



Displacement as a Development Issue

Enabling Public Policy to Unlock Climate Finance in Asia and the Pacific

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Abstract

Internal displacement in the context of climate change and disasters is now recognized as a development issue with humanitarian consequences. As countries gain a greater understanding of the underlying drivers of displacement, and the corrosive effect it has on development outcomes, re-positioning public policy will be critical in prevention and solutions. To implement these responses, greater volumes of development financing is required. In the absence of dedicated instruments or resources to respond to displacement, utilizing existing sources of development finance, including climate adaptation finance, offers an important stream. This paper looks at the current public policy approaches to displacement across Asia and the Pacific, provides insights into selected country approaches, and explores the role of existing development finance, including the role of climate financial intermediary funds, in reducing the drivers of displacement.

Displacement as a Development Issue: Enabling Public Policy to Unlock Climate Finance in Asia and the Pacific

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Definitions

Disaster displacement is defined as “situations where people are forced or obliged to leave their homes or places of habitual residence as a result of a disaster or in order to avoid the impact of an immediate and foreseeable natural hazard. Such displacement results from the fact that affected persons are (i) exposed to (ii) a natural hazard in a situation where (iii) they are too vulnerable and lack the resilience to withstand the impacts of that hazard. It is the effects of natural hazards, including the adverse impacts of climate change, that may overwhelm the resilience or adaptive capacity of an affected community or society, thus leading to a disaster that potentially results in displacement. Disaster displacement may take the form of spontaneous flight, an evacuation ordered or enforced by authorities or an involuntary planned relocation process. Such displacement can occur within a country (internal displacement), or across international borders (cross-border disaster-displacement).”

Internally displaced persons (IDPs) refers to persons or groups of persons who have been forced to flee their homes or places of habitual residence, as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights, natural hazards, or human-made disasters, and who have not crossed an internationally recognized state border.

Temporary displacement (evacuation) refers to the rapid movement of people away from the immediate threat or impact of a disaster to a safer place of shelter. It is commonly characterized by a short time frame, from hours to weeks, within which emergency procedures need to be enacted in order to save lives and minimize exposure to harm. Evacuations may be mandatory, advised or spontaneous.

Living in displacement refers to persons who, for different reasons and circumstances, because of risk or disaster, left their place of residence.

Cyclical displacement refers to persons who are displaced by recurring events, such as seasonal flooding, causing them to experience regular or frequent periods of displacement during each year.

Secondary displacement refers to persons who are forced to move again and again, due to further risks such as inadequate access to essential services, lack of livelihood opportunities or due to discrimination and violence in the host location.

Protracted displacement refers to situations where displaced people are prevented from taking or are unable to take steps for significant periods of time to progressively reduce their vulnerability, impoverishment and marginalization and find a durable solution.

Migration as an adaptation strategy refers to a decision to migrate taken to cope with changes in the external environment in order to survive these impacts with minimal damage and improve living conditions in a given habitat.

Planned relocation refers to a planned process in which persons or groups of persons move or are assisted to move away from their homes or places of temporary residence, are settled in a new location, and provided with the conditions for rebuilding their lives.

Sources: Adapted from the Guiding Principles on Internal Displacement, 1998; United Nations, *Disaster Displacement: How to Reduce Risk, Address Impacts and Strengthen Resilience*. UNDRR, Geneva, 2019; Nansen Initiative's Protection Agenda, 2015; and International Federation of Red Cross and Red Crescent Societies, *Factsheet 3 Displacement and Climate: The Displacement Continuum*. Geneva.

Introduction

Since 2008, when data on displacement associated with disasters was first collected globally, more people have been internally displaced by natural hazards than conflict.¹ As the impacts of climate change take hold, people will increasingly be forced to move in search of safety, economic opportunities, and to maintain social networks. The Sixth Assessment Report of the International Panel on Climate Change confirmed that “climate and weather extremes are increasingly driving displacement in all regions”.² These extremes are manifested in both rapid onset hazards, such as flooding and tropical cyclones, as well as slow onset events, such as drought and higher temperatures.

This displacement will largely occur within borders. Estimates indicate that 216 million people could be forced to move within country borders by 2050 worldwide. The region most affected is Asia and the Pacific, where an estimated 94 million people could become internal climate migrants by 2050.³

Asia and the Pacific is the most disaster-prone region in the world and is the region most affected by disaster displacement—or displacement triggered by natural hazards.⁴ In the decade to 2021, there were over 225 million internal displacements, which was over three-quarters of the global total for this period.⁵ The impact of climate change is further compounding existing disaster risk, making natural hazards more frequent and intense.⁶

Climate change’s amplifying effect on the drivers of displacement demands a public policy response that cuts across the ‘displacement landscape’ (see Figure 1). This landscape covers the full spectrum of movement, from temporary displacement (e.g., evacuation) through to protracted displacement. It also covers planned relocation and migration as an adaptation strategy. The complexity of this landscape, together with the intersection of drivers, including poverty and inequality, unplanned and rapid urbanization, environmental degradation, and poor risk governance, among other context-specific factors, demands solutions that are embedded in development and that strengthen the resilience of communities at-risk.

1 Internal Displacement Monitoring Centre (IDMC), “Disaster Displacement: A Global Review, 2008–2018.”

2 Calvin et al., “IPCC, 2023.”

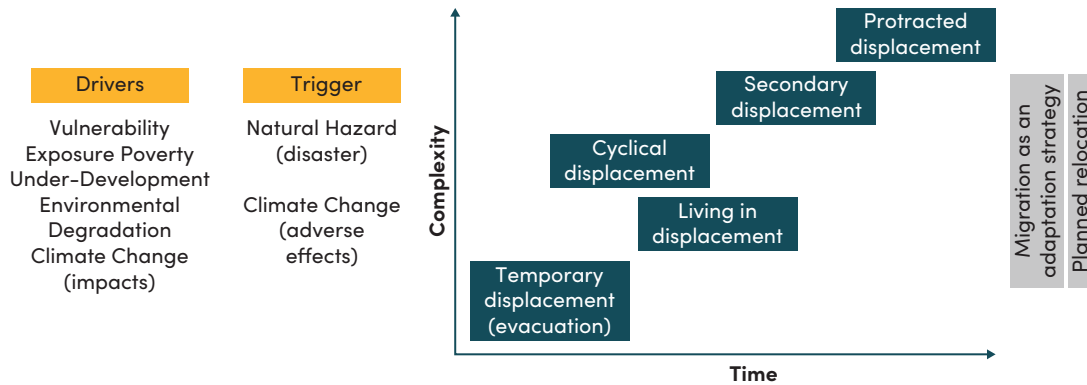
3 Clement, Viviane, Kanta Kumari Rigaud, Alex de and Sherbinin, Bryan Jones, Susana Adamo, Jacob Schewe, Nian Sadiq, and Elham, “Groundswell Part 2: Acting on Internal Climate Migration.”

