

Ana Uzelac, Senior Policy Officer at the Netherlands Ministry of Foreign Affairs

► Transcripts

► Ana

You can leverage funding that is basically offered as a support for refugee hosting to create development dividend for your own citizens and for refugees as well.

► Tom

With the number of refugees, and forced displacement of people, increasing worldwide the support of the international community is vitally important. This is particularly critical as many refugees and other forcibly displaced persons reside in low- and middle-income countries. The PROSPECTS partnership was developed out of recognition of the humanitarian and development challenges facing host countries. The government of the Netherlands invested in an innovative model that brings together expertise from both sides of the table.

So, what inspired this model and what can we expect from donors supporting similar types of work in the future? How does the Netherlands see the added value of joint programming models, and what can be done better? How is the Netherlands leading the way to support the objectives of the ILO's engagement in the response? And what lessons can be drawn from nearly a decade of active engagement by the country in this area?

These are some of the issues we're exploring in this new podcast series "Refugees at work: What are their Prospects?" It's being presented by the ILO's PROSPECTS programme, or "partnership for improving prospects for forcibly displaced persons and host communities."

I'm your host Tom Netter for this series of podcasts. In this episode, we talk to Ana Uzelac, Senior Policy Officer, Forced Displacement and Lead Adviser on the Prospects Partnership at the Ministry of Foreign Affairs in the Netherlands, to get her views on the role of the donor in launching and supporting the PROSPECTS programme.

Anna, welcome to the podcast.

► Ana Uzelac

Thank you for having me. My pleasure.

► Tom

Thank you for joining us. My first question is related to Prospects. Prospects is the Netherlands flagship refugee response program. What is it and how did it come to be?

► Ana Uzelac

That is a long story. And I have to say that some of the roots of how Prospects itself came to be are a little bit lost in the institutional history of the ministry. And a lot of us, I mean, all of us who are currently working with Prospects were not there at this hour of conception, so to say. We have all inherited this program fairly early in its existence, in 2019, 2020, in my case, and then continued to shape it up and in a way that was responsive to the changing context.

Well, maybe the institutional origin story of PROSPECTS is not as interesting as I think its conceptual origin story. Because I think Prospects was one of the first financial instruments created to basically try to respond to the challenges that were presented to all of us in 2015 during the event that I guess we call Mediterranean refugee crisis, when millions of, when a million of plus of Syrian refugees crossed the Mediterranean in the summer of 2015 and created somewhat of a consternation, I think, on the European continent and also signaled in a way the seriousness of challenges that the hosting countries were facing in the region.

It is in a way one of the earliest instruments that responded to a slow but by now I think quite final fundamental paradigm shift that was happening in those years that started in the summer of 2015 but has continued I think up until the Global Refugee Forum, the first Global Refugee Forum in 2019.

And Prospects was, in a way, the Netherlands answer to that changing context and to that paradigm shift. So maybe it's worth thinking, going back a little bit into what the paradigm shift entailed. Professor Zetter has explained that very eloquently in one of the earlier episodes. So, I'm not going to go too much into that.

But I think that for donors, that has meant a realization that we really need to work with not refugees as separate from the context of the hosting countries, but to see refugees as part and parcel of economic, social, political dynamics of their hosting country and also their hosting communities. That displacement is not an abstract, but very geographically concrete event that affects certain communities more than others. And even within a scope of a single country that we would say is affected by displacement, right? And that it also requires tools which we didn't really have at that time.

And I think that Prospects falls into that history of different tools that donors were coming up, to try to respond to that contextual change, or sort of contextual change and our realization of the contextual change, right?

And the World Bank at the time came with the IDA window, sort of one of the versions of what is now called IDA window for host communities and refugees, which is a window under its IDA lending mechanism where countries can borrow at concessional terms for their institutional reforms. And then there is a part of that financial instrument that was specifically dedicated for borrowing, for inclusion of refugees in in host communities. For instance, that was a very, very innovative instrument. I think Germany came with its own development humanitarian tools. And then the Netherlands came with Prospects.

Prospects was basically new in a sense that it meant investing not just humanitarian funding, but investing multi-annual development funding into refugee situations or responding basically to displacement crisis with development tools, not anymore with humanitarian tools, but with development funding, which I think was one of the first instruments of a sort of bilateral donor instrument back in the day.

► Tom

Okay, well, that's very interesting. Can you tell us a bit how the program is organized and is what you were talking about what makes it different from other donor instruments out there?

