

Global Concessional Financing Facility Steering Committee Meeting

March 28, 2024, by Video Conference

Key Decisions

- *The Steering Committee approved the Technical Note on Strengthening Dialogue on Refugee Policy and Protection Priorities in GCFF Benefiting Regions and Countries with the changes agreed during the meeting as an addendum to the GCFF Operations Manual, in accordance with Articles 9 and 47, and aligned to the Framework for the GCFF Refugee Policy and Protection Review. The Steering Committee further tasked the Coordination Unit to prepare a timeline for the reviews, including preparation of country RPPRs, on a two-year timeframe for virtual approval by the Steering Committee.*
- *The Steering Committee agreed to hold the next in-person meeting in Chişinău, Moldova from 3-5 June. The Steering Committee directed the Coordination Unit to organise the meeting including agenda, providing regular updates to the Steering Committee members for timely planning and coordination.*

Summary of Meeting

1. Introductory Remarks

The co-chairs of the meeting, Mr. **Warner ten Kate**, Head of Migration and Displacement Division, Ministry of Foreign Affairs, Representative of the Netherlands, and Mr. **Ion GUMENE**, Secretary of State, Ministry of Finance, Representative of Moldova, welcomed all participants to the GCFF Steering Committee (SC) meeting. Mr. **ten Kate**, turned to Ms. **Soukeyna Kane**, Head of the GCFF Coordination Unit & Director, Fragility, Conflict and Violence Group, World Bank for the roll call and introductory remarks.

Ms. **Kane** welcomed participants to the SC meeting and then provided an overview of the agenda for the meeting. Ms. **Kane** reflected on the accomplishments of 2023 and the generous contributions of the Supporting Countries making timely support to Benefiting Countries (BCs) possible. Ms. **Kane** noted that with the addition of Armenia as a BC and the continuous demand for support from BCs, there is a need to focus on addressing funding gaps and resource mobilisation, strengthen the GCFF governance architecture by operationalizing country coordination structures approved last year, and generating knowledge and lessons learned from GCFF supported initiatives. Ms. **Kane** looked forward to working with SC on these objectives. Ms. **Kane** thanked members of the SC for their active participation and support in several sessions on forced displacement during the recently concluded Fragility Forum. Ms. **Kane** concluded by thanking members for participating and looked forward to a productive meeting.

Item for Presentation/Decision

Update on Policy and Dialogue Framework- refugee policy and protection issues in GCFF Benefiting Countries.

Introduction of the agenda item: Mr. **ten Kate** introduced the presentation/decision item.

Mr. **ten Kate** recalled discussions in the October 2023 meeting on the Technical Note developed by the Coordination Unit (CU) on the need for constructive and principled dialogue and engagement with GCFF Benefiting Countries (BCs) in the context of significant and/or emerging refugee policy and protection developments. Mr. **ten Kate** noted that in light of the discussions and feedback received, the CU further revised the framework in line with the existing GCFF Refugee Policy and Protection Review Framework (RPPR).

Presentation/Brief. Mr. **ten Kate** turned to Mr. **Spyridon Demetriou**, Program Manager GCFF, for a brief presentation. *(Please refer to draft Technical Note in attachment).*

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

UNHCR supported the proposed framework and its intention of advancing policy and protection dialogue in BCs. UNHCR noted that of the seven BCs, Colombia, Ecuador, Jordan, and Lebanon do not have Refugee Policy and Protection Reviews (RPPRs). The UNHCR favors undertaking country reviews on a regional basis every two years, which could translate into conducting two RPPRs this year (2024) for either the LAC or MENA region. In terms of timeline, the current 12 weeks timeframe may not be sufficient for conducting review(s) and this could vary from country to country. The UNHCR will consult with the UNHCR Operations team for a realistic timeframe. UNHCR noted that the RPPR for Jordan is almost ready.

The United Kingdom appreciated the role of UNHCR in the review process. The United Kingdom noted three points for consideration: (i) while supportive of conductive reviews on a rolling regional basis, the UK recommended the option of discussing a specific country in the event of exceptional circumstances, rather than waiting for the 2-year process; (ii) where possible the Country Coordination Committee (CCCs) and Technical Advisory Group (TAG) should be consulted, however in circumstances/BCs where this may not be possible, the review(s) should not be contingent upon engagement with these coordination structures; and (iii) suggested that either the Technical Note or a supplement to the Technical Note provide illustrations of possible calibrations available to the GCFF SC on future engagement with the BC(s) in the event of significant changes. This would be helpful in ensuring constructive engagement with BC(s).

The United States noted its preference for biannual reviews of all BCs which in its views would facilitating integration of regional and global perspectives. This approach may however require an adjustment of the timelines laid out. The United States seconded the United Kingdom for out of cycle reviews or updates for specific BC(s) and the involvement of the CCCs and TAG in the review process, albeit on a non-mandatory basis.

