

Global Concessional Financing Facility
Steering Committee Meeting
December 16, 2022, by Video Conference

Key Decisions

- *Acknowledging the request from the Government of the United States and the consent of the Trustee to add the Republic of Costa Rica as a benefiting country of the GCFF; The Supporting Countries approve the addition of the Republic of Costa Rica as a benefiting country of the GCFF in accordance with paragraph 9 of the GCFF Operations Manual.*

Summary of Meeting

1. Introductory Remarks

The two 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, including the Finance Minister of Costa Rica, **Mr. Nogui Acosta Jaen**, and the Foreign Affairs Minister, **Mr. Arnoldo Andre Tinoco**.

Ms. Soukeyna Kane, Director of the Fragility, Conflict and Violence Group, World Bank, welcomed participants to the meeting including the Finance Minister of Costa Rica, **Mr. Nogui Acosta Jaen**, and the Foreign Affairs Minister, **Mr. Arnoldo Andre Tinoco**. Ms. Kane then provided an overview of the agenda for the meeting. Ms. Kane reflected on the accomplishments of the GCFF during the past year. Despite challenges, the GCFF continued its support to existing Benefiting Countries and concomitantly responded to the Ukraine refugee crisis by admitting Moldova and approving a first funding allocation in record time. Ms. Kane expressed her appreciation for the collaboration and strong support of UNHCR and RPPRs undertaken for Costa Rica and Moldova. Ms. Kane also highlighted the GCFF'S pivot to tangible results and reporting framework which is resulting in targeted interventions. In closing, Ms. Kane was mindful of the demand versus resources availability gap but remained optimistic given the continued strong engagement and backing of Supporting Countries, ISAs and Benefiting countries. She thanked Committee members for their continued support.

2. Item for Decision

Inclusion of the Republic of Costa Rica as a GCFF Benefiting Country

Mr. Teuten introduced the decision item, explaining that its provenance was a request from the Government of Costa Rica dated July 27, 2022, for consideration of inclusion as a GCFF Benefiting Country. This was followed by a letter of support from the United States on August 26 for a decision by the Steering Committee on the same. Mr. Teuten also referenced the submission of UNHCR's Refugee Policy and Protection Review to the Steering Committee as an input for the

review of Costa Rica's request. Mr. Teuten then gave the floor to **Mr. Nogui Acosta Jaen, Minister of Finance of the Republic of Costa Rica** for a brief presentation, followed by **Mr. Arnoldo Andre Tinoco, Minister of Foreign Affairs of the Republic of Costa Rica**.

Mr. Nogui Acosta Jaen provided an overview of the adverse ramifications the global pandemic has had on Costa Rica and its economy. This situation Mr. Nogui Acosta Jaen explained has been further exacerbated by the inflow of migrants and asylum seekers from Cuba, Nicaragua and Venezuela. This has burdened infrastructure and public services to a breaking point, and international assistance is required if Costa Rica is to continue providing shelter and assistance to migrants and asylum seekers.

Mr. Arnoldo Andre Tinoco, Minister of Foreign Affairs of the Republic of Costa Rica emphasized Costa Rica's historical support and respect for migrants and asylum seekers. According to the country's records, more than 10% of the total population are migrants (about 500,000 people). Unofficially this number is about 1 million (20% of the population). The flow of migrants leaving Panama has increased by 158% (85% are Venezuelans). It has gone from 200-300 daily to 3,500 or more in September-October 2022. The needs associated with the migrants range from access to accommodation, medical assistance and provision of security. The majority live in poverty placing an unprecedented demand on the country's institutions which has limited the Government's ability to respond. Mr. Arnoldo Andre Tinoco went on to say that despite the over burdening of resources, the Government is adamant in continuing its role as a regional leader in assisting migrants in partnership with international organizations. This is evidenced by the two recent presidential decrees that guarantee a framework of response and protection for refugee and asylum-seeking population, differentiating economic migrants and those who require special treatment. Mr. Arnoldo Andre Tinoco called for global solidarity and support from international organizations particularly in the following three areas:

- 1) Strengthened migration staff to expediate processing of more than 200,000 pending asylum cases.
- 2) Provision of adequate infrastructure to migrants by modernizing and improving existing shelters, temporary migrant reception centers and public spaces to enhance social cohesion between host and migrant communities.
- 3) Technical assistance for the preparation and implementation of the national migration policy and strategy, including improvement of data systems.

On this last point, Mr. Arnoldo Andre Tinoco maintained Costa Rica has an established process of coordination and inter-institutional dialogue in the Comprehensive Regional Framework for Protection and Solutions (MIRPS), which seeks to meet the needs of displaced persons, refugees and asylum seekers in the region. In conclusion Mr. Arnoldo Andre Tinoco called for global solidarity to enable Costa Rica to continue its leading role in providing reception, protection and refuge for migrants.