► Ana Uzelac

So, I think one of the first characteristics when you look at Prospects is, and I apologize for that, it's really size, financial size. Prospects is...it was 500 million the first round and in the second round, it is 800 million Euros project. So, it's a really big chunk of funding that goes into a relatively small number of countries, which is eight countries, and then over a course of four years.

So, it is a multi-annual development instrument, which has all these characteristics of development instruments, right? It's relatively long-term, four years instead of annual humanitarian financing. And it is relatively large an amount of money. So that is, it's a clearly a development instrument, which is something that quite new in refugee responses. So that's its shape on the outside, right? That's the first thing that you notice about this instrument, that it's a different kind of instrument.

The second thing you notice when you look closer is that it has an ambition which goes beyond just funding refugee responses. It's funding them in a very specific way that in our view, we hope, helps cut some inefficiencies and in a way also centers the refugee response around refugees rather than around the institutional interest of the participants in Prospects.

And prospects is a partnership. It is a partnership of the Dutch government and five big UN and IFI institutions, namely UNHCR, UNICEF, ILO, the World Bank and the International Financing Corporation, IFC, sort of member of

the World Bank Group. And that signals that we see these five organizations not as implementers, but as partners and as partners, also in the process of strengthening humanitarian-development nexus, which was mentioned in one of the previous episodes. And in strengthening what in 2016 came to be known as the New Way of Working, namely, the deep cooperation between these five organizations.

And I have personally participated in a lot of refugee responses, been on various sides of the table, and have seen a lot working group functioning, right, where all sorts of international organizations come together and discuss how they're contributing to refugee responses. And it's always ex post facto. And it's always discussing what has happened or what is at best happening at the moment and is never actually an act of joint planning.

Now, Prospects was designed to actually move that conversation one step earlier in the project management cycle and basically encourage the organizations to start planning jointly and then implementing jointly towards some kind of jointly defined outcome. And in that way, it's a paradigm shift within a paradigm shift because we really wanted to encourage very concrete cooperation between these five partners.

And I think that that's another um element of Prospects, which is quite unique. And then we tried, and that is, I think, one of the elements that we're still fine-tuning and still trying to find the best ways to develop is cooperation with the national government. Because in the end, especially development funding is, in a way, always there to support the national governments in basically implementing their own national development plans.

But it used to be given to the governments to use for the benefit of their citizens. And now in Prospects and in other similar instruments, through the multilateral institutions, it's basically offered to the governments in order to do something a little bit more different and difficult, namely to bring the non-citizens, which is to say the refugees, and the citizens together and create added value for both groups.

And that is what is also, I think, quite challenging and also quite innovative and also very exciting about this instrument and about all the other instruments that happened, which is that sort of idea that you can leverage funding that is basically offered as a support for refugee hosting to create development dividend for your own citizens and for refugees as well.

And it's a really a win-win kind of thinking that refugees do not have to be, again, I would quote Professor Zetter, they're not a burden. That sort of trying to really show them in a different light that refugees can actually really, with the funding that the donors are given, that refugee presence can be leveraged towards a joint um development dividend, towards joint programme.

► Tom

Well, this is what I wanted to ask you about the value added. What is the value added for host governments, refugees and members host communities?

► Ana Uzelac

Well, there are so many value added. The value added here, I hope, happens at various levels. So, I mean, first and foremost, right, the main value that we want to add is we want to add quality and dignity to the lives of displaced populations and their host communities.

Acknowledging and understanding that they're both affected by forced displacement. Refugees are the ones who are affected first and probably most profoundly by being forced to flee. But the host communities to which they flee, and there is, as we discussed, geographical element to it, they do tend to stay at least for a short while in geographically limited areas, right? And that their presence really does affect those communities that live there, that suddenly there is more requests for their services, be it water, be it education, be it health services. And that there is also pressure on the markets, pressure on labour market, because refugees will very soon after arriving and sort of going through the first shock, a lot of them will start trying to create livelihoods for themselves, which is a very logical human instinct.

And that basically by offering that funding in this more long-term way, the first benefit that we would like to see, the first value added of that funding that we want to see is that the host communities and the host governments have the time to plan how to, include refugees in their communities, albeit temporarily, in a way that is least

disruptive for that community. And that also creates prospects for refugees in that community. So that is the first added value that we would really like to create with this funding, right. And it is at the very human level.

Now moving towards the more institutional ideas that we had was, okay, let's do that in a way that creates added value for the institutions that are involved, for the five partners, and for the refugee response system as it existed, namely in a way that is consistent with HDP nexus thinking and which encourages organizations to work jointly based on their complementarities rather than sort of creeping into each other's territory.

