

Global Concessional Financing Facility
Steering Committee Meeting
December 11, 2023, by Video Conference

Key Decisions

- *Acknowledging the request from the Government of the Netherlands and the consent of the Trustee to add the Republic of Armenia as a Benefiting Country of the GCFF; Taking into account the assessment of the refugee protection framework in Armenia provided by UNHCR; The Supporting Countries approve the addition of the Republic of Armenia as a Benefiting Country of the GCFF for an initial period of one year as determined by the GCFF Steering Committee in accordance with paragraph 9 of the GCFF Operations Manual*
- *The GCFF Steering Committee invites the EBRD to submit a funding request related to its proposal on the Private Sector Support for Social Cohesion / Advice for Small Businesses Program for Lebanon as an Exceptional Grant Operation. The Steering Committee requests the Coordination Unit to support the EBRD in further revising the proposal to reflect alignment with GCFF eligibility criteria and justification for grant financing. The Steering Committee further directs the Coordination Unit to share the revised proposal for final approval through virtual no-objection basis, following which the Trustee is authorized to set aside, commit, and transfer such funds as available from the Lebanon window. The allocation consists of a US\$2,000,000 Grant Amount to the EBRD as ISA.*
- *The Steering Committee selected by consensus the Netherlands and Moldova to serve as the new co-chairs of the GCFF Steering Committee for a one-year term in accordance with paragraph 50 of the GCFF Operations Manual, with immediate effect. The Netherlands will be represented by Mr. Warner ten Kate, Head of Migration and Displacement Division, Ministry of Foreign Affairs. Moldova will be represented by Mr. Ion GUMENE, Secretary of State, Ministry of Finance.*

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. **Ms. Nabila Assaf**, Head of the GCFF Coordination Unit & Manager, Fragility, Conflict and Violence Group, World Bank for the roll call (**see list at the end**) and introductory remarks.

Ms. **Assaf** welcomed participants to the SC meeting including **H.E Eduard Hakobyan**, Deputy Finance Minister of Armenia, and then provided an overview of the agenda for the meeting. Ms. **Assaf** noted that since the last SC meeting progress has been made in the advancement of the GCFF governance architecture and requested SC members to share their nominations for the Technical Advisory Group (TAG) to ensure its operationalization. Similarly, Ms. **Assaf** informed that the Coordination Unit (CU) approached MOPIC for their consideration and consent of piloting the Country Coordination Committee (CCC) in Jordan. Ms. **Assaf** apprised the meeting about the GCFF event in the Global Refugee Forum (GRF) on December 13 and strongly urged participation of SC members in the event either in person or virtually. Ms. **Assaf** concluded by wishing SC members happy holidays and looked forward to a productive year for the GCFF.

07:40 – 08:20 Item for Decision

Inclusion of Armenia as a GCFF Benefiting Country.

Introduction of the agenda item. Mr. **Teuten** introduced the agenda item, explaining that its provenance was a request from the Government of Armenia dated December 7, 2023, for consideration of inclusion as a GCFF Benefiting Country. This was followed by a letter of support from the Government of the Netherland dated December 7, 2023, requesting the GCFF to consider the same. Mr. **Teuten** also referenced the submission of UNHCR’s Refugee Policy and Protection Review (RPPR) to the SC as an input for the review of Armenia’s request.

Presentation. Mr. **Teuten** then gave the floor to **H.E Eduard Hakobyan**, Deputy Finance Minister of Armenia for an intervention, which was followed by a brief on the RPPR by Ms. **Susanne Klink** UNHCR Europe Bureau Representative.

Deputy Finance Minister of Armenia **H.E Eduard Hakobyan** informed the meeting that more than 100,000 ethnic Armenians have been forcibly displaced from Nagorno-Karabakh and found refuge in Armenia. The influx in the space of a few weeks increased the population of Armenia by 3%. A considerable proportion of the displaced people include vulnerable, with 18% being elderly, 31% children and 9% having disabilities. **H.E Hakobyan** further informed that the Government of Armenia undertook immediate measures to mobilize resources to address the primary needs of the forcibly displaced Armenians and in parallel initiated a series of mid- and long-term state support programs to meet the needs of the newly arrived refugees. These included provision of food and non-food items, temporary shelters and cash-support programs. **H.E Hakobyan** noted that while the Government of Armenia is resolute in supporting and integrating the refugee population, owing to the limited resources, the timely assistance of international development partners and particularly the GCFF would be of great help in ensuring the social and economic integration of over 100,000 individuals in the country and easing pressures on the hosting communities.

