

Toward Medium-Term Solutions for Rohingya Refugees and Hosts in Bangladesh:

Mapping Potential Responsibility-Sharing Contributions

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EXECUTIVE SUMMARY

Bangladesh is providing a significant global public good by hosting nearly one million Rohingya refugees, including 700,000 who fled violence carried out with “genocidal intent” in 2017. Most refugees are living in camps in Cox’s Bazar District, where local resources and livelihoods are under strain. The situation has exacerbated development challenges and environmental degradation, such as inadequate public services and rapid deforestation.

Safe, voluntary, and sustainable Rohingya repatriation to Myanmar is ultimately the best solution. However, the conditions for return do not exist, and Myanmar has not demonstrated meaningful progress in establishing them. Even if conditions did exist and voluntary repatriation began tomorrow, estimates show a large number of Rohingya will still be in Cox’s Bazar 10 years from now. The refugee situation is likely to be protracted. Medium-term planning is critical.

The international community has an opportunity to recognize Bangladesh’s contributions through a robust responsibility-sharing process. In addition to humanitarian aid, this would include commitments that sup-

port development among host communities, as well as broader regional and national development strategies. There is precedent for development financing and beyond-aid solutions for refugees and host communities, such as in the Jordan, Lebanon, and Ethiopia Compacts. These agreements seek to meet the medium-term needs and generate inclusive growth for refugees and hosts, including through policy adjustments that enable self-reliance and reduce aid dependence.

This brief explores the potential range of responsibility-sharing commitments in support of Bangladesh. It does not address the separate and equally important issues of securing justice and accountability for Myanmar’s alleged atrocities and establishing the necessary conditions in Myanmar for safe, voluntary, and sustainable repatriation—nor does it make recommendations on the humanitarian response, which remains essential.

This brief focuses exclusively on the medium-term, development-oriented approach. It covers several categories of contribution and commitment types, including trade and investment, labor mobility, SEZ and infrastructure investment, private sector investment, resettlement, and development and climate finance. Each

category includes illustrative examples, some of which are specific to one or a subset of UN Member States and others that are more broadly applicable. Geopolitical factors surrounding the Rohingya situation and potential responsibility-sharing commitments are also discussed.

Building on this mapping, we will prepare a full report in 2019. The report will highlight a subset of anchor contributions that could build momentum for a responsibility-sharing process that delivers a “win-win-win” for refugees, host communities, and Bangladesh’s broader development objectives.

I. MOBILIZING RESPONSIBILITY-SHARING COMMITMENTS FOR REFUGEES AND HOSTS IN BANGLADESH

Bangladesh is providing an immense global public good by hosting nearly one million Rohingya refugees. The Joint Response Plan estimated that hosting Rohingya refugees required funding of approximately \$951 million between March and December 2018.¹ As of December 2018, the plan was 72 percent funded.² A new Joint Response Plan and estimated budget for 2019 is currently under development.

Moving forward, significant contributions are needed to ensure the well-being of refugees and hosts. Since the current levels of (already insufficient) humanitarian aid may be difficult to sustain, creative thinking on potential contributions is needed. The government of Bangladesh and its partners are rightly focused on achieving the conditions for safe, voluntary, and dignified return to Myanmar. Yet, even if refugees return at a fast pace, Bangladesh will likely host a significant number of refugees for several years. In projected scenarios, even if repatriation started tomorrow, a significant portion of the Rohingya would still be in Cox’s Bazar 10 years from now.

- 1 “2018 JRP for Rohingya Humanitarian Crisis,” Strategic Executive Group (Bangladesh), 2018, <http://reporting.unhcr.org/sites/default/files/JRP%20for%20Rohingya%20Humanitarian%20Crisis%20-%20March%202018.PDF>.
- 2 “Rohingya Humanitarian Crisis: Joint Response Plan 2018 funding update as of 2018.11.30,” Inter Sector Coordination Group, 2018, <https://reliefweb.int/report/bangladesh/rohingya-humanitarian-crisis-joint-response-plan-2018-funding-update-20181130>.