4 Since 1970, disasters have resulted in over 2 million fatalities, which is almost 60 percent of the global disaster death toll. While fatalities have been on a downward trend since 2020, thanks in part to investments in early warning, the region continues to have the highest share of economic losses caused by disasters as a percentage of GDP, estimated at 2.9 percent annually.

5 Asian Development Bank, *Disaster Displacement in Asia and the Pacific A Business Case for Investment in Prevention and Solutions*.

6 United Nations, *Asia-Pacific Disaster Report 2023 Seizing the Moment*.

FIGURE 1. Displacement landscape



Source: Author.

As internal displacement is primarily a domestic issue, it is governments that need to lead—by putting in place policies to reduce displacement risk, manage impacts, and advance solutions—finance, and oversee implementation. In support of this, the Global North and others also have a responsibility to support that leadership through finance and technical assistance.

To date, a small number of countries in Asia and the Pacific have dedicated national strategies or policies on climate- and disaster-related displacement. A number of countries have also included forced displacement in either their National Adaptation Plans (NAPs) or in their Nationally Determined Contributions (NDCs).⁷ While recognizing these novel and emerging policy responses to displacement, countries in Asia and the Pacific have, by-in-large, not prioritized displacement at policy or strategy levels despite a growing recognition of the phenomena, as reflected in successive decisions since the Conference of the Parties (COP) twenty-first session in 2015 when it first established a task force to develop recommendations for integrated approaches to avert, minimize and address displacement related to the adverse impacts of climate change.

When it comes to financing displacement risk reduction and solutions to displacement, many countries with the highest risk face significant financial constraints and are therefore limited in mobilizing their own resources. The decision of COP27 to establish a loss and damage fund for vulnerable countries may offer new opportunities to address displacement with targeted funds.⁸ Meanwhile, there are existing sources of development and climate finance, from multilateral development banks (MDBs) and global climate funds, including from climate financial

7 OECD, "Addressing Forced Displacement in Climate Change Adaptation."

8 UNFCCC, "FCCC/CP/2022/10/Add.1."

intermediary funds (FIFs), that is available.⁹ However, to access this finance, governments need to articulate their needs, set-out priorities in their national development architecture, and explicitly include displacement considerations into investments and bankable projects.

The current positioning of public policy responses to displacement in Asia and the Pacific

The occurrence and increasing complexity of disaster displacement have seen the issue evolve as a matter of public policy. Once primarily seen through a humanitarian framing, a greater understanding of the underlying drivers of displacement, and the corrosive effect it has on development outcomes, has shifted it as a development issue albeit with very clear humanitarian consequences. This re-framing opens the door to new actors, instruments, and resources.

With this shift, displacement is now anchored within the disaster risk reduction and climate change adaptation agendas. This is reflected across three main associated frameworks, the Sustainable Development Goals, the Sendai Framework on Disaster Risk Reduction, and the Paris Agreement (see Box 1).

BOX 1. Displacement in the UN development architecture

Sustainable Development Goals¹⁰

Goal 1: End poverty in all its forms everywhere; target 1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

Goal 10: Reduce inequality within and among countries; target 10.7: Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.

Goal 13: Take urgent action to combat climate change and its impacts; targets 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries and 13.2 Integrate climate change measures into national policies, strategies and planning.

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

⁹ Financial intermediary funds are hybrids between trust funds and standalone organizations. They provide resources to governments and/or organizations to implement projects. They have independent governing bodies—responsible for setting their strategic direction, providing oversight, and selecting projects.

¹⁰ United Nations, Transforming our world: the 2030 Agenda for Sustainable Development.

Sendai Framework on Disaster Risk Reduction¹¹

Paragraph 7 states that “[...] governments should engage with relevant stakeholders, including [...] migrants [...] in the design and implementation of policies, plans and standards”.

Paragraph 27(h) encourages governments to “empower local authorities, as appropriate, through regulatory and financial means to work and coordinate with [...] migrants in disaster risk management at local level”.

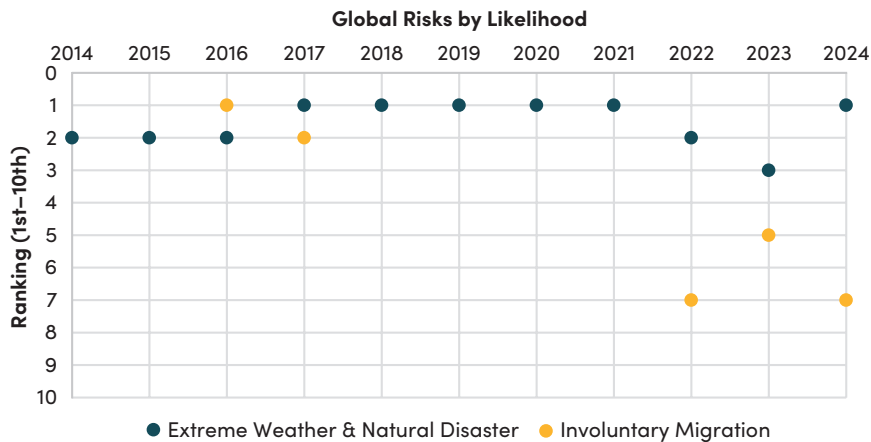
Paragraph 36(a)(vi) stresses that “migrants contribute to the resilience of communities and societies and their knowledge, skills and capacities can be useful in the design and implementation of disaster risk reduction”.

Paris Agreement¹²

Paragraph 49 states that [...] “to develop recommendations for integrated approaches to avert, minimize and address displacement related to the adverse impacts of climate change”.

Outside of the global development architecture, extreme weather and disasters and, increasingly over recent years, large-scale involuntary migration have also been identified by risk experts, policymakers, and industry leaders as among the most severe global risks faced over the coming decade (see Figure 2).¹³

FIGURE 2. World Economic Forum global risks perception survey rankings of extreme weather and natural disaster and involuntary migration risk (2014–2024)



Note: Global risks may not be strictly comparable across years, as categories of global risks have evolved with new issues emerging.

