

Global Concessional Financing Facility
Steering Committee Meeting
October 23, 2023, by Video Conference

Key Decisions

- *The Steering Committee approved the proposed amendments to the relevant provisions of the Operations Manual to reference the functions and relationship of the Country Coordination Committees and the Technical Advisory Group, including the flow and sequencing of inputs and decision making within the GCFF governance architecture. The Steering Committee further approve proposed amendments to the Fund-level indicators and corresponding revision to the Progress Report Template.*

Summary of Meeting

1. Introductory Remarks

The co-chairs of the meeting, Ms. **Luz Stella Campillo Hernandez**, Deputy Director of Multilateral and Bilateral Financing, Ministry of Finance, Representative of Colombia, and Mr. **Richard Teuten**, Foreign, Commonwealth & Development Office (FCDO), Representative of the United Kingdom, welcomed all participants to the GCFF Steering Committee (SC). Mr. **Teuten** turned to Ms. **Soukeyna Kane**, Head of the GCFF Coordination Unit & Director, Fragility, Conflict and Violence Group, World Bank for the roll call (**see list at the end**) and introductory remarks.

Ms. **Kane** welcomed participants to the Steering Committee (SC) meeting and then provided an overview of the agenda for the meeting. Ms. **Kane** outlined the accomplishments of the GCFF during the past year. These included allocation of US\$105 million in GCFF grant financing for projects in Costa Rica, Jordan and Moldova which enabled provision of US\$640 million in loans on concessional terms. Ms. **Kane** acknowledged the continued commitment of the Supporting Countries with Japan, Netherlands and the United States contributing US\$123 million during CY 2023. Ms. **Kane** expressed her satisfaction with the successful in-person SC meeting organised in Amman, Jordan and hoped to replicate it with another meeting in the new year. Ms. **Kane** concluded that the rapidly evolving global crisis landscape will result in increased demand for GCFF support. To ensure that the Facility responds to emerging refugee situations, a key priority will be to provide sufficient, predictable, flexible, and scalable financing. Ms. **Kane** noted that another priority will be to strengthen outreach with potential new Supporting Countries, and broadening engagement with regional MDBs. These efforts will be underpinned by a strengthened focus on results, impact and knowledge generated through GCFF support.

2. Item for Presentation/Decision:

Updates on the GCFF governance, results indicators and knowledge/learning workstreams and amendments to the GCFF Operations Manual.

Ms. **Campillo** introduced the presentation/decision item. Ms. **Campillo** noted that based on approval of TORs for the Country Coordination Committees (CCCs) and the Technical Advisory Group (TAG) and endorsement of the Technical Note on Modifications of the Results Framework and Advancement of Learning and Upstream Engagement in the last SC meeting, the Coordination Unit (CU) will present a plan of action on operationalizing the CCCs and TAG, and concomitant amendments to the Operations Manual (OM).

Presentation. Ms. **Campillo** turned to Mr. **Spyridon Demetriou**, Program Manager GCFF, and Ms. Sarah Craig, GCFF Coordination Unit, for a brief presentation. *(Please find copy of presentation in attachment).*

Discussion. Following the presentation Ms. **Campillo** opened the floor for comments and questions.

Germany agreed to the adaptation of the GCFF OM to reflect the changes proposed in the presentation. On the CCCs and TAG Germany stressed the importance of efficient management, workload, flow, and complementarity of the two structures and looked forward to further information from the CU. With respect to the functions of CCCs, discussions on Funding Requests should be aligned to the GCFF priorities with any and all final decisions to be made at the SC. Similarly, the TAG should not create any precedents affecting the decision-making responsibility of the SC.

The United States supported the proposed amendments to the OM and welcomed steps establishing the CCCs and TAG. The United States echoed Germany's position on the advisory role of the TAG and reflected that SC nominate members to the TAG and ensure those representatives are aware of the technical and advisory role of the TAG. In relation to updates on lessons learned and case studies, the United States welcomed the work stream and emphasized its importance to the mission of the GCFF and its partners as well as building the case for sustainable and predictable financing for Benefiting Countries.

The Netherlands endorsed Germany's stance on the TAG and stressed the need for avoiding duplication of work and deliberations in the TAG and SC, by ensuring appropriate nomination and value addition of TAG membership.

The United Kingdom seconded the aforementioned views of the SC members on the CCCs and TAG, while recognising that there may be more than one representative for each member depending on the technical nature of topics and subsequent discussions. The United Kingdom noted that in the event a member sits in both the CCC and TAG, there will be an implicit understanding of the different roles and mandate of each structure. Finally on knowledge learning, the United Kingdom enquired about checks and balances to ensure objectivity in the undertaking of the case studies.