The impacts on Cox’s Bazar are increasing and compounding. With the rapid influx of 700,000 Rohingya since August 2017, resources are stressed. The expansion of the camps and increased fuelwood collection have accelerated the already high deforestation rates. International aid has focused largely on the Rohingya, while programs targeting host communities have been slower to mobilize. The government of Bangladesh has seconded government officials to Cox’s Bazar, including to work in the camps, and has deployed security personnel to the camps and local area. Compared with the rest of the country, Cox’s Bazar has a high rate of poverty, and some of its residents are feeling the strain of job competition.³ Tensions between host communities and Rohingya are reportedly growing. These impacts have long-term consequences.⁴ A robust recovery plan will require multi-year support and coordinated planning.

This brief outlines the types of responsibility-sharing contributions that could be made by UN Member States, multilateral development banks, and regional organizations, as well as ways they might help catalyze private investment. In addition to financing, it emphasizes “beyond-aid” contributions, including opportunities in trade, labor mobility, special economic zone (SEZ) and infrastructure investment, private sector investment, and resettlement. Such beyond-aid commitments are more likely to generate significant and sustainable benefits. Rather than comprehensively list potential commitments from various actors, we provide *illustrative examples* within each category to spur thinking about what might be possible.

This research builds on our previous work, with the International Rescue Committee, on the compact model deployed in Jordan, Lebanon, and Ethiopia.⁵ These compacts are multiyear agreements that harness invest-

- 3 Kelli Rogers, “One year on, aid groups renew focus on hosts of protracted Rohingya crisis,” Devex, 2018, <https://www.devex.com/news/one-year-on-aid-groups-renew-focus-on-hosts-of-protracted-rohingya-crisis-93124>.
- 4 Abdul Aziz, “Locals unhappy as Rohingya population grows in Cox’s Bazar,” Dhaka Tribune, 2018, <https://www.dhakatribune.com/bangladesh/nation/2018/08/27/locals-unhappy-as-rohingya-population-grows-in-cox-s-bazar>.
- 5 Cindy Huang and Nazanin Ash, “Refugee Compacts: Addressing the Crisis of Protracted Displacement,” Center for Global Development and International Rescue Committee, 2017, <https://www.cgdev.org/publication/refugee-compacts-addressing-the-crisis-of-protracted-displacement>.

ments toward improved service delivery and inclusive growth for refugees and host communities, alongside policies that provide greater refugee protection and rights. There may also be lessons emerging from country experiences designing and implementing the Comprehensive Refugee Response Framework (CRRF) that could be applied in the Bangladesh context.⁶ While building on lessons from the compact model and CRRF, it is important to recognize the unique context of the Rohingya refugee situation and forge an appropriate approach. For example, in Bangladesh, there may be a more fluid set of medium-term commitments that is coordinated for maximum impact, rather than a formal group of signatories and shared set of programs associated with the compact model.

In line with mutual accountability frameworks including the compact model, the international community should look for its contributions to be accompanied by policy adjustments that further support refugee well-being. In contrast to an approach of conditionality, the model is premised on a shared diagnosis of the policy changes and investments required to achieve a more mutually beneficial situation for refugees and hosts. For example, delivering inclusive growth for both communities will likely require public and private investments in infrastructure and enterprise development, alongside more flexibility on refugees' movement and livelihoods so that they can also participate in and help drive such win-win economic development. These policy changes can happen incrementally and there are lessons to be learned from prior experiences.

Developing and negotiating robust, medium-term responsibility-sharing commitments takes time. Therefore, it could make sense to consider a phased approach, where the initial commitments have a greater emphasis on development financing (building on existing commitments from the World Bank and Asian Development Bank). This could build confidence, spur nearer-term progress, and establish a foundation for additional investment and beyond-aid commitments in the future. For example, financing for infrastructure, planning,

and capacity could lay the groundwork for enhanced benefits from future trade, investment, and labor mobility contributions.

To be clear, responsibility-sharing commitments to support Bangladesh addresses only one aspect of the crisis. Separate but complementary processes must address justice and accountability for atrocities committed in Myanmar and create conditions for safe, voluntary, and dignified repatriation to Myanmar in the future. This brief focuses only on the Bangladesh component: the types of responsibility-sharing commitments we propose would primarily support Rohingya refugees in Bangladesh and local Bangladeshi host communities. We also include some potential commitments that would advance Bangladesh's national development strategy more broadly.

It is important to underscore that any movement toward medium-term approaches in Bangladesh should be understood as part of a strategy for supporting host communities (including reversing environmental damage) and the *sustainable return* of refugees in the future. If refugees can provide for themselves through employment, they are more likely to build and maintain their economic assets and livelihood skills. In turn, they will be more capable of successfully supporting themselves in their home countries when they find it is safe to do so.⁷

II. THEMATIC AREAS OF POTENTIAL ENGAGEMENT

The following is analysis and recommendations around potential thematic areas of engagement. The examples of responsibility-sharing commitments are illustrative only. Most of the ideas could be pursued by a number of partners in a responsibility-sharing process.