Source: World Economic Forum Global Risks Perception Surveys 2014–2024.

11 United Nations, Sendai Framework for Disaster Risk Reduction 2015–2030.

12 United Nations, The Paris Agreement.

13 WEF defines “global risk” as the possibility of the occurrence of an event or condition which, if it occurs, would negatively impact a significant proportion of global GDP, population or natural resources.

Given that displacement has been firmly identified as both a challenge and a risk to development, how countries reflect this in their national development architecture, defining the impact on their countries and setting priorities, is determinative in reducing displacement risk, responding and limiting displacement, and finding durable solutions for those living in displacement.

A review of how displacement is reflected in legislation, national development plans (NDPs), NAPs, NDCs, and disaster risk reduction (DRR) strategies of 40 countries in Asia and the Pacific highlights an uneven and fragmented approach.¹⁴

Legislation

There is no legally binding international instrument or intergovernmentally agreed normative framework on internal displacement. In an effort to provide international standards, the United Nations Commission on Human Rights adopted a set of Guiding Principles on Internal Displacement in 1998 (see Box 2). While the guiding principles are extensively referenced at the policy level, they have not yet been domestically legislated in the region.

BOX 2. Guiding Principles on Internal Displacement¹⁵

On 17 April 1998, the United Nations Commission on Human Rights adopted the Guiding Principles on Internal Displacement. While not legally binding, they are the key international standard on internal displacement, drawing from human rights and international humanitarian law relevant to internally displaced persons. The 30 principles seek to address the specific needs of internally displaced persons by identifying rights and guarantees relevant to their protection. They apply to the different phases of displacement, including preventing displacement, providing protection against arbitrary displacement, access to protection and assistance during displacement, and displacement solutions. They also present the obligations of governments and the international community.

The absence of an international legal framework has likely contributed to the lack of national laws. While no country in the region has dedicated legislation on displacement, Fiji does have related legislation establishing a facility to finance the planned relocation of communities at high risk of climate change-related displacement.¹⁶ The Philippines congress passed dedicated legislation in 2013

14 Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Cambodia, Cook Islands, Federated States of Micronesia, Fiji, Georgia, India, Indonesia, Kazakhstan, Kiribati, Kyrgyz Republic, Lao PDR, Maldives, Marshall Islands, Mongolia, Myanmar, Nauru, Nepal, Niue, Pakistan, Palau, Papua New Guinea, People's Republic of China, Philippines, Samoa, Solomon Islands, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Tonga, Turkmenistan, Tuvalu, Uzbekistan, Vanuatu, Viet Nam.

15 United Nations, Guiding Principles on Internal Displacement.

16 Government of Fiji, Climate Relocation of Communities Trust Fund Act 2019: An act to establish a trust fund for the planned relocation of communities in Fiji that are adversely affected by climate change; Act No. 21 of 2019.

to protect the rights of IDPs, however this was vetoed by the then president due to concerns over state liability and its constitutionality.¹⁷

The absence of dedicated legislation means IDPs and those at-risk of displacement must rely on other avenues to secure their rights. Depending on the country context, domestic legislation covering civil and political rights or constitutional provisions on citizens' rights may provide sufficient protection to IDPs. In the absence of this, or a dedicated law on the rights of IDPs, IDPs may be left with limited recourse to assert their agency, given that displacement often leads to loss of land, homes and property, loss of employment or livelihood, food insecurity, lack of access to basic services, and poor access to education. This in turn can result in the disintegration of community and family cohesion, loss of socioeconomic networks and support mechanisms, and can drive intergenerational poverty.¹⁸

It is noteworthy that 32 countries in Asia and the Pacific do have disaster laws in place (see Table 2). These laws largely focus on emergency management arrangements, rather than addressing the displacement landscape (outside of evacuation and provision of temporary assistance). As legislation is reviewed and amended, this provides an entry point to advance the rights of IDPs, in lieu of dedicated legislation.

National development plans

While 21 NDPs—a country's apex planning document—make general reference to disaster risk and vulnerable groups, only nine plans highlight varying aspects of the displacement agenda (see Table 2). Afghanistan, Bangladesh, Cambodia, Myanmar, Papua New Guinea, and the Philippines identify IDPs as a target group and the need for the countries to address their particular development challenges. This includes actions to respond to displacement, including supporting resettlement and development (Afghanistan), building the capacity of local authorities (Cambodia), decentralizing development activities (Myanmar), providing anticipatory programs and emergency employment (Philippines), and facilitating returning and rehousing (Sri Lanka).¹⁹ The Marshall Islands, Nepal, and Papua New Guinea highlight the need to support relocation of communities in the context of disaster risks and climate change.

National policies, strategies, and frameworks

While legislation can enshrine the rights of IDPs, national policies, strategies, or frameworks operationalize and guide action. Six countries in Asia and the Pacific have put in place a dedicated policy instrument to address displacement (see Table 1). This group of countries faces some of the highest levels of disaster risk and has had significant numbers of internal displacements (movements) and internally displaced persons.

¹⁷ Republic of the Philippines, Internal Displacement Act.

¹⁸ Burzyński et al., "Climate Change, Inequality, and Human Migration."

¹⁹ Sri Lanka presented these actions in the context of conflict affected IDPs.

TABLE 1. Countries in Asia and the Pacific with national instruments on displacement

	2008–2023		Population (Millions, 2023)
	Disaster Events Reported	Internal Displacements: Disasters (Millions)	
Afghanistan	381	1.5	42.2
Bangladesh	117	18.8	173
Maldives	Not reported		0.5
Nepal	367	3.9	30.9
Sri Lanka	435	3.4	21.9
Vanuatu	25	0.24	0.3

Sources: Internal Displacement Monitoring Centre, Country Profiles (2024); World Population Prospects 2022 revision. United Nations Population Division, 2022.

Each national instrument draws from the Guiding Principles on Internal Displacement and seeks to (i) prevent displacement, (ii) provide protection during displacement, and (iii) facilitate durable solutions. In line with a rights-based approach, these instruments also provide compensation for lost housing, land or property in various circumstances. Afghanistan, Bangladesh, and Sri Lanka also have provisions addressing protracted displacement. (See Appendix for country overview).