So that the ILO can work on decent work, which is its mandate, UNHCR can work on refugee protection, UNICEF can work, for instance, on child protection or on water or on education, which is its own its own mandate, and that the World Bank Group can come in with its instruments, which are either affecting broad picture public sector or including private sector in these refugee responses. So that all organizations are actually really like a pieces of a puzzle that fit together rather than overlap.

And in a space where the biggest donor has been basically closed, USAID, and that whole space is now going through incredibly painful and traumatic transformation. But back in the day, that space was a little bit bigger and there has been a lot of overlap and institutions have been trying to kind of check whether they can do each other's work and there was there was lots of competition between organizations and there was lots of blurring of lines, people were stepping out of their mandate, and what we were trying to do is sort of encourage organizations to stay within those mandates. And to basically in that way, and that was our assumption, create efficiency gains. And that we hope that all the transaction costs that go, and those were quite substantial transactions costs, I don't want to prettify that. But all those transaction costs that are sort of the down investment into that partnership can really pay off in relatively short term, within a span of a couple of years, in efficiency gains.

And then finally, what we really hoped to achieve and we're still hoping to achieve is that all this, in conversation with the national governments, could lead to improvement of policy frameworks of refugee hosting in the countries where we're active towards creation of that development dividend so that the education system can actually be up uplifted, that refugees can be included in economy in economic structures of the countries and create added value, raise GDP.

By 2025, it's almost an accepted fact that including refugees in the economic lives of the host communities has positive impact on GDP, right? That there is a macroeconomic evidence base to that claim. That was also our hope that a more economically active, self-reliant refugees who are living and sharing the conditions of their host communities can actually contribute to the improvement of the conditions of those host communities and to after that initial disruptive shock. And nobody really denies, we're not in the business of denying that disruption. On the contrary, we're in the business of acknowledging that disruption, trying to move past it and trying to turn it into a longer-term development gain.

► Tom

Okay, well, in that context, going forward, what role could Prospects and models like Prospects play in responding to forced displacement?

► Ana Uzelac

Thank you for this question. I think we keep on asking ourselves that question quite regularly. What is the legacy that we want to leave? What it is that we want to leave behind? What kind of learning? What kind of knowledge? What? Is there any way in which we can make this change that we created a little bit within our own circle, if we can root that change a little bit deeper in the system itself.

And I mean, sadly, to begin with, I think some of the lessons learned that we have and some of the habits of working together that we have created in an optimistic way, looking towards a sort of a more efficient and more effective refugee responses, etc., is now going to be almost forced upon the system by withdrawal of a substantial amount of funding, right? From the system, by the closure of the USAID. So, in that sense, there will be effectiveness and efficiency gains sort of caused by this trauma.

And we hope that the lessons that we have provided in the six years that we exist can contribute to that, to making that change smoother, to making that sort of that organizations don't have to start from scratch, but that they can basically built on the experiences and the lessons learned and the successes and some less successful elements of our programming so far and of organizational structure so far, right? So, we hope to bring to this place, where the system thinks about how to respond to refugee crisis, a lot of knowledge. A lot of really first-hand experience-based understanding of what makes cooperation in refugee responses work and where that cooperation really brings added value.

And I think that's really one of the most important contributions that we have. And it sounds very vague, I know, lessons learned. But it is really, what we are hoping to see is more than just abstract lessons learned, is actually really change a little bit in the DNA of these organizations, in the way in which they think about operating in this space. And I'm going to go on a limb here and say that we are already seeing some of that change, actually.

And, I think ILO, you're one of the probably organizations that has experienced that change most profoundly of the five partners in the sense that my understanding is that Prospects funding has really created space for the ILO to engage in refugee responses in a way that it has never imagined before, and that was never basically possible before. And that now, ILO is such an organic part of any protracted refugee response in the world, almost, and that we cannot imagine those responses without you. And I still very vividly remember the time when ILO was not present in this space. And that is, for instance, this has been institutionally embedded within the ILO is our understanding and we're very happy to have seen that change so that is quite a profound change, right, and even if that was all we did that would have been already quite something.

But we also see changes in the way that the organizations that are part of Prospects partnership, in different contexts, outside of these eight countries, whenever they sort of here that there is Dutch funding coming, they're, well, should we maybe sit together and propose something jointly, right? That we've had that experience in in other regions. And we were very surprised because they've heard of Prospects and they think like that's simply how the Netherlands funds. Now, that is again great to hear that big UN organizations can actually...the first reflex is to come and sit together and then come to us with a proposal. Now, we hope that that will be the first reflex with every other donor, right? Because it really does take, I mean, we, a single donor does not a system change make.