Trade and Investment

As Bangladesh approaches its graduation from least developed country (LDC) status in 2024, it must prepare for the loss or reduction of preferential trade terms and related support mechanisms that come with LDC sta-

6 Cindy Huang et al., "Tackling the Realities of Protracted Displacement: Case Studies on What's Working and Where We Can Do Better," Center for Global Development, 2018, <https://www.cgdev.org/publication/tackling-realities-protracted-displacement-case-studies-whats-working>.

7 Finn Stepputat, "Dynamics of Return and Sustainable Reintegration in a 'Mobile Livelihoods' Perspective," Danish Institute for International Studies, 2004, https://www.files.ethz.ch/isn/18448/Dynamics_of%20Return.pdf.

tus. Graduating on time is non-negotiable for Bangladesh. Indeed, its impressive growth trajectory is a sign that Bangladesh will be ready; at the same time, robust preparations for a smooth transition are required. The benefits of LDC-status preferences are significant. Opportunities to extend duty-free, quota-free access for Bangladesh in developed markets could serve as an anchor for responsibility-sharing commitments by the international community.

The Jordan Compact set a precedent for supporting refugee-hosting countries through more favorable trade access. The Jordan Compact was a package of development financing—highly concessional loans and grants—to support livelihoods, education, and health services in Jordan benefiting both Syrian refugees and Jordanians. The European Union (EU) also offered to improve Jordan’s market access by relaxing rules of origin for companies in SEZs under the regional trade agreement to which both are parties. As part of the deal, Jordan agreed to establish a work permit system and recognize home-based businesses owned by Jordanians and Syrians. Companies in the SEZs could use the relaxed rules of origin once they hired refugees as a certain percentage of their workforce, thus providing refugees with opportunities to support themselves. Implementation of the Jordan Compact has not been smooth, but the EU continues to work with Jordan to make the trade benefits easier for firms to use.⁸ The Jordan Compact not only set a new precedent for beyond-aid support to hosting countries, but it provides lessons in how to better design a package of incentives that meets local context and needs.

8 Cindy Huang et al., “Tackling the Realities of Protracted Displacement,” Center for Global Development, <https://www.cgdev.org/publication/tackling-realities-protracted-displacement-case-studies-whats-working>; Barbelet et al., “The Jordan Compact: lessons learnt and implications for future refugee compacts,” Overseas Development Institute, <https://www.odi.org/publications/11045-jordan-compact-lessons-learnt-and-implications-future-refugee-compacts>; Lauren Post, “Still in search of work - Creating jobs for Syrian refugees,” International Rescue Committee, <https://www.rescue.org/report/still-search-work-creating-jobs-syrian-refugees-update-jordan-compact>; Heliodoro Temprano Arroya, “Promoting Labour Market Integration of Refugees with Trade Preferences,” European University Institute, 2018, <http://cadmus.eui.eu/handle/1814/57124>. See also the EU press release announcing the relaxation of the policy: European Union, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1956>.

Bangladesh and its partners can also learn from other countries’ experiences with “smooth transitions” from LDC trade preferences following graduation. Only the EU formally provides a three-year extension of duty-free, quota-free market access after graduation. In two cases of LDC graduation (Cape Verde and Samoa), the EU grace period was extended beyond the usual three-year period. In a third (Maldives), graduation was delayed by seven years due to the devastating effects of the 2004 tsunami. Other countries, such as Japan, Russia, and South Korea, revoke LDC market access eligibility upon graduation. China has a duty-free scheme for LDCs, though its graduation terms are less clear. For Equatorial Guinea and Vanuatu, China appears to have extended preferential terms by two years.⁹ According to the transition monitoring report for Samoa, it negotiated a three-year transition period with China and is discussing a bilateral trade arrangement as a successor. These examples reflect the flexibility that countries have in smoothing the transition from LDC preferences.

