of-the-igad-assembly-of-heads-of-state-and-government-on-durable-solutions-for-somali-refugees>.

27 Government of Uganda and World Bank. 2018. “Regional Operation on Development Response to Displacement Project in the Horn of Africa - Uganda Project.” <http://documents.worldbank.org/curated/en/646141468203679660/pdf/SFG1896-V3-REVISED-RP-P152822-PUBLIC-Disclosed-1-30-2018.pdf>.

sponse to Displacement Impact Project—a regional project that seeks to expand refugee access to social services, economic opportunities and environmental management for refugees and host communities in East Africa. A secondary education project is being considered, and the World Bank is seeking to work on sexual- and gender-based violence. Other primary focus areas include fiscal planning, land tenure (especially in the North), and resettlement.

UN and World Bank officials as well as NGO representatives all have emphasized the need to know more about the context and impact of Uganda’s progressive policies. To this end, the World Bank will help Uganda’s Bureau of Statistics with data improvement, including carrying out a household survey of refugees and hosts, updating data, and conducting a SWIFT system survey.

One clear challenge is the pace of progress. As a development donor, the World Bank moves relatively slow compared to humanitarian response; compounded with a slow-moving legislature, planning around World Bank-funded projects could go on for years. Meanwhile, refugee and host communities will hang in the balance.

Another concern is that the World Bank can easily be drawn into too many projects, trying to be everywhere at once. With new staff arriving to focus specifically on displacement, it is hoped that there will be a more targeted effort to manage relationships, project design and planning, monitoring, and other facets of the new work.

CONCLUSIONS AND RECOMMENDATIONS

The Ugandan government should:

- Encourage greater collaboration between national, district, and local authorities to align their strategies and reduce tensions between them.
- Use the upcoming Government Annual Performance Review monitoring plan to further understand where and how government line ministries can take a greater leadership role on sector-specific refugee issues.
- Simplify the governance structure for the CRRF and ensure the process is aligned with decision-making around World Bank financing.

The World Bank and UNHCR should:

- Develop a clearer and more deliberate process for communication and collaboration with NGOs and humanitarian and development donors to prevent duplication and better share information.
- Ensure that World Bank financing adequately addresses refugees’ unique circumstances and needs. World Bank-financed programs should not just be an expansion of existing programs to refugee populations; programs must be made sensitive to refugees’ experiences.
- Continue to invest in Uganda’s capacity to improve data and statistics related to refugees and host communities.

Other partners:

- NGOs should seek to understand joint priorities and objectives of the government, UNHCR, and the World Bank and determine how best to collaborate toward shared goals.

JORDAN

THE JORDAN COMPACT

As the Syrian crisis enters its seventh year, Jordan is hosting more than 1.2 million Syrian refugees, including more than 650,000 who are registered with UNHCR. The Jordan Compact, agreed to by the government, World Bank, and EU in 2016, was a game-changing approach for how the international community could pursue solutions in protracted displacement contexts and served as the model for the IDA18 financing. The Compact—the result of the 2016 London Donor Conference, and the partnership of Jordan, the European Union, other donor states, the World Bank, the United Nations, NGOs and others—sought to bring opportunity not just to Syrian refugees, but to Jordanian host communities as well.

Enabling self-reliance can lead to more sustainable displacement situations, making refugees less dependent on aid while enabling them to contribute to their local host economies. Recognizing this, the Jordan Compact homed in on the livelihoods component, producing a deal in which Jordan would grant work permits to 200,000 Syrian refugees by 2018, reexamine prohibitive

business regulations, and formalize already-existing refugee-owned businesses, in exchange for up to \$1.8 billion in grants and concessional loans and preferential trade agreements with the EU. The latter included special economic zones (SEZs) in which companies employing a workforce with 15 percent Syrian refugees could qualify for relaxed rules of origin (ROO).

