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SYMPOSIUM ON FINANCING CLIMATE MOBILITY

REACHING REFUGEES WITH CLIMATE ADAPTATION AND DISASTER RESPONSE: WHAT MULTILATERAL DEVELOPMENT BANKS CAN DO

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Much of the current discussion around weather events and displacement focuses on initial forced movement because of sudden disasters or slow-onset weather variations. After working for years in both development and humanitarian organizations to help refugees integrate into their countries of refuge, I have observed the rising threat of secondary displacement or economic devastation by weather events in their new communities. Since most refugees live in developing countries,[1] and most developing countries look to multilateral development banks to finance their climate-related programs, banks' policies can play an important role in reducing this threat.

As the world pursues the joint goals of protection and solutions for refugees,[2] reaching refugees with climate response and planning can help ensure disasters do not undermine their progress toward self-reliance. Doing so not only respects rights, but it also avoids leaving large and vulnerable population groups behind in recovery. Multilateral development banks can apply accepted development principles and non-discrimination policies to ensure refugees, who are often among the most disadvantaged populations in a developing country, can access needed climate adaptation and response programs. Doing so would not preference nor discriminate against them, but rather would allow them to adapt and recover in the same way as nationals.

Where Refugee Inclusion Stands in Climate Finance Now

Multilateral development banks have set high targets for climate-related spending in the coming years. The World Bank has pledged 45 percent of its annual financing to climate-related projects by June 2025.[3] The Asian Development Bank (ADB) set a strategy for 75 percent of its total number of operations to support climate change mitigation and adaptation by 2030.[4] And by 2030, the Inter-American Development Bank aims to reach 50 percent in "green and climate finance," including mobilized private capital, with the goal to amplify climate action.[5] Meanwhile, almost half of the European Bank for Reconstruction and Development's (EBRD)

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[1] United Nations High Commissioner for Refugees, Mid-Year Trends 2024 (2024).

[2] *See, e.g.*, Convention Relating to the Status of Refugees, July 28, 1951, 189 UNTS 137; United Nations High Commissioner for Refugees, Global Compact on Refugees Booklet.

[3] World Bank Group, *World Bank Group Doubles Down on Financial Ambition to Drive Climate Action and Build Resilience* (Dec. 1, 2023).

[4] Asian Development Bank, *Strategy 2030* (2018).

[5] Inter-American Development Bank, *IDB to Scale Annual Climate Finance to $11.3 Billion by 2030, Accelerating Impact* (Feb. 29, 2024).

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investments are now in green energy.[6] These are enormous shifts in the financing environment for developing countries.[7]

Yet these huge targets do not ensure that the money makes it to those who need it the most. Most finance focuses more on mitigation than on the adaptation projects (roughly a 70/30 split in low- and middle-income countries).[8] Adaptation projects are generally more useful for vulnerable groups as they tend to be affected by weather events and need support to adjust to them, rather than be involved in producing greenhouse gas emissions and need support transitioning to renewable sources. Among global climate funds only 3.5 percent has been allocated to adaptation projects for informal settlements and the urban poor, areas where refugees tend to settle and which can be extremely exposed to weather events.[9] Countries not experiencing fragility and conflict received more than two and a half times the climate adaptation commitments between 2010 and 2020 as compared to fragile and conflict-affected countries, even though other development financing did not reflect that split.

Why Including Refugees in Climate Planning Matters

More than fifty million people worldwide are refugees, asylum-seekers, or others in need of international protection,[10] 71% of which are hosted in low- and middle-income countries.[11] Seventy-five percent of all displaced people globally, including internally displaced persons, currently live in countries with high-to-extreme exposure to climate-related hazards.[12] Refugees tend to have fewer assets and receive wages consistently lower than nationals,[13] and they frequently settle in poorer areas at higher risk of being affected by slow onset or sudden weather events.[14]

Given the large numbers of displaced people globally, their concentration in locations exposed to climate shocks, and the few personal, social, or government safety nets available to refugees, a weather event can be devastating both to the refugee and the surrounding community. For people who have often suffered terrible human rights violations already and who had attempted to craft a semblance of resilience in the places where they have found safety, this shock can undo the little security they have managed to create in their new community. It can also spark secondary displacement and/or threaten progress towards social cohesion between refugees and hosts. It can also spark secondary displacement and/or threaten progress towards social cohesion between refugees and hosts.[15]

[6] European Bank for Reconstruction and Development, *Climate Finance* (last visited Mar. 3, 2025).