Overall, there are four trade-related approaches that UN Member States could use to help Bangladesh in coping with the Rohingya refugee influx and providing refugees and hosts with opportunities for greater self-reliance and livelihoods:

1. Provide clear, and early, commitments for the transitional extension of LDC market access for Bangladesh after graduation.
2. Where existing duty-free, quota-free programs do not cover 100 percent of products, remove exclusions that could provide more access for Bangladeshi exports in the years up to graduation (and during whatever transition is provided).
3. Create programs similar to the EU’s Generalized Scheme of Preferences Plus (GSP+) that would improve preferences for beneficiaries that provide opportunities for work and greater self-reliance for refugees in their countries (or that contribute to global public goods more broadly—as with the EU preferences for global environmental protection).

9 “Handbook on the Special and Preferential Tariff Scheme of China for Least Developed Countries,” United Nations Conference on Trade and Development, 2016, https://unctad.org/en/Publication-Library/itcdtsbmisc76_en.pdf.

4. Provide technical and financial assistance to ease the path to meeting the conditions associated with such programs.

It is important for trade partners to either implement or credibly commit to implementing these steps as quickly as possible. This would likely move forward among European donors and Canada only if there is continued progress on labor rights. Bangladesh is currently planning for graduation, and the lead firms in supply chains will start planning their adjustments to Bangladesh's loss of LDC preferences soon.

The first and fourth items on the list are things that Bangladesh could negotiate bilaterally with donor countries to meet its specific circumstances as it prepares for graduation. The second and third items would be available to all eligible countries, as required by WTO rules on nondiscrimination. Option 2 would have to be available for all LDCs, and option 3 would be open to all "similarly situated" developing countries that meet the eligibility criteria.

Illustrative examples

- All trade preference providers, including Canada, the United Kingdom, the EU, and others, should make clear, and early, commitments for the extension of LDC market access for Bangladesh for a transitional period of at least three years after graduation.
- Preference-providing countries outside the EU should create GSP+ type programs that improve preferences for beneficiaries that provide self-reliance, job, and livelihoods opportunities for refugees in their countries (or that contribute to global public goods more broadly—as with the EU preferences for global environmental protection).
- The EU, which already provides three years for a smooth transition, could explore whether it can provide additional years, as well as to renewing its GSP+ program when it expires in 2023 (with provisions that would allow Bangladesh to qualify if it meets the policy conditions).
- Partners in the region, including Japan, Korea, China, and India, should improve existing duty-free, quota-free programs to cover 100 percent of products, or

at least remove exclusions that impede Bangladeshi exports, and ensure that rules of origin do not create additional barriers. This policy change would be available to all LDCs, but enhanced product coverage could be crafted to ensure Bangladesh benefits.

- Norway should revise its version of GSP+ so that all LDCs, regardless of size, are eligible when they graduate, including Bangladesh.
- Donors should provide technical and financial assistance to ease the path to meeting the political and other conditions associated with using such programs, including food safety and other technical requirements to access developed country markets.
- Donors should devote resources to helping Bangladesh diversify its economy so it is not so dependent on apparel exports, which could face relatively high trade barriers after graduation.

Labor Mobility

Bangladesh sends about half a million migrant workers overseas each year.¹⁰ Bangladesh's remittances were \$15 billion in 2016 and more than \$13 billion in 2017.¹¹ Labor mobility opportunities, such as expanded quotas or new regular migration pathways, are a significant opportunity. These opportunities would be for Bangladeshis for the foreseeable future, committed in the spirit of responsibility-sharing and recognizing the contributions of the government and host communities in enabling and supporting refugee well-being. This is a win for the government and for the people of Bangladesh, and could also be tailored to benefit Bangladeshis in Cox's Bazar. Labor mobility opportunities for Rohingya refugees could become feasible in the future if conditions such as documentation and right to return exist.¹²

10 "In Bangladesh, Migrant Workers Can Dream of a Better Life with Access to Better Resources," World Bank, 2017, <https://www.worldbank.org/en/news/feature/2017/07/30/in-bangladesh-migrant-workers-can-dream-of-a-better-life-with-access-to-better-resources>.

11 "Wage Earners Remittance Inflows," Bangladesh Bank, <https://www.bb.org.bd/econdata/wagemidtl.php>.

12 Katy Long, "From Refugee to Migrant? Labor Mobility's Protection Potential," Migration Policy Institute, 2015, <https://www.migrationpolicy.org/research/refugee-migrant-labor-mobilitys-protection-potential>.

