

Global Concessional Financing Facility
Steering Committee Meeting
December 16, 2021, by Video Conference

Key Decisions

- *The Steering Committee endorsed the Technical Note on the GCFF Theory of Change and Results Framework and tasked the Coordination Unit, in consultation with the Trustee and the Implementation Support Agencies, to prepare the necessary draft amendments to the Operations Manual for virtual approval by the Steering Committee before its next meeting. The Steering Committee also decided that the new Results Framework described in the Technical Note shall be applied to funding requests and GCFF progress reports submitted on or after January 1, 2022.*
- *The Steering Committee endorsed the Framework for the GCFF Refugee Policy and Protection Review in accordance with Articles 9 and 47 of the GCFF Operations Manual. The Steering Committee also decided that the Review Framework shall inform decisions on the eligibility of new Benefiting Countries joining the GCFF on or after January 1, 2022.*

Summary of Meeting

1. Introductory Remarks

The two co-chairs of the meeting, Ms. **Karen Cristina Rodriguez Zapata**, Head 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 this virtual GCFF Steering Committee. Mr. Teuten turned to Ms. **Soukeyna Kane**, Director of the Fragility, Conflict and Violence Group, World Bank, for the roll call and introductory remarks, noting the substantial agenda of today's meeting.

Ms. Kane congratulated the Government of Colombia for the approval of the IaDB and World Bank Development Policy Financing operations in support of the Temporary Protection Status policy for Venezuelan migrants. Ms. Kane acknowledged that these are important results but noted that the GCFF SC needs to work together to increase the support the GCFF is providing not only to Colombia, but also to Ecuador and other countries heavily impacted by the migration crisis in the LAC region.

2. Items for Decision

Endorsement of the Technical Note on the GCFF Theory of Change and Results Framework

Ms. Rodriguez gave the floor to **Ms. Nabila Assaf**, Manager, World Bank, to present the Technical Note on the GCFF Theory of Change and Results Framework. Ms. Assaf summarized the Technical Note, mentioning that this will be a useful tool for informing GCFF Steering Committee decisions.

Ms. Rodriguez opened the floor for comments and questions.

During the ensuing discussion, Supporting Countries expressed their appreciation for the initiative and the consultative process that incorporated Supporting Countries' inputs, and welcomed the theory of change and results framework (RF). **Germany** asked the CU to ensure maximum application of the RF by looking into each project proposal to see which indicators may apply. The **US** supported Germany's statement and asked why the document uses the term "sex" rather than "gender", which was used in previous drafts. **Canada** noted that strong commitment will continue to be required by ISAs and BCs. **Norway** thanked the CU for satisfactorily addressing their questions by email ahead of the meeting. **Japan** said that naturalization is one way to support GCFF's goal to improve livelihoods of refugees and host communities. Japan also asked why there are no medium and long-term indicators in the RF, noting that a 3-tier measurement system was introduced in IDA and that there may be an option for the GCFF to do the same, bearing in mind that not all outcomes can be attributed to the GCFF. Japan also expressed its satisfaction with the project level indicators and is looking forward to the review next year. **Sweden** welcomed including the gender perspective and disaggregated data between female and male but asked how to ensure that the gender perspective is kept at the project level. Sweden also asked if the CU had considered to have an environmental perspective and how to assess the environmental impact.

Ms. Assaf explained that the CU has taken a hierarchical approach from short term outputs to longer term outcomes in the Theory of Change, but the actual indicators that the CU will be tracking stop short of the long-term outcomes so that the CU is not reporting on results beyond the scope of the Fund. **Mr. Spyridon Demetriou**, Coordination Unit, WB added that these indicators will be on trial for one year and will then be reviewed, noting that it is important to have indicators that one can aggregate. The annual report will also be used as a vehicle for more qualitative reporting, including on elements of medium-term or longer-term outcomes. **Ms. Sarah Craig**, World Bank, explained that the WB has moved from using the term "gender" to "sex" when referring to data collection and results disaggregation. Right now, the goal was to have a RF that can be used widely across the portfolio, while individual projects will have indicators tailored to the project-level activities.