Each of these instruments was supported by an organization outside of government, and in the case of Nepal and Sri Lanka, part of broader reconciliation efforts following the end of civil war. As such, the degree of government ownership varies, as does the instruments' current relevance. While the instruments were used following adoption and remain in place, their application in decision making has reduced as governments changed and the policies dated. Despite the low awareness of the instruments by current policy makers, they remain a useful reference for international partners to advance efforts across the displacement landscape.²⁰

Reflecting this lack of government ownership and prioritization, none of the instruments receive regular budget allocation from the respective governments for implementation. In the case of Bangladesh and Vanuatu, action plans have been developed to prioritize and coordinate non-government partners in advancing implementation. The use of the instruments to access development finance appears limited, and there were no reports of climate finance being deployed in support of displacement prevention or risk reduction efforts.²¹

NAPs and NDCs

Established under the United Nations Framework Convention on Climate Change, countries set their priorities for climate action through two separate commitments. National Adaptation Plans

²⁰ Based on interviews with organizations working on displacement in Afghanistan, Bangladesh, Maldives, Nepal, Sri Lanka, and Vanuatu in May and June 2024.

²¹ Ibid.

(NAPs), established in 2010 at COP16 in Cancun, are submitted by developing countries to detail their medium- and long-term adaptation needs, priorities, and strategies. Nationally Determined Contributions (NDCs), established in 2015 at COP21 in Paris, are climate action plans to cut emissions and adapt to climate impacts. All countries are required to establish an NDC and update it every five years, as part of the Paris Agreement. For developing countries, these commitments also outline needs for climate finance from international partners. Globally, only one-third of countries mention forced displacement in their NAPs and NDCs.²²

In Asia and the Pacific, seven countries (Myanmar, Nauru, Pakistan, Papua New Guinea, Sri Lanka, Timor-Leste, and Vanuatu) set out displacement-related provisions in their NDCs and four (Bangladesh, Fiji, Nepal, and Papua New Guinea) outline related adaptation measures in their NAPs. Given the context specific nature of adaptation priorities and the differing reporting approaches, the approach to displacement responses varies considerably.

In addition to providing context to displacement (Myanmar, Nepal, Pakistan, Papua New Guinea, Sri Lanka, Timor-Leste), countries identify the need to strengthen the built environment (Fiji, Sri Lanka, Timor-Leste, Viet Nam), develop national plans and strategies (Fiji, Nauru, Papua New Guinea, Viet Nam), put in place targets to relocate at-risk communities to displacement (Fiji, Papua New Guinea, Viet Nam), and raise awareness and build greater understanding, including through research (Papua New Guinea, Sri Lanka, Timor-Leste).

Overall, there is a lack of concrete commitments, objectives, and tangible actions related to displacement. These plans also largely fail to make a connection between displacement and loss and damage. Without this, countries are potentially limiting their ability to draw additional grants and concessional resources. The absence of concrete displacement considerations is somewhat surprising, given that many of these countries recognize—to varying degrees—the importance of disaster risk reduction and strengthening resilience to natural hazards, particularly for vulnerable groups. That said, it is also recognized that policy makers face considerable challenges in prioritizing and integrating a plethora of issues with these instruments.

National disaster risk reduction strategies

Of the 40 Asia and the Pacific countries reviewed, 30 have national DRR strategies, all of which speak to 'vulnerable groups', with 15 making specific reference to displacement (see Table 2).²³ Twelve countries (Bangladesh, Federated States of Micronesia, Fiji, Kiribati, Lao PDR, Maldives, Myanmar, Nepal, Papua New Guinea, Samoa, Sri Lanka, Tuvalu) went further and set specific

22 OECD, "Addressing Forced Displacement in Climate Change Adaptation."

23 Disaster risk reduction strategies and policies define goals and objectives across different timescales and with concrete targets, indicators and time frames. In line with the Sendai Framework for Disaster Risk Reduction 2015–2030, these should be aimed at preventing the creation of disaster risk, the reduction of existing risk and the strengthening of economic, social, health and environmental resilience. UN General Assembly Resolution 2017 (A/RES/71/276).

measures to address displacement. While measures varied, most relate to temporary and lifesaving measures, such as evacuation, provision of humanitarian assistance, protection, and relocation. For example, six countries highlighted the role of social protection and services for IDPs (Bangladesh, Federated States of Micronesia, Lao PDR, Maldives, Papua New Guinea, and Samoa), and six countries highlighted the role of the state in facilitating relocation of IDPs and communities at-risk of displacement (Myanmar, Nepal, People’s Republic of China, Solomon Islands, Sri Lanka and Tuvalu).

TABLE 2. Inclusion of displacement in national development architecture in developing Asia and the Pacific

	Displacement Law	Displacement Policy/Strategy	NDP	NDC	NAP	DRR Strategy
Afghanistan		X	X			
Bangladesh		X	X	C	AM	AY
Cambodia			X			
Federated States of Micronesia				C		AY
Fiji	X*	X*			AM	AY
Kiribati						AY
Lao PDR						AY
Maldives		X				AY
Marshall Islands			X			
Myanmar			X	CP		AY
Nauru				CP		
Nepal		X	X		AM	AY
Pakistan				CP	A	
Papua New Guinea			X	CP	AM	AY
People’s Republic of China						A
Philippines			X			A
Samoa						AY
Solomon Islands						A
Sri Lanka		X**	X	CP	A	AY
Timor-Leste				CP	A	
Tuvalu						AY
Vanuatu		X		CP		
Viet Nam				C		

Notes: *Planned relocation; **Conflict-affected focused.

NDP = national development plan; NDC = nationally determined contribution; NAP = national adaptation plan; DRR = disaster risk reduction; X = in place; C = contextual reference; CP = concrete provision; A = analysis; AM = adaptation measure; AY = activity.

Despite the increasing recognition of displacement in the context of climate change and disasters, current public policy arrangements in Asia and the Pacific are not sufficient nor conducive for governments to implement development responses to displacement. While the majority of countries have included displacement considerations in some form, these contextual references or problem

analysis have not translated into actionable and concrete activities. Without this, it is difficult for countries to access what funding is available to address the drivers of displacement risk.

The role of MDBs and climate funds in supporting implementation of public policy responses to climate and disaster displacement in Asia and the Pacific

MDBs offer an important source of development finance, including technical assistance, and have set ambitious climate finance targets. As outlined in the joint MDB statement to COP28, the banks have committed to supporting efforts on adaptation and disaster risk management.²⁴ While not explicitly recognizing displacement, the statement commits to enhancing support, including through planning and policy, risk assessment, preparedness for disaster and recovery, post-disaster reconstruction, financing mechanisms, capacity building and knowledge sharing.