Ms. **Susanne Klink** UNHCR Europe Bureau Representative noted that the UNHCR Rapid Initial Assessment of the Protection Framework in Armenia, consists of two parts: (i) Summary Overview of Refugee Situation in Armenia and (ii) Initial Considerations on the Adequacy of the Refugee Protection Framework. On part one, Ms. **Klink** stated that in addition to the overview provided by **H.E Hakobyan** on the refugee situation in Armenia, the UNHCR confirmed that based on its

economic grouping and refugee numerical criteria as spelled out in the GCFF Operations Manual, Armenia, as an upper-middle income IBRD country with a refugee population of 136,000, is eligible to accessing GCFF funding. Ms. **Klink** further informed that on part 2, Armenia has been a State Party to the 1951 Convention relating to the Status of Refugees and the 1967 Protocol relating to the Status of Refugees since 1993 as well as to the core international human rights instruments. Armenia is also party to the 1954 Convention Relating to the Status of Stateless Persons and the 1961 Convention on the Reduction of Statelessness. The standards of the 1951 Convention and 1967 Protocol are implemented through the 2008 Law on Refugees and Asylum (Law No. ՀՕ-211-Ծ). Ms. **Klink** concluded that the UNHCR is satisfied that the account of the protection situation set out in the Rapid Initial Assessment of the Protection Framework in Armenia reflects the current circumstances to the best of its knowledge. Whilst noting that the delivery of protection typically remains work in progress in many refugee situations, UNHCR is of the view that the relevant protection framework is adequate in Armenia for the purpose of the GCFF.

Discussion. Before opening the floor for comments and questions, Mr. **Teuten** requested the Government of the Netherlands as the sponsoring SC member for a statement.

The Netherlands expressed its pleasure in nominating Armenia as a GCFF Benefiting Country. The scale of the refugee crises and the open-door policy of the Government of Armenia make it a strong candidate for GCFF support which the Government of the Netherlands wholeheartedly supports and requests the SC to consider. The Netherlands added that it is contributing € 10 million to the Facility which will go to support future funding requests from Armenia.

The United States thanked the Government of Armenia and the UNHCR for the briefs. The United States supports the candidature of Armenia to the GCFF for a period of 12 months and looks forward to development initiatives from the GCFF Implementation Support Agencies (ISAs) in support of host communities and refugees. The United States added that a prior commitment of US\$5 million will be transferred to the Global Window and depending on the timing and substance of funding requests could potentially be used for Armenia and hoped for support from other SC members to Armenia.

Germany supported the inclusion of Armenia as a GCFF BC. Germany noted that as the GCFF expands, there is need to increase resource mobilization and also consider reviewing and adjusting the Facility's governance structure to meet the growing needs of BCs.

United Kingdom noted that with the contributions announced by the United States and the Netherlands, a sum of US\$15-16 million with the prospect of further funding will be available for Armenia over the duration of 2024. The **United Kingdom** acknowledged Germany's observation on fiscal pressures and the situation in Armenia recognizing that all the possible refugees that could come to Armenia have and that the SC take stock of the situation in Armenia and the funding position at the end of 2024 to determine future support to Armenia.

Japan expressed support for the inclusion of Armenia as a GCFF BC. Japan noted that it was not in a position to announce a specific contribution as the domestic budgetary process is underway, however it looked forward to supporting Armenia in the future particularly in the area of health

and requested the Government to provide a brief on the budgetary situation with regard to refugees. **Japan** also sought clarity on the classification of Armenia as an upper middle-income country.

European Commission echoed other SC members support for the inclusion of Armenia in the GCFF.

H.E Hakobyan thanked the GCFF SC for the positive statements and announcement of financial contributions to support Armenia. **H.E Hakobyan** acknowledged the request of Japan and agreed to provide a summary of the budgetary position along with priorities related to the health sector adding the possibility of combining the IBRD Development Policy Operation (DPO) under development with health initiatives. **H.E Hakobyan** concluded by thanking the SC members and looked forward to GCFF support for Armenia.