The UK thanked the CU for the consultations. The UK noted that whilst tackling climate change might not be a primary focus of all projects; it should be the case, however, that all projects should seek to improve the opportunities for women, and this should be reflected in the indicators. More broadly, the rationale for the choice of indicators at country portfolio level remained unclear with the focus on the proportion of the portfolio devoted to specific purposes rather than an any assessment of achievements .. The UK asked if further thought could be given to these.

Ms. Rodriguez thanked the Coordination Unit for the Technical Note and presentation. Based on the Technical Note and the discussion, Ms. Rodriguez tasked the Coordination Unit to prepare the necessary draft amendments to the Operations Manual to implement the proposals contained in the Technical Note. The draft amendments will be submitted to the GCFF Steering Committee for approval at its next meeting. Ms. Rodriguez then read the text of the decision.

Decision: *The Steering Committee endorses the Technical Note on the GCFF Theory of Change and Results Framework and tasks the Coordination Unit, in consultation with the Trustee and the*

Implementation Support Agencies, to prepare the necessary draft amendments to the Operations Manual for virtual approval by the Steering Committee before its next meeting. The Steering Committee also decides that the new Results Framework described in the Technical Note shall be applied to funding requests and GCFE progress reports submitted on or after January 1, 2022.

Endorsement of the Framework on the GCFE Refugee Policy and Protection Review

Ms. Rodriguez gave the floor to **Mr. Johannes Zech, UNHCR**, who presented the Framework on the GCFE Refugee Policy and Protection Review. The framework would apply to two situations: prior to a BC being confirmed as eligible to receive GCFE support, and, at the request of the SC, an update assessment of existing BCs. The format would be similar to the RPRF under IDA, using the same overall approach. The assessment examines four policy dimensions and 17 sub-dimensions, with a focus on both the codification and implementation of policy. The framework also includes two cross sectors: gender and social inclusion. Considerations on the adequacy of the refugee protection framework will be included in an annex to the main assessment report. The assessment report will be made public, with the exception of the annex, which will remain confidential to the SC. It is estimated that producing the assessment would take approximately 12 weeks. **Ms. Assaf** thanked the UNHCR for the excellent collaboration and added that the approach has been tried and tested under IDA.

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

The Netherlands expressed its enthusiasm about this tool being rolled out, noting that freedom of movement is a key issue, and queried whether this is included in the scope of the assessment. *[Nota bene: the issue of freedom of movement is explicitly captured as a sub-theme under the economic opportunities policy dimension of the draft assessment framework]*

The US noted that it is important to periodically look at existing BCs, for example every 1-2 years, in order to obtain a systematic appraisal of any changes. **Japan** welcomed the introduction of the review framework both for existing and candidate BCs, noting that it will increase transparency and accountability. **The UK** asked whether there would be the possibility for the SC to make a request for an assessment out of cycle. **Ms. Assaf** explained that a review can be triggered by a request of a SC member.

Ms. Rodriguez thanked UNHCR for the Review Framework. Based on the Review Framework and the discussion, Ms. Rodriguez noted that as the Review Framework is fully in line with Articles 9 and 47 of the current Operations Manual, no amendments to the latter will be necessary. Ms. Rodriguez then read the text of the decision.

Decision: *The Steering Committee endorses the Framework for the GCFE Refugee Policy and Protection Review in accordance with Articles 9 and 47 of the GCFE Operations Manual. The Steering Committee also decides that the Review Framework shall inform decisions on the eligibility of new Benefiting Countries joining the GCFE on or after January 1, 2022.*

Update on additional measures for the next phase of the GCFE

Ms. Rodriguez gave the floor to **Mr. Demetriou** to provide an update on additional measures for the next phase of the GCFE endorsed by the Steering Committee at its meeting in June 2021. Mr. Demetriou informed the SC that progress is being made on the remaining measures, including on improving the project pipeline and strengthening country level coordination. Based on the approved theory of change and results framework, the CU will develop a communication and outreach strategy, including a revamped website and project dashboard. The CU will provide additional updates to the SC in the first quarter of 2022.

3. Presentations

Presentation by Benefiting Countries of developments related to population displacement, current government priorities and overview of GCFE project pipelines.