[7] Janka Deli, Iris Goldner Lang, and Maroje Lang expand this point in other parts of this volume.

[8] Islamic Development Bank, *MDB Report 2023* (2023).

[9] Cities Alliance, *Climate Finance for the Urban Poor: A Review of Global Climate Funds* (2024).

[10] Other people in need of international protection refers to people who are outside their country or territory of origin, typically because they have been forcibly displaced across international borders, who have not been reported under other categories (asylum-seekers, refugees, people in refugee-like situations) but who likely need international protection, including protection against forced return, as well as access to basic services on a temporary or longer-term basis. UNHCR, Refugee Data Finder – Definition, https://www.unhcr.org/refugee-statistics/methodology/definition (last visited May 30, 2025).

[11] United Nations High Commissioner for Refugees, *supra* note 1.

[12] United Nations High Commissioner for Refugees, No Escape: On the Frontlines of Climate Change, Conflict and Forced Displacement (2024).

[13] United Nations High Commissioner for Refugees, Indicator Report 2023 (2023); International Labor Organization, International Organization for Migration, United Nations High Commissioner for Refugees, and UN Women, High Employment Rates, But Low Wages: A Poverty Assessment of Ukrainian Refugees in Neighboring Countries (last visited Apr. 3, 2025).

[14] United Nations High Commissioner for Refugees, *supra* note 10.

[15] UNHCR, *Refugees Enjoy Better Integration When They and Their Hosts Are More Financially Secure*, UNHCR Blogs (Feb. 26, 2024).

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Yet these enormous allocations of funding to climate projects by multilateral development banks do not necessarily reach refugees, arguably among the most vulnerable populations. For example: When a hurricane comes through and rips the roofs of peoples' homes in Bangladesh, do the Rohingya refugees receive support from the Bangladeshi government to rebuild as Bangladeshis who were similarly affected? When flooding ruins crops in northern Costa Rica, do the Nicaraguan refugees working there receive compensatory payments like their Costa Rican counterparts? When a Ukrainian entrepreneur in Poland wants to refit her production facilities to be less dependent on fossil fuels, does she benefit from tax benefits or subsidies like her Polish competitors? The answer is, in some cases yes, and in some cases no—it depends on the policies the host government imposes and the requirements the multilateral development bank applies (or does not apply) to the program.

Let us look at the examples above. The Rohingya could be assisted through the "Emergency Assistance Project"[16] run by the government and funded by the Asia Development Bank. This project constructed cyclone shelters for displaced persons in Cox's Bazar District, among other things, and was funded through grants from their Disaster Response Facility +.[17] This support is separate from the support to Bangladesh nationals, however. The inclusion of Cox's Bazar's almost one million Rohingyas depended on different decision criteria and the availability of grant resources from donors.

In Costa Rica, the World Bank's Second Costa Rica Disaster Risk Management Development Policy Loan[18] contains a catastrophic draw-down option which allows the Costa Rican government to pull US$160m from reserves upon the designation of an emergency. The Costa Rican government has a long tradition of inclusive leadership in emergency situations. The World Bank also has a robust Environmental and Social Framework (ESF)[19] which could theoretically include refugees in its "disadvantaged or vulnerable" groups that require an assessment of the project's impact and identification of mitigation measures.[20] This framework only applies to investment project financing, however, not catastrophic draw down options or development policy loans. That is to say, the Nicaraguan refugee farmers affected by the flooding in Costa Rica may or may not have access to the relief provided by the government with development financing, depending on whether government institutions consider refugee populations in the country when they plan climate response projects. A recent report from Costa Rica found the coverage to be uneven "because they do not know the data on the number, socio-demographic profile, where they are located, and whether they have relatives in the country[.]"[21] Roughly 7 percent of the Costa Rican population was born in Nicaragua.