United Kingdom inquired about the EBRD, EIB and IBRD, pipelines and confirmation of Armenia's status as an upper middle-income country.

Carolyn Geginat, World Bank Country Manager Armenia informed that there is a robust pipeline of projects covering a range of areas to support host communities and refugees in the health, water sectors, social spending, emergency preparedness etc. These can be shared with the GCFF SC.

GCFF Coordination Unit informed that EBRD and EIB have been informed about Armenia's accession to the GCFF and as with all ISAs will be requested to identify pipeline projects they may have that will be included in the next update to the GCFF Funding Plan. The **GCFF Coordination Unit** acknowledged Armenia's status as an upper middle-income country according to the World Bank's classification.

The United Kingdom noted Norway's written support of Armenia's candidature to the GCFF and also expressed support for Armenia's inclusion as a BC.

Conclusion. Mr. **Teuten** thanked **H.E. Eduard Hakobyan**, Deputy Minister for Finance, Government of Armenia and Ms. **Klink**, Representative of UNHCR for their interventions and thanked members for the productive discussion.

Mr. **Teuten** then turned to Ms. **Jane Mwebi**, World Bank, to provide the trustee's consent to add the Republic of Armenia as a Benefiting Country (BC) of the GCFF.

Ms. **Mwebi** provided the GCFF Trustee's consent for the inclusion of Armenia as a BC in the GCFF.

Mr. **Teuten** read the text of the decision.

Decision.

Acknowledging the request from the Government of the Netherlands and the consent of the Trustee to add the Republic of Armenia as a Benefiting Country of the GCFF; Taking into account the

assessment of the refugee protection framework in Armenia provided by UNHCR; The Supporting Countries approve the addition of the Republic of Armenia as a Benefiting Country of the GCFF for an initial period of one year as determined by the GCFF Steering Committee in accordance with paragraph 9 of the GCFF Operations Manual.

Mr. **Teuten** noted that there is no explicit provision in the GCFF Operations Manual (OM) for providing timebound support to a BC, equally there is nothing to prevent the consideration of a time window for eligibility of an existing or potential BC as is the case for Armenia. Mr. **Teuten** observed that the GCFF SC may wish to reflect on this point for the future and any changes that may be needed in the OM.

08:20 – 08:40 Item for Presentation

Updates on project proposal for GCFF support

Introduction of the agenda item. Ms. **Campillo** introduced the agenda item. Ms. **Campillo** noted that the EBRD proposal on Private Sector Support for Social Cohesion / Advice for Small Businesses Program was first introduced in December 2022 and has since been presented and discussed in subsequent meetings. Ms. **Campillo** informed, the EBRD seeks confirmation from the SC to proceed with the formal submission of the funding request associated with this project.

Presentations. Ms. **Campillo** then turned to Ms. **Huda Saigh**, Associate Director, National Programme Manager, SME Finance & Development in Lebanon for a brief presentation. *(Please find copy of presentation in attachment).*

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

The Netherlands remarked that the proposal seemed fine and inquired if it was possible to combine the intervention with blended finance and concomitant advise.

EBRD noted that under normal circumstances, private sector support would entail advisory services complemented by financing but due to the complex situation in Lebanon, advise to small businesses seems the most appropriate form of support through this proposal at this time. **EBRD** added that negotiations with the Government of Lebanon are being pursued on key institutional reforms that may in the future lead to revival of financial support to various important sectors.

The United States thanked EBRD for the brief and stated its support of the advisory services and its ability to innovate on the ground. **The United States** suggested that when the funding request is made to the GCFF, it would be of interest to understand how the initiative can have a sustainable impact without the on-lending feature and in the absence of financing how can advisory services be of benefit to the private sector. **The United States** concluded by appreciating the focus of the proposal on Lebanon.