Norway welcomed proposed amendments to the OM and stated that the results and knowledge learning documentation is helpful for reporting purposes on the value addition of the GCFE particularly with regard to Norway's future support to the Facility. Norway appreciated the proposal of piloting the CCC in Jordan as it aligns with its priorities. With regard to TAG membership, Norway asked for clarification on the process for nomination.

Denmark concurred with the proposed amendments to the OM and the process laid out for the coordination structures and knowledge learning.

UNHCR expressed interest in participating in both the CCCs and TAG in their capacity as observers.

The GCFE Coordination Unit thanked the SC for their feedback. With regard to the question on the role of the TAG in relation to the decision-making authority of the SC, the TORs referenced in the presentation are the same ones that were approved by the SC in the July meeting. The TORs state the advisory role of the two coordination structures and do not derogate or substitute the decision-making authority of the SC. Moreover, the proposed language in the OM is consistent with this framing. On nominations to the TAG, the CU will initiate communication with members following the Steering Committee meeting. Finally on the knowledge learning and results, the CU clarified that there would be a peer review of the studies to be conducted in the coming year.

GCFE Legal Counsel Mr. Paul Ezzeddin reiterated the care taken in developing the proposed amendments to the OM which specifically state the advisory roles of the CCCs and TAG and are consistent with the approved TORs.

The United Kingdom clarified that they were referring to a built-in rigour/challenge to the case studies that would add value to the end product and not an independent evaluation.

The GCFE Coordination Unit thanked the United Kingdom for clarification and concurred on the suggestion for the case studies.

Conclusion. Ms. **Campillo** thanked the SC members for the productive discussion. The CU will incorporate the input provided by the SC on flow and complementarity of the coordination structures.

Ms. **Campillo** read the text of the decision.

Decision

The Steering Committee approved the proposed amendments to the relevant provisions of the Operations Manual to reference the functions and relationship of the Country Coordination Committees and the Technical Advisory Group, including the flow and sequencing of inputs and decision making within the GCFE governance architecture. The Steering Committee further approve proposed amendments to the Fund-level indicators and corresponding revision to the Progress Report Template.

3. Item for Presentation/Discussion:

Principles of engagement for dialogue on refugee policy and protection issues in GCFF Benefiting Countries.

Mr. **Teuten** introduced the agenda item. Mr. **Teuten** recalled the discussion in the last meeting on the need for a constructive and principled approach to discussing significant developments affecting refugees in Benefiting Countries, beginning with Lebanon. Mr. **Teuten** noted that based on the discussion, the Coordination Unit (CU) developed a first draft of a proposed approach, which was shared with SC members for the purpose of an initial discussion to lay the foundation for further discussions in the TAG and subsequently the SC.

Presentation. Mr. **Teuten** turned to Mr. **Spyridon Demetriou**, GCFF Coordination Unit for the presentation. *(Please find copy of presentation in attachment).*

Discussion. Following the presentation Mr. **Teuten** opened the floor for comments and questions.

Germany welcomed structured dialogue on refugee issues and opined that the Principles of Engagement note shared by the GCFF CU seems abstract and could do with more colour through illustration of the mechanism involved and the ultimate output of the process to guide future GCFF engagement in a BC.

Denmark (Beirut Embassy) supported the use of the RPPR as a platform for dialogue on refugee issues and proposed that the Technical Note include more clarity on the aim of the engagement, and possible options for future support GCFF to a BC. It was further suggested that potential funding decisions could be delayed for a period of three months plus the duration of the RPPR process until a decision has been made by the GCFF SC.

The Netherlands noted that the aim of the process should not be about stopping or halting support to a BC, but rather constitute part of broader GCFF engagement on policy dialogue to improve the policy and protection environment in a BC. The Netherlands also raised the question about the role and place of a BC in the RPPR process and subsequent discussions in the GCFF which could be sensitive.

The European Commission representative introduced herself as the new member of the SC. The European Commission welcomed the role of the CCCs in the RPPR process and seconded the views of Denmark. The representative further asked if there was any clarity on timelines for a discussion on Lebanon.

Norway thanked the CU for the presentation which provided clarity on the process. Norway noted that there are existing coordination structures in Jordan and Lebanon that can be utilised for GCFF purposes and advised against the creation of additional/parallel platforms.