Germany echoed the view of the United States on regional/global perspectives and organising special reviews/updates in the event of extraordinary situations in BC(s). Germany voiced its preference for mandatory engagement of the review process with the CCCs and added the need to focus on the medium-long issues within the scope of the RPPR. Germany further noted that it is important to treat all BCs in a uniform manner without any discrimination, understanding the complexities of hosting refugees in each BC and the challenges that come with it.

The European Commission endorsed the views made by other members of the SC and supported the engagement of the CCCs in the review process. The European Commission enquired if the Lebanon review would take place separately or be included in the process of regional reviews.

Denmark welcomed the framework and supported the engagement of the CCCs in the review process, noting that not all CCCs have the same capacities and dynamics in BCs differ or indeed presence on the ground. Denmark further suggested the use of informal discussions between the UNHCR and donors to support the process. In terms of timelines, there was need for flexibility as some reviews maybe more complex than others. Denmark was inclined to the regional approach allowing for a comparison across countries, at times facing the same refugee crisis. Denmark seconded the suggestion of possible out-of-cycle reviews or updates as needed.

Norway was disposed to the regional reviews conducted every two years with engagement of the CCCs and TAG on a needs basis without adding structures to the existing donor coordination mechanisms.

Japan supported the regional reviews conducted every two years, providing the GCFF SC with a regional and global perspective.

Inter-American Development Bank (IaDB) welcomed the process and expressed its interest in contributing to the RPPRs based on its extensive knowledge base and expertise. IaDB further noted the importance of considering both the policy and protection environments particularly as BCs in the LAC region have adopted special measures for both areas.

UNHCR informed the meeting that it will be able to conduct corresponding BC reviews every two years on a regional alternating basis. With reference to how the reviews assess the short vs medium-long issues, although the UNHCR focuses on the humanitarian aspect, refugee crises are increasingly protracted (five GCFF BCs have protracted refugee crises) and hence UNHCR's increasing attention to medium-long term strategies and partnerships with development organisations and the GCFF.

The Coordination Unit noted that based on the discussions, the Technical Note will be finalized to reflect the consensus suggestions made by the SC members, including the preference for reviews on a regional basis with corresponding country reviews to be conducted every two years, and clarifying the engagement of CCCs while noting that the locus of decision making will be vested in the SC. The Technical Note will also include illustrations of possible calibrations within the GCFF framework to guide the SC in determining future engagement with BCs.

Conclusion. Mr. **ten Kate** thanked the SC members for the productive discussion and summarised the discussion.

- Consensus on organising reviews for all BCs once every 2-years on regional basis, beginning with the MENA region.
- Option for out of turn reviews in exceptional circumstances.
- Inclusion of CCCs where possible to inform discussions at the SC level.
- The CU will incorporate the inputs provided by the SC into the Technical Note and share with the SC.

Mr. **ten Kate** read the text of the decision.

Draft Decision

The Steering Committee approved the Technical Note on Strengthening Dialogue on Refugee Policy and Protection Priorities in GCFF Benefiting Regions and Countries with the changes agreed during the meeting as an addendum to the GCFF Operations Manual, in accordance with Articles 9 and 47, and aligned to the Framework for the GCFF Refugee Policy and Protection Review. The Steering Committee further tasked the Coordination Unit to prepare a timeline for the reviews, including preparation of country RPPRs, on a two-year timeframe for virtual approval by the Steering Committee.

Item for Presentation

GCFF Funding Plan and Pipeline 2024.

Introduction of the agenda item. Mr. **Gumene** introduced the agenda item. Mr. **Gumene** noted that with the start of the new calendar year, an updated Funding Plan for 2024 including country pipelines has been developed by the CU in close coordination with the BCs and Implementation Support Agency (ISAs). The presentation will update SC members on the prioritised development responses of BCs and ISAs for refugees and host communities and spotlight projects expected to be submitted for GCFF financing during CY 2024, while also facilitating GCFF donor decisions on future contributions.

Presentations. Mr. **Gumene** invited Mr. **Demetriou**, Program Manager GCFF, to deliver the presentation. *(Please find copy of presentation in attachment).*

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

Japan noted that there is a stark contrast between the estimated GCFF financing requirements in the Funding Plan and potential funding that could be available this year. It is therefore important to parse and prioritise the Plan on the basis of urgency, necessity and development impact that proposed BC projects may deliver. Japan expressed interest in pledging to the GCFF and wanted to explore the possibility of adjusting the concessionality rate to a lower amount enabling support

to a larger spread of projects. With a potential contribution to the GCFF, Japan would like to see further prioritisation to reflect a more realistic set of priorities. Similarly, in the ECA region, Japan noted the considerable Armenia pipeline and enquired about the previously discussed health project which was not included in the current project list. Japan concluded that its priority areas of support are health, DRM and digitalisation.