The United Kingdom noted that there is considerable value in the proposition, and queried if there are other sources of finance in the absence of EBRD lending that could be used for this program

or is the value of advisory services sufficient. **The United Kingdom** made two other points. A paper was discussed in the previous SC meeting on how to undertake reviews of the refugee policy environment(s) in BCs when warranted and to apply that in the first instance to Lebanon. There were also concerns on GCFF investments for government owned projects, however that does not apply to the EBRD proposal as the focus is on private sector support. Finally, due to limited funding and the focus of the GCFF on concessional financing the SC should be mindful of the precedent setting this proposal and its possible approval may entail. There should be clear value addition of the EBRD proposal for exceptional grant funding in line with GCFF eligibility criteria as contained in the GCFF OM.

EBRD acknowledged the advantages of combining advisory services and financing for supporting the private sector. However, both are separate tools and can serve a useful purpose as experienced in Lebanon during 2019-2021, when there was an uptake in seeking advisory services despite limited financing available.

The Coordination Unit noted that based on the CU's review, the proposal to date is broadly consistent with the eligibility criteria for exceptional grant allocations including the additional criteria that was approved by the SC in 2022.

European Commission acknowledged the important contribution of this proposal in meeting the urgent needs in Lebanon. However, it noted concerns about the context in Lebanon particularly the anti-refugee sentiment, limitations on employment opportunities for Syrian refugees and administrative obstacles to formal employment. The **European Commission** appreciated the focus of the project on sectors employing Syrian refugees and looked forward to a solid methodology for ensuring benefits accrue to refugees. The **European Commission** enquired about the status of follow-up discussions on the refugee policy environment in Lebanon and seconded Germany's observation on optimal use of limited funds.

Denmark expressed support for the proposal and recognized its relevance to refugees and livelihood support in Lebanon considering the general restrictions in place and looked forward to the formal submission of the funding request. **Denmark** echoed the sentiments of other SC members in having a strategic dialogue on the refugee situation in Lebanon.

Germany observed that with limited funding in the GCFF, their preference is to support government and public sector interventions, however granted that in the current situation in Lebanon this proposal merits consideration. **Germany** advised on coordination among the different TAs currently being implemented in Lebanon and suggested that the EBRD proposal include direct benefits to refugees as well as support to women owned businesses. **Germany** also requested for a dialogue on the refugee policy environment in Lebanon.

Norway and **Canada** seconded the comments of other SC members on the EBRD proposal and policy discussions on Lebanon. Norway also asked that questions related to challenges with recipient countries involvement should be regulated in the OM on a general basis and not limited to a country specific context.

The Coordination Unit informed that based on discussions in the last SC meeting, a revised framework for strategic dialogue on significant developments in BCs would be shared with SC members, prior to which there will be a technical level discussion in the TAG which is planned to be operationalized soon. In terms of timelines, the final paper will be presented to the SC in its next meeting in which a decision on undertaking the dialogue on Lebanon will also be made.

Conclusion. Ms. **Campillo** thanked the SC members for the productive discussion.

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

Decision

The GCFF Steering Committee invites the EBRD to submit a funding request related to its proposal on the Private Sector Support for Social Cohesion / Advice for Small Businesses Program for Lebanon as an Exceptional Grant Operation. The Steering Committee requests the Coordination Unit to support the EBRD in further revising the proposal to reflect alignment with GCFF eligibility criteria and justification for grant financing. The Steering Committee further directs the Coordination Unit to share the revised proposal for final approval through virtual no-objection basis, following which the Trustee is authorized to set aside, commit, and transfer such funds as available from the Lebanon window. The allocation consists of a US\$2,000,000 Grant Amount to the EBRD as ISA.

08:40 – 08:55 Item for presentation/discussion

GCFF Updates and Future Agenda Items

Ms. **Campillo** noted that the GCFF-GRF event is planned for December 13 and looked forward to the in-person and virtual participation of SC members. Ms. **Campillo** informed that two Funding Requests were expected from Jordan with the EIB and IBRD as ISAs respectively before the Christmas break and in early January for possible support from the GCFF. Finally, Ms. **Campillo** raised the possibility of organizing an in-person SC meeting in a BC in the new year and turned to Mr. **Spyridon Demetriou**, Program Manager GCFF to provide an update on these points.

