Guidelines for Assessing the Impacts and Costs of Forced Displacement

July 2012
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Guidelines for Assessing the Impacts and Costs of Forced Displacement
July 2012
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Acknowledgements

The Impacts and Costs of Forced Displacement study was undertaken by the Global Program on Forced Displacement (GPFD) in the Social Development Department (SDV) under the Sustainable Development Network of the World Bank.

Niels Harild leads the GPFD and was the task team leader for the study, which was prepared by a team headed by Professor Roger Zetter, and including Dr. Carlos Vargas-Silva, Dr. Isabel Ruiz and Dr. Elena Fiddian-Qasmiyeh (Refugee Studies Centre and associates, University of Oxford), Dr. Svein-Erik Stave and Kristian Hoelscher (Institute for Applied Social Science – FAFO) and Dr. Cindy Horst (Peace Research Institute, Oslo – PRIO).

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Acronyms and abbreviations

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GPFD Global Program on Forced Displacement
HCT Humanitarian Country Team (UN)
IDP internally displaced person
IGA intergovernmental agency
LAC Latin America & Caribbean Region, World Bank
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This part of the *Guidelines* is an overview of the proposed methodology for assessing the impacts and costs of forced displacement. It provides the background and context for the methodology and presents a summary of key principles in the approach.

Section 1 explains why the *Guidelines* were developed – to meet the need for enhanced understanding and evaluation of the economic and social aspects of forced migration. This section also introduces the flexible approach we recommend to using the *Guidelines*, requiring adaptation to local circumstances and needs.

Section 2 explains key aspects of the approach, such as the need to combine quantitative and qualitative methods, and the main areas of use of the *Guidelines*. It summarises the benefits of agency collaboration and of pragmatic approaches to making the best use of available data.
Globally, over 40 million people have been forced to leave or flee their homes due to conflict, violence and human rights violations. They are classified as refugees if they travel outside their country of origin, and otherwise as internally displaced persons (IDPs). Most live in protracted displacement, where return has not been possible.

While forced displacement is a humanitarian crisis, it also produces developmental impacts, affecting human and social capital, economic growth, poverty-reduction efforts, environmental sustainability and societal stability. Those effects can be short or longer term, and either negative or positive.

These Guidelines for Assessing the Impacts and Costs of Forced Displacement are a response to the need to measure and analyse the developmental and humanitarian impacts. There are three important underlying issues here.

1. Enhanced understanding and evaluation of economic impacts

Forced displacement produces significant economic impacts, both positive and negative. Yet, there has been little analysis of these impacts. The lack of economic analysis severely hampers humanitarian and developmental policy and programme design.

Forced displacement produces significant economic impacts, both positive and negative. Yet, there has been little analysis of these impacts. The lack of economic analysis severely hampers humanitarian and developmental policy and programme design. As a result, it has been difficult to design and implement humanitarian and development assistance for refugees and IDPs to maximise the positive impacts and minimise the negative impacts.

2. Recognising both positive and negative impacts

It is often argued that refugees impose burdens on the host country. Examples include: increasing demand for goods and services, which cause shortages and rising prices; adverse impacts on local labour markets, which depress wage rates and destabilise the gender or skills balance; or increasing environmental degradation.

…refugees and IDPs may make positive contributions to the local economy by bringing new skills and resources…

Equally, however, refugees and IDPs may make positive contributions to the local economy by bringing new skills and resources, as well as increasing production capacity and consumption demand, which can stimulate the expansion of the host economy. However, the evidence-base and analytical tools to evaluate this, and to develop policies which respond to these actual or potential impacts, have not been readily available to date.

3. Economic outcomes of development assistance

For donors, and humanitarian and development actors, the value of international assistance originating from the OECD’s Development Assistance Committee is significant, totalling about $8b in 2011 for the humanitarian sector alone. There are no figures available for the contributions by development actors, host countries or non-DAC assistance provided by NGOs.

Yet, despite this level of funding, there is little assessment of the economic and financial outcomes achieved by programme and project investment. For example, donors rarely, if at all, assess whether different levels of funding or different types of programme and project packages for forcibly displaced people might yield better economic or financial returns, or whether there are more cost-effective means to achieve the same outcomes.

Thus, well-designed development responses to forced displacement may be cost-effective, compared to long-term humanitarian ‘care and maintenance’, and have important positive social and economic impacts on society as a whole.

We have developed these Guidelines to address these major policy and operational gaps. The Guidelines offer appropriate and easy-to-use tools to assess the impacts and costs of forced displacement, as well as the economic and financial consequences of development and humanitarian assistance.

The aim of the Guidelines is to support World Bank policy makers and other agencies involved with a wider range of forcibly displaced populations to measure and analyse the costs and impacts of forced displacement. They aim also to assist in design and in monitoring implementation of policies and programmes responding to these impacts.

1 IFRC World Disasters Report 2012 Chapter 6 www.ifrc.org
These Guidelines do not indicate or prescribe the choice of policies and programmes. Instead, they provide a portfolio of principles, analytical tools and indicators. This can inform policy makers and practitioners of the choice of policies and programmes they might select to assess the impacts and costs of forced displacement and their likely outcomes. There are no concrete solutions or optimum packages. However, analysis based on the Guidelines provides a much more robust evidence base from which to make choices about policies and programmes. The most appropriate combination depends on different operating environments, locations, patterns of displacement, and agencies’ interests.

Although the primary user of these Guidelines is the World Bank, the methodology is generic. The World Bank encourages wider use by developmental and humanitarian donors, policy makers and practitioners in intergovernmental agencies, national governments, and developmental and humanitarian organisations. The methodology can be used in strategic planning, policy and programme advice, design, implementation and management, and in monitoring and evaluation functions at headquarters and project level.

The Mixed Methods study also presents a preliminary testing of the quantitative model using a desk study applied to an existing dataset, and indicates the dissemination strategy for the study. This is a web-based document, available in electronic format on the World Bank website.² A State of the Art Literature Review provides the background to the study. It documents existing research literature (up to mid-2011) on the economic, social, political and cultural impacts and costs of forced migration. This volume is also available in electronic format on the World Bank website.³

² & ³ Available at: http://www.worldbank.org/forced-displacement

1.0 Introduction: context and objectives

1.2 Scope and users of these Guidelines

These Guidelines are intended to support practical assessment of the impacts and costs of forced displacement. They do this in three main ways, by:

1. Providing analytical tools that can enhance the design and impact of policies and programmes responding to the needs of forcibly displaced people and other affected populations.

2. Enabling policy makers to better link development responses to forced displacement better with the more conventional humanitarian and emergency interventions. This can support more sustainable and durable policies and programmes. Such investment should produce positive social and economic impacts that improve the longer-term situation of both displaced people themselves and of receiving populations.

3. Providing indicators to monitor and evaluate the impacts of forced displacement, and the outcomes of policy and programme interventions, using baseline and time-series data.

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1.3 Related resources supporting these Guidelines

These Guidelines are the practical component of a three-part study that was led by the Refugee Studies Centre, University of Oxford in collaboration with the Peace Research Institute, Oslo (PRIO) and the Institute for Applied Social Science (FAFO, Norway), and the World Bank.

This document provides a set of tools and indicators to analyse and evaluate the economic impacts and costs of forced migration. The Guidelines are designed for a wide range of users. The approach provides a general framework that is easy to modify and apply to different circumstances. The Guidelines:

• outline basic principles and tools
• select key indicators
• describe how to conduct sound impact and cost analysis
• review data sources and methods of data collection.

There is a more detailed description of the approach in the conceptual and technical study (from which these Guidelines are drawn): A Mixed Methods Methodology for Assessing the Impacts and Costs of Forced Displacement. This detailed study describes an econometric model, supplemented by qualitative indicators, for measuring impacts and costs.

The Mixed Methods study also presents a preliminary testing of the quantitative model using a desk study applied to an existing dataset, and indicates the dissemination strategy for the study. This is a web-based document, available in electronic format on the World Bank website.² A State of the Art Literature Review provides the background to the study. It documents existing research literature (up to mid-2011) on the economic, social, political and cultural impacts and costs of forced migration. This volume is also available in electronic format on the World Bank website.³

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These Guidelines draw on the principles and operational components of the Sustainable Livelihoods Framework. Employing a wide range of data-collection and analytical methods, the ‘livelihoods approach’ was originally developed by the UK Department for International Development (DFID) in 1999. This approach is now well established and widely used as a development tool by policy makers. However, it has not been systematically applied to situations of forced displacement. This is a significant gap, which these Guidelines seek to fill by applying and refining the approach.4

…not all the important dimensions can be captured by quantifiable indicators.

A key consideration for developing the methodology has been identifying quantifiable indicators that could be ‘costed’. However, not all the important dimensions can be captured by quantifiable indicators. Thus, the Guidelines propose a methodology which combines quantitative analysis with a substantial range of qualitative methods across a range of variables. The analysis includes, for example, impacts of displacement that are:

- social, such as class, education, ethnicity
- demographic, notably age and gender
- temporal, such as in emergency or protracted phases
- spatial, such as location in camps or urban settings. It looks also at the impacts of social change produced by forced displacement, different coping capacities and responses to developmental and humanitarian assistance, and the significance of protection and security measures.

The combination of qualitative and quantitative techniques facilitates a holistic analysis of the different dimensions of the impacts and costs of forced displacement and their policy and programme implications. It provides a robust methodology both for measuring the impacts and costs, and for explaining their causes and consequences.

This methodology allows the assessment of impacts and costs at any scale. This methodology allows the assessment of impacts and costs at any scale in relation to the four perspectives. The scale of assessment could be as small as an individual refugee camp, the local area in which a camp is located, or a self-settled or urban setting. Alternatively, assessment could be aggregated to a national-level analysis of impacts and costs. The appropriate scale of analysis depends on the objectives of the organisations conducting the assessment.

An important aspect of the methodology is its value in policy design and evaluation. Economic variations within a displaced population may be for reasons other than the displacement...

For example, in some cases it is difficult to separate the impacts of displacement from the overall impacts of war and violence. Economic variations within a displaced population may be for reasons other than the displacement, and displaced people may not be representative of the wider population in general. It may not be cost-effective to gather enough data to be sure of the reasons for this, and some uncertainty will have to be accepted within any analysis.