In 2018, the MDB Coordination Platform on Economic Migration and Forced Displacement was established at the request of the G7 to advance strategic dialogue and operational coordination. In 2019, MDBs made four commitments: (i) stepping up the use of policy and financing instruments in the context of forced displacement, (ii) enhancing coordination between MDBs and with external stakeholders, (iii) providing rapid financing to help alleviate strain on public services, and (iv) enhancing private-sector development and support.²⁵ At the Global Refugee Forum in 2023, MDBs reaffirmed their commitment to promoting sustainable solutions for situations of economic migration and forced displacement and recognized the imperative for MDBs to continue supporting, inter alia, IDPs.²⁶

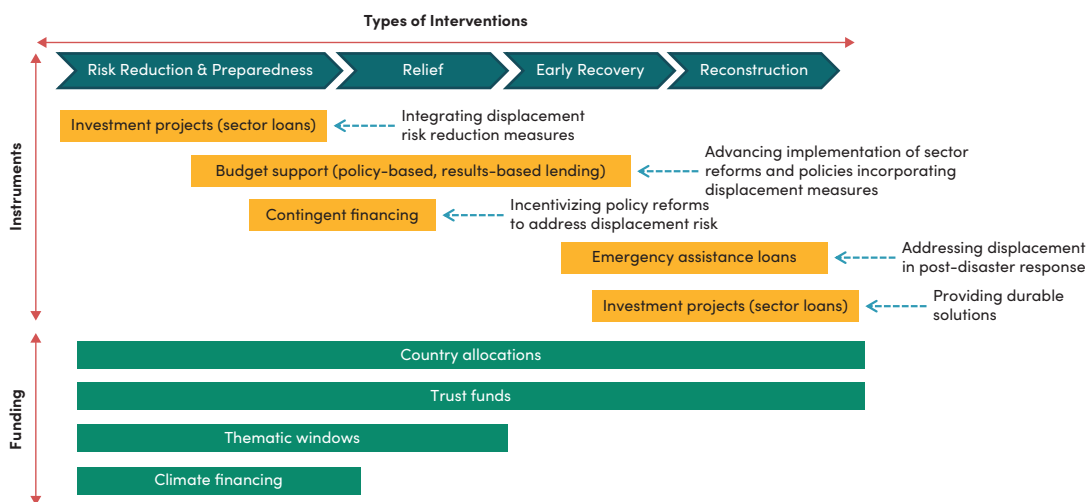
While these commitments speak to the role MDBs have in supporting their member countries, translating this into a clear ‘displacement offer’ remains largely unmet. Currently, none of the MDBs have dedicated instruments or resources to respond to internal displacement in the context of climate change and disasters. This may reflect a lack of demand from member countries or a preference to use existing arrangements. Many of the existing instruments and sources of funding can be utilized to respond to the challenges of displacement by integrating considerations into projects targeting a related area (see Figure 3).

24 African Development Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank Group, the Islamic Development Bank, the New Development Bank, and the World Bank Group, “COP28 Multilateral Development Banks (MDB) Joint Statement.”

25 African Development Bank, Asian Development Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Islamic Development Bank and World Bank, “Global Refugee Forum 2019: Joint Commitments by the MDB Coordination Platform on Economic Migration and Forced Displacement.”

26 African Development Bank, Asian Development Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Islamic Development Bank and World Bank, “Global Refugee Forum 2023: Joint Commitments by the MDB Coordination Platform on Economic Migration and Forced Displacement.”

FIGURE 3. Indicative representation of MDB engagement in disaster risk management with displacement entry points



Source: Asian Development Bank (adapted).

Instruments

- **Investment projects** provide a straightforward instrument for integrating displacement considerations within sectors. Regardless of the financing type (loans, concessional loans, or grants), projects can readily integrate displacement-related activities within sector investments where the primary focus is on infrastructure or service delivery. This could include addressing the drivers of displacement through structural investments, such as embankments, to reduce risk or address the impacts of displacement, such as explicitly including IDPs in new housing.
- **Budget support**, through policy-based or results-based lending, links finance with the implementation of sector or national policies.²⁷ This could include introducing displacement-related policy measures in a climate policy-based loan (PBL), or including displacement considerations within a social sector PBL, for example expanding eligibility of existing social protection programs to include IDPs or those living in informal settlements.
- **Contingent financing** can provide incentives to make policy reforms that can provide an enabling environment to address the underlying drivers of displacement and to invest in prevention and preparedness ahead of a disaster, while also providing the resources to respond ex-post.²⁸ For example, policy reforms could include putting in place a national displacement policy or reforming legislation.

27 Policy-based lending transfers loan or grant amounts to a government's general budget instead of paying for explicit project costs. This helps countries that may be facing a financing gap in their annual budget and may need additional funds to pay for general development expenditure. A disbursement only occurs when a borrower completes policy reforms or actions that have been agreed.

28 Contingent financing allows the borrower to rapidly meet its financing requirements following a shortfall in resources due to an adverse event. Once drawdown conditions are met, the funds disburse based on a pre-agreed trigger.

- **Emergency assistance loans** provide an established and rapid vehicle to respond to displacement. Depending on the context, this instrument is well positioned to provide standalone support, through a project with the primary objective of responding to IDPs, or through integrating displacement considerations within a sector approach, such as addressing the particular needs of IDPs within a broader education or health recovery project.

Funding

Provided displacement has been prioritized and reflected in their country partnership framework or strategy with the relevant MDB, countries can deploy their **country allocations**—a financial envelope based on their categorization over a four-to-five-year period to support their development priorities—however the reality is there are many other development challenges requiring these finite resources.