Mr. Teuten gave the floor to each benefitting country representative to present the developments in their respective countries and provide an overview of the GCFE funding request pipelines.

[See attached BC presentations]

Ambassador Luis Vayas Valdivieso, Vice Minister of Human Mobility, Ecuador gave a presentation of the situation in Ecuador. Ecuador is the second largest recipient of Venezuelan migrants and refugees, representing 3% of the total population (520,000 in total, with over 250,000 in transit). Over 400,000 Venezuelans received free medical services in 2020; 47,000 students enrolled in the education system in 2020/21; and over 370,000 doses of COVID-19 vaccine have been administered to Venezuelans. The estimated annual fiscal cost of hosting Venezuelans amounts to US\$80 million. The Ambassador announced a new comprehensive regularization process for Venezuelan migrants. A human mobility interoperable registry will be introduced. Once the registry process is underway, Ecuador will start the second extraordinary regularization process, which will grant 2-year visas, renewable one time. The goal is to regularize around 450,000 Venezuelans. Other steps include socio-economic integration and strengthening interinstitutional coordination. Two WB financed projects are being considered for submission to the GCFE in 2022.

Mr. Lucas Gomez, Advisor to the Presidency, Colombia gave a presentation of the situation in Colombia. Colombia hosts 1.8 million Venezuelan migrants and refugees, the largest number in the region. They have shifted their policies from humanitarian assistance to social and economic inclusion. Colombia had to stop looking at the migrants as a population that needs assistance, and start looking at a future with them, as most will probably stay long term or permanently in the country. Colombia is in the process of creating an institutional response to this scenario, which involves coordination with local authorities, cooperation agencies and national government agencies. The main goal is socioeconomic integration and inclusion in areas such as access to education, access to healthcare, household programs, registration in social programs, and stateless prevention. The government is currently implementing projects which will give the migrants access to formal jobs, education, regularize their status, and offer schemes of child and family protection.

Mr. Emad Shanaah, Director-General, Ministry of Planning and International Cooperation, Jordan gave a brief overview of the impact of the refugee crisis on Jordan. While the COVID-19 crisis impacted their economy, the economy is showing signs of gradual recovery. However, the pandemic has amplified unemployment, which rose from 19% pre-pandemic to 25% in the second

quarter of 2021, with over 50% of youth unemployed. Unemployment remains Jordan's biggest challenge. The crisis affects poor and vulnerable disproportionately, including refugees. Mr. Shanaah thanked the GCFF for its support and asked for continued support to Jordan, including possible concessional financing for an Urban Bus Reform project in Irbid and Zarqa currently being prepared with EBRD.

Mr. Georges Marawi, Director-General, Ministry of Finance, Lebanon gave a presentation of the situation in Lebanon, which is hosting more than 1.5 million refugees, including Syrians and refugees from other countries. Mr. Marawi noted that the dire situation in Lebanon, compounded by the COVID-19 crisis and the explosion in the port of Beirut, has increased the proportion of refugees under the poverty line from 55 to 88% over the 2019-2021 period. These challenges risk reversing hard-won developmental gains and increasing tensions between the Lebanese population and the refugees. Mr. Marawi also asked the GCFF SC for continued support to Lebanon, with projects in the areas of COVID-19 vaccine, agriculture, environmental protection and education being considered for submission to the GCFF.

Mr. Teuten invited the SC to ask questions and comment on the presentations.

Germany welcomed the presentations and said that it is looking forward to requests from Ecuador, noting that its policy towards contributions to Ecuador has changed. Germany also asked what are the plans of the CU regarding the Lebanon portfolio and the unused funds that will be returned to the GCFF in case of potential project cancellation. **Mr. Maarawi** explained that any decisions on projects will be communicated to the GCFF CU. **Ms. Mouna Couzi, WB Lebanon** also gave an update on the projects in Lebanon. The funds may be reprogrammed, but there is no final decision yet. **Mr. Demetriou** clarified that with regard to potential project cancellations, any unused GCFF funds would flow back to the GCFF and the corresponding window.

Update on GCFF Financial Status.