Second, identifying refugees and IDPs is not easy. Displaced people may not wish to identify themselves; they may be highly mobile (moving in and out of refugee settlements); and they can be especially hard to identify in urban settings, often with unclear legal or registration status. Moreover, refugees, IDPs, and their hosts may often be intertwined in terms of ethnicity, socio-economic characteristics, livelihoods and vulnerabilities. For this reason, differentiating impacts and costs between refugees and hosts may be difficult or impossible. Further, humanitarian and development actors increasingly choose not to differentiate, and programme jointly targeted interventions where the needs of the displaced and their hosts frequently overlap.
2.4 Joint use of the methodology

The methodology can be used at different organisational levels

These Guidelines are primarily designed for the World Bank, although we encourage other organisations to use the assessment methodology for their strategic planning, policy and programme development, and monitoring and evaluation. The methodology can be used at different organisational levels—for example at headquarters, or at the country or project-team level.

Moreover, as mentioned above, the methodology can be used at different spatial scales. This includes the local level, where the costs and impacts introduced by forcibly displaced people are likely to be most concentrated. It also includes the national level, where macro-economic impacts and costs are likely to predominate.

Developing a multi-agency approach

Different agencies have different needs and objectives in analysing the impacts and costs of forced displacement. They may prefer to choose parameters and indicators relevant to their specific needs. For example, agencies with a mandate for humanitarian assistance for women and children are likely to focus on indicators that might relate to household composition, gender roles and security.

By contrast, agencies mandated to provide emergency assistance are likely to focus on household survival, as indicated by household income. Agencies concerned with longer-term development may focus more on land and property restitution, livelihood strategies, and employment status and assets.

However, there are three key advantages in different agencies working together rather than individually.

1. Different agencies working together can best capture the multi-dimensional nature of the economic impacts and costs of forced displacement. Collaborative working is also the best way to understand interactions between the different variables and their impacts.

2. A shared approach reflecting both development and humanitarian projects and programmes offers the best chance of capturing and assessing the continuing and changing impacts and costs of displacement over time. A shared approach to assessment increases the chances of more holistic and comparable monitoring and evaluation of programming and project performance.

3. The range of quantitative and qualitative data involved in using this assessment method is considerable. Collaboration between agencies means that they can pool resources and work on complementary aspects to improve overall capacity and efficiency.

...we encourage key stakeholders to collaborate in developing a common multi-agency methodology...

For these reasons, we encourage key stakeholders to collaborate in developing a common multi-agency methodology wherever possible. Such stakeholders include the World Bank, UN Country Teams, government departments, bilateral donors and NGOs. It may be possible for some agencies to cover additional indicators separately, in addition to those included in a collaborative methodology. Humanitarian agencies have valuable experience here in developing Common Needs Assessment (CNA) tools in emergencies and the Post Conflict Needs Assessment (PCNA) tool jointly developed by the World Bank, the UN and the EU.

2.5 Data needs and availability

Measuring the impact of violence-induced displacement is a challenging process for several reasons. In particular, adequate data are often not generally available.

While the methodology proposed in these Guidelines seeks to address these and other difficulties, using the Guidelines still presents significant challenges in terms of data.

In summary, data needs and availability depend on:

- data already available
- resources that may be available to collect new data
- specific needs and objectives of the agencies involved
- the extent to which agencies can share data and assessments of the impacts and cost of displacement, for example through the UN Country Team structure.

Existing data will have been collected by different agencies for different purposes and over different periods. This poses methodological problems in reconciling datasets, and may result in only approximate values of impacts and costs.

Conversely, while collecting new data may seem desirable, this is always costly in time and resources. For these reasons, new data collection should be carried out only when the key data needed to conduct the evaluation do not exist, or are too out of date, unreliable or otherwise inappropriate.

The lack of complete datasets should not discourage use of these Guidelines to assess the impacts of displacement. Indeed, the Guidelines recommend in each of the four perspectives ‘priority’ and proxy indicators to overcome the problem of limited data availability.

Even where data are limited, or where a reduced set of indicators is used, assessment will still yield important results in terms of identifying where impacts and costs are most pronounced, and therefore some of the priority areas for policy makers to address. At the same time, these approximations will also point to where new datasets might be needed to yield more precise analysis.

In this context, a key task for the multi-agency approach is to map, review and share existing sources of data early on in both the planning and the evaluation process. This can help to establish the potential utility of the data and critical gaps where new data will need to be collected. The appendix at the end of this document examines data needs and sources in more detail.

Methodology for Assessing Impacts and Costs
This part of the *Guidelines* provides practical, step-by-step advice on how to apply the methodology to specific assessments. Sections 3–5 look at the effects of forced displacement on refugees/IDPs, host populations, origin populations, respectively.

In each of these three sections, the same sequence of four steps is recommended and explained – in most detail in Section 3. This process enables the examination of displacement effects on each of these three groups in terms of a wide range of economic and social variables.

Section 6, on international assistance, follows essentially the same methodological principles, but the indicators, tools and the interests of the development and humanitarian actors are different. This analysis also assesses impacts and costs in relation to the three so-called durable solutions – return, resettlement and local integration. It also provides the basis for assessing the potential success and opportunity costs of different ‘funding’ strategies adopted by these actors.
3.0 Refugees and internally displaced persons

3.1 Introduction and application of the method

This section provides an empirical strategy for estimating the economic impacts and costs of forced displacement on displaced populations.

The focus of the analysis is on measuring socio-economic outcomes – livelihoods and economic wellbeing. However, purely monetary terms cannot account for all of the impacts of the displacement process because other factors also affect economic wellbeing. Accordingly, the methodology allows for the analysis of mediating variables, such as changes in human security and the adoption of coping mechanisms.

The methodology and the analytical tools and indicators can be applied to households or to selected social or demographic groups, such as the elderly or women, to assess the precise impacts and wellbeing for a given category. Household livelihood strategies are susceptible to substantial adjustment, adaptation and transformation under conditions of forced displacement, through changing gender roles and child labour, for example.

...forced displacement affects demographic and social groups differently...

3.2 Measuring the impacts and costs

Step 1: Identify parameters and indicators for the analytical framework

To analyse and evaluate the economic outcomes for forcibly displaced people, four levels of analysis are proposed. While the first three levels measure mainly economic outcomes, the fourth level assesses social factors.

1. Parameters: four possible generic parameters, by which to analyse economic outcomes (income, employment, assets and access to natural resources).
2. Main indicators: for each of the four parameters, there is a set of sub-indicators or variables providing the main instruments for measuring impacts and costs.
3. Interaction indicators: a further, more detailed set of interaction variables, enabling impacts and costs to be measured for specific categories of displaced people.
4. Mediating variables: social factors that enable other, not necessarily economic, factors to be incorporated into the methodology.

The parameters and main indicators, listed in Box 3.1, provide an overall economic profile of the population of concern, enabling general conclusions to be drawn about the impacts and costs of displacement. Box 3.2 lists the interaction indicators, while Box 3.3 summarises the mediating social variables.

Box 3.1

Key parameters and main indicators for analysing economic outcomes on displaced populations

Parameters:
- Income
- Disposable income
- Consumption level
- Savings
- Remittances

Employment
- Wages
- Employment status
- Type of job
- Labour force participation
- Hours worked

Assets
- Real estate with/without title
- Livestock
- Agricultural equipment
- Other assets

Access to natural resources
- Fuelwood
- Building materials
- Water
3.0 Refugees and internally displaced persons

3.2 Continued

Ideally, the evaluation and analysis covers all four levels and variables: assessment of only a limited number of these variables will provide a partial picture. For instance, displacement may result in significant loss of assets, such as animals, tools or shelter, and in lower wages. However, varying employment status after displacement, and level of education (and so earning propensity), might mitigate some of these impacts.

The economic impacts and costs of real-estate assets, such as rented housing for urban refugees, are likely to be significant. However, these can be mediated by wider household participation in the cash economy. It is likely that remittances might play a larger role in the incomes of households in protracted displacement, compared with those who have only recently been displaced.

The economic impact of displacement is likely to vary between individuals, and so the interaction variables (Box 3.2) help to assess individual characteristics. Gender, age, family size and composition, physical capacities, educational levels, pre-displacement skills and assets and ethnicity are among the characteristics which will also condition the extent to which different displaced people and groups cope in exile. If possible, these variables should be assessed in separate estimations.

Some indicators are better suited to displaced populations living in rural areas (e.g. agricultural equipment, livestock), while others are better for urban settings (e.g. wages, types of jobs, real-estate assets). Analysing the economic value and use of environmental resources may be more relevant in the context of rural encamped populations – for example the use of fuelwood, local building materials and water. Another challenge in estimating economic impacts is the need to explore whether those who are displaced are different from those who have not been displaced, in terms of likely economic outcomes – for example level of skills and education.

The impacts and costs of displacement are not limited to the predominantly economic outcomes discussed above. Box 3.3 proposes factors related to individual or household wellbeing that could mediate the displacement outcomes quite significantly: the list is not exhaustive. Variables such as changes in the level of security, the scope of protection, adaptation and coping mechanisms, and the increased exposure to income shocks that may affect consumption patterns are all factors known to determine the survival of refugee and other forcibly displaced populations.

### Box 3.3 Possible mediating variables for displaced populations

#### Risk related
- Security level
- Perceived security
- Exposure to transitory income shocks
- Level and scope of protection

#### Coping mechanisms
- Child labour
- Early marriage
- Education interruption
- Prostitution
- Transactional sex
- Other culturally unacceptable activities (e.g. divorce, substance abuse)
- Criminal activities
- Household separation
- Selling food rations
- Shelter creation
- Reducing food intake
- Learning new languages or skills
- Secondary migration
- Changing gender roles

#### Others
- Psychological health
- Political rights
- Social change

These variables account for significant non-monetary, qualitative factors that condition the wellbeing of forcibly displaced people. However, they have economic-related impacts and therefore need to be incorporated into the analysis. Ideally, we would consider the impact of displacement on all these outcomes, data and time permitting.

In practice, it is necessary to select from the range of possible indicators. Evidence suggests that factors such as security and rights to work for refugees are more likely to produce significant costs and impacts than language skills or selling food rations. The latter may be important in particular situations, however. How to select indicators, according to specific circumstances, is discussed within Step 2 below.

#### Step 2 Select summative indicators and variables

The second stage is to select summative or representative indices for the four analytical levels. This involves some consideration of data requirements, which are also discussed further in Steps 3 and 4.