The United Kingdom observed that there was general agreement on the process and importance of the RPPR, and while the Technical Note provides for a 12- week process, language could be amended to reflect a process of “up to 12-weeks”. Mr. **Teuten** acknowledged that there were a

range of views on the automaticity of suspension of new requests for projects in the event of an RPPR. Mr. **Teuten** proposed that decisions in this regard could be taken on a case-by-case basis by the SC. Summing up, Mr. **Teuten** noted there were requests from the SC for more clarity on the purpose of the process and examples of challenges and opportunities on which the SC can make decisions. There were two further questions on the role of BCs in the dialogue process and how discussions could evolve and lastly the timeline for the finalisation of the Technical Note through the CCCs, TAG and SC leading to an eventual process for Lebanon.

The Coordination Unit thanked the SC for the useful comments and agreed to reflect these points in the Technical Note. With regard to additional structures, it was clarified that all processes, dialogue and structures involved in the refugee policy process will be a function of what already exists in the BCs and no additional/parallel structures will be created or established. On the timelines for an RPPR, the UNHCR would be best placed to inform the meeting of the overall timeframe. On the question of its application to Lebanon, once the Technical Note has been endorsed by the GCFF SC, a next step would be to plan the RRPR.

Ms. **Nabila Assaf**, Coordination Unit noted that the GCFF Operations Manual and RPPR Technical Note contain provisions to facilitate policy dialogue, hence the simplicity of the Note. These provisions do not require the creation of new structures and processes, thus making the engagement efficient and flexible. The current RPPR framework provides an opportunity to examine changing circumstances and is developed in consultation with the BCs, while providing other stakeholders an opportunity to discuss the process at country level. This also enables the SC to assess individual funding requests in relation to the latest analysis of developments in specific BCs. The CU will clarify the points raised by the SC members, but on the whole, it is sensed that the existing provisions provide the means to conduct a positive and constructive dialogue with BCs.

The United Kingdom noted that there was agreement on avoiding new structures/processes, however there should be greater clarity on the ways and means provided for in the RPPR to be reflected in the Technical Note. Additionally, Mr. Teuten noted that discussions in the SC should shape whether any new funding requests should be encouraged or could be considered.

Denmark concurred with the observations of the United Kingdom and Ms. **Assaf** and added that the Technical Note should provide guidance on what the SC is willing to consider and what conditions ought to change in challenging refugee contexts to guide future engagement of the GCFF in the BC(s).

Ms. **Soukeyna Kane, Director FCV, World Bank** observed that discouraging potential funding proposals may have unintended consequences to the positive and constructive dialogue with BCs even during an RPPR.

United Kingdom stressed that in BCs where developments have a significant negative impact on refugee policy and protection, all options should be available to the SC while considering a BC status in the GCFF during the RPPR process.

Conclusion. Mr. **Teuten** thanked the SC members for the productive discussion and noted that there is an agreement on the primacy of the RPPR process, and UNHCR’s confirmation of the 12-weeks’ timeline. The CU is requested to further articulate in the Technical Note, the purpose of the dialogue and calibrations available to the SC with reference to existing provisions in the OM and RPPR Technical Note to avoid any new requirements. Subsequent to revisions in the Note, a technical discussion will be organised in the TAG to be followed by a further discussion in the SC. On the timeline for discussion on Lebanon, this would depend on the finalisation of the Technical Note, with an aspiration to have deliberations early in the new year. With regard to the role of BCs in such a dialogue, their place is integral to the process, however there may be circumstances where discussion(s) may be limited to the Supporting Countries either within the GCFE SC format or outside of it as determined at the time.

4. Item for Discussion

Country and Regional Updates.

Introduction of the agenda item. Ms. **Campillo** introduced the agenda item and noted that this agenda item will provide an update on discussions regarding Egypt and Türkiye’s possible support from the GCFE to be followed by a brief on the refugee situation in Armenia resulting from recent developments in Nagorno-Karabakh.

Ms. **Campillo** updated the meeting on Türkiye and Egypt.

- Ms. **Campillo** noted that discussions with the Government of **Türkiye** resulted in the identification of US\$ 50 million as a base amount to consider GCFE support. However, due to lack of sufficient financing available, the discussion is currently closed.
- With regard to **Egypt**, Ms. **Campillo** informed that the Government of Egypt indicated to both the World Bank (WB) and UNHCR that at present it is not prepared to explore GCFE financing.

Presentations. Ms. **Campillo** then turned to Ms. **Kavita Belani**, UNHCR Representative Armenia for a brief presentation on the refugee situation in Armenia. *(Please find copy of presentation in attachment).*

The presentation was followed by a brief from Ms. **Rolande Simone Pryce**, World Bank Country Director Armenia.