So, we really hope that other donors can also learn from this and also take some of those lessons learned and also that our experience can also make other donor funding more supportive of Nexus type of programming and joint kind of programming, right? So that is another big contribution that we are hoping Prospects will leave. And that improved institutional policies within the UN and the IFI partners will allow for a better cooperation and most importantly, make the cooperation the first choice rather than last resort.

And I think I've already said that, but we would really like to also, through Prospects, hopefully encourage a closer cooperation between the UN, IFI and the national governments. There has for a very long time been this understanding that humanitarian responses happen in a sort of almost policy vacuum without necessarily close relation with the national government. That's not how you can do development responses. Development responses you do jointly with the national governments. They're not enemies, right? They're not somebody you should fear. They are actually really important and they're part of the solution. And we have also seen that shift. That shift has been not just because of the Prospects. I think that shift has been quite structural. It has happened across the system, and so we cannot claim that as Prospects-only legacy, but that is something to which we hope Prospects has been contributing over the past six years.

And I think another very interesting thing that we hope we can sort of leave behind is better understanding between the international and financial institutions, the Bretton Woods institutions, the World Bank Group, and IMF. Although theoretically the Bretton Woods institutions are part of the UN system, but practically operational models, even financial years, they're not really made to work together.

And we hope through Prospect, we have assisted UN and the sort of IFI, the Bretton Woods institutions, come together and learn about each other and find the places where they can really complement each other and strengthen refugee response. And in the end we also see within the thinking about refugee responses, within individual institutions, we also see that, and that we're very happy to see, some of the conversations that we've had for years within Prospects partnership are now becoming a more common shared sort of intellectual heritage within that space that inclusion is a good end onto itself, that parallel systems, but we know that are not just ineffective, but they're also definitely inefficient and overly expensive, but they're also really bad for human dignity of refugees. And inclusion has that value, which is immaterial and which is extremely important.

And finally, that inclusion has to happen not at some abstract standards, but at the level of the national standards. You cannot request that refugees should be included at the kind of Sphere standards value, which is this humanitarian standards guidebook. But at the value, at the level of the, you know, whatever the host community has. And that is in itself also very good for creating, that can actually contribute to creating social cohesion and social capital, which is again a value unto itself.

► Tom

Well, let me ask you, you mentioned the legacy. Is this what you see basically will be the legacy of Prospects or what would you like to see as the Prospects legacy?

► Ana Uzelac

Well, mean, I think the first legacy that we would, and I'm sure I speak for the whole team and for the ministry, I think that in that sense that the first legacy we would really like to see is the improved lives of refugees in their host communities. That is the most important legacy that we would like to see. Yeah. Better quality, dignified lives and hopefully also better understanding and social capital and social cohesion. And that is, I think, the fundamental wish that we have, that when people think of Prospects, that we will think about millions of people that got registered, that got their legal documentation, hundreds of thousands of children that finished various types of educations. We would like to see refugees who managed to run their businesses because they got access to finance or managed to get decent work and work permits, etc. So, we would like to see that. I mean, that is absolutely the fundamental contribution that we would like to have made once we look once, we look back at this project. The host communities that are uplifted where possible as well.

We would like to leave behind also not just improved policy frameworks for refugee inclusion in the countries where we have been active, that I think we have discussed already, such as more freedom of movement, more economic inclusion, less parallel systems, aid dependence, etc., but also better relation between the national governments and the big institutions and more of an understanding that there should be that cooperation and that refugee responses happen in a very real context of a very real country with a very real government and very real citizens, and that all has to be taken into consideration, that they're not abstract concepts in which we do refugee response, but that they are part and parcel of that response, and that their needs and their fears and the disruption that displacement causes in their lives also needs to be taken into account.

And the improved institutional policies and greater cooperation between the UN and the IFI and all other actors in refugee crisis and would also be something that we would like to see. And donors, of course, more funding that contributes to that, funding that is fit for the purpose of supporting that kind of cooperation moving forward.

► Tom

Okay. You mentioned policies in your response just now. Based on the prospects lessons learned, what policy recommendations would you prioritize to enhance refugee access to sustainable livelihoods and decent work opportunities?