In a context where a country is not managing a large volume of protracted IDPs, making the case for investing in displacement can be challenging. However, this can be overcome by integrating measures within sector or thematic investments. For example, the ADB financed Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Sector Project in Mongolia is improving housing and public infrastructure in *ger* areas (settlements of low-income households). These areas include significant numbers of previously nomadic households that have settled in urban areas following successive disasters, among other factors.²⁹

Beyond country allocations, there are other sources of funding available to augment investments in displacement. This is where thematic windows and trust funds can play a catalytic and enabling role. While resources are often relatively small and timebound, when deployed strategically they can support both policy and operations, acting as an incentive for regular investments:

- **Thematic windows**, such as from the World Bank’s IDA resources or the Asian Development Bank’s ADF, provides eligible countries with access to grant or highly concessional resources. For example, the World Bank’s Crisis Response Window, under IDA20, provides financing to respond to severe crises to supplement national responses to qualifying disasters by natural hazards, among other triggers.³⁰ ADB’s thematic pool, under ADF 13, provides grants to eligible countries to incentivize governments to invest in resilience building through climate adaptation and disaster risk reduction by unlocking project opportunities that otherwise will not take place.³¹

29 Asian Development Bank, “Mongolia: Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Sector Project.”

30 Crisis Response Window | Crisis Financing | Financing | International Development Association—World Bank.

31 Asian Development Fund (ADF) | Asian Development Bank (adb.org).

- **Trust funds**, managed by MDBs, provide additional resources from development partners, and are often cofinanced with MDBs own resources, to advance shared priorities. The nature and accessibility of funds varies, as does the scope of activities, from research and knowledge, advisory services and analytics, to project preparation. Accessing these funds requires a narrative that can link a fund’s broad objective with a displacement-related entry point. For example, in response to Typhoon Haiyan in the Philippines, the ADB-administered trust fund, the Japan Fund for Poverty Reduction, provided a \$20 million grant that included explicit support to IDPs through livelihood support and maternal and child health-care services as part of a broader emergency assistance and early recovery program.³²

Climate finance

Climate finance can play a greater role in supporting countries confront the challenges of increasing displacement. As a starting point, climate finance can support efforts to adapt, reduce risk, and build resilience to the drivers of displacement. Where the limits of adaptation are reached, it can also enable countries to respond to the social and economic costs of displacement and, as a final resort, undertake planned relocations.

In the absence of dedicated funding arrangements, the existing climate FIFs offer a source of climate finance available to countries to reduce displacement risk.³³ To date, Asia and the Pacific’s utilization of climate finance to support the displacement agenda appears mixed.

Green Climate Fund (GCF)

The GCF is the world’s largest climate fund, mandated to support developing countries raise and realize their NDC ambitions towards low-emissions, climate-resilient pathways.

Since 2015, GCF has financed 71 adaptation or crosscutting projects across Asia and the Pacific exceeding \$3.8 billion (from \$19.2 billion in available resources to 2023).³⁴ Of these projects, 14 percent have explicit displacement responsive measures, such as building cyclones shelters and access roads in **Bangladesh** or strengthening storm and flood protection for coastal communities in **Viet Nam**. A further 42 percent of projects seek to reduce the drivers of displacement risk, albeit indirectly, such as improving water management in dry zones in **Sri Lanka** or improving the delivery of health services in districts across **Lao PDR**.

32 Asian Development Bank, “Grant Assistance Report, Republic of the Philippines: Emergency Assistance and Early Recovery for Poor Municipalities Affected by Typhoon Yolanda.”

33 For an overview on Climate FIF see: Nancy Lee, Clemence Landers, and Samuel Matthews. 2023. “Concessional Climate Finance: Is the MDB Architecture Working?” CGD Policy Paper 287. Washington, DC: Center for Global Development. <https://www.cgdev.org/publication/concessional-climate-finance-mdb-architecture-working>.

34 As of 5 March 2024.

Displacement does not feature in the GCF Strategic Plan 2024–2027. However, there are clear entry points under the adaptation priority on addressing urgent and immediate adaptation and resilience needs.

The Adaptation Fund

The Adaptation Fund finances projects and programs that help vulnerable communities in developing countries adapt to climate change. Initiatives are based on country needs and priorities.

Since 2010, the Adaptation Fund has financed 56 projects across Asia and the Pacific, totaling over \$250 million.³⁵ Of the 45 projects reviewed, 7 per cent had explicit displacement responsive measures, such as financing community evacuation centers and housing for IDPs in [Lao PDR](#) and relocation planning for hazard-exposed coastal communities in [Samoa](#).³⁶ In addition, projects addressed the drivers of displacement to varying degrees, with many recognizing the ‘vulnerability’ of IDPs or those living at high risk of displacement.

While displacement is not identified as an issue in the Fund’s medium-term strategy 2023–2027, addressing displacement risk in the context of reducing vulnerability, strengthening resilience, and enhancing adaptive capacity falls under pillar 1 of its strategy on action.

Climate Investment Funds (CIF)

The CIF is an enabler of climate-smart planning and climate action in developing countries, many of which are the least prepared yet the most prone to the challenges of climate change. CIF responds to the climate crisis with large-scale, low-cost, and long-term financial solutions to support countries achieve their climate objectives.

Under the Strategic Climate Fund’s Pilot Program for Climate Resilience (PPCR) in Asia and the Pacific two projects explicitly addressed displacement considerations.³⁷ In [Tonga](#), support was provided to policy reforms, the relocation of a vulnerable hospital, and new evacuation roads, and in [Cambodia](#) where the project aimed to reduce flood-related displacement and enhance community preparedness.

Displacement does not feature in the PPCR results framework, however the result areas are broad. Addressing displacement risk falls across multiple result areas, including increased resilience to climate variability and climate change and strengthened climate responsive development planning, among others.

35 As of 4 April 2024.

36 Project data was only available for 45 of 56 projects listed on the Adaptation Fund project database.

37 As of 5 March 2024.

Global Environment Facility (GEF)

The GEF is the world's largest funder of biodiversity protection, nature restoration, pollution reduction, and climate change response in developing countries. It finances international environmental conventions and country-driven initiatives that generate global benefits.

Under the Facility, there are two climate change adaptation trust funds, the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF). A review of approved and completed projects in Asia and the Pacific only identified one project in [Sri Lanka](#) that explicitly considers resettlement in the context of post-conflict recovery.³⁸ While the project is not relevant to climate and disaster displacement, it does provide an example of GEF funds being used to support the wider displacement agenda. Several other projects made contextual references to climate and disaster displacement or displacement risk.

In the latest GEF programming strategy on adaptation to climate change, initiatives to address the impacts of climate change on migration and displacement have been explicitly identified for support under the SCCF.