Migration opportunities to developed countries would ideally build from a triple-win model, ensuring mutual benefits and a development boost to Bangladesh. There are many innovations that could be valuable to pilot and pursue, including the Global Skill Partnerships model.¹³ A Global Skill Partnership is a bilateral agreement in which a migrant destination country joins with a migrant origin country to sensibly share the costs and benefits of skilled migration. Destination-country employers and governments provide technology and finance for vocational training of potential migrants before they depart, in exchange for access and placement at the destination, and paired with the training of other workers for the origin-country market (Bangladesh). This can ensure that destination countries receive migrants with the skills to integrate quickly and contribute maximally. Simultaneously, Bangladesh receives a stronger human capital base without a net drain of fiscal or human resources. And Bangladeshi migrants get lawful, regular opportunities to change their lives and the lives of their children.

Illustrative examples

- There are a reported 500,000 Bangladeshi migrants in Malaysia, many of whom work without authorization.¹⁴ A memorandum of understanding (MoU) was negotiated in 2016 to send 1.5 million Bangladeshis to Malaysia.¹⁵ While implementation of the MoU stalled, Bangladesh and Malaysia's work could provide a foundation and lessons for constructive bilateral negotiations on labor mobility.
- Japan could scale up, even with relatively small numbers, and improve the design of the previous bilateral labor migration program in which Bangladeshi migrants trained and employed in Japan.
- The EU currently has an agreement with Bangladesh on standard operating procedures relating to the re-

turn of irregular Bangladeshi migrants. New and/or greater incentives could be put on the table for the Bangladesh government to accept back its nationals, such as expanded legal pathways for labor mobility.

- While additional and/or new legal pathways are politically sensitive in Europe at this time, the Global Compact on Migration (GCM) could provide a window of opportunity. The EU and its member states could commit to uphold their commitments in the GCM, share responsibility for the Rohingya refugee situation, and explore more legal migration opportunities for Bangladeshis. European partners could explore Global Skill Partnerships or similar models with Bangladesh to ensure mutual benefits. Such skills partnerships could be designed with potential local Rohingya training and employment opportunities in mind.
- Canada could explore an expansion of migrant labor opportunities for Bangladeshis. Specifically, Canada and the Canadian private sector could explore training programs and partnerships, such as the Global Skill Partnership model. This is attractive to Canada given the need for migrant labor in its own economy, and is attractive to Bangladesh in providing its citizens more opportunities for temporary work abroad (lessening pressures on domestic labor markets and increasing the flow of remittances). Other innovations, such as Talent Beyond Boundaries, could provide labor mobility and third-country resettlement opportunities to refugees.¹⁶
- The Gulf states could agree to increase the quota for Bangladeshi migrant workers. The Gulf states, with Bangladesh and other partners (such as the International Labor Organization), could commit to new and/or renewed processes to establish laws, regulations, and practices that better protect migrants, their working conditions and reporting mechanisms, and ensure fair recruitment.

13 Global Skill Partnerships, <https://www.cgdev.org/gsp>.

14 Official numbers indicate roughly 237,000. Sumon Corraya, "Thousands of Bangladeshi migrant workers in Malaysia send remittances home," AsiaNews.it, 2017, <http://www.asianews.it/news-en/Thousands-of-Bangladeshi-migrant-workers-in-Malaysia-send-remittances-home-40263.html>.

15 "Bangladesh signs MoU with Malaysia to send 1.5 million workers," bdnews24.com, 2016, <https://bdnews24.com/economy/2016/02/18/bangladesh-signs-mou-with-malaysia-to-send-1.5-million-workers>.

SEZ and Infrastructure Investment

Bangladesh has made infrastructure investment one of its development priorities. There are a number of regional connectivity projects that could be accelerated or

16 Talent Beyond Boundaries, <https://talentbeyondboundaries.org/index.html>.

expanded, with China's Belt and Road Initiative (BRI) being the most prominent. Both Myanmar and Bangladesh are integral points along the BRI, and China has standalone and connecting projects covering the two countries. China may have an interest in participating in behind-the-scenes discussions to help stabilize relations in the region. India has its own connectivity initiative ambitions, and could also potentially accelerate or expand investments, including as a means to balance Chinese ambitions in the region.