Mr. Teuten, next provided the floor to **Mr. Milton Moreno, Representative of UNHCR for Costa Rica** to provide further information on Costa Rica's nomination. **Mr. Milton Moreno** provided a brief presentation on the Refugee Policy and Protection Review (RPPR) (**Please find attached the presentation delivered**).

Following the briefs and presentation, **Mr. Teuten** opened the floor for questions and comments:

The United States thanked the representatives of the Government of Costa Rica for their statements to the Steering Committee and the UNHCR for their presentation. The United States recognized and appreciated the role of Costa Rica in hosting refugees. The United States was pleased to support the inclusion of Costa Rica as a Benefiting Country in the GCFF and also expressed hope that the Decrees of December 1 will be implemented in a manner that is in keeping with national asylum laws and policies.

As no more questions/comments were asked, **Mr. Teuten** thanked the Government of Costa Rica and the UNHCR, noting that a strong case has been made in favor of Costa Rica. The role of Costa Rica in supporting migrants and asylum seekers was appreciated and its inclusion supported. **Mr. Teuten** requested **Ms. Jane Mwebi, World Bank**, to provide the trustee's consent to add the Republic of Costa Rica as a benefiting country of the GCFF.

Ms. Jane Mwebi, World Bank, provide the GCFF Trustee's consent for the inclusion of Costa Rica as a Benefiting Country in the GCFF.

Decision

Based on this accord, **the following decision was adopted:**

Acknowledging the request from the Government of the United States and the consent of the Trustee to add the Republic of Costa Rica as a benefiting country of the GCFF;

Taking into account the assessment of the refugee protection framework in Costa Rica provided by UNHCR;

The Supporting Countries approve the addition of the Republic of Costa Rica as a benefiting country of the GCFF in accordance with paragraph 9 of the GCFF Operations Manual.

Mr. Teuten congratulated the Government of Costa Rica on joining the GCFF and requested the **Mr. Arnaldo Andre Tinoco, Minister of Foreign Affairs of the Republic of Costa Rica** to share any final words.

Mr. Arnaldo Andre Tinoco, Minister of Foreign Affairs of the Republic of Costa Rica, expressed their gratitude, noting that the Government of Costa Rica looks forward to working with the GCFF.

3. Item for Presentation

World Bank and IaDB Engagement in Costa Rica

Ms. Campillo introduced this agenda item. Ms. Campillo noted that the WB and IaDB are closely working together in partnership with the Government of Costa Rica on its development agenda, and issues related to the inclusion of migrants, refugees and host communities. To further explain this collaboration Ms. Campillo, invited **Ms. Anna Wallenstein, Regional Director of Sustainable Development, World Bank** to make a brief presentation followed by **Mr. Joaquim Tres, Migration Unit, IaDB**.

Ms. Anna Wallenstein, Regional Director of Sustainable Development, World Bank, informed the Steering Committee about the WB Costa Rica Climate Resilient Infrastructure and Territorial Development Project. The project responds to growing needs to improve access and quality of infrastructure in regions where there is a historical deficit in investments and compounding social and physical vulnerabilities of marginalized and disadvantaged populations, including refugees and host communities. The project will finance reconstruction and recovery of critical infrastructure damaged in recent disasters, including those by climate-related hazards, as well as infrastructure and services for the prevention of future risks that come to fill historical gaps in public investment in the country. Ms. Anna Wallenstein added that the project aims at long-term resilience, and improvement in the National Risk Management System. The project's main benefits include (i) increased access to climate and disaster resilient infrastructure (mainly flood protection, roads, bridges, and shelters); (ii) increased access to early warning, preparedness, and response services; (iii) territories with improved livability, sustainability, and/or management; and (iv) reduced territorial inequalities and increased social inclusion of vulnerable groups, including refugees and asylum seekers. In line with the GCFF Results Framework, the project's intervention aims to support refugees and host communities as part of the targeted vulnerable populations.