In practice, it is unlikely that all the economic variables and mediating factors noted above can be included in an assessment of the impacts and costs of displacement. Given the need for selection, a particular challenge is to establish a combination of measures that will:
- best capture the significant interactions and dynamics between these factors in a particular displacement setting.
- provide a meaningful estimate of the impacts and costs

In this way, it is possible to produce a reasonably comprehensive assessment. Taking these criteria and constraints into account, we propose the selection of indicators listed in Box 3.4.
3.2 Continued

Box 3.4
Selected indicators for estimating economic effects of displacement on refugees and internally displaced persons

<table>
<thead>
<tr>
<th>Parameters and main indicators:</th>
<th>Income (monetary and non-monetary), disposable income (monetary and non-monetary), environment (resources). Income and disposable-income statistics are the main indicators of the economic outcomes of forced displacement. Although these data are difficult to obtain in any circumstances, they are critical benchmarks to determine household survival strategies and livelihood capacities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interaction indicators:</td>
<td>Household, gender, time since displacement, refugee/IDP status. Since the impacts of displacement will vary across different households with different characteristics, interaction variables disaggregate the income and asset analysis. Analysis of household demographic and gender structure, for example, can reveal important distinctions in how the different groups experience different impacts and costs of forced displacement.</td>
</tr>
<tr>
<td>Mediating variables:</td>
<td>Security, rights protection, selected coping mechanisms (e.g. child labour, gender roles), shelter. To complete the evaluation of impacts and costs, other social factors are selected which, evidence shows, are significant determinants of income, livelihood capacities and household wellbeing. Accordingly, they should be factored into the analysis.</td>
</tr>
</tbody>
</table>

We suggest a series of 10 tasks as follows.

Task 1
Analysis of income data

Income data should be analysed with two aims. First, produce a baseline of survival or basic needs – rather like a poverty indicator, to specify the minimum survival level. Second, profile the sources of income, for example employment type and the use or disposal of assets. This will determine, for example, the relative value of monetary and non-monetary resources to household survival, relative dependency on different sources (e.g. humanitarian assistance, income-generating projects), and the scope for enhancing income-generating or employment opportunities.

Task 2
Analysis of disposable-income data

Whereas income data can benchmark the overall economic wellbeing of the target population, analysis of disposable incomes is potentially more valuable. Understanding how, and on what, forcibly displaced households or individuals spend (or save) their income provides significant insights into their livelihood strategies.

Task 3
Allow for natural resources

Natural resources should be included in the analysis, especially for rural/encamped populations. Here, the demand for and use of natural resources, such as building materials, fuelwood and water, are likely to produce significant impacts and costs. These should be included in the assessment of household livelihood, income and expenditure. For urban populations, energy sources and construction materials are more likely to be monetised, and will thus appear in the measurement of disposable income.

The three estimates produced from Tasks 1-3 provide an overall summary profile of the basic economic structure of displaced households, and the major impacts and cost outcomes of displacement.

Task 4
Accept data limitations

Ideally, a methodologically more valid measure of impacts and costs requires comparison groups, so that conditions of forced displacement can be compared with pre-displacement levels. The ideal analysis should also isolate external factors such as ‘self-selection’ of certain groups, if some people are more likely to be displaced. However, datasets on pre-displacement conditions and the characteristics of the population are unlikely to be available: this is discussed below within Step 4.

Task 5
Decide on overall household or gendered analysis

At this level of analysis, the importance of the household is a key interaction indicator. Detailed disaggregation (such as by age or education) would shed additional light on the impacts but is unlikely to be cost-effective for policy makers. The exception here is to conduct a gendered assessment of impacts and costs, since we know that forced displacement, particularly concerning household income and survival strategies, accounts for major transformations in gender roles and responsibilities.

Task 6
Consider a time indicator

Displacement does not occur at the same time for everyone in a particular situation or location. Time since displacement has major impact and cost implications for forcibly displaced populations and their economic wellbeing.

Task 7
Assess legal status of refugees

The legal status of refugees, notably rights to work and mobility, and to a lesser extent of IDPs should be assessed. This is significant because many host countries place restrictions on refugees’ rights to work and their mobility, for example in encamped settings. This may impose severe negative economic impacts and costs, principally by limiting employment and income-earning potential.

Task 8
Include protection and human security

Security here includes physical safety, food insecurity and exposure to violence (such as sexual and gender-based violence in and around a refugee camp, but also in urban settings). This also includes rights protection, such as how refugees cope with risks such as refoulement (forced return).
Refugees and internally displaced persons

3.2 Continued

Protection and human security should be analysed for two reasons. First, they have substantial direct impacts on the income-earning capacity of individuals and households, but also on their wider socio-economic and psychosocial wellbeing. Different households will value and trade off these mediating variables in different ways. Second, these variables constitute a major objective of humanitarian actors. Ascribing values that households attach to these variables enables the estimate of their impacts and costs to households.

Task 9
Analysis of coping mechanisms
Coping mechanisms define the ways in which individuals and households deal with risk, change and difficult situations – prevailing circumstances for forcibly displaced people. Specifically in economic terms, coping mechanisms evaluate response to a decrease in income – a likely impact in the short term for displaced populations.

For the purposes of this analysis, child labour and changing gender roles should be considered here. Women and children often undergo substantial changes under conditions of displacement and constitute significant target or beneficiary categories for humanitarian actors. Here, the aim is to observe the coping strategies that displaced households select, and the value they place on them. This can be measured in terms of diversifying income sources or opportunity costs in relation to changing gender roles, for example. If the data allow, it will be valuable to compare the adoption of coping strategies over short and longer terms.

Task 10
Include shelter
Shelter is a significant mediating variable because it generates a broad range of socio-economic impacts and costs which are important to analyse. Shelter is an essential component of household wellbeing and personal and psychological security. Demand for shelter implies opportunity costs (e.g. self-build labour in construction) which should be measured. At the same time, shelter generates monetary costs (building materials, labour, and rental costs, especially in urban locations). Housing can also provide asset value, such as rental income or by providing a base for informal income-generating activities.

Step 3
Apply the methodology to estimate impacts and costs
After selecting indicators as detailed in Step 2, it is possible to assess the impacts and costs of forced displacement for displaced people. The essential question is: ‘How do households survive in economic terms when they are displaced?’ We suggest using both quantitative and qualitative methods to conduct this analysis, which can be carried out in six tasks as follows.

Task 1
Construct a profile of the displaced population
As detailed in Steps 1 and 2 above, quantitative data on household income and disposable income can be collected through random-sample questionnaire surveys. This information can be used to construct an overall economic profile of the displaced population.

Descriptive statistics (e.g. mean, median, standard deviation) can be generated to determine the distribution and proportion of the households/population in different income categories and the structure of household expenditure. These statistical measures are particularly valuable for estimating vulnerability and poverty levels and for time-series analysis of changing levels of economic wellbeing (discussed further in Task 6 below).
The same surveys can be used to collect statistical data relating to the costs, consumption patterns and use of environmental resources – for example, fuelwood, construction materials and water. Using similar descriptive statistics, these data can be analysed to examine variations in household consumption and expenditure related to costs and how households value these commodities by assessing the opportunity cost of their use.

**Task 2** Collect qualitative data

While the main indicators lend themselves to valuable statistical analysis, it is also essential to collect and analyse qualitative data. The most appropriate qualitative tool is a random-sample questionnaire survey on household livelihoods, using participatory methods (see Table A.1 in the appendix at the end of these Guidelines). Qualitative tools are also essential for analysing interaction indicators and mediating variables, as explained in **Task 5** below.

**Task 3** Apply correlation and regression analysis

Statistical data can also be collected by random-sample surveys of households in relation to the interaction indicators (such as gender, time since displacement, and refugee/IDP status). Descriptive statistics can enhance the profile of the displaced population provided by the main indicators.

However, the main statistical tools should be correlation and regression analysis. These can be used to estimate and explain how variations in income and disposable income are determined by the interaction indicators, showing the significance of each of these indicators on the costs and impacts of displacement.

For example, sources of income and disposable income can be correlated with length of displacement, or with women’s contribution to household income. This kind of analysis can indicate the relative significance of different factors on the costs and impacts of displacement. In turn, this can provide evidence to suggest how policies and assistance programmes might mediate these changes.

**Task 4** Quantify mediating variables

Random-sample household surveys can also be used to collect data to estimate the impacts and costs of mediating variables such as security, rights protection, selected coping mechanisms and shelter. Here, the survey will need to attribute a numerical value to these variables based on the opinion of the respondent.

For example, the respondent might be asked to value the importance of security to household income/livelihood on a scale of 1 to 5 where 5 is highly significant and 1 not significant. These data can then be analysed, as before, using descriptive statistics.

However, mediating variables more appropriately lend themselves to qualitative analysis (**Task 5**).

**Task 5** Carry out qualitative analysis, especially of mediating variables

Numerical data and descriptive statistics allow description and quantitative analysis. The role of qualitative analysis is rather to explain and illuminate the structure, conditions and strategies of household livelihoods. Qualitative analysis should include assessment and explanation of the social changes that displacement produces, and how economic outcomes are affected.

The most appropriate methods for collecting qualitative data are the participatory methods outlined in Table A.1. Which method(s) to use will vary according to circumstances. Random-sample questionnaire surveys – which can collect both quantitative and qualitative data – can be supplemented by key informant surveys and focus groups on specific areas and aspects of the population’s conditions. However, if it is anticipated that impacts and costs will be analysed over time, it might be useful to define a representative sample of manageable size that can be revisited.

**Qualitative methods are particularly valuable in understanding intra-household dynamics…**

Qualitative surveys can help in analysing the rationale for household survival strategies, and how the changing dynamics of displacement shape household experiences and responses. Qualitative methods are particularly valuable in understanding intra-household dynamics, and how socio-economic and demographic variables shape survival and self-reliance at different phases of displacement.

Qualitative methods can help to explain how and why different forms of employment are accessed, the role of the informal economy in supporting livelihoods, how and why households trade off different assets and locations, and how different environments condition the varying strategies that displaced people adopt. Assessing how displaced people view humanitarian assistance, in conjunction with their own agency and self-reliance, is a particularly useful aspect of qualitative methods. Key-informant and focus-group surveys might be appropriate tools here.