Bangladesh is planning to establish more than 100 special economic zones (SEZs), some of which already receive regional and international investment.¹⁷ The political incentives for Europe to engage in SEZs are different in Bangladesh than they were in Jordan in 2016, right after the height of Mediterranean migrant and refugee arrivals to Europe. However, the business case for Bangladesh may be more compelling. Bangladesh has a strong record in selecting and developing SEZs that drive growth, creating greater opportunities for private sector engagement. Beyond strengthening the infrastructure and export capacity of Bangladesh, these types of connectivity and SEZ investments and projects can create jobs for local Bangladeshis, attract new foreign and private sector investment, and help Bangladesh diversify its export economy.

Illustrative examples

- There are several BRI and related Chinese infrastructure development projects in Bangladesh that appear to have stalled. Bangladesh could start conversations from the perspective of renewing and accelerating work on these projects. The broader Bangladesh-China-India-Myanmar Forum for Regional Cooperation (BCIM), part of China's BRI plans, is the regional connectivity scheme that includes infrastructure investments to link these markets.

- China could assist with accelerating Payra deep sea port infrastructure projects involving Chinese firms. (The total deep sea port is estimated to cost \$15 billion total, with a planned end-date of 2023.)¹⁸ The investments could explore employment of affected communities in the Cox's Bazar area, including providing transportation and housing to workers from the area. As formal employment of refugees is a sensitive topic, the initial commitment could focus on employing host community members.
- As India pursues its own infrastructure investment projects in the region, there could be new strategic infrastructure and connectivity investments in Bangladesh's underdeveloped areas, including in Cox's Bazar. This could be positioned in part as an effort toward stabilizing the Rohingya crisis through sustainable, long-term development efforts.
- Bangladeshi garment manufacturers have duty-free export to Japanese markets.¹⁹ As of late 2017, there was a planned SEZ for garment exports that would be dedicated to Japanese garment firms. Development of the SEZ, located near Dhaka, was in part led by the Japan International Cooperation Agency (JICA) and the Bangladesh Economic Zones Authority (BEZA). Japanese investors have also invested in electricity projects and the Dhaka Mass Rapid Transit Development Project. These projects could be accelerated or expanded as responsibility-sharing commitments, and Japan could explore similar investments in the Cox's Bazar area.
- South Korea could invest in more SEZs in Bangladesh, as it is doing in Myanmar for automotive manufacturing and exports. South Korea simultaneously could establish a training institution in Bangladesh to ensure Bangladeshi workers would have the necessary skills and automotive expertise. This would also support Bangladesh's broader development by injecting

17 Mohammad A. Razzaque et al., "Promoting Inclusive Growth in Bangladesh through Special Economic Zones," Asia Foundation, 2018, <https://asiafoundation.org/publication/promoting-inclusive-growth-in-bangladesh-through-special-economic-zones/>; "Agreement signed for development of Chinese industrial zone in Bangladesh," Xinhua, 2017, http://www.chinadaily.com.cn/business/2017-06/16/content_29768183.htm; Niaz Mahmud, "Exclusive Economic Zone sought for German investors," Dhaka Tribune, 2018, <https://www.dhakatribune.com/business/commerce/2018/09/13/exclusive-economic-zone-sought-for-german-investors>.

18 "Payra Deep Sea Port (Construction)," Reconnecting Asia, CSIS, <https://reconnectingasia.csis.org/database/projects/payra-deep-sea-port-construction/29017d80-6361-42de-80b8-a279982dc4fc/>; Shohel Mamun, "Bangladesh signs MoU with China on Payra Deep-sea Port construction," Dhaka Tribune, <https://www.dhakatribune.com/bangladesh/2016/12/09/bangladesh-signs-mou-china-payra-deep-sea-port-construction/>.

19 Per local reports, here: <https://www.thedailystar.net/business/japanese-investors-gaining-confidence-survey-1522717>.

into the economy a new training institution and competitive skill set.

- European partners could apply lessons learned from the Jordan Compact SEZ design and implementation to ensure greater effectiveness in Bangladesh. In its first parliamentary report in January 2018, the UK House of Commons cited the idea of a special development zone in Cox's Bazar near the settlements.²⁰
- Germany is Bangladesh's biggest export destination after the US, leading the EU. A German government delegation to Bangladesh in July 2018 announced an EUR 7 billion energy investment by Siemens in Payra, near where Chinese firms also have significant investments in energy and infrastructure. This investment could move forward with an emphasis on employing members of affected populations, including Bangladeshi hosts and ideally Rohingya as well. While further due diligence is required, it appears feasible that Germany or Siemens could sponsor the transportation and lodging of workers from affected areas nearest the Rohingya settlements to Kalapara Upazila, near the port location. Germany could capitalize on momentum started by the Siemens investment to accelerate the project and bring in other German private sector investment to Bangladesh.

