



## Ensuring Strengthened Financing for Action on IDP Solutions: Proposal to establish a Global Fund for Internal Displacement Solutions

### Discussion Paper

#### I. Introduction

This paper has been prepared by the Secretariat of the United Nations Secretary-General's High-Level Panel on Internal Displacement to facilitate discussions and feedback on the potential value of establishing a Global Fund on Internal Displacement Solution. The paper draws on inputs received from a wide range of stakeholders in written submissions, bilateral consultations, research and other information provided to the Panel.

#### II. Context

Consultations with States and other key stakeholders have consistently highlighted the need to increase national ownership and accountability and to create new incentives for States to address internal displacement as part of their national priorities and agendas. To support this goal, the Panel recognizes the need for:

- Country-specific and government-led plans to prevent, respond to and find sustainable solutions to internal displacement;
- Adequate financing and technical knowledge to deliver these plans effectively;
- Solid baselines and M&E frameworks underpinned by comprehensive data and analysis;
- Private sector expertise and resources to drive efficiency and innovation, and act as a partner in facilitating sustainable solutions.

To this end, Panel explored a number of options to strengthen financing for action on internal displacement. These included windows or sub-windows within existing funds, multilateral funding compacts, and dedicated funding from international financial institutions. The Panel has seen that there has been significant progress in recent years with bilateral development donors, UN agencies and IFIs recognizing the strong linkage between internal displacement and poverty reduction and some movement forward in implementing these types of financing approaches. However, as noted throughout the report, progress towards integrating an “IDP lens” in development programming and coordinating investments between humanitarian and development actors around solutions strategies for IDPs has, to date, remained limited.

### III. The Establishment of a Global Fund for Internal Displacement Solutions

In view of the persistent challenges described above, the Panel believes it is necessary to consider dedicated specific resources to improving solutions and medium-long term outcomes for IDPs. Without this intentional focus, IDPs could continue to be left behind and progress toward poverty reduction in many countries affected by displacement will remain elusive. After careful consideration, the Panel is looking at a specific recommendation on the establishment of a dedicated **Global Fund for Internal Displacement Solutions**.

Such a Fund would be built on existing models and be established as a private international entity and a multi-stakeholder initiative aimed at supporting countries affected by internal displacement and willing to demonstrate measurable progress on this issue, with dedicated funding and technical assistance. Such a fund would be anchored in strong contextual analysis, country-driven strategies and mutual accountability between international donors and affected states. Willing governments would work with the Fund to implement specific elements of national solutions strategies aimed at unlocking the most critical challenges preventing solutions for IDPs. It would support country strategies including specific and time-bound objectives. The Fund would follow a structured selection process and set of selection indicators, and require that countries meet specific requirements to qualify for funding and support. Plans would be subjected to independent review processes focused on performance and adherence to internationally recognized norms, standards and best practice.

The facility would not cover all development needs experienced by IDPs, but rather serve as a catalytic injection of funding aimed at dismantling the most critical barriers toward solutions and improved long term outcomes for IDPs. Benefits of this “compact” style approach would include putting countries with a demonstrated interest in prioritizing solutions to displacement in the lead, and the development of mutually owned plans between affected countries and donors to achieve specific objectives in exchange for financing. Possibilities for peer-to-peer learning could also be facilitated through the Fund to encourage the exchange of ideas and lessons from effective reforms and practices among affected states.

Through this initiative, the Fund would be pioneering a shift away from traditional project-based approaches to a more sustainable model where governments lead and implement strategies subjected to independent review processes focused on performance and adherence to internationally recognized norms, standards and best practice. By maximizing the use of domestic and external funding to reach inclusive and sustainable outcomes, the Fund would be an opportunity to scale up evidence-based investments and programming and to accelerate countries’ progress against global targets such as the SDGs, the Sendai Framework on Disaster Risk Reduction, the New Urban Agenda and the Paris Climate Change Agreement.

By becoming a partner to this initiative, countries would access new sources of funding but also technical capacity, knowledge and tools. The Partnership would host, share and disseminate relevant learning resources and become a place for dialogue and peer-to-peer exchanges among partners, experts, practitioners and policymakers. It would provide an additional incentive for States to apply to become a partner by giving their action global visibility and allowing them to become champions of a new approach to resolve internal displacement.

The Fund would aim to better harness existing funding for solutions, as well as mobilize new funding streams as needed, including grants from a dedicated multi-donor trust fund, financing from international development banks and the crowding of additional domestic and external resources. Crucially, the Fund would seek to avoid diverting humanitarian funds and would instead prioritize development funding sources. The Fund would aim to be catalytic and to provide an injection of resources to support national plans led by countries who make solutions to displacement a development priority. As such, the Fund would promote additional investments from a variety of national and international funding sources, including the private sector.

While the Fund would be an independent entity, it would maintain a close relationship with the UN system, particularly in the operational roll-out and implementation of States' national solutions strategies. It would also maintain a close relationship with Multilateral Development Banks, such as the World Bank, to capitalize on its Country Partnership Frameworks and focus on the SDGs. The World Bank's Systematic Country Diagnostics could be a solid basis for problem identification and measuring progress forward.

Establishing a dedicated fund would assist States that are committed to addressing internal displacement with much-needed financial capacity to enable them to do so. It could assist in kickstarting efforts to develop a solutions strategy or integrate IDPs into national development plans in order to ensure IDPs benefit from development finance for solutions. Once these plans and strategies are in place, it could provide the seed funding to assist States and other actors to start their interventions.

#### IV. Discussion questions

- Do you agree that there would be value in establishing a Global Fund on Internal Displacement Solutions, as an independent and privately-run entity?
- What are lessons learned from the establishment and implementation of other Funds, such as the Global Fund to fight Malaria, AIDS and Tuberculosis, Gavi, the Global Partnership for Education, and the Global Financing Facility for Women, Children and Adolescents
- What would be the best Governance models and oversight mechanisms?
- What modalities should be in place for the financing and grants process?
- What is the best way to ensure private sector engagement?

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