Loss and Damage Fund

Following a decision at COP27 in 2022 in Sharm El Sheikh to establish new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change in responding to loss and damage, COP28 in 2023 in Dubai operationalized the Loss and Damage Fund.³⁹ While it remains to be determined how the Fund will operate in practice, addressing the implications of loss and damage in relation to human mobility, including migration, displacement, and planned relocation is included in the Fund's scope.

Given the integrated nature of displacement-related activities and the absence of project tagging or beneficiary tracking, the volume of development finance being deployed in response to addressing displacement risk is largely unknown. However, by integrating displacement considerations into sector, adaptation, and disaster risk management projects countries can better leverage existing finance to reduce displacement risk.

38 As of 5 March 2024.

39 UNFCCC, "FCCC/CP/2023/11/Add.1."

Conclusion and recommendations

At the outset, it should be recognized that there has been a shift in understanding, from seeing displacement as primarily a humanitarian issue, with very pressing demands, to one within a development frame. By and large, countries across Asia and the Pacific now recognize that addressing the causes of displacement demands a different approach to addressing the outcomes.

Moving from intent to action requires a better articulation of needs, clearer setting of priorities, and the explicit inclusion of measures to reduce displacement risk in development planning, particularly at the sector level. A greater emphasis on concrete measures linked to loss and damage, or the avoidance of it, will help underpin the case for investment, principally in prevention.

Addressing the causes of displacement requires policies that recognize that low levels of development increase the risk of displacement, and that displacement increases the risk of poverty and reduces development opportunities and gains. Breaking this loop is critical to reducing the numbers at-risk of displacement.

Public policy needs to better reflect the complexity of displacement occurring in the context of climate change. While anchoring climate and disaster displacement in disaster or emergency management provides a ‘policy home’, it risks perpetuating an ex-post focus at the national level and limiting the ability to secure development and climate financing for ex-ante measures in prevention and resilience building.

For governments in Asia and the Pacific to take this forward, the following is recommended:

1. **Clearly articulate the problem and identify actions through coherent public policy.**

Reflecting displacement considerations in national development architecture provides the foundations for action across sectors and creates both demand and opportunity for development finance to respond.

Currently, countries in Asia and the Pacific have noted or alluded to displacement in the context of vulnerable groups or those affected by disasters. Few countries have outlined concrete approaches to addressing it or recognizing the nexus between investments in poverty reduction, risk reduction and adaptation, and reducing displacement.

Dedicated national policies can further signal the importance of the issue while providing direction and a framework for action. However, as reflected across the six countries with dedicated displacement instruments, this isn’t a panacea. Without political ownership and links to financing streams, these policies can be ineffective.

2. **Better utilize existing instruments to unlock the financing that is available. NDCs, NAPs, and DRR strategies can provide vehicles to do this.** Adaptation and risk reduction measures provide established approaches to reducing displacement risk and have existing funding

streams, primarily from domestic resources, but also from development finance, including climate finance, if countries can better reflect their ambition, needs, and plans. This can be supported by existing technical facilities offered by MDBs and other partners.

While limited in nature, development finance from MDBs and the climate FIFs can be better utilized. Many existing instruments can be used to address the causes of displacement.

However, integrating displacement measures within sector projects will require more granular data on the scale and magnitude of IDPs and those at risk of displacement. It will also require a better application of data to build a business case for investment. That said, the well-recognized limitations in data should not prevent the use of imperfect data today.⁴⁰

3. **Account for displacement action.** Given the integrated nature of displacement-related activities and the absence of project tagging or beneficiary tracking outside of humanitarian contexts, the volume and impact of development finance being deployed in response to addressing displacement risk is largely unknown. Governments can address this by including indicators and datapoints within strategy, project, and investment frameworks to provide evidence for further investments. The World Bank's inclusion of an indicator on IDPs in their corporate scorecard sets a standard for MDBs and others to follow and build on.⁴¹

If countries are to reduce the projected high levels of displacement faced in decades to come, greater investment in addressing the drivers of displacement—thereby lowering the risk—is required now. Better utilization of existing finance is possible if policy settings are improved.

40 Internal Displacement Monitoring Centre (IDMC), "Submission from the Internal Displacement Monitoring Centre (IDMC) to the United Nations Secretary-General's High-Level Panel on Internal Displacement."

41 World Bank Group, "New World Bank Group Scorecard FY24-FY30: Driving Action, Measuring Results."

Appendix: Overview of selected national displacement policies in Asia and the Pacific

Afghanistan

In 2013, the government adopted the National Policy on Internally Displaced Persons.⁴² Developed with the support of UNHCR, the policy recognizes the multi-causal and temporal nature of displacement, including secondary and compounding displacement. It covers displacement triggered by conflict, natural hazards, returns and deportation, and development activity.

The policy has an ex-post focus, providing guidance for addressing current and future situations of internal displacement through a rights-based approach drawing from the Guiding Principles on Internal Displacement. It sets out the roles and responsibilities of government entities, sub-national authorities, humanitarian actors and other stakeholders. The policy recognizes that durable solutions need to be incorporated within Afghanistan's national development architecture and puts in place an implementation mechanism and review process.

Since the de facto authorities (DFA) assumed control of Afghanistan in August 2021, and limitations were placed on external development assistance by donors and the Security Council, it is difficult to ascertain the current status of the national policy. That said, it appears the DFA is not implementing the policy.⁴³

While the DFA is now restricted from accessing external development finance, including climate finance, climate and disaster displacement was referenced in a number of projects financed by the Global Environment Facility under previous administrations. While these contextual references highlight the challenges of displacement, it did not translate into specific displacement measures within the projects.

Bangladesh

While the government has recognized displacement in successive public policy, including the Bangladesh Climate Change Strategy and Action Plan (2009), the Disaster Management Act (2012), and the Standing Orders on Disaster (2019), it has lacked a comprehensive approach by focusing on response.

To address this, the government adopted the Bangladesh National Strategy on Internal Displacement Management in 2021.⁴⁴ The strategy was supported by the Refugee and Migratory Movements Research Unit (RMMRU) at the University of Dhaka. The strategy positions displacement within the country's disaster risk management and climate adaptation agendas. The goal of the strategy

42 Ministry of Refugees and Repatriation, "National Policy on Internally Displaced Persons."

43 See footnote 20.

44 Ministry of Disaster Management and Relief, "Bangladesh National Strategy on Internal Displacement Management."

is to “set out a comprehensive and realistic rights-based framework that respects, protects, and ensures the rights of disaster and climate-induced internally displaced persons in different stages of displacement (pre-displacement, during displacement, and post-displacement) and during the search for durable solutions.”