…information on how economic outcomes for the displaced vary over time is especially valuable…

**Task 6** Analyse impacts and costs over time

Carrying out the tasks above will result in a one-off, time-specific analysis of the impacts and costs of displacement. This information is valuable in assisting policy makers and humanitarian actors to determine programme and project priorities. However, information on how economic outcomes for the displaced vary over time is especially valuable. This will indicate how the economic decision-making and survival strategies of households adapt and adjust to displacement.

Time-series analysis can reveal the changing significance of the interaction indicators and mediating variables to household livelihoods. It can also indicate the contribution and impact of assistance and development projects to household wellbeing.

Under conditions of prolonged displacement, new livelihoods are established, levels of household autonomy and dependency rebalance, the demand for social infrastructure and services reconfigures, and there may be some degree of integration. Capturing these transformations is essential, since a point-in-time analysis will provide only limited medium- and long-term guidance to policy makers. Baseline survey data are essential in constructing time-series analysis, yet these data are rarely available.

In data collection for time-series analysis, both quantitative and qualitative data should be included. Statistical analysis of time-series data can be used to quantify change through time, and the interaction and mediating variables that explain these changes. Qualitative methods allow more nuanced explanation of these changes and their overall significance to households.
Step 4: Additional data collection and survey methods

The most likely existing source of data on income, disposable income and household livelihoods may be surveys conducted by NGOs. This can be within needs-based programming exercises concerning livelihood capacity, vulnerability measurement, or safety-net assessment, or in relation to NGOs’ own programme evaluations. Data collected by governments or other administrative organisations may also provide valuable summary statistical analysis of the displaced populations (see Table A.1).

If data are unavailable, surveys will need to be conducted to produce an analysis of the economic outcomes for the displaced population. Random-sample surveys are preferred and reliable, but other less statistically reliable methods such as snowballing can be more rapidly mobilised. Possible survey methods for collecting quantitative and qualitative data include household livelihood surveys, semi-structured interviews, and participatory rural appraisal (PRA), all of which are particularly suitable for analysing interacting indicators and mediating variables. Table A.1 lists these methods.

As noted above (within Step 2), the most meaningful measure of impacts and costs would compare conditions of forced displacement with pre-displacement indicators of incomes, household wellbeing and so on, but data to make these comparisons are unlikely to be available. It may be possible to use government reports or other sources of information that corroborate these conditions. A more likely source would be qualitative research, through different types of household or participant survey of the displaced population, as a way of comparing past and present conditions.

3.3 Camps and urban self-settled populations

So far, these Guidelines have proposed a method for assessing the economic outcomes of forced displacement at household level, which can be aggregated to any larger scale. In this section, we now consider a potentially very valuable application: comparison between self-settled refugees (or IDPs) and encamped populations.

For many years, the global total of self-settled refugees exceeded those who were encamped. Now, migration to and self-settlement in urban locations is the prevailing pattern for refugees and IDPs. In the urban context, one approach to analysis of the economic impacts of displacement is to use key parameters and main indicators focusing on labour markets and disposable income, where differentiation in urban areas is likely to be greater.

Quantitative estimation of these variables will be valuable in assessing the overall costs and impacts of urban locations to displaced households, as well as highlighting potentially significant differences in livelihoods and vulnerabilities between urban and rural displaced people. Areas of significant difference may include wage labour (rather than bartering or reliance on assistance), shelter costs, and use of other assets to support urban livelihoods.

Qualitative methods also provide important tools for assessing how the economic and social livelihood strategies of urban refugee and IDP populations condition their settlement preferences and mobility patterns. This includes critical factors such as access to employment, land and housing, and perceptions of security.

Access to and costs of land and shelter could provide another insightful comparison.

The cash economy dominates urban households’ incomes and disposable incomes, with significant costs related to commodities such as food, fuelwood and transport compared to rural settings. Urban areas also tend to have deficits in supply of land, housing and infrastructure. Therefore, displacement can have considerable impact on the holding of assets, especially in relation to land. Access to and costs of land and shelter could provide another insightful comparison.

Additional possibilities would be to compare outcomes in different camps, according to camp characteristics.

Exploring differences in outcomes between encamped groups is similar to exploring the outcomes of those settling in urban areas. Additional possibilities would be to compare outcomes in different camps, according to camp characteristics. Relevant characteristics here might be how long the camp has been in existence, mobility in and out of the camp, or the location of the camp in relation to market and employment opportunities (and the right to work), or perceptions of security.
4.0 Host population and state

4.1 Introduction and application of the methods

As in Section 3 on refugees and IDPs, the approach here concentrates on measuring economic outcomes such as livelihoods and economic wellbeing. But, again, mediating variables are also introduced, for changes in social conditions and welfare services for the host population. The particular value of the methodology here is that it provides rigorous tools by which to explore the intuitively held assumption that refugees and IDPs generate negative economic effects.

The methodology is based on two analytical approaches. The first mirrors the approach adopted for the displaced populations, with assessment tools and indicators that can be applied to either households or selected social or demographic groups. For the host population, as for the displaced, we recommend applying the methodology to the household, while recognising that specific humanitarian agencies and actors may wish to analyse costs and impacts for particular groups.

The second analytical approach deals with macro-economic outcomes at the national or regional level. Here, the aim is to assess impacts and costs as they affect the overall performance of the economy in terms of developmental outcomes. Some of these aspects are covered in Section 6 below (on assistance provided to displaced people).

There are two particular aspects of assessing impacts on host populations that require special caution. First, there is the challenge of observing a single community affected by an increase in refugees or IDPs. There is no obvious comparison group, and it may therefore be impossible to assess impacts and costs fully objectively.

…we suggest a pragmatic approach based on qualitative assessment of factors in each specific context.

Second, it is difficult to define the ‘local population’, given the different spatial scales of the impacts of displaced people, especially at micro-economic level. Here, we suggest a pragmatic approach based on qualitative assessment of factors in each specific context. Examples include catchment areas for access to social and welfare services, or the spatial extent to which the principal labour or other markets have been penetrated by the forcibly displaced populations. The scale at which available data have been collected may also be a significant determinant of the composition of the ‘local’ group.

“The particular value of the methodology here is that it provides rigorous tools by which to explore the intuitively held assumption that refugees and IDPs generate negative economic effects.”
4.0 Host population and state

4.2 Measuring the impacts and costs

Step 1 Identify parameters and indicators for the analytical framework

As for displaced populations, we identify four levels of analysis providing increasing detail and incorporating outcomes that are less easily quantifiable.

1. There are two generic parameters, for analysing economic outcomes (micro- and macro-economic). These are complemented by two further parameters which assess socio-economic outcomes (social/welfare and environment).

2. Within each parameter are the main indicators, a set of sub-indicators or variables providing the main instruments for measuring impacts and costs (Box 4.1).

3. Interaction indicators enable impacts and costs to be measured for specific categories of displaced people (Box 4.2).

4. Mediating variables enable further refinements of significance largely, non-economic factors to be incorporated into the methodology (Box 4.3).

Box 4.1 Key parameters and main indicators for host populations

<table>
<thead>
<tr>
<th>Economic parameters</th>
<th>Micro-economic</th>
<th>Macro-economic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>• Income/disposable income</td>
<td>• Housing supply/demand</td>
</tr>
<tr>
<td></td>
<td>• Consumption levels</td>
<td>• Costs</td>
</tr>
<tr>
<td></td>
<td>• Housing markets</td>
<td>• Rental markets</td>
</tr>
<tr>
<td></td>
<td>• Labour markets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Wages</td>
<td>Prices</td>
</tr>
<tr>
<td></td>
<td>• Employment</td>
<td>• Goods and services</td>
</tr>
<tr>
<td></td>
<td>• Type of Job</td>
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<tr>
<td></td>
<td>• Labour force participation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Hours worked</td>
<td></td>
</tr>
<tr>
<td>Labour markets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>• Livestock</td>
<td>Capital formation</td>
</tr>
<tr>
<td></td>
<td>• Construction / infrastructure</td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td>• GDP</td>
<td>• Increase/decrease</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Socio-economic parameters</td>
<td>Social/welfare</td>
<td>Environment</td>
</tr>
<tr>
<td><strong>Main indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health conditions</td>
<td>• Access to services</td>
<td>• Natural resources</td>
</tr>
<tr>
<td></td>
<td>• Children's health</td>
<td>• Building materials</td>
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<tr>
<td></td>
<td>• Maternal health</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Diseases</td>
<td></td>
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<tr>
<td></td>
<td>• Nutrition</td>
<td></td>
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<tr>
<td>Education</td>
<td>• Attainment</td>
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<tr>
<td></td>
<td>• Literacy</td>
<td></td>
</tr>
</tbody>
</table>

Box 4.2 Possible interaction indicators for host populations

<table>
<thead>
<tr>
<th>Risk-related</th>
<th>Security level</th>
<th>Perceived security</th>
<th>Exposure to transitory income shocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Marital status</td>
<td>Household status</td>
<td>Gender</td>
</tr>
<tr>
<td></td>
<td>Ethnicity</td>
<td>Education</td>
<td>Disability status</td>
</tr>
<tr>
<td></td>
<td>Family composition</td>
<td>Religion</td>
<td></td>
</tr>
</tbody>
</table>

Box 4.3 Possible interaction indicators for host populations

<table>
<thead>
<tr>
<th>Coping mechanisms</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour</td>
<td>Early marriage</td>
<td>Education interruption</td>
</tr>
<tr>
<td></td>
<td>Prostitution</td>
<td>Transactional sex</td>
</tr>
<tr>
<td></td>
<td>Other culturally unacceptable activities</td>
<td>(e.g. divorce, substance abuse)</td>
</tr>
<tr>
<td></td>
<td>Criminal activities</td>
<td>Household separation</td>
</tr>
<tr>
<td></td>
<td>Secondary migration</td>
<td>Changing gender roles</td>
</tr>
<tr>
<td>Others</td>
<td>Psychological health</td>
<td>Political rights</td>
</tr>
<tr>
<td></td>
<td>Social change</td>
<td></td>
</tr>
</tbody>
</table>
4.2  
Continued

Step 2  
Select summative indicators and variables

Step 2 explains the selection of summative indices for the four analytical levels. As in assessing impacts and costs for displaced populations, the same criteria of developing a meaningful estimate and capturing the key interactions apply for host populations.