The United Kingdom noted its satisfaction with the current concessionality formula and suggested considering the possibility of defining a preferred concessional rate in the Funding Plan for Task Teams to indicate, noting that projects may seek different levels of concessionality depending on the nature of the project (performance based, development policy operations, etc). The United Kingdom further added that in refining the pipelines, the overarching criteria should be a focus on supporting refugees and host communities.

The Coordination Unit informed that the Funding Plan is a work in progress and will be further revised in consultation with the BCs. Not having a line of sight on potential funding that provides a ballpark figure for BCs to base the pipelines on has made the process challenging. The CU further noted that it is encouraging BCs to undertake consultations at the country level which may facilitate a more prioritized pipeline, but in the absence of financing building momentum for establishing the CCCs has not been easy. On the concessionality rate, the CU informed that an indicative flat rate of 17% has been used for planning purposes in the Funding Plan, but each project will have its own rate, calculated on the basis of the GCFF concessionality formula. Regarding the question of revising the concessionality formula, the SC may wish to consider organizing a discussion on this subject at the next GCFF SC meeting. Finally with reference to Armenia, the pipeline shared is the first formal submission of priorities by the government and reflects its current needs.

The World Bank, Armenia Country Office informed that the health project, which aims at providing universal health coverage, was not included in the pipeline as the project will be negotiated with the Government in the first week of April with Board approval expected by end May. If funding for the project can be made available from the GCFF during this time, the project can seek GCFF support.

Japan appreciated the clarifications and will engage with the Executive Director for Japan office in the World Bank to ascertain if support can be provided for the health project.

UNHCR Armenia Office updated the meeting that the RPPR for Armenia has been transmitted to the Ministry of Finance for endorsement with a deadline of 4 April.

Conclusion. Mr. **ten Kate** (Mr. **Gumene** briefly left the meeting on urgent business) thanked the SC members for the productive discussion and requested the CU to further refine the Funding Plan in consultation with BCs and resubmit to the SC by the end of April.

Item for presentation

Inclusion of the Asian Development Bank (ADB) as an additional Implementation Support Agency (ISA) of the GCFF.

Introduction of the agenda item. Mr. **ten Kate** introduced the agenda item. Mr. **ten Kate** noted that GCFF partner MBDs (ISAs) play an important role in supporting BCs facing refugee crises, and bring regional experience and expertise beyond financing, resulting in more holistic support and impact. Mr. **ten Kate** informed that the Government of Armenia has submitted a request for the candidature of the ADB as a GCFF ISA in accordance with paragraph 12 of the GCFF Operations Manual (OM) and the purpose of this agenda item is to agree on the process and timeline for the decision on inclusion of the ADB as an ISA. Mr. **ten Kate** added, that with the endorsement of the Government of Armenia, the ADB has also contributed to the updated Funding Plan-24 presented in the last previous agenda item.

Mr. **ten Kate** turned to H.E **Eduard Hakobyan**, Deputy Finance Minister of Armenia, to present the nomination of the ADB as a GCFF ISA.

H.E **Eduard Hakobyan**, Deputy Finance Minister of Armenia, thanked the SC for considering their request of adding ADB as an ISA. H.E **Hakobyan** noted that the ADB is an important development partner supporting the Government on national development, and increasingly with the integration of refugees which is the motivation behind this request. H.E **Hakobyan** thanked the SC and looked forward to a positive discussion.

Mr. **ten Kate** thanked H.E **Eduard Hakobyan** for the intervention.

Mr. **ten Kate** then requested Mr. **Don Lambert**, Country Director, ADB Armenia Resident Mission Representative to present their credentials as a potential ISA, followed by Mr. **Luke Fochtman**, Deputy Country Director, ADB Armenia Resident Mission Representative for a presentation on the ADB.

Mr. **Lambert** thanked the Deputy Finance Minister of Armenia of their support in nominating the ADB and the SC for providing them an opportunity to present their credentials.

Mr. **Luke Fochtman**, Deputy Country Director, ADB Armenia Resident Mission Representative, made presentation on the ADB. *(Please find copy of presentation in attachment).*

Mr. **ten Kate** thanked the representatives of the ADB for their presentations.