► Ana Uzelac

Depends to whom. I think probably to all of us who are in one way or in another involved in refugee responses, I think the one of the key record policy recommendations is to shape your involvement from thinking and designing your involvement from the point of view of refugees and host communities, to continue to maintain that paradigm. Think from the point of view of that concrete context of that concrete community of that concrete geography in which you are and political geography and political economy that you are engaging with, right? So don't think institutionally from the point of interest of your institution but think from the point of view of the actual people to whom displacement is either happening or whom displacement is affecting in different ways.

And then I think the second big set of policy recommendations would be to the hosting governments and to us who are working with the hosting governments, let's have an open discussion about couple of pillars of every refugee response that are proven over time and in different contexts in the last 10 years to really contribute to minimizing the disruption caused by forced displacement. And that is freedom of movement for refugees, access to labour, avoidance of parallel systems, and inclusion, as I said, at the level of national standards. So not trying to create parallel universe in which refugees have one standard of living and the host community has a different one but actually bringing it together. But really with the stress and freedom of movement and access to labour as fundamental pillars of refugee self-reliance and therefore also minimizing disruption.

Refugees kept in a refugee camp, not allowed to leave refugee camps, etc., will always create a kind of curvature of space-time around that refugee camp, right? They will become this autarchic, completely unsustainable place where people will never be able to fulfil their potentials.

So freedom of movement and letting refugees really choose where they can find their own best equation, sort of economic personal equation, is quite important, but it's also important because it relieves the burden of the hosting communities and doesn't put 100,000 refugees next to a 20,000 strong city and creates disruption to the water provisions or education system in that community. But if you let those 100,000 refugees spread, through the country, move, then that burden, which is not a nice word, but that pressure on the system will diminish. So really almost cannot be, overestimated the importance of freedom of movement, but also access to labour, because access to finance, access to entrepreneurship, access to really exercising economic agency. And that also prevents and I think that's also our experience and ILO's experience, it can never take away um the risk of exploitation, but it can, it can minimize risk of exploitation, which is always there lurking in the background when it comes to refugees working, right?

To us as donors, as a donor group, I would say one of our recommendations would be to adjust funding to policy priorities. If you have certain policy priorities, then your funding instruments need to be fit for purpose of supporting those policy priorities. So, if your priority is Nexus, then instruments also need to be such that institutions actually can really slide between humanitarian and development in way which is responsive to the context. So flexible, multiannual funding instruments that really support Nexus, but also incentivize, I think that's really important, incentivize cooperation between the agencies.

So, create instruments that really incentivize cooperation between various partners and that do not reward fighting for institutional interest, but actually reward cooperation. You can build that into financial instruments. One of our big lessons and policy recommendations when you do that, incentivize cooperation ex ante, not ex post facto. Try to incentivize it at the beginning, before you actually start funding, agree on the rules of the funding and make funding available in a way that incentivizes cooperation between actors.

And I think for me, maybe it is a sort of a weird something to end on, but I think for me, and I think for all of us working on Prospects over different generations of colleagues, one of the biggest lessons we learned and one of the biggest policy recommendations is about the incredible power of operational differences between partners.

And where we thought that the partners may have problems working together because of their mandates, because of some principled issues, etc., we encountered most challenges for cooperation at the level of different project management cycles and differences in fiscal years and differences of budgeting and some very, you would think, mundane things. But actually, those were the ones that even with the best of will, partners had sometimes trouble overcoming. So do not underestimate sort of the power of the operational differences. And again, think about creating instruments and sort of building in flexibility in our own accountability systems that allows for those different operational models to dock next to each other in a in a gentle way and that at an operational level facilitates joint programming.

And I know that this is a very banal thing to end, and we've gone through all these kinds of very big ideas and concepts, but we were always almost touched to see that all these big ideas and concepts sometimes really clash at, oh, what is your fiscal year? Well, my fiscal year is June to June, and that will not work with your fiscal year, which is January to December, right? And so, yeah, that is one of the more unexpected lessons learned and one of the more unexpected recommendations that I have, yeah, take operational differences very seriously.

► Tom

Well, Ana, that was great, and I want to thank you for providing this important donor perspective on the Prospects programme.

► Ana Uzelac

Well, thank you for having me. It has been a real pleasure discussing these things with you and best of luck.

► Tom

Thanks, same to you. That's all we have time for today, but there's more to come in the next episodes. You've been listening to the podcast series, Refugees at Work: What are their Prospects? For more on this go to www.ilo.org/prospects. Meanwhile, thank you for your time.

Contact details

International Labour Organization
Route des Morillons 4
CH-1211 Geneva 22
Switzerland

T: +41 22 799 xxxx
E: xxx@ilo.org