As shown in Box 4.4, many of the selected indicators and variables are similar to those used for the refugee population (see Box 3.4). Household livelihoods and economic wellbeing for both groups are broadly determined by the same factors. However, the main differences are the scale and distribution of outcomes, and the period over which they occur. For this reason, the rationale for the selection of indicators is discussed here only where new variables are introduced.

Box 4.4  
Selected indicators for estimating economic effects of displacement on host populations and countries

Parameters and main indicators:  
Micro-economic – income (monetary and non-monetary), disposable income (monetary and non-monetary)  
Macro-economic – housing supply/demand and costs, capital formation, GDP  
Socio-economic – nutritional levels, educational attainment, natural-resources building materials  
Interaction indicators: gender, family composition  
Mediating variables: risk-related (security levels, exposure to transitory income shock)

We suggest a series of 10 tasks as follows.

Task 1  
Analyze income data

The process here is the same as in Step 2, Task 1 in Section 3.2 above, on displaced populations. The main difference is that the host population is unlikely to benefit from humanitarian assistance except where joint provision, a practice now emerging, has been adopted.

Task 2  
Analyze disposable-income data

See Step 2, Task 2 in Section 3.2. Analysis of both monetary and non-monetary sources of income and their disposal is essential here. Host populations usually experience impoverishment and may have only limited access to a cash economy.

Task 3  
Assess housing supply, demand and costs

As seen in Section 3 (Step 2, Task 10), shelter is a significant mediating variable in relation to the economic wellbeing of forcibly displaced populations. In the context of host populations, the local housing market impacts caused by the presence of refugees are likely to be significant, not least because housing (either rental or purchase) constitutes a major outgoing for most households.

The arrival of displaced people has an overall impact on housing supply, and especially in the rental sector. The impacts will vary according to the responsiveness of housing supply to the increase in demand. However, analysis should distinguish at least between urban settings and rural areas.

“...the key point is that impact can be through either the supply or demand side.”
4.2 Continued

In urban areas, there will direct impacts on prices of land (for housing), on housing unit costs (in terms of rent or capital costs), and on building-material costs. In rural areas, proxy impacts, such as fluctuations in the cost of building materials, may be more evident since there is unlikely to be large-scale housing supply in rural areas.

In both rural and urban areas, local people will face increased competition for housing and, in the short term, prices may rise often quite steeply. Prices will of course fluctuate in relation to the overall size of the displaced population, the rate of influx and household formation rate. Analysis over time will therefore be needed here.

...competition will be most severe for low-income housing...

Overall, we might expect that competition will be most severe for low-income housing, putting added pressure on poor and impoverished host households. Analysis should therefore concentrate on this segment of demand. There may be long-run adjustments, as producers respond by increasing supply; prices should fall benefitting both hosts and refugees/IDPs. However, producers may anticipate that displaced populations will return home and not increase output. Government policies, such as encampment or restrictions on refugee housing ownership, may be relevant to the analysis in some situations.

In all these scenarios, it is important to distinguish between the impacts for consumers (i.e. local host populations) and producers/suppliers. Refugee-induced increases in rent levels or housing costs penalise host-population renters and purchasers by forcing up prices. Conversely, they may generate additional income for investors, landlords, builders and building-material suppliers. This is an example of how displacement situations can generate ‘winners’ and ‘losers’, as is the case with some of the impacts discussed below.

Task 4
Consider differential effects on prices of basic goods

The presence of refugees is likely to affect prices of basic goods and services, but with differential impacts for producers/suppliers and consumers. One impact will be to cause supply constraints (e.g. for building materials), which will lead to price increases for local consumers but beneficial outcomes for producers.

Conversely, the sale of food rations by refugees will lead to oversupply, thereby undermining local food markets, assuming that refugees and hosts have similar tastes. Host producers will lose, as they will be required to reduce production, at least in the short term, while local consumers will benefit as prices drop. Oversupply of labour, caused by refugees entering the local labour market – both formal and informal – will benefit employers by diminishing wage rates. Loss of wage income will lead to a deterioration of the economic wellbeing of local households.

These are just a few of the possible impacts, but the key point is that impact can be through either the supply or demand side. These impacts and costs can be assessed using a typical basket of goods and services used by the local host households, and looking at how the households adapt to changing prices. Variations between prices for rural and urban contexts should be analysed, since the basket of goods and price fluctuations will differ. Time-series analysis will be essential here.

Task 5
Assess capital formation and GDP

See Step 2, Task 4, Section 6.2

Task 6
Consider health and education

Of the potential range of main indicators of social welfare, we select access to health care and educational attainment because these often constitute significant points of tension between local hosts and forcibly displaced populations. Displaced populations often produce pressure on local services, perhaps making hosts’ access to health care and medical facilities more difficult.

Over a longer period, the extra demand for school places for refugee children, who are often accommodated in local schools, may affect the attainment levels of children from the host population. Measuring and analysing these outcomes is important because these social impacts will have wider economic impacts.

Task 7
Allow for natural resources

See Step 3, Task 2, Section 3.2.

Task 8
Decide on overall household or gendered analysis

See Step 2, Task 5, Section 3.2.

Task 9
Analyse security levels

It is often assumed that large-scale influxes may lead to tensions between displaced and host populations. By ascribing a value which households attach to the importance of security, and their perceptions of how the quality of security varies in relation to the presence of displaced populations, it will be possible to make some estimation of the likely consequential impacts and costs to host households.

Task 10
Consider exposure to transitory income shock

This can help to refine the analysis of overall structure and dynamics of the household economy in relation to income and expenditure. Here, the aim is to measure one factor that can be quite specifically attributed to the arrival of a forcibly displaced population. This can be measured in terms of income changes but, critically, also as a proxy indicator of host households’ coping mechanisms and resilience in the face of economic shock.

Not all responses to such exposure may be negative or destructive, particularly in the longer term. Some hosts may benefit from higher income by selling goods and services to refugees or IDPs, for example. Shock may be a stimulus to develop new household economic and livelihood strategies.

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Not all responses to such exposure may be negative or destructive, particularly in the longer term. Some hosts may benefit from higher income by selling goods and services to refugees or IDPs, for example. Shock may be a stimulus to develop new household economic and livelihood strategies.
Step 3

Apply the methodology to estimate impacts and costs

See Step 3, Section 3.2. Here, the essential question is: ‘How do host households respond, in economic terms, to the presence of a forcibly displaced population?’ As before, we recommend using both quantitative and qualitative methods to conduct this analysis, which can be carried out in 10 tasks as follows.

Task 1

Construct a profile of the displaced population

See Step 3, Task 1, Section 3.2.

Task 2

Collect qualitative data

See Step 3, Task 2, Section 3.2.

Task 3

Add information on housing supply, demand and costs

Quantitative data on housing may well be available in national datasets (see Table A.1), which may also be separated into geographical or administrative units. Such data could include overall stock, supply and demand variations, changes in rent levels, costs of building materials, and house prices. This may be particularly valuable for analysing the impacts of displaced people on the housing markets in specific localities. Time-series data would be essential to assess variations in the patterns of supply and demand and prices. Where these are not available, sample surveys could be conducted and linked into to pre-existing national datasets.

Simple regression and correlation analysis could attribute the probability of these variations to the impact of refugees/IDPs. This kind of analysis would have a significant bearing on land and housing policies adopted by the government and humanitarian actors.

Both quantitative and qualitative data collection and analysis would provide valuable insights into household responses and perceptions. For example, quantitative data could be used to measure how household expenditure patterns and overall economic wellbeing have changed in relation to fluctuations in housing costs. Qualitative analysis on data collected in the same sample surveys could further elaborate in terms of the strategies households adopt, how they have adjusted to and cope with rising housing costs, what impacts this has on access to housing and housing land costs and access.

Surveys of landlords, landowners, house builders or key informants (e.g., professional surveyors, construction companies) could be the basis for further qualitative assessment of housing- and land-market behaviour. For example, this could include the response of producers to changing demand and prices, possible future trends and how some of the negative impacts might be ameliorated.

Task 4

Consider prices of basic goods and services

It is possible to measure price changes and their impacts using quantitative and qualitative analysis. As with housing data, there may also be national datasets on prices. These can be supplemented by and compared with sample surveys in areas receiving refugees and IDPs.

Correlation analysis could be used to assess the probability of these impacts being attributable to increased demand by the displaced population. Qualitative questionnaire surveys of households should be conducted. Data from these surveys could be used to evaluate how households have responded to these changes.

Qualitative surveys can ask key questions that help to explain complex responses. For example:

- What adaptation strategies have households adopted?
- Has health vulnerability increased through reduced nutritional intake?
- Has resilience increased or diminished through sourcing different supplies of basic foodstuffs?
- If prices of commodities have dropped, has nutritional intake increased, or are families using the savings for other investments?

Time-series analysis will be essential here to follow changes in impacts and costs.

Task 5

Assess capital formation and GDP

See Step 2, Task 4, Section 3.2.

Task 6

Consider access to health and educational attainment

National datasets should provide data on, for example, numbers of doctors and health professionals per capita – possibly broken down by administrative district. Factoring in the refugee population, where they are entitled to access, host government provision will provide some estimate of the likely impacts.

To assess educational attainment would require lengthy time series and localised datasets, possibly school by school. Even with this data, attributing changes in attainment levels to the impact of refugee children could be only general and tentative. But qualitative surveys of host households may help to elucidate some assumptions and perceptions.

Qualitative surveys can ask key questions that help to explain complex responses.
4.0 Host population and state

4.2 Continued

Task 7
Allow for natural resources
See Step 2, Task 3, Section 3.2.

Task 8
Consider gender and family composition
See Step 3, Task 2, Section 3.2.

Task 9
Quantify mediating variable
See Step 3, Task 4, Section 3.2.

Task 10
Assess exposure to transitory income shock
This topic can be included in random-sample questionnaire surveys. In many ways, the analysis overlaps with the evaluation of adjustment to prices (Task 4 above). However, qualitative analysis will play a very important part in seeking to understand the modalities of households’ resilience and adaptation strategies. Although tied to income shock, this can open a wider window on how these strategies are adopted and used, and their impacts on the dynamics of household economy.

Step 4 Additional data collection and survey methods
See Step 4 in Section 3 (on impacts and costs for refugees and IDPs) includes additional observations which apply also to this part of the methodology.