Ms. Rodriguez gave the floor to **Ms. Jane Mwebi**, Trustee of the GCFF, to provide the Steering Committee with a detailed update of the financial status of the Facility.¹

Ms. Jane Mwebi, Trustee, presented the financial status of the GCFF FIF, as of November 30, 2021. To date:

- Contributions and outstanding Pledges to the GCFF Trust Fund totaled USD 812.21 million. Of this amount, USD 777.21 million has been deposited as cash into the GCFF Trust Fund.
- The GCFF Steering Committee has approved funding from the GCFF Trust Fund totaling USD 751.95 million to cover Concessionality amounts and ISA Costs, as well as Administrative Budget of the GCFF Coordination Unit and Trustee.
- The GCFF Trust Fund has earned investment income of approximately USD 23.79 million on the liquid balances in the GCFF Trust Fund and investment income received from Implementation Support Agencies (ISA).
- Cumulative cash transfers amount to USD 711.42 million.
- Funds Held in Trust amount to USD 89.58 million. Funds Held in Trust reflect contributions paid-in from Supporting Countries, plus investment income, less cash transfers.
- Funds available to support GCFF funding decisions amount to USD 49.05 million.

¹ As of November 30, 2021, there was \$1.2 million in the Global Window, \$46.95 million in the Lebanon/Jordan Window, \$0.1 million in the Jordan Window and \$0.8 million in the Lebanon Window. This amounts to a total of \$49.05 million of available funds.

4. Discussion - GCFF Forward Agenda for 2022

Mr. Teuten introduced the final discussion item, noting that the next phase of the GCFF (covering 2022-2026) will begin in January.

Mr. Teuten proposed a first set of priorities for the 2022 GCFF Forward Agenda for consideration and discussion by Steering Committee members:

- Identification of priority areas, countries and funding needs for 2022 and development of a GCFF funding strategy.
- Organization of the next meeting of the GCFF SC in Q1 of 2022, with a focus on project pipeline and OM amendments, as well as a possible high level GCFF meeting, potentially on the margins of the WB/IMF Spring Meetings.
- Invitation to potential BCs and SCs to join GCFF as observers.
- Organization of a first annual workshop to present and discuss international best practice on refugee policies; lessons learned on development approaches to displacement; and take stock of current refugee crises and entry points for GCFF engagement.

Mr. Teuten opened the floor for discussion.

Canada expressed its support for increasing the visibility of the GCFF, including through inviting additional countries as observers and organizing GCFF side events. Canada encouraged earlier line of sight on project proposals and proposed re-examining the ‘first served’ approach to their financing in the preparation of the Funding Strategy. **The US** noted that raising the profile and lessons learned from the GCFF is a good idea for next year. This could be considered for the Spring Meetings. The US would also welcome an in-person or hybrid SC meeting. **Norway** announced that they would contribute NOK 100 million/USD 11 million in 2021.

Ms. Assaf thanked the SC for their suggestions, noting that they will strengthen the GCFF and raise the level of ambition and reach of the GCFF.

Based on the discussion, **Mr. Teuten** summarized the following decisions with respect to the 2022 GCFF forward agenda:

- The CU will develop a GCFF Funding Strategy, and SC members are encouraged to volunteer to champion this process. The CU will report on progress in the preparation of the Strategy the next regular meeting of the GCFF Steering Committee;
- The next regular meeting of the GCFF Steering Committee will be held in March 2022;
- A high-level meeting of the GCFF will be organized, ideally on the margins of the WB/IMF Spring Meetings;
- The CU will propose a process for inviting potential BCs and SCs to participate in SC meetings as observers, to be discussed at the next SC meeting.
- The CU will develop a proposal for a GCFF practice/knowledge event in 2022, to be discussed at the next SC meeting, considering the relative merits of a bespoke event and piggy-backing on to a wider event.

5. Closing Remarks

Mr. Teuten and Ms. Rodriguez thanked the SC membership for a productive meeting. They summarized the decision items of the meeting and the next step and referenced the next virtual Steering Committee meeting, tentatively to take place in March 2022 as well as a high-level SC meeting on the margins of the Spring Meetings.