In Poland, the EBRD has made significant investments in the transition to green energy sources. The country strategy for 2024–29 prioritizes the acceleration of Poland's green transition and supporting the competitiveness of Polish companies.[22] The EBRD also has a dedicated response framework for Ukrainians which includes livelihoods and municipal services support for countries directly affected by inflows of Ukrainians in need of protection.[23] Plus, a separate EBRD support program for Ukrainians which includes entrepreneurship facilitation is limited in financing and scope. Therefore, it is unclear how any of the two million Ukrainians in

[16] Asian Development Bank, *Project 52174-001: Climate Change Investment Fund - Shandong Green Development Fund Project* (last visited Mar. 4, 2025).

[17] Asian Development Bank, *Eligibility Note for Expanded Disaster and Pandemic Response Facility*.

[18] The World Bank, Second Costa Rica Disaster Risk Management Development Policy Loan with a CAT DDO.

[19] World Bank, *Environmental and Social Framework* (2017).

[20] World Bank, *Bank Directive Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups* (Mar. 27, 2021).

[21] Sistema Nacional de Gestión del Riesgo, *Diagnóstico de Capacidades del Subsistema de Recuperación* (2024).

[22] European Bank for Reconstruction and Development, *EBRD Approves New Five-Year Country Strategy for Poland* (Mar. 4, 2024).

[23] European Bank for Reconstruction and Development, *Resilience and Livelihoods Framework* (Apr. 2022).

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Poland would be treated if applying to receive energy transition funds for their businesses in Poland. The two lines of financing for global priorities—climate and refugees—do not always intersect.

What Reaching Refugees with Climate Financing Should Look Like

Rather than this uncertain patchwork, it would be better to cover of all habitual residents in a territory, regardless of immigration status, under the same criteria as applied to nationals. This implies coverage in national statistics, development plans, adaptation plans, social protection systems (which are typically used for disbursements), and recovery and communications plans, as the building blocks of that coverage.[24] It also means that refugees would not be privileged in the disaster response and recovery programs nor receive additional or separate funding. Rather, the same criteria of income, age, disability, and other vulnerabilities would be applied to refugees as to nationals.

Of course, refugee populations may require specific measures to allow them to benefit from weather event response and recovery programs. Barriers include having up-to-date identification documents, proper titles to property, and other evidence of assets, their concentration in remote settlements and language needs for communications, to name a few. Xenophobia within society and among implementers can also impact how policies are implemented or communicated. Finally, people who have been forced to flee can hesitate to approach government officials, even for beneficial programs, due to past persecution and fear of future harm.

For multilateral development bank teams, one approach could be specifying refugees and stateless populations as vulnerable or traditionally marginalized populations that should be specifically considered during project preparation. By cataloging their unique vulnerabilities, relative hiddenness, and the devastating impacts of *not* being included, project teams can design interventions that are more likely to reach these groups. Banks can also monitor how clients are using the funds and understand better whom might be excluded, informing financing policies in the future.

How to Get There

The assertion that inclusive financing builds resilience and allows vulnerable groups to adapt to change is relatively uncontroversial,[25] and can be applied in this context. Most development agencies already try to reduce of inequalities across operations. Including *refugees* among the beneficiaries becomes more uncomfortable for some, however. Xenophobia, fears of creating a pull factor,[26] lack of data about the population, and minimal political voice in the targeted group all compound to amplify exclusion, even where their population numbers are significant. Looking to the lessons learned for more typical development financing reaching refugees might help.

First step, make the business case. Katerina Linos provides a framework for considering investment considerations along with moral duties elsewhere in this edition. The Asian Development Bank has also done a nice job in making the business case for investments in prevention and solutions to displacement caused by disasters.[27] Other groups have shown that access to social protection, in-kind assistance or emergency loans can

[24] This sounds more impractical than it is. While many countries around the world have excluded refugees from basic national planning and services, many Latin American countries have taken the practical and human-rights based approach of including them in most government systems and services, including national statistics. Colombia, Ecuador, and Argentina, to name a few, have social protection systems that include refugees.