4.3 Differential impacts: winners and losers

As we have seen above, the economic impacts of refugees or IDPs are not the same across all sectors of the host population. A specific application of the methodology, therefore, is to disaggregate the impacts on the host population in order to measure differential economic impacts — the potential winners and losers. The most significant impacts are likely to be on wages and incomes (in the formal and informal sectors), on key sectors of the labour market and possibly in gender participation.

For instance, the degree of substitution between the displaced population and the local host population in the labour market is one of the key determinants of the effect of displacement on local wages. An increase in the labour supply due to displacement should lower wages if refugees and local people are interchangeable. Alternatively, if refugees ‘complement’ local people in terms of production, displacement may increase local wages.

The outcome may be a potentially significant form of income redistribution. In practice, the impacts are likely to be diverse: there are workers with different skill levels; refugees and locals are not perfect substitutes; there are other differences between sub-groups of the host population. Moreover, the labour market may adjust over time, with local people or refugees adapting skills or changing employment type in relation to variations in wages.

In some sectors of the labour market, the host population may be unaffected by the arrival of displaced people, or may benefit from them. For example, the host country may prevent refugees from gaining employment, or regulation of professional standards and licensing may prevent or inhibit refugee access to sectors of the labour market. Measuring the winners and losers is an important component of the overall impact evaluation, and this methodology can be adapted to this requirement.

If sample surveys are sufficiently large, the results, particularly on sources of income, could be disaggregated for different sectors of the labour market. The same datasets could be disaggregated for refugee/IDP incomes. It may then be possible to conduct correlation and regression analysis on these two datasets to show how increases or decreases in wage levels affect incomes and participation across and within the two populations.

Qualitative interviews with both populations would be valuable in exploring how households have responded to wage-rate variations and unemployment rates in different sectors of the labour market. For example, to what extent do the two populations look for occupations that have higher unemployment rates, where it is easier to find a job?

Proxy impacts can be assessed through surveys of refugee/IDP households. These will help to substantiate the effect of entry barriers on labour market participation in different occupational sectors. They can also explain strategies which refugees use to avert such barriers, for example by informal working, or downward occupational mobility.

A second approach would be to survey local businesses and employers to investigate occupational and labour-market constraints and opportunities, wage rates and the correlation between them. Such surveys would help to elucidate the changing patterns and impacts of refugee/IDP labour supply, the substitution effects, if any, and how relative wage rates condition labour-market participation.

Impacts on both formal and informal labour markets include the diversification of economic activity and a potential increase in labour demand or crowding out of host labour by undercutting wage rates. These impacts are suitable for qualitative analyses, to increase understanding of how these changes occur, why, and over what periods.
5.0 Area and country of origin

5.1 Introduction and application of the method

This section of the Guidelines estimates the impact of certain aspects of the displacement process on the home country and home population. Estimating the impact of displacement on an area and country of origin is challenging.

• There is often a challenge in obtaining economic data from the area or country of origin that pre-dates the exodus. There may be pre-existing census data, UN data and poverty data from World-Bank-supported research.
• This complexity is increased if the exodus took place over a protracted period, rather than as a sudden large-scale exodus.
• It is often difficult to separate displacement effects from other economic impacts of war and widespread violence, which usually accompany forced displacement.
• There is usually no ideal ‘control’ population – with two identical comparator locations, one impacted by forced displacement, and one where there has been no depletion by displacement.

It is unlikely that the ideal model can be applied. However, it is not impossible to estimate the impact of certain aspects of the displacement process on the home country and home population. The estimation is likely to be very broad in scale, and cannot realistically measure macro-economic or national-level impacts.

This section broadly follows the method suggested for the other two contexts (Sections 3 and 4), concentrating on measuring economic livelihoods and economic wellbeing. We also introduce other variables, notably the impact of remittances.

5.2 Measuring impacts and costs

Box 5.1
Key parameters and main indicators for home populations

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Income</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main indicators</td>
<td>• Income/disposable income</td>
<td>• Wages</td>
</tr>
<tr>
<td></td>
<td>• Consumption levels</td>
<td>• Employment</td>
</tr>
<tr>
<td></td>
<td>• Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Savings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Poverty ratios</td>
<td></td>
</tr>
</tbody>
</table>

Step 1
Identify parameters and indicators for the analytical framework

Given the complexity of conducting this measurement, the analysis and evaluation of economic outcomes is conducted on only two levels, rather than four levels as before:
1. There are two parameters, for analysing economic outcomes (income and employment).
2. Main indicators for each parameter are listed in Box 5.1.

The interaction indicators suggested in the previous contexts are not used here, as it is unlikely that the data would exist. However, mediating variables are introduced to include the impact of remittances which evidence shows may have significant economic effects on the country or area of origin (Box 5.2).

Box 5.2
Possible mediating variable affecting area/country of origin

Remittances:
Income/disposable income
Other economic activity
Consumption
Poverty ratios
Health conditions

Step 2
Select summative indicators and variables

Step 2 of the methodology explains the selection of ‘summative’ indices for the three analytical levels. The data requirements are also outlined, and are discussed further in Steps 3 and 4 below. In terms of the parameters and main indicators (Box 5.3), these again broadly replicate those used for the refugee and host populations (Sections 3 and 4). Fewer factors are used here, since data limitations and the likely elapse of time since displacement would make detailed analysis counterproductive. Again, the objective is to measure impacts on household livelihoods and economic wellbeing, and these are broadly determined by the same factors.

Box 5.3
Selected indicators for estimating economic effects of displacement on home populations and countries

Parameters and main indicators: income (monetary and non-monetary), disposable income (monetary and non-monetary).

Mediating variables:
Remittances (income/disposable income, other economic activity).
5.2

Continued

Task 1
Analyse income data
See Step 2, Task 1, Section 3.2. The main difference here is that there will be no impacts of humanitarian assistance to consider.

Task 2
Analyse disposable-income data
See Step 2, Task 2, Section 3.2. Analysis of both monetary and non-monetary sources of income and their disposal is essential, since one might expect that livelihoods in most countries of origin are characterised by high levels of poverty and depend on non-cash economic means.

Step 3
Apply the methodology to estimate impacts and costs

Task 1
Construct a profile of the home population
See Step 3, Task 1, Section 3.

Task 2
Collect qualitative data
See Step 3, Task 2, Section 3.

Task 3
Consider remittances
Quantitative data on the volume and role played by remittances are unlikely to be available in national datasets, since many transactions are not recorded. The collection of data would comprise part of the household surveys undertaken in Tasks 1 and 2 (Step 1, Section 3). These surveys would provide insights into the proportion of household income formed by remittances, and the purposes for which remittances are used. Descriptive statistics would enable comparisons of volume and use of remittances between different-sized households or different socio-economic groups.

Qualitative data would enable investigation of the reliance of households on remittances, the strategies they adopt to use remittances, changing patterns of consumption and expenditure in relation to remittance income, levels of dependency, and the extent to which remittances contribute to household economic wellbeing.

Data could also be collected from households on the business and entrepreneurial uses of remittances, since many levels of activity are likely to be small scale. In addition, surveys could be undertaken of local businesses in order to assess the role of remittances in their development (e.g. proportion of investment capital, employment creation). Looking at these together, some crude calculations could be made on the overall contribution of remittances to the local economy.

Both quantitative and qualitative data collection and analysis would provide valuable insights into household responses and perceptions. For example, quantitative data could be used to measure how household expenditure patterns and overall economic wellbeing have changed in relation to fluctuations in housing costs.

Time-series data would add a valuable dimension to these measurements. For example, they could indicate the growth of the firms, impact of variations in remittance flows and, at household level, the relative dependency (or not) on remittances. Regression and correlation analysis could attribute the probability of these variations to the impact of remittances.

Step 4
Additional data collection and survey methods
See Step 4 in Section 3 above (on impacts and costs for refugees and IDPs).
This section of the Guidelines estimates the impact of displacement on the type of assistance provided to refugees and IDPs.

Some of the direct impacts and costs of displacement result from humanitarian and development actors and hosting governments intervening to help refugees and IDPs. As mentioned in earlier sections of the Guidelines, one example is the contribution of monetary and non-monetary assistance to the income streams of displaced households. Another example is the provision of humanitarian and development assistance to encamped or self-settled displaced populations.

This section of the Guidelines refines these and other analyses by focusing more specifically on the donors and development and humanitarian actors. Here, we expand the discussion to provide tools to identify and measure the impact and cost dimensions of assistance activities. We focus on estimating the impacts on the refugees/IDPs themselves, but also consider the effects on host communities.

This section provides:
- an empirical strategy for estimating the impacts and costs related to the type of assistance provided (Section 6.2)
- tools to assess interventions to promote the three ‘durable solutions’ to refugee situations: local settlement, return to country of origin, or third-country resettlement (Section 6.3).

"We aim to show how to maximise the complementarity of humanitarian and development assistance for the benefit of the displaced, the host population and the agencies themselves."
6.2 Type of assistance provided

Donors and development and humanitarian actors – including intergovernmental agencies, donor governments and NGOs – play a significant role in addressing the needs of forcibly displaced populations. Intergovernmental agencies and NGOs are the major funders of both humanitarian emergency interventions and longer-term developmental programmes to assist refugees and IDPs during displacement as well as for return and resettlement.

These two funding streams play a complementary role in addressing the situation of forcibly displaced people and in providing services to support the often-similar needs of host populations. Development and humanitarian actors are increasingly promoting joint provision for both groups.

These Guidelines can help to improve assessment of the impacts and costs of these different funding streams. We aim to show how to maximise the economic outcomes of international assistance for the benefit of the displaced, the host populations. Intergovernmental agencies and NGOs – play a significant role in addressing the needs of forcibly displaced people.

Step 1 Identify parameters and indicators for the analytical framework

We suggest three levels of analysis to evaluate the economic outcomes of international assistance to displaced people. As before, each level provides greater detail on which to assess the impacts and costs of displacement.

1. Parameters: we suggest two generic parameters – programme type and economic scale.
2. Main indicators: for each parameter, we propose a set of main indicators (Box 6.1), providing the main suggested measures of impacts and costs.
3. Interaction indicators: these provide the basis for analysing the impacts and costs of interventions typically mobilised through international assistance (Box 6.2).