- Ms. **Pryce** thanked the UNHCR for the summary of displacement of people within the South Caucasus region. Ms. **Pryce** added that other than herself, the Country manager for Armenia Ms. **Carolin Geginat** is also present in the meeting.
- Ms. **Pryce** informed that in a short span, Armenia experienced an approximate 3 percent increase of its population. The consensus by national and international observers has been that the Government of Armenia has handled the immediate emergency well and the Armenian population has shown high levels of solidarity: nearly 50% of the displaced are currently housed by relatives and friends. The remaining group has found preliminary housing in shelters provided by Government. The support of bilateral donors has been fast and generous: Bilateral donors and the EU have jointly pledged US\$ 50 million in grant

financing for the emergency response. This money will allow the ICRC and local NGOs to support the displaced during the next 6 months (with food, shelter, clothing, and essential services such as psycho-social support).

- Ms. **Pryce** noted that other than the EUR 15 million pledged by the EU in budget support no grant money is currently destined to support the Government of Armenia's budget in the crisis response. To put this into perspective compared to the needs: the first cash response that Government is currently implementing to provide cash support etc. to the displaced alone amounts to an additional EUR 100 million in spending for the next six months.
- Ms. **Pryce** informed that the government of Armenia has indicated that going forward it will make additional fiscal efforts to ensure the economic and social integration of the displaced, this will require upgrading existing social, health, educational and municipal services to deal with increased demand from the displaced. High priority of the Government is to avoid receiving communities being penalized for their initial generosity through a deterioration of public services. Investments will also be needed to support the displaced in finding housing solutions and run programs that help them integrate into the labor market.
- Ms. **Pryce** noted that the Ministry of Finance is currently revising the budget for 2024 and is working on a first estimate of the mid-term financing needs (next three years). First estimates for the medium-term response run in the order of US\$1 billion (equivalent to 7 percent of Armenia's current GDP).
- Ms. **Pryce** appraised that the WB has engaged with the government on both the immediate and the medium-term response by raising grant resources for psychosocial support through the State and Peace Building support and directing savings from an ongoing operation to purchase some supplies to support the responding institutions. For the medium term, the WB is preparing three projects focused on strengthening resilience of public services which could benefit from GCFF support. These include a budget support operation which will also support Government's emergency response, a health care strengthening project and a water supply and irrigation project.
- Ms. **Pryce** concluded the government of Armenia tasked the WB to help raise GCFF financing. The Government is convinced that GCFF concessionality support will provide significant value in Armenia, by helping defray the fiscal impact of displacement and facilitating a focus on assistance to displaced populations through broader development programs. Ms. **Pryce** thanked the SC for patience hearing and looked forward to any questions from the meeting.

Discussion. Following the presentation Ms. **Campillo** opened the floor for comments and questions.

The Netherlands thanked the WB for an informative brief. To understand the situation better Netherlands enquired whether more refugees were expected from Nagorno-Karabakh, what the status/nationality of the refugees currently is and what is the future of the displaced people in Armenia.

Ms. **Geginat** informed that there maybe a few hundred ethnic Armenians left in Nagorno-Karabakh, the exact figure can be confirmed by UNHCR. With regard to nationality status, the Government of Armenia classifies the people as “forcibly displaced”, however this is an on-going debate. About the future of the displaced people, the WB understands from conversations with the Government that they are keen for the people to stay. So far 3000 people have left Armenia for third country destinations, although the number was expected to be more, there is a sense of fatigue among the people and for the foreseeable future, it is anticipated that the majority of the people will stay in Armenia.

UNHCR updated that on the status of people, the Ministry of Foreign Affairs has designated them as refugees. Currently the law provides for the people to enjoy Temporary Protection which considers them refugees, without determining individual status. The UNHCR is closely working with the Ministry of Interior and Migration and Citizenship Services to expand the notion of Temporary Protection and the necessary legal analysis. In terms of passports/nationalities, some people have Armenian passports, other have travel documents issued by the Government, the latter does not confer nationality. The UNHCR is working with the Government to find legal solution(s) to this issue. Finally on the number of ethnic Armenians in Nagorno-Karabakh, the UNHCR believes there are about 540 throughout the area.

Japan appreciated the informative presentation and briefing. Japan enquired about the size of the potential pipeline of projects and the corresponding timelines so as to inform any possible support that may be considered.