THE JORDAN COMPACT: PROGRESS AND CONTINUED CHALLENGES

The first two years of the Jordan Compact has seen important progress, though slow and uneven. By the start of 2018, just over 83,500 permits had been granted, roughly half of which are active. There are numerous restrictions on the sectors in which Syrians can work and the levels at which they can be employed. Home-based business formalization is not yet an option for Syrian refugees. Jordanian businesses have struggled to access the EU market, despite the favorable trade deal. All the while, unemployment for Jordanians climbed to 18.5 percent by the end of 2017, with youth unemployment at 36 percent.²⁸ The high poverty rate among Syrian refugees—estimated at around 87 percent—indicates they too are not finding decent work.²⁹ The investment climate in Jordan remains prohibitive for many looking to invest, including international companies. For many of its exports, especially apparel, Jordan is not competitive in the European market compared to stronger players like those from Southeast Asia.

Jordan recognized the shortcomings of Compact outputs and has been making incremental policy adaptations to alleviate some barriers, such as expanding the sub-sectors in which Syrians can work. At the same time, there is a recognized need for the EU to amend some of its terms to better facilitate success. In early 2018, Jordan officially requested that the EU consider expanding the geographic coverage of the ROO beyond the SEZs, to include other companies meeting the 15 percent Syrian employee threshold.

28 Middle East Monitor. 2018. <https://www.middleeastmonitor.com/20180301-jordan-unemployment-reaches-18-5-in-last-quarter-of-2017/>. World Bank. <https://data.worldbank.org/indicator/SL.UEM.1524.ZS>.

29 World Bank. 2016. <https://openknowledge.worldbank.org/bitstream/handle/10986/23228/9781464807701.pdf?sequence>.

Following below is an assessment of progress made in Jordan in the second year of the Compact and lessons learned over the past year for tailoring the Compact further: to include what works, to learn from what doesn't, and to ensure progress is achieved to deliver sustainable improvements in the lives of Syrians and Jordanians alike.

Work Permits

The Jordan Compact laid out the goal of issuing 200,000 work permits to Syrian refugees by 2018. With the latest total just over 83,500, the 200,000 mark remains distant even with notable progress made.³⁰ However, 83,500 is the total number of permits issued and renewed over the full two-year period—the total number of active permits is estimated to be closer to 40,000, or less than half. And, even when considering the total, just over 4 percent of work permits have been issued to women, raising important questions around gender equity and women's access to economic empowerment and livelihoods.³¹

Part of the challenge in the work permit context is the limited sectors in which Syrians can legally apply for work. The Jordanian government took positive steps in 2017 with an expanded set of sectors and subsectors in which Syrians could work. However, the sectors overall are still limited, and some of the high-potential and professional sectors, including those for which Syrian refugees are skilled, remain closed to non-Jordanians. Advances by the government with respect to making work permits transferable between different employers in construction and agriculture were likewise a positive development and should be applied across all sectors to build in more protection and agency for Syrian refugees.

Freedom of movement is also a critical barrier to labor market access. While there have been promising policy changes around refugees in camps being able to apply for permits and leave the camp for extended periods for work, certain populations remain restricted. For example, many of the Syrian refugees in Azraq Camp's Village 5 have not been approved by the government to partici-

30 Promise to Practice. 2018. https://reliefweb.int/sites/reliefweb.int/files/resources/Promise%20to%20Practice_Online.pdf.

31 Promise to Practice. 2018.

pate in work permit schemes; and even those who have been approved are still restricted from leaving the camp.

Business Formalization and Entrepreneurship

With the Jordan Compact came a commitment to regularize the existing businesses owned by refugees, and to examine ways toward a more friendly business environment, such as in the context of home-based businesses and enabling Syrian and Jordanian entrepreneurship. This is arguably one of the areas most underestimated in the Compact's design and potential impact, and the area where the least progress has been made. Limited efforts have been made to allow refugees to formalize their home-based businesses, leaving Syrian business owners operating illegally and vulnerable to exploitation when working in the informal economy. More broadly, this also stifles entrepreneurial pursuits and undercuts the potential Syrian and Jordanian contributions of future businesses.