Private Sector Investment

The private sector has increasingly become an integral player in protracted displacement settings, including through compacts. Independently or catalyzed by trade, SEZ, or other commitments, the private sector could deepen their existing investments or commit to new investments in support of Bangladesh's larger develop-

²⁰ See work in the International Development Select Committee Report and oral evidence documents. This committee is investigative and not legislative—it seeks to guide rather than set DFID policy. The findings therefore are not representative of the UK Government or House of Parliament positions. International Development Select Committee Publication, Bangladesh and Burma: the Rohingya crisis, 2018, <https://publications.parliament.uk/pa/cm201719/cmselect/cmintdev/504/50402.htm>; International Development Select Committee, DFID's work on Bangladesh, Burma and the Rohingya crisis inquiry, oral evidence, <https://www.parliament.uk/business/committees/committees-a-z/commons-select/international-development-committee/inquiries/parliament-2017/dfids-work-on-bangladesh-burma-17-19/publications/>.

ment goals. Bangladesh could also prioritize reforms and investments necessary to attract private sector investment to Cox's Bazar to create new economic opportunities for hosts and refugees, including in promising growth sectors such as tourism, salt production, and fisheries.

Illustrative examples

- South Korea is a significant source of exports for Bangladesh, notably in garments, and has factories and investment from companies such as Samsung and LG. South Korea could potentially facilitate discussions on additional regional business and investment opportunities in Bangladesh.
- Canada could encourage its private sector companies already active in Bangladesh to increase their investments, including by offering risk mitigating products through its new development finance institution. This could come with a commitment to establish training institutions (along the Global Skill Partnerships concept described above) in tandem with any factories that may employ local hires. Not only will the more technical private sector companies (including in the aerospace and ICT sectors) gain well-trained and specialized employees, but more broadly, it will make the Bangladesh labor market more competitive.

Resettlement

While the political environment is not promising, resettlement should remain an important part of the responsibility-sharing discussion. However, resettling a small number of refugees may not be acceptable to Bangladesh because it would be perceived as offering a highly prized opportunity to migrate to Rohingya (versus Bangladeshis) without alleviating pressures on host communities. The overall resettlement numbers would need to be significant enough to support a message that the pressures are being reduced in a meaningful way—and packaged along with other responsibility-sharing commitments to make clear that new opportunities are being created for all affected populations.

Illustrative examples

- Canada could make a significant commitment around resettlement, and/or be the champion for re-

settlement opportunities in other parts of the world. Its private sponsorship model is being adopted or seriously considered by a number of other traditional and non-traditional resettlement countries. Canada could ensure this stays on the agenda, including to create resettlement opportunities for Rohingya refugees.

- The UK could explore resettlement opportunities. The UK resettlement pathways have expanded in recent years, including through a private sponsorship pilot. The Global Compact on Refugees and GCM are both opportunities for Bangladesh to discuss potential contributions with the UK—in resettlement for Rohingya refugees, and in expanded labor migration opportunities for Bangladeshi migrants.
- Malaysia’s responsibility-sharing commitments could also include increased protection and opportunities for Rohingya refugees within its borders. Anecdotal but commonly cited evidence indicates Rohingya see Malaysia as a primary destination country, with some expressing preference for resettlement in Malaysia over other traditional Western resettlement destinations. Malaysia could regularize the status of those Rohingya currently within its borders with irregular status, and explore resettling new Rohingya refugees in Cox’s Bazar. Malaysia could also advance its plans to give Rohingya refugees formal access to the labor market, as a further sign of its commitment to solutions for all Rohingya.

Development and Climate Financing

The “beyond aid” commitments discussed above should be paired with, and facilitated by, new development financing. Grants and highly concessional lending will be required to deliver quality services and build infrastructure in the Cox’s Bazar area. These could build on the World Bank’s commitment of \$480 million in grants to support refugee needs in education, social protection, disaster risk management, and water and sanitation, as well as the Asian Development Bank’s commitment of \$200 million in grants for water supply and sanitation, disaster risk management, energy, and roads.²¹ The

21 “World Bank Announces Support for Bangladesh to Help Rohingya,” World Bank, 2018, <https://www.worldbank.org/en/news/press-release/2018/06/28/world-bank-announces-support-for-bangladesh-to-help-rohingya>; “ADB \$100 Million Grant Approved as First Phase of Proposed \$200 Million Package for Displaced Persons in Bangla-

World Bank has committed an additional \$515 million in financing to support the local Cox’s Bazar host communities. Projects will include support to livelihoods creation, sustainable forests, coastal sustainability and fisheries, and rural transport improvement.²² In the future, it may also be possible to engage the Islamic Development Bank and Asian Infrastructure Investment Bank.