Mr. **ten Kate** then requested Mr. **Demetriou**, Program Manager GCFF on next steps for inclusion of the ADB as an ISA in accordance with the GCFF OM

Mr. **Demetriou** informed that in accordance with Paragraph 12 of the GCFF Operations Manual (OM), the Supporting Countries may determine they are prepared on a consensus basis to approve the candidature of an MDB, subject to consent of the Trustee, as a Designated MDB Entity with

or without an accreditation process. Following this decision, the MDB enters into a Financial Procedure Agreement (FPA) with the Trustee and becomes a GCFF ISA. Mr. Demetriou further noted that based on internal consultations within the World Bank, and ADB's accreditation with other FIFs/Trust Funds in the World Bank, the understanding is that there would not be need for an accreditation process in the event that the Supporting Countries agreed on consensus basis to approved the candidature of the ADB . For additional guidance and confirmation on this point, the CU requested input from the Trustee.

Ms. **Jane Mwebi**, GCFF Trustee, confirmed that the ADB is already a partner with the World Bank in other FIFs managed/administered by the World Bank and has previously undergone the accreditation process in another FIF. If the Supporting Countries agree on consensus basis the candidature of the ADB, the Trustee will consent to the addition of ADB as a GCFF ISA.

Mr. **Demetriou** proposed that following this meeting, the CU will circulate the proposal of inclusion of ADB to the SC for decision on a virtual no-objection basis in line with paragraph 12 of the GCFF OM.

Conclusion. Mr. **ten Kate** thanked members for the productive discussion. Mr. **ten Kate** outlined the next steps for inclusion of the ADB as an ISA. The CU will circulate the proposal of inclusion of ADB to the SC for decision on a virtual no-objection basis in line with paragraph 12 of the GCFF OM. This will be followed by the Trustee's (World Bank) consent and the signature of the Financial Procedures Agreement (FPA) between the ADB and the Trustee.

Item for Presentation

Presentation of the GCFF Progress Report and the Trustee's Report, covering the July-December 2023 period.

Introduction of the agenda item. Mr. **ten Kate** introduced the agenda item. Mr. **ten Kate** noted that the CU will make a presentation on the Progress Report for the reporting period July-December 2023 to be followed by the Trustee (World Bank) providing a financial overview of the Facility.

Presentation of the GCFF Progress Report

Presentation. Mr. **ten Kate** turned Mr. **Demetriou** for a brief presentation. *(Please find copy of presentation in attachment).*

Discussion. Following the presentation. Mr. **ten Kate** opened the floor for comments and questions. SC members had no comments on the progress report.

Presentation of the GCFF Financial Overview

Presentation. Mr. **ten Kate** then turned to Ms. **Mwebi** Trustee for the presentation. *(Please find copy of presentation in attachment).*

Discussion. Following the presentation. Mr. **ten Kate** opened the floor for comments and questions. SC members had no comments on the financial report.

Conclusion. Mr. **ten Kate** thanked Ms. **Mwebi** and Mr. **Demetriou** for the presentations and thanked the SC members for the productive discussion.

Item for Decision

Organisation of in-person GCFF Steering Committee meeting in June 2024

Introduction of the agenda item. Mr. **ten Kate** introduced the agenda item. Mr. **ten Kate** noted that building on the well-attended and successful GCFF Steering Committee meeting in Amman last year, the CU reached out to SC members soliciting their preference for this year's meeting venue from among two options: Bogota, Colombia or Chişinău, Moldova.

Discussion. Mr. **ten Kate** noted that based on responses from SC members *Chişinău, Moldova was chosen for the next SC in-person meeting.*

Mr. **ten Kate** read the text of the decision.

Draft Decision

The Steering Committee agreed to hold the next in-person meeting in Chişinău, Moldova from 3-5 June. The Steering Committee directed the Coordination Unit to organise the meeting including agenda, providing regular updates to the Steering Committee members for timely planning and coordination.

Any other Business/ Closing Remarks by Co-Chairs

Mr. **ten Kate** observed that the current funding gap as highlighted in the Funding Plan risks jeopardising the function of the GCFF. Support to BCs refugee development programs and advancing discussions on refugee policy and protection issues cannot be sustained if there is insufficient financial backing. An important focus for the SC will be resource mobilisation and reaching out to different entities in the Supporting Countries for increased funding to the GCFF.

Mr. **ten Kate** provided an update to the SC regarding discussions on possible support from the GCFF to Egypt. Although there is general agreement on including Egypt as an eligible BC, the

financial resources to match that interest are yet to be identified. The Netherlands has indicated a willingness to contribute \$10 million in the event other Supporting Countries can also contribute. Mr. **ten Kate** informed that a meeting of in-country donors was organised in Cairo by the Embassy of the Netherlands to introduce the GCFF and gauge interest for potential funding. Mr. **ten Kate** noted that the donor countries who are also represented in the SC showed interest and agreed to continue the conversation. The SC will be informed of updates on this matter.

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

Mr. **ten Kate** and Mr. **Gumene** thanked the SC membership for a productive meeting. Mr. **Gumene** welcomed the decision to host the next in-person SC meeting in Chişinău and looked forward to the meeting.