[25] Peter Zetterli, Max Mattern & Jahda Swanborough, *8 Billion Reasons: Inclusive Finance as a Catalyst for Climate Action*, CGAP (2024).

[26] Hopes for potential inclusion in future climate adaptation programs has not been found to be a pull factor for human mobility.

[27] Asian Development Bank & Internal Displacement Monitoring Centre, *Disaster Displacement in Asia and the Pacific: A Business Case for Investment in Prevention and Solutions* (2022).

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help households maintain consumption and recover assets after a shock.[28] The International Monetary Fund (IMF) and World Bank have also consistently found that refugees contribute more to the economies where they live than they receive in services, so long as they are allowed to work.[29]

Additional work is needed to show the importance of reaching refugees through adaptation and response programs for the *overall* recovery of the affected community and economy, not just those affected individuals. An IMF report finds that inequality increases after multiple disasters in a year.[30] Here research can show the value of resilient infrastructure and recovery plans that cover refugees in saving lives and making better use of resources in the long run.

A second step is to demonstrate how reaching refugees in other sectors has helped governments meet their social and development goals. During the COVID-19 pandemic, World Bank-funded vaccine distribution in Lebanon treated all people in the territory equally.[31] Nationals were not given the vaccine first and then refugees, but rather the same criteria of age, profession, and co-morbidities applied to all residents, whether citizens or not. The reasoning was based on public health goals: if refugees had not been included in vaccine distribution, the continued spread would have created a lasting challenge in controlling the outbreak and would have threatened all people in the community. A parallel could be drawn for climate response: just as selectively administering the vaccine had effects on the entire population, depriving part of the affected people of response and recovery plans entrenches inequalities and distances countries from their development goals.

A third step would be to use the internal rules for equitable treatment within multilateral development banks to ensure refugees are part of the vulnerable groups considered in planning and delivery. The World Bank's ESF, as discussed above, could be a relatively straightforward tool for ensuring the specific vulnerabilities and barriers refugees face are addressed in project preparation and implementation. The ADB's new Environmental and Social Framework, slated to go into effect January 2, 2026, has a similar requirement that borrowers implement differentiated measures so that disadvantaged or vulnerable persons can share equitably in project benefits and opportunities.[32] Good practice notes and strengthened consultation practices can help the banks implement these directives to include refugee populations.

Finally, we can solidify the building blocks of covering refugees in climate financing through data. Population statistics, territorial mapping of informal settlements, identification, and inclusion in national services (including education, health, and social protection) can all help shine a light on what is frequently an invisible population. As in the Costa Rican example, even where there are equitable government policies and responsive bank policies, populations who are not seen and included in planning can be missed in responses and recovery plans. Particularly in situations of emergency, proper data and planning can help identify and reach vulnerable groups.

These steps are not easy, but they have been implemented before in the context of inclusion in national services. Coverage of refugees will reduce dependency on humanitarian aid, lower social tensions and prevent cycles of poverty and further displacement. It will also foster more resilient communities, benefiting both refugees and host communities alike. As weather events become more extreme and damaging, it is time to insist on good practices where refugees can benefit from state-led (and multilateral development bank financed) climate adaptation and response programs.

[28] World Bank, Independent Evaluation Group, *Adaptive Social Protection for Effective Crisis Response: Independent Evaluation Group Evaluation of the World Bank's Contribution* (2023).

[29] Joint Data Center on Forced Displacement, *Quarterly Digest* (Jan. 2023).

[30] Sebastian Acevedo et al., *Why Some Don't Belong: The Distributional Effects of Natural Disasters* (IMF Working Paper No. 2023/007, Jan. 7, 2023).

[31] Naila Ahmed et al., *Vaccinating Refugees: Lessons from the Inclusive Lebanon Vaccine Roll-Out Experience*, WORLD BANK (June 18, 2021).

[32] Asian Development Bank, *Environmental and Social Framework* (last visited Mar. 4, 2025).

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