Box 6.1 Key parameters and main indicators to analyse economic outcomes of international assistance to the displaced

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Programme type</th>
<th>Economic scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main indicators</td>
<td>• Direct funding of beneficiaries</td>
<td>• Macro-economic</td>
</tr>
<tr>
<td></td>
<td>• Social and welfare programmes</td>
<td>• Micro-economic</td>
</tr>
<tr>
<td></td>
<td>• Infrastructure</td>
<td></td>
</tr>
</tbody>
</table>

Box 6.2 Possible Interaction Indicators (Level 3)

<table>
<thead>
<tr>
<th>Spatial distribution</th>
<th>Target group</th>
<th>Procurement/funding sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camps</td>
<td>• Displaced population</td>
<td>• Internally generated</td>
</tr>
<tr>
<td>Urban</td>
<td>• Host population • Direct and indirect impacts</td>
<td>• Externally generated</td>
</tr>
</tbody>
</table>

Step 2 Select indicators and variables to analyse impacts and costs and potential data requirements

In previous sections, we suggested selecting ‘summative’ variables from a large range of indicators. Here, we suggest using just a few variables, as listed in Box 6.3. Within Step 2, we now explain these variables and their role in the analysis, suggesting seven tasks for examining each main aspect.

Box 6.3 Selected indicators for estimating economic effects of displacement on host populations and countries

<table>
<thead>
<tr>
<th>Parameters and main indicators</th>
<th>Programme type (direct funding of beneficiaries, social and welfare programmes, infrastructure), macro-economic and micro-economic impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interaction indicators</td>
<td>Spatial – camps, self-settled rural populations, urban settings</td>
</tr>
<tr>
<td>Target group</td>
<td>– displaced and host population, direct and indirect impacts Resource/funding sources – internally/externally generated</td>
</tr>
</tbody>
</table>

Task 1 Analyse the impacts of direct funding

Many assistance programmes for displaced populations have an economic or development focus by directly funding the activities of displaced beneficiaries, such as through small loans or income-generating projects. For example, business-development projects and skills-development programmes have a direct impact on the livelihoods of displaced people by paying cash into the household or by enhancing income-earning potential.

These impacts vary through different phases of displacement with a potentially significant effect on the economic outcomes of participants as well as a multiplier effect on the demand for goods and services supplied by the host economy. In other instances, programmes have a shorter-term emergency humanitarian focus.

…even in emergency conditions, there may be unintended ‘developmental’ or economic impacts.

Yet, even in emergency conditions, there may be unintended ‘developmental’ or economic impacts. For example, the sale of food rations to capitalise the value may benefit the displaced population but may negatively affect local farmers if the rations sell at below prevailing market prices. However these effects vary, direct funding to displaced populations is a major influence on their economic wellbeing, and it important to analyse these impacts.

Task 2 Assess the impacts of social and welfare programmes

In addition to direct funding, international actors and host governments provide assistance in the form of education, medical, nutritional, public health, community development, gender empowerment and other programmes. This is the second type of assistance intervention generating significant impacts and costs.
6.2 Continued

These interventions produce mainly indirect impacts and costs in relation to economic outcomes. For example, improved health and nutritional conditions for displaced populations are valuable humanitarian goods in their own right. But they also affect economic outcomes by improving the life chances, employment and livelihood options of displaced populations. The practice of joint programming of social welfare services for both forcibly displaced populations and host communities is increasing. In many cases, health clinics or public health interventions, for example, are offered to both refugee and host communities. The economic outcomes of these interventions must also be included in an overall assessment.

Task 3
Examine the impacts of infrastructure provision

Provision of infrastructure is the third main mode of international intervention to be analysed. The types and scale of provision vary between different displacement scenarios and between settings. In refugee camps for example, camp construction and maintenance, road construction, improved access to markets, water and sanitation projects, and production of building materials all generate largely indirect but significant impacts and costs.

Environmental projects in rural areas, to mitigate natural-resource depletion, should be included because they produce important short- and long-term economic impacts. Infrastructure provision in general, arguably more than social and welfare services, also produces important economic outcomes and potential benefits for the local host population.

For instance, investment in roads may well benefit local people more than the displaced group because the host community may have more resources to scale up production to meet improved opportunities for access. New infrastructure can increase demand for local labour, and local building materials, which may encourage investment. Such ‘trickle down’ or ‘trickle out’ effects of intervention programmes are significant, and should be included in the analysis.

Task 4
Consider economic scale (macro and micro analysis)

Programme interventions funded by international donors generate significant economic impacts and costs at different scales within an economy. While each intervention can be analysed in terms of its specific economic outcomes, an overall assessment of the net economic impacts and costs of international assistance is also valuable.

In this way, the negative impacts can be minimised and the positive impacts maximised (or at least optimised) in terms of the aggregate economic outcomes for displaced and host households. Humanitarian assistance to address the immediate needs of displaced people often has developmental outcomes, especially for the host country. Analysing these impacts is clearly relevant to an overall assessment of economic outcomes.

Macro and micro analysis of impacts and costs fulfils these analytical functions by measuring the contribution of international assistance to the overall performance of the (host country’s) economy. Typically, at the macro-economic level, this might measure changes to the country’s GDP, or the volume of gross fixed capital formation, or the economic multiplier impact of programmes. The aim is to attribute these changes to the injection of monetary and non-monetary resources by international assistance. In effect, this is a ‘developmental’ investment role performed by humanitarian programmes.

Micro-economic analyses comprise the majority of the investigation of the previous three sections of these Guidelines. This includes some impacts and costs attributable to international assistance. For example, it would be valuable to measure how the inflow of capital and services originating from international assistance affects economic variables such as the price of essential goods and services, or wage levels.

A meaningful assessment of the macro- and micro-economic impacts and costs will depend on the availability of data (discussed below), and of course a measurable volume of international assistance. Although international assistance always yields economic outcomes, in some instances the volume of financial assistance may be too small to measure in aggregate national statistics.

Task 5
Assess the effects of spatial distribution of refugees and IDPs

We now move from main indicators to interaction indicators, looking at more detailed and differentiated assessment of the impacts and costs of displacement. The location of displaced people in camps or in self-settled rural or urban settings is one factor affecting impacts and costs for the displaced and host populations.

The encampment of refugees may decrease their direct impact on housing markets, for example, and thus the price of housing, by directing demand away from domestic supply. Yet, this may increase the impacts on costs of building materials, as demand for self-build shelter increases. Conversely, by significantly increasing demand, urban locations are likely to introduce a very substantial impact on the prices of housing and housing land, as well as of construction materials.

Yet, in the long term, meeting the market demand of displaced people may lead to increased investment and thus an expansion of the capital stock of the host country.

...in the long term, meeting the market demand of displaced people may lead to increased investment and thus an expansion of the capital stock of the host country.
**6.0 International assistance**

**6.2 Continued**

Task 7 Assess funding flows, internally and externally generated
The resources and funds to mobilise international assistance programmes have important developmental implications for the local economy. While international donor funds are usually externally generated, they can be spent locally. Buying locally produced and supplied equipment will have different and variable impacts on local producers and consumers, measuring these potential variations and alternatives is clearly significant in determining the impact and costs of different procurement strategies.

Step 3 Apply the methodology to estimate impacts and costs
In using the parameters and main indicators described above, we suggest the following six tasks in making an assessment of impacts and costs of international assistance. A measure of economic success of international assistance could focus on either minimising negative impacts and costs, or maximising the return on assistance. As before, we propose the use of both quantitative and qualitative analytical tools.

Task 1 Compare the effects of directly funded activities
The economic outcomes for households participating in directly funded programmes should be compared with those for displaced households not participating. The non-participating households provide a control group, helpful in assessing the effects of intervention.

Quantitative data for these analyses should be collected by random-sample questionnaire surveys covering:
- uptake of the projects and the use to which households put the programme and project resources (e.g. investment in new forms of production, changes in employment with new skills, changes in household expenditure patterns)
- longer-term outcomes (e.g. rising or decreasing income which may result from project uptake)
- the changing ‘productivity’ and prosperity of the households and thus how the programmes affect their overall economic wellbeing, compared to the control group.

Quantitative tools can compare the economic outcomes between the enrolled and non-participating groups. They can also help to assess specific impacts, costs and economic outcomes produced from different programmes. This will compare the economic effectiveness of different assistance programmes.

Descriptive statistics (such as mean, median, standard deviation) can determine the distribution and proportion of households participating in different programmes and with different levels of economic wellbeing. Correlation and regression analysis can then refine the analysis. For example, such tools can measure the extent to which demographic features, gender, household size or pre-existing skills are significant in explaining variations in outcomes.

Using these tools, it is possible to determine the differential economic outcomes from different projects. This can provide a measure of which projects generate the highest ‘return’ in relation to aggregate economic outcomes for the participating groups. More sophisticated analysis might assess marginal costs and returns, for example, if a project/programme was to be enlarged, or the value of business development grants increased for each participant.

Care will be needed to allow for external factors, which may also influence outcomes. For example, employment opportunities, and thus income, may be limited by host government refusal to issue refugees with work permits irrespective of participation in an income-generating or skills-development project.

Task 2 Compare the effects of social and welfare programmes
Similar comparative analyses can be conducted to explore the impacts and costs of social and welfare programmes on participating and non-participating groups. The analyses can also be applied to participating/non-participating groups from the host population, given the increasing preference of humanitarian actors for joint provision.

The challenge here is to derive measures of the economic outcomes where there is only an indirect relationship to economic wellbeing. However, the approach is similar to that suggested for assessing direct impacts. Again, random-sample questionnaire surveys can collect quantitative data on participation in social welfare programmes, and on potential economic outcomes such as household incomes, employment, livelihoods.

Again, correlation and regression analysis can be carried out, and confidence limits determined, to illustrate the extent to which, for example, gender empowerment projects enable displaced women to enhance individual and/or household income. Another example would be to assess the effects of improved health care on economic productivity and income. The analysis could apply to either the displaced households or the host population if they also constitute the project target group.

The same quantitative tools and economic analyses, such as marginal cost analysis, can be used to compare economic outcomes between participating and control groups. They can also compare the differential impacts of specific programmes on economic outcomes. As before, care is needed to allow for external factors influencing economic outcomes.

Task 3 Compare the effects of infrastructure provision
Substituting indicators on provision of infrastructure, the same statistical and analytical tools can be used here as with direct impacts and social programmes. Again, it is possible to use non-participating groups as a control. Analysis of infrastructure provision should definitely be conducted also for the local population, because it is highly likely to generate significant economic outcomes for the host population.