Against the three phases of displacement, the strategy sets an objective, strategic response, and aligns actions with relevant laws and policies. Drawing from these policies and the Guiding Principles on Internal Displacement, it prescribes strategic level activities. A detailed Plan of Action to Implement the National Strategy on Internal Displacement 2022–2042 has been developed.⁴⁵ The action plan provides Bangladesh and its development partners with detailed activities albeit uncosted. It draws from extensive consultations and is aligned with Bangladesh’s national strategic documents including the Five-Year Plan, Bangladesh Perspective Plan 2021–2041, and Bangladesh Delta Plan 2100. Drawing from Bangladesh’s experience with the Bangladesh Climate Change Trust Fund, the action plan calls for the establishment of a national ‘displacement trust fund’ to be funded from the national budget. It calls for global climate finance to also be tapped.

While the government has yet to allocate domestic resources to the Strategy’s implementation, the Ministry of Disaster Management and Relief is working with development partners to implement aspects of the Strategy with external support.

Maldives

The National Framework for Managing Internally Displaced Persons in the Maldives in Case of a Disaster or Crisis was put in place in 2013, ahead of the Disaster Management Act (2015).⁴⁶ The framework, developed with the support of UNDP, was designed to complement the then new organizational and institutional structures put in place by the Act.

The framework is operational in nature, focusing on highly prescriptive steps for government and partners to take in response to displacement. It takes a rights-based approach drawing on the Guiding Principles on Internal Displacement. It adopts and modifies the international SPHERE standards for the Maldivian context.

While the framework remains in place, governments are not utilizing it to inform or support the agenda. Overall, it was reported that while the need to prepare and adapt to climate change is a priority, displacement and human mobility more broadly, has not featured prominently as a public policy issue to date.⁴⁷

45 Ministry of Disaster Management and Relief, “Draft Action Plan to Implement the National Strategy on Internal Displacement 2022–2042.”

46 National Disaster Management Centre, “National Framework for Managing Internally Displaced Persons in the Maldives in Case of a Disaster Crisis.”

47 See footnote 20.

Nepal

With the support of the Norwegian Refugee Council, Nepal put in place the National Policies on Internally Displaced Persons 2063 in 2007, following the end of a decade long conflict.⁴⁸ While the policy recognizes the multiple triggers of displacement, and delineates between disaster, conflict, and development displacement in terms of response and assistance, it largely focuses on conflict.

The policy's objective is to "build a peaceful, prosperous and internal-displacement free society through the promotion of mutual understanding, harmony and security" through prevention and solutions. It draws from the Guiding Principles on Internal Displacement, Universal Declaration on Human Rights, and Constitutional provisions, providing a rights-based approach to redress and assistance.

In terms of disasters, it sets out commitments on prevention, mitigation, preparedness and response to reduce displacement risk and provides measures to support relocation as a durable solution. It identifies the role and responsibilities of government office holders, entities, and other stakeholders.

The policy was housed within the Ministry of Peace and Reconstruction. Following its closure, responsibility for the policy was shifted to the Ministry of Home Affairs. While the policy remains in place, low awareness among government policymakers is reported. Recently, the National Disaster Risk Reduction and Management Authority adopted the 'Disaster Affected Private Housing Retrofitting, Reconstruction and Resettlement Tranche Disbursement Procedure 2081' providing government grants to households affected by disaster displacement. The role the national policy played, if any, is unclear.⁴⁹

Sri Lanka

In the context of protracted displacement related to the decades long civil war, Sri Lanka adopted the National Policy on Durable Solutions for Conflict-Affected Displacement in 2016 in response to the report of the Lessons Learnt and Reconciliation Commission.⁵⁰ It recognizes the State's primary responsibility to provide protection and assistance, to address human rights concerns and ensure access to justice, mechanisms for redress of grievances, compensation and reparations, and the provision of durable solutions.

The policy's objective is to set out and guarantee the rights of IDPs, refugee returnees and other persons of concern and to promote measures to address their immediate, medium and long-term protection and assistance needs, with a view to facilitating durable solutions to their displacement. It provides a rights-based set of principles and standards to guide stakeholders working with IDPs

48 Government of Nepal, "National Policies on Internally Displaced Persons, 2063 (2007)."

49 See footnote 20.

50 Ministry of Prison Reforms, Rehabilitation, Resettlement and Hindu Religious Affairs, "National Policy on Durable Solutions for Conflict-Affected Displacement."

and host communities, in accordance with Sri Lankan law and international law and humanitarian standards, including the Guiding Principles on Internal Displacement.

The policy explicitly recognizes displacement as a result of disasters, climate change, development projects, and the compounding nature of displacement. It notes that the principles and standards set out in the policy have implications for how the State responds to other situations of displacement and calls for a broader policy to be developed.

The policy's application was reported as limited, as governments have introduced new policies and approaches rather than implementing ones of previous governments. That said, the issue of displacement is recognized in the country's NAP and NDC, and there are government-led efforts to take further action in the context of its climate change response.⁵¹

Vanuatu

Vanuatu adopted the National Policy on Climate Change and Disaster-Induced Displacement in 2018 in response to increasing requests from affected communities.⁵² Supported by IOM, the policy recognizes displacement risk in the broader context of mobility in Vanuatu beyond disasters, such as traditional and customary land arrangements, development pressures and rural to urban migration.

The policy aims to “support and protect persons who, for reasons of sudden or progressive changes in the natural or built environment that adversely affect their lives or living conditions, are obliged to leave their habitual homes, or choose to do so, either temporarily or permanently.” It also aims to support and protect people at-risk of displacement, including internal migrants and persons who choose to or are required to relocate, as well as host communities. It's guided by Vanuatu's international commitments, regional frameworks, and national policies.

The policy sets out 12 strategic priority areas for action to ensure displacement and human mobility considerations are mainstreamed into planning at national, provincial and local levels, and builds on existing national policy initiatives to both reduce displacement risk and work towards durable solutions for IDPs. Each strategic priority has a set of actions over the short to medium term with responsible parties identified.

⁵¹ See footnote 20.

⁵² Ministry of Climate Change Adaptation, Meteorology, Geo-Hazards, Energy, and Ministry of Climate Change Adaptation, Meteorology, Geo-Hazards, Energy, Environment and Disaster Management, “National Policy on Climate Change and Disaster-Induced Displacement.”