Mr. Joaquim Tres, Migration Unit, IaDB, appreciated Costa Rica's timely application to the GCFF, pointing out the acute impact of migration on the country and the need for a coordinated response. He informed the Steering Committee that IaDB is committed to support countries in the region facing migration issues. A major step in this direction is the recent approval by the Board of Governors in renewing the IaDB's Grant Facility of USD 100 M with investment loans. Mr. Joaquim Tres further noted that IaDB's support for LAC countries ranges from documentation and registration; to basic and social services; economic opportunities with a differential focus on gender and diversity, and institutional strengthening with a regional perspective. Currently the IaDB is supporting Costa Rica with a USD 20 M grant that will expand prevention services, improve infrastructure and support integration. It will also strengthen institutional capacity of the Migration Agency. Mr. Joaquim Tres also briefed the meeting about the collaboration with the WB to ensure complementarity and avoid duplication, as practiced in Colombia and Ecuador, including the use of GCFF resources. Mr. Joaquim Tres concluded that IaDB is committed to supporting Costa Rica integrate immigrants and refugees to make a positive contribution to Costa Rica's development and contribute to the well-being of migrants, refugees and their families back home.

To complement Ms. Anna Wallenstein, Regional Director of Sustainable Development, World Bank, **Ms. Ana. I. Aguilera, World Bank** described the WB intervention as benefiting 193,054 migrants/asylum seekers largely in the peripheral areas of the country. These represent 50% of the total migrants/asylum seekers living in vulnerable conditions in the Costa Rica. This support is part of a broader strategy aligned with the GCFF priorities and in concert with other partners.

At the conclusion of presentations by the WB and IaDB, **Ms. Campillo**, opened the floor for any questions. No questions were asked. Ms. Campillo thanked the representatives of WB and IaDB and ended the agenda item.

4. Item for Presentation

Presentation by the EBRD on the Advice for Small Businesses Program in Jordan and Lebanon

Mr. Teuten introduced the agenda item. Mr. Teuten noted that the EBRD requested an opportunity to brief the Steering Committee about their interest in broadening the scope of GCFF financing to support private sector initiatives that benefit refugees and host communities. In this context, the EBRD will make a presentation on the Advice for Small Businesses (ASB) program in Jordan and Lebanon, and the key features of a new Private Sector Support for Social Cohesion program. Mr. Teuten also noted that the EBRD seeks Steering Committee members' views on potential interest in supporting this initiative through the GCFF.

Mr. Teuten requested the representatives of EBRD **Ms. Huda Saigh** and **Mr. Khaled Alsaheb** to deliver the presentation.

Ms. Huda Saigh, Mr. Khaled Alsaheb and **Mr. Khalil Dinguizli** made a brief presentation on the Advice for Small Businesses (ASB) program. **(Please find attached the presentation delivered)**

Following the presentations, **Mr. Teuten** opened the floor for questions and comments.

Denmark while in favor of supporting private sector and government agencies responding to refugee issues, posed a number of questions. Namely (i) why is this proposal being forwarded at this stage? (ii) what is the value addition of GCFF supporting a long running program and finally (iii) how does this program fit into the overall GCFF portfolio?

Germany inquired about the coordination mechanisms in Lebanon and Jordan and how to ensure complementarity with other partners on the ground.

The United States expressed its strong support for the program having seen the results on ground. However, it also echoed Denmark's queries on the rationale for GCFF support, value addition and timing of request to the GCFF.

Mr. Nobert Fiess, World Bank, pointed out two issues with the program in Lebanon. (i) Due to a perception of cumbersome processes related to obtaining/granting work permits there is a lag in uptake by potential beneficiaries and (ii) there is growing sensitivity among Lebanese over support to Syrian refugees in the current economic crisis.

Norway appreciated the documentation of the ASB program. It sought further clarifications on the coordination of the ASB program in Lebanon and Jordan with other donor supported programs,

how any potential support to the ASB program might impact the funding model of the GCFE and what could be realistic results of supporting Lebanon considering the realities in the country.

Ms. Nabila Assaf, World Bank, acknowledged the useful points from the discussion and noted the strong results demonstrated by EBRD's advisory services through the ASB program. She noted there have been previous experiences and operations where this mode of intervention has been included in GCFE projects, particularly in Jordan. She pointed out that the differentiating aspect of the EBRD proposal for consideration under the GCFE private sector modality is not in the nature of activities but rather in the modality of operations by engaging directly with the private sector with financing through a grant, rather than through a concessional loan through the government, hence the rationale would need to be considered in this light, while also being clear on benefits to refugees in line with the GCFE results framework. Ms. Assaf went on to note that there are limited avenues of support through government mechanisms in the prevailing milieu in Lebanon.

EBRD thanked the Steering Committee members for the valuable feedback. In response to the questions posed, **Ms. Huda** explained that although EBRD has been working in the region for the past 20 years, focus on the private sector (employing Syrian refugees or Syrian run businesses) and heavily affected areas is a nascent program. This program centers on areas where Syrian refugees can work (agriculture, environment etc). The design of the program factors in sensitivities in Lebanon through a focus on promoting social cohesion. Ms. Huda further clarified that coordination with other IFIs and donors is part and parcel of the program.