Task 4 Include qualitative analysis
For each of the steps above, qualitative analysis is also essential. Participatory methods, outlined in Table A.1, again constitute the most appropriate methods for collecting qualitative data. Random-sample questionnaire surveys of programme participants are particularly valuable for exploring the experiences of participants in projects and programmes, as well as the reasons for and outcomes of non-participation.

Among the key elements to analyse are:
- methods and effectiveness of recruitment
- forms of participation/empowerment in the project
- gauging the social, economic, health and psycho-social benefits and costs
- changes in the overall economic wellbeing of the household
- impacts on social and intra-household dynamics
- changes in income and employment, longer-term livelihood strategies and life chances as a result of participation.
It will be important to assess how assistance programmes influence the plans of households in relation to longer-term aspirations or durable solutions. As in the earlier contexts (Sections 3–5), qualitative methods are particularly valuable in assessing how displaced people balance their own agency and strategies for self-reliance with the provision of humanitarian assistance.

**Task 5**
*Carry out time-series analysis*

Assessing changes over time is just as important here as in the other three contexts. Time-series analysis is especially valuable for monitoring, evaluation and prediction. It can enable donors to evaluate the predicted economic objectives and outcomes of their programmes, and to adapt and reconfigure these programmes according to changing circumstances and objectives.

Evaluating the previous success rate of programmes will help international organisations to obtain more effective economic ‘return’ on their funds in future. In relative terms, the opportunity cost of adopting one strategy, and supporting a specific type of programme, is the possibility of supporting a different programme.

**Task 6**
*Consider both macro- and micro-economic outcomes*

Household economic behaviour and possible effects on local prices and wage rates are examples of micro-economic outcomes, as discussed in previous sections. Measuring changes at this level, and at programme level, is a core objective of humanitarian agencies, since the purpose of their assistance includes improving the economic wellbeing of people affected by forced displacement.

However, humanitarian or development assistance also generates very significant macro-economic outcomes. These are of particular interest to development agencies. Tools to measure these impacts and costs include the analysis of impacts on the GDP of the host country, and the impacts on gross fixed capital formation.

To calculate these indicators requires measurable quantities of capital inflow (humanitarian assistance), extensive national economic datasets, and reliance on existing data. Limitations here mean that measurement is likely to be inferential and crude rather than definitive. Nevertheless, estimates in this area will provide an overview of longer-term developmental impacts.

By reviewing changes in relevant sectors, set against the volume of humanitarian assistance, it is possible to provide some indication of the likely contribution of this assistance. For example, housing output or investment trends and changes in the gross fixed domestic capital formation in housing or construction can be assessed. In the same way, it would be possible to infer the contribution of assistance to changes in GDP of the recipient country.
6.3 Interventions to promote the three durable solutions

Introduction
These Guidelines now briefly propose tools to assess the promotion of solutions to forced displacement, and in particular the gain from one specific solution in relation to another. Conventionally, there are three so-called ‘durable solutions’ to refugee situations – return to country of origin, resettlement in a third country, and settlement in the host country. Each of these is contingent on the voluntary agreement of refugees. For IDPs, the 1998 Guiding Principles outline the responsibilities of governments to return people to their homes or places of habitual residence or to resettle displaced people in another part of the country.

However, international efforts are now moving away from this overly simple typology of three ‘end-state’ generic solutions, and towards more flexible policies and responses to forced displacement which are case-specific. This makes it more challenging to develop analytical tools, and makes different strategies more difficult to measure and compare. Nevertheless, we consider here the impacts and costs for each of the three durable solutions.

As before, there are many challenges in estimating economic costs and impacts here, not least in isolating the effects of the forced displacement from other influences. Specifically, several constraints mean that only a very general estimation is possible:

• Existing or new datasets are unlikely to be comparable for the three ‘solutions’/locations.
• Members of a displaced population will not all adopt the same ‘solution’, making comparison multi-faceted and complex (see Table 6.1).
• Members of the population of concern will not all adopt a ‘solution’ at the same time, and so impacts and costs will vary with time.
• The selection of displaced people for specific ‘solutions’ – notably resettlement – may generate better outcomes than for those still displaced, simply because of the selection characteristics.
• All the comparisons are of predicted outcomes, not real time, and subject to many factors that cannot be controlled.

Analytical tools
Given the number of solutions and options for refugees and IDPs, there are 10 possible direct comparisons regarding ‘durable solutions’, as illustrated by Table 6.1.

The model adopted here does not follow the step-by-step approach of the previous contexts for two reasons. First, in making the comparisons, many of the impacts and cost variables are similar to those already proposed above – and the same data requirements and analytical tools pertain, and will not be repeated here. The principal difference lies in the introduction of specific locations for the impacts.

Second, the severe constraints on making valid comparisons, noted above, mean that it is not possible to gain reliable information from a detailed application of the tools and analytical techniques useful in other areas. Notably, international efforts are now moving away from the simple typology of three ‘end-state’ solutions, in favour of more flexible policies and responses to forced displacement.

Using the matrix of ‘solutions’ shown in Table 6.1, we propose a simple comparison of three main indicators:

1. Income/disposable income – as in previous contexts, just as household livelihoods and economic wellbeing lie at the core of measuring the impacts of displacement, so they provide a key measurement of the impacts and costs of the alternative ‘solutions’.

2. Access to natural resources/environment – the three durable solutions generally require the relocation of displaced populations: the environmental impacts of relocation are likely to be significant.

3. Housing markets – because of the significant implications for housing supply and demand, we recommended also the use of housing-market indicators.

In some cases, an adopted solution is accompanied by large-scale development programmes to facilitate the integration of refugees and a host population. It may then be appropriate to consider the above variables in the measurement of impacts and costs related to the type of assistance provided to displaced populations.

In assessing the impacts of different solutions, collection and analysis of data, and the complementary use of quantitative and qualitative analytical methods, follow the proposals noted in earlier contexts. While macro-economic indicators would provide valuable comparisons on the choice of solutions, collecting and analysing meaningful data is highly problematic and is not recommended.

<table>
<thead>
<tr>
<th>Comparison</th>
<th>In displacement</th>
<th>Return</th>
<th>Third country</th>
<th>Resettled in host country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparison 1</td>
<td>Non-displaced</td>
<td>Comparison 2</td>
<td>Comparison 3</td>
<td>Comparison 4</td>
</tr>
<tr>
<td>Comparison 5</td>
<td>In displacement</td>
<td>Comparison 6</td>
<td>Comparison 7</td>
<td></td>
</tr>
<tr>
<td>Comparison 8</td>
<td>Return</td>
<td>Comparison 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comparison 10</td>
<td>Third country</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix:
Data availability and use
Appendix: Data availability and use

Section 2.5 outlines some of the challenges in relation to data availability and collection. This appendix details the main potential sources of data on the impacts and costs of forced displacement.

The methodology described in these Guidelines has wide scope and thus potentially data-rich requirements. It explores indicators and topics which require data, such as household income, not generally available in sufficient quantity or quality in most cases. It is also likely that, in many cases, the data available permit only a partial exploration of the impacts of displacement. There may be no comparable data on conditions before displacement (baseline data). There may also be no time-series economic indicators, which are valuable in analysing changing impacts of displacement and adjustments over time.

Given these constraints, the choice of indicators depends on the quality and scope of existing data, or on the resources on hand to collect new data to measure impacts and costs. This usually reduces the scope of any possible analysis to less than that proposed in the ‘ideal’ methodology, but can still result in very useful analysis.

Section 2.4 outlines the benefits of developing a shared multi-agency approach to using these Guidelines. The same principle applies to sharing and optimising the use of available datasets. Where new datasets are required, then we recommend co-ordinated or shared data-collection processes, even if specific agencies will have different objectives and purposes for obtaining and using the data.

Table A.1 indicates the potential range of metrics, and the sources, methods and types of data availability that could be investigated as part of the preliminary mapping exercise. The key data sources are likely to be:

- governments – both national and regional/local (including urban authorities)
- NGOs – humanitarian organisations delivering assistance programmes for forcibly displaced populations, and developmental NGOs supporting local (host) populations and populations in countries of origin
- International and intergovernmental organisations in key humanitarian and developmental sectors, including humanitarian clusters, cluster leads and country teams.

<table>
<thead>
<tr>
<th>Forms of data</th>
<th>Typical sources</th>
<th>Methods</th>
<th>Examples of metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative/institutional data</td>
<td>National government censuses, mapping surveys, databases, geophysical data</td>
<td>Usually quantitative</td>
<td>Population data, basic household conditions, e.g. health, housing, education</td>
</tr>
<tr>
<td></td>
<td>National and local government and NGO/humanitarian agencies’ sources of policy, sectoral, project or programme documents and resources</td>
<td></td>
<td>Mapping geophysical environmental and topographic conditions</td>
</tr>
<tr>
<td></td>
<td>Donors and intergovernmental agencies (IGAs)</td>
<td></td>
<td>Urban conditions: shelter, settlement, infrastructure</td>
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<td></td>
<td>Academic and research organisations</td>
<td></td>
<td>Housing data: rent levels, prices</td>
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<td>Development and economic indices, e.g. household income, GDP per person</td>
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| Household | NGO, government, donor sources of: | Usually quantitative, sometimes qualitative | Demographic data |
| | Population and social surveys | | Health and nutritional standards and food security |
| | Living standards surveys | | Livelihoods and living standards |
| | Income surveys | | Disposable income |
| | Sectoral surveys and databases | | Household surveys on project and policy impacts |
| | Panel data | | |

| Participatory | NGO, government, UN sources of: | Usually qualitative, individual or group | Livelihood strategies |
| | In-depth interviews/semi-structured interviews/questionnaires | | Community and household coping strategies and resources |
| | Informal interviews/questionnaires | | Perceptions of security, risk and vulnerability |
| | Key informant interviews | | Protection needs |
| | Attitudinal surveys | | Adaptation strategies |
| | Participant observation | | Household surveys on project and policy impacts |
| | Focus groups | | |
| | Community meetings | | |

| GIS | Government, NGO, intergovernmental agencies’ data sets | Geoinformatics: GIS mapping and modelling | Identify and map spatial distributions of key indicators |