Ms. **Pryce** informed that there are three WB operations in the pipeline. These include a development policy operation, a health care strengthening project and a water supply and irrigation project. The policy operation which has a focus on emergency response has been agreed with the Government and seems fit for GCFF support. The size of the operation is US\$ 100 million. In terms of financing needs, the medium-long terms requirements of the Government are substantial and will require considerable funding. The Government’s medium-term financing will be supported through a WB operation focusing on integration (details of which are being firmed up). This will provide a platform for prioritisation of government efforts for supporting host communities and refugees. The GCFF support will be pivotal for the Government’s development response in helping to secure concessional financing which will enable it to do more and ensure macro-fiscal sustainability.

Ms. **Geginat** noted that in terms of specific financing, based on preliminary consultations with the GCFF CU, the policy operation would require concessional financing in the amount of US\$ 20 million. While the health project is estimated at US\$ 110 million in WB funding and the water operation is being developed.

The Unites States thanked the Co-Chair for updates on Egypt and Türkiye. With reference to the discussion on Armenia, the United States requested the CU to layout next steps and additional information needed to inform a conversation on potential GCFF support for Armenia and the likelihood of sufficient donor resources available. This can be further discussed virtually or in another SC meeting this calendar year.

The Coordination Unit proposed to follow the same procedure that was employed for Moldova and Costa Rica. The CU would revert with a way forward to ascertain if there is sufficient interest in advancing Armenia’s eligibility to the GCFF. This can be done virtually or through an extraordinary meeting of the GCFF SC.

Conclusion. Ms. **Campillo** thanked the SC members for the productive discussion and looked forward to an update from the CU on next steps for Armenia.

5. Item for Presentation

Updates on proposals for GCFF support.

Introduction of the agenda item. Mr. **Teuten** informed the members that due paucity of time, and given the presence of the Colombian Vice-Minister, there may be a deferment of the EBRD presentation for the next meeting later in the year. Mr. **Teuten** apologized to the EBRD team and requested the CU for their view of the proposal.

The Coordination Unit concurred with the proposal of the Co-Chair for deferring the EBRD presentation to the next meeting of the SC.

Ms. **Campillo** noted that the Government of Colombia will make presentations on two proposals for possible support from the GCFF. These proposals are an update on the joint IBRD and IaDB health sector operation and Program to Strengthen Equality and Equity Policies for Women and Diverse Populations in Colombia.

Presentations. Ms. **Campillo** first turned to Mr. **Jaime Hernan Urrego Rodriguez** Vice Minister of Public Health and Service Provision for presentation on the health sector project. Which was followed by Ms. **Clara Valdés** Advisor to Women Free of Violence and Sexual and Reproductive Justice Axis Presidential Counseling for Women's Equality for presentation on the gender equality project. Ms. **Diana Bocarejo** Team Leader in Inter-American Development Bank will also brief the meeting about the project. Ms. **Campillo** noted that the presentation will be made in Spanish with sequential interpretation. *(Please find copies of presentation in attachment).*

Discussion.

Mr. **Teuten** remarked the presentations were very comprehensive and provided a clear assessment of the context, need, and added value of the proposed interventions and rationale for seeking GCFF support.

Following the presentation Mr. **Teuten** opened the floor for comments. With no comments, Mr. **Teuten** thanked Mr. **Jaime Hernan Urrego Rodriguez**, Ms. **Clara Valdés** and Ms. **Diana Bocarejo** for the detailed presentation. Mr. **Teuten** then turned to Mr. **Demetriou** for next steps on this agenda item.

Mr. **Demetriou** informed the meeting that due to a lack of funds in the LAC window, the GCFE is not in a position to provide meaningful concessionality support to either proposal at this time. However, both projects are in the current Funding Plan and do represent a significant funding gap.

6. Conclusion

Mr. **Teuten** noted that agenda items on proposals for GCFE support by the EBRD and rotation of Co-Chairs could not be completed in the meeting and requested the CU to organise a follow-up meeting which would pick-up on items left. Mr. **Teuten** inquired if there were any other information that the SC members may be informed of.

Mr. **Demetriou** apprised the meeting that a GCFE related event will be organised in the upcoming Global Refugee Forum to be held in Geneva in December, and that further details and invitations will be sent to SC members soon.

Mr. **Teuten** thanked the CU for the intervention and looked forward to further information on the GCFE event and next SC meeting.

Ms. **Kane** thanked the SC for a productive meeting and looked forward to the next meeting.

Ms. **Campillo** and Mr. **Teuten** thanked the Steering Committee members for a productive meeting and closed the meeting.

Annex 1: Roll Call – October 23, 2023

Member (for roll call)	
Costa Rica	
Colombia	
Ecuador	
Jordan	
Lebanon	
Moldova	
Canada	
Denmark	
European Commission	
Germany	
Japan	
the Netherlands	
Norway	
United Kingdom	
United States	