Mr. **Demetriou** informed the meeting that the GCFF event will take place on December 13th in the GRF and thanked the Governments of Japan, the Netherlands and the UNHCR for the collaboration and agreeing to Co-sponsor the event. The event will include senior level representatives from Colombia, Jordan, Moldova, Japan, the Netherlands, IMF, UNHCR and will be moderated by the World Bank. Mr. **Demetriou** encouraged SC members to participate and if they wished to make statements of support to the GCFF. Mr. **Demetriou** thanked SC members who have already indicated intentions of making interventions from the floor.

Mr. **Demetriou** noted that two funding requests are expected from Jordan. These include the Jordan Water Security and Climate Adaptation Project with EIB as the ISA. This will be transmitted for virtual review and approval to the SC on 11th December. The other funding request

which is expected by the end of the year is the Digital Governance project with the IBRD as ISA. In both cases an informal information meeting will be organized for the benefit of SC members.

Mr. **Demetriou** also brought up the organization of the next in-person SC meeting tentatively planned for spring of 2024. The Coordination Unit will engage in consultations with SC members for forming a consensus and report back to the SC.

Finally, Mr. **Demetriou** requested SC members to nominate representatives to the TAG. To date one nomination has been received and the CU would like to operationalize the platform in earnest particularly as discussions on the dialogue and policy framework for BCs will be deliberated on in the TAG prior to SC submission.

Following the brief, Ms. **Campillo** thanked Mr. **Demetriou** and closed the agenda item.

08:55 – 09.15 Item for Decision

Rotation of the Co-Chairmanship of the GCFF Steering Committee.

Introduction of the agenda item. Mr. **Teuten** introduced the agenda item. Mr. **Teuten** noted that in accordance with paragraph 50 of the GCFF Operations Manual new Co-Chairs of the GCFF SC will be selected by consensus for a one-year term. Accordingly new Co-Chairs from among the Supporting Countries and Benefiting Countries will be selected by the SC.

Process for Selection. Mr. **Teuten** informed members that consultations were held with the Supporting Countries and Benefiting Countries to identify candidates for the co-chairmanship. The Netherlands and Moldova expressed interest for this year. Mr. **Teuten** noted that no other BC who could be considered based on rotation expressed interest, making Moldova the only candidate.

Mr. **Teuten** then nominated the new Co-Chairs, The Netherlands and Moldova:

- For Netherlands: Mr. **Warner ten Kate**, Head of Migration and Displacement Division, Ministry of Foreign Affairs.
- For Moldova: Mr. **Ion GUMENE**, Secretary of State, Ministry of Finance

Following the nomination Mr. **Teuten** read the text of the decision.

Decision

*The Steering Committee selected by consensus the Netherlands and Moldova to serve as the new co-chairs of the GCFF Steering Committee for a one-year term in accordance with paragraph 50 of the GCFF Operations Manual, with immediate effect. The Netherlands will be represented by Mr. **Warner ten Kate**, Head of Migration and Displacement Division, Ministry of Foreign Affairs. Moldova will be represented by Mr. **Ion GUMENE**, Secretary of State, Ministry of Finance.*

Mr. **Teuten** thanked Ms. **Campillo** for the partnership and great teamwork during the nearly two years of Co-Chairmanship particularly the organization of the SC meeting in Amman and opened the floor for SC members.

SC members thanked the out-going Co-Chairs in unison and acknowledged the great collaboration, leadership and guidance provided by Mr. **Teuten** and Ms. **Campillo**. **SC members** further congratulated and welcomed the in-coming Co-Chairs and looked forward to working with them.

Mr. **Teuten** then turned to the new Co-Chairs respectively to make statements.

Mr. **Ion GUMENE** thanked the SC members for their trust and looked forward to this challenging but interesting role. It is an honor for Moldova to assume the role of Co-Chair along with the Netherlands and will endeavour to work for the benefit of host communities and refugees in all BCs.

Mr. **Warner ten Kate** thanked Mr. **Teuten** and Ms. **Campillo** for their leadership and looked forward to working with the SC members and Mr. **GUMENE** on strengthening the Facility, enhancing resources mobilization and operationalizing the governance structures through the TAG and CCC.

Conclusion. Mr. **Teuten** thanked the SC membership for a productive meeting. He wished all members happy holidays and looked forward to the next meeting to take place in early 2024.

Annex 1: Roll Call – December 11, 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	