Multilateral development banks are well positioned to invest in local growth strategies and can target their resources to support beyond-aid commitments. For example, they could invest in SEZ infrastructure and support technical capacity-building in emerging export sectors. These banks should also seek to leverage the tools and resources of their private sector investment arms, such as the World Bank’s International Finance Corporation. Finally, new commitments of climate finance could help restore forests in the Cox’s Bazar region and increase climate resilience in the vulnerable coastal area. The World Bank could build on the Sustainable Forests and Livelihoods (SUFAL) program, a portion of which is directed to better meet climate and livelihoods goals in Cox’s Bazar. REDD+ programs that recognize the carbon sequestration services provided by forests could be explored for additional potential financing from the Green Climate Fund or the Forest Carbon Partnership Facility.²³

III. BALANCING GEOPOLITICAL INTERESTS

The geopolitical realities of the Rohingya refugee crisis are such that questions of how to engage Myanmar and other key stakeholders are critical to any discussion of responsibility-sharing commitments for Bangladesh. Relations with Myanmar could be an important or determining factor for a number of partners (particularly regional partners) in how and to what extent they engage in a responsibility-sharing process for Bangladesh.

desh Camps,” Asian Development Bank, 2018, <https://www.adb.org/news/adb-100-million-grant-approved-first-phase-proposed-200-million-package-displaced>.

22 “World Bank Finances Fisheries, Roads, and Forests for Bangladesh,” World Bank, October 2018, <https://www.worldbank.org/en/news/press-release/2018/10/05/world-bank-finances-fisheries-roads-and-forests-for-bangladesh>.

23 A national or jurisdictional REDD+ program could be implemented. These are typically arranged with large forest countries (such as Guyana and Indonesia) and could likely be adapted to Bangladesh. Seymour, Frances and Jonah Busch, “Why Forests? Why Now?” Center for Global Development, 2017, <https://www.amazon.com/Why-Forests-Now-Economics-Politics/dp/1933286857>.

Numerous Western countries, including in Europe, Canada, and the United States, have imposed targeted sanctions on Myanmar. These sanctions primarily target military leaders in Myanmar, and some relatives. Notably, the EU, as of October 2018, is considering revoking Myanmar's tariff-free market access under the Everything But Arms (EBA) program over human rights violations. At the same time, these countries are walking a fine line, remaining engaged to retain some level of humanitarian access and press for full implementation of the recommendations of the Advisory Commission on Rakhine State.

Within the region, there have been few consequences for Myanmar for human rights violations and alleged atrocities committed by the military and government. While some regional partners, notably Malaysia, have taken a harder line condemning Myanmar's brutal actions against the Rohingya, most regional partners are remaining neutral. Beyond preserving diplomatic relations and regional harmony, there are economic relations at stake, as well as strategic cooperation efforts with Myanmar (including in areas of defense and security). Those countries sharing borders with Myanmar (and who may receive influxes of other ethnic minorities fleeing across borders) also have a strategic self-interest in preserving collegial relations while working to manage potential instability. Regional partners therefore are attempting to maintain a fine balance.

Maintaining this balance and preserving relations with Myanmar will shape the extent to which regional partners might be willing to consider significant commitments for Bangladesh. Most of the significant entry points for regional and international partners are

likely to be economic in nature. Few potential partners have expressed willingness to expend significant political capital given the complex geopolitical situation. As mentioned at the outset, any responsibility-sharing commitments to Bangladesh must be considered a part of a broader global and regional diplomatic strategy.

In this context, the leadership of a core set of UN Member States will be required to build momentum for a responsibility-sharing process. By making commitments with significant economic potential—such as a combination of trade concessions, development and climate financing, and private investment—they can anchor a process that delivers benefits for refugees, hosts, and Bangladesh's development progress. Such a concerted effort has the potential to not only generate wins for vulnerable populations in Bangladesh, but also help rebuild confidence in coordinated and pragmatic action on refugee issues.

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