Preventing Syrian refugees from registering home-based businesses has specific implications for women seeking livelihoods opportunities. The small number of women accessing work permits indicates, at least in part, that there are limited job opportunities in the formal sector that meet the skills, preferences, and needs of women. Instead, many Syrian women want to pursue home-based businesses, as it is often a better match with their skills, can mitigate childcare challenges, and can address other cultural elements such as a preference for gender-segregated workspaces.

The gig economy is one promising area for refugee employment that could overcome similar barriers. Gig work—also called on-demand work—allows for flexible work hours, requires a different set of skills, and could allow people to work from home or nearby in the community. However, Jordan's regulations around gig work for refugees are undefined, and there is a lack of clarity around whether a work permit would be required to engage in gig work. Still, there are protection concerns; for instance, gig work is not necessarily accompanied by formal workplace standards and regulations. Gaps in digital literacy and connectivity are further impediments to refugees participating in the gig economy.

The business climate in Jordan remains weak, limiting private sector investment needed to drive new employment opportunities. Local, regional, and international companies could employ refugees and Jordanians, and/or source from refugee-owned or -hiring businesses. Business regulations more conducive to refugee and local entrepreneurship and formal business investment, including by international companies, could open more opportunities.

Special Economic Zones and Relaxed Rules of Origin

The SEZs and relaxed ROO policy are areas where private sector investment was expected to drive job creation and have a positive impact on the Jordanian economy, but incentives have not appeared strong enough to drive demand among importing countries, exporting companies, or refugee job seekers. To qualify for EU market access and the relaxed ROO, companies had to operate in one of 18 SEZs and employ at least 15 percent Syrian refugees within their first year of operation. However, a variety of challenges have surfaced, such as the location of SEZs—the majority of refugees are not living near the SEZs and transportation time and costs are prohibitive. Additionally, the cost is too high for Jordanian businesses to scale-up quality and quantity of production to be competitive in the European market. To date, about 11 companies have qualified for the relaxed ROO and EU market access, and four have successfully exported products to countries including Belgium, Cyprus, Hungary, and Spain.

Recognizing these core issues, Jordan has started to make several adjustments. The Jordanian government also adjusted its policy so that a factory in an SEZ could qualify by production line versus the full factory, meaning a company only has to employ 15 percent Syrian refugees in one production line versus 15 percent of the entire workforce to benefit from the eased trade rules. In early 2018, Jordan formally requested the EU consider expanding geographic coverage of the relaxed ROO to companies employing 15 percent Syrians outside of the SEZs. Extending the relaxed ROO qualifications beyond the SEZs could enable greater refugee employment and allow more Jordanian companies to benefit from the favorable trade agreements and access the EU market.

CONCLUSIONS AND RECOMMENDATIONS

The Jordanian government should:

- Prioritize business formalization and grant refugees the right to own a business.
- Increase the range of sectors in which refugees can work, and make permits transferrable between employers (as seen in construction and agriculture).
- Strengthen workplace protection accountability and regulations.
- Prioritize improving the business climate for Jordanian businesses to formalize.
- Streamline the business investment climate to attract and facilitate more international businesses to move into Jordan.
- Commit to explore the gig economy as a potential avenue for job creation.

The World Bank should:

- Improve reporting transparency on grants and concessional loans, and related programming.

- Utilize the forthcoming joint World Bank-UNHCR data center to drive improved data collection, utilization, transparency, and analysis to improve policies and programming, particularly in any follow-on or renegotiations of the compact.

The EU should:

- Extend the geographic coverage of the relaxed rules of origin eligibility beyond the special economic zones.
- Explore ways to support or otherwise aid Jordanian businesses in scaling up production quantity and quality, to improve competitiveness in the European and regional markets.

Other actors should:

- Drive concerted efforts toward gender inclusion and improvements of women's participation in the formal economy, including through more work permits granted to women and more and better opportunities for women to lead home-based formal businesses.



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