Mr. Khaled Alsaheb reaffirmed Ms. Huda's statement and informed the Steering Committee that the program in Jordan has been running for the past ten years targeting host communities and refugees. Implementation is done through local NGOs hence there is reach and support at the community level.

Mr. Teuten raised the issue of GCFE's grant vs concessional financing proposition and not wanting to set any unwelcome precedents when assessing requests for GCFE support.

Concluding **Mr. Teuten** stated that sufficient interest was generated through the presentation of this item by taking into account the points raised for EBRD to come back to the Steering Committee with a more detailed proposal. The GCFE Coordination Unit will liaise with the EBRD to facilitate this and also provide its reflections on the appropriate funding modality and implications for the GCFE focus on concessional support. Mr. Teuten thanked the EBRD and closed the agenda item.

5. Item for Presentation

Follow-up to the October 31 Steering Committee meeting

Ms. Campillo introduced the agenda item. Ms. Campillo recalled that the Steering Committee in its meeting of October 31 endorsed the recommendations of the Funding Plan relating to GCFE fund management and governance, and also requested the Coordination Unit to reach out to other development partners to gauge potential interest in the GCFE. For an update Ms. Campillo turned to **the GCFE Trustee, Ms. Jane Mwebi**, followed by **Mr. Spyros Demetriou, GCFE Coordination Unit**.

Ms. Jane Mwebi, the GCFF Trustee, informed the Steering Committee about the reconfiguration of the window structure. The revised architecture has six windows; Regional windows for (i) Latin America, (ii) East and Central Europe; (iii) Existing Lebanon/Jordan window renamed as the Middle East and North Africa window; and (iv) Global Window (v) Jordan, and (vi) Lebanon windows respectively. Ms. Jane Mwebi also stated that the windows are being created in the World Bank System and will be ready to receive contributions beginning January 2023.

Mr. Spyros Demetriou, GCFF Coordination Unit provided an update on the development of terms of reference for the proposed GCFF Technical Advisory Group and National GCFF coordination structures, noting that these are currently being prepared with drafts to be circulated for discussion in early 2023. Additionally, the CU has reached out to France, Switzerland and Spain to ascertain their interest in joining the GCFF or be associated as observers. Iceland, Finland and Italy have also been approached by the CU. Mr. Spyros Demetriou kindly requested the Steering Committee members to use their good offices in connecting directly with other potential member countries. Mr. Spyros Demetriou also requested the Steering Committee members assistance in completing the stakeholder survey on the GCFF's role and its value added. The feedback received will feed into the new Fund results framework and the Annual Report, making it more impact-and results-oriented.

Ms. Campillo opened the floor for comments and questions. With no queries, Ms. Campillo thanked the GCFF Trustee and Coordination Unit for their updates and closed the item for presentation.

6. Organization of in-person GCFF Steering Committee meeting in 2023

Mr. Teuten introduced the agenda item. Mr. Teuten recalled that several Steering Committee members indicated interest in organizing an in-person meeting of the GCFF Steering Committee in early 2023, potentially being organized in one of the Benefiting Countries to provide members an opportunity to review at first hand the implementation of GCFF-supported initiatives. Mr. Teuten noted that Colombia has expressed its interest in hosting such a meeting, which could take place in the late spring / early summer of 2023.

Mr. Teuten then invited Steering Committee members to provide their suggestions and comments on the subject.

The United States welcomed the idea of an in-person meeting and suggested if there is any scheduling issue perhaps a meeting on the sidelines/margins of other meetings can be organised.

Norway supported the proposal and expressed its interest in a field visit especially to Lebanon or Jordan. Hybrid meetings can continue. Donors and those agencies in the field should also visit the Benefiting Countries to see firsthand the work of GCFF.

Summarizing **Mr. Teuten** stated that field offices of Donors can complement but not substitute Steering Committee members visits to the field. Mr. Teuten proposed three options for organising an in-person meeting: (i) sidelines of WB Spring meetings, (ii) Lebanon/Jordan and (iii) Colombia.

Mr. Spyros Demetriou, GCFF Coordination Unit, offered to canvass the Steering Committee members individually and revert to the Steering Committee with a consensus decision

Mr. Teuten, asked the members if there were any other options that could be considered. No responses were received and Mr. Teuten summarized the agreed points and closed the agenda item.

7. Closing Remarks

Mr. Teuten thanked the Steering Committee membership for a productive meeting, and expressed hope in seeing all members in person next time.

Ms. Campillo thanked Committee members for their useful comments and suggestions, and also stated Colombia's desire to host the next Steering Committee meeting in person.