

No Loan in Humanitarian Action. No More Debt for Bangladesh Aid Transparency | Reduced Management Cost | Dignified Policy in Rohingya Response



Debt to deal with the refugee crisis?

On August 25, 2017, nearly one million Rohingya people crossed the Naf river and came to the border of Bangladesh to save their lives. Hundreds of women and children lost their lives while crossing the river and the sea. Considering the humanitarian aspects and at the request of the international community, Bangladesh sheltered nearly one million forcibly displaced Myanmar citizens in Teknaf and Ukhia in Cox's Bazar district.

In Teknaf and Ukhia, where the number of local people is less than half a million, the housing of a million persecuted and the humanitarian programs organized for them have caused severe damage to the local people including the environment, water, agriculture, health, and education. To compensate for these losses and to improve the living standards of the Rohingya and the local population, the World Bank has recently pledged a total of \$700 million in loans to Bangladesh in two separate projects. This is the first time a country has been given a loan to deal with a refugee crisis as complex as the Rohingya crisis.

Developing countries bear the burden of refugees worldwide

As a result of ongoing conflicts around the world, the creation of refugees and their migration to other countries in search of safe shelter is constantly increasing in the world. Most of these refugees, at least 80%, are taking refuge in developing countries, which in many areas lack the capacity for their own development.

For example, in the current economic situation of Bangladesh, the country cannot afford to shelter a million refugees. On purely humanitarian grounds, the Prime Minister of Bangladesh sheltered them at the request of the international community and is providing various services within our limited capacity. Although international humanitarian organizations are doing their best to deal with this crisis and save the lives of a large

number of people, providing them with various services including food, medical care, and education, the Bangladesh government is already spending a lot on this matter.

The Prime Minister of Bangladesh said that the government currently spends 1.2 billion dollars on Rohingya refugees every year (The Daily Star, 22 September 2022).

Bangladesh, being not responsible for this in any way, is not supposed to bear this cost. This also applies to other developing countries that have granted asylum to refugees on humanitarian grounds.

Debt-ridden Bangladesh is being given loans again

The World Bank's 700 million dollar loan to Bangladesh to deal with the refugee crisis is going to be a bad example. They are going to set an example, based on which, in the future, other developing countries hosting refugees will be enticed, or perhaps forced, to borrow to deal with the crisis. We, the Equity and Justice Working Group, Bangladesh (EquityBD), and other like-minded civil societies protest against this and say that by hosting refugees on humanitarian grounds, Bangladesh and other developing countries are shouldering the responsibility of the rich countries and those who are responsible. To deal with the situation, substantial grants should be provided to developing countries that host refugees. On the contrary, they are being further indebted with loans. Meanwhile, the per capita debt of Bangladesh is 580 dollars. A lot of allocation is spent from the national budget to repay this debt. In the next fiscal year (2024-25), the interest on the loan will be \$12.8 billion (Pratham Alo, 29 May 2024).

Loans instead of grants for the development of local communities affected by the Rohingya response are unethical

In 2017, nearly one million Rohingya people took shelter in Ukhia and Teknaf, affecting the lives of the local

people. Half a million people of Cox's Bazar district have been affected in all aspects including difficulty in transportation, increase in cost of living, food and medical crisis, education, culture and security. About seven thousand fishermen have fallen into poverty by being forced to stop fishing in the Naf rivers in the name of security. About 14 thousand local communities confined inside the Rohingya camps are living in insecurity and fear. In the name of saving the lives of the refugees and improving the quality of lives of the local people affected by this, the World Bank is providing a loan of 700 million dollars to Bangladesh, where a much larger amount of donations is needed. They are giving grants for Rohingya humanitarian programs but giving loans to Bangladesh for the local population. It is unethical.

Loans to reduce pressure on foreign exchange reserves

Bangladesh's foreign exchange reserves have been declining alarmingly for the past few years. At present it is so critical that the government cannot avoid the opportunity of increasing the foreign exchange even by taking a loan. Taking advantage of this recent crisis in Bangladesh, the World Bank is forcing the country to take loans. This means that the World Bank is not recognizing the plight of local communities caused by the Rohingya crisis. Which is a shame for organizations engaged in humanitarian response here. Our appeal to the World Bank is that Bangladesh deserves a grant, not a loan, to deal with this crisis.

The responsibility of Rohingya is not only of Bangladesh but of the whole world

Honourable Prime Minister of Bangladesh said that since we have given shelter to the Rohingya population on humanitarian grounds, we will keep serving them till repatriation.

We want to agree with the Prime Minister and say that this is not the responsibility of only Bangladesh but of the whole world. There are various influential organisations including the UN Security Council, and the International Criminal Tribunal, who could have taken action to get the Rohingyas back to their motherland. So far we have not seen any positive action from them regarding Rohingya repatriation. The burden of the irresponsibility of all will be borne by the refugee-hosting developing countries, including Bangladesh, by taking loans for it, it is unethical and alarming.

Refugees rise, aid falls: management costs must be cut

Wars and crises are going on all over the world right now. Refugees are increasing, and the need for emergency services is increasing. As a result, the total amount of humanitarian aid allocated around the world is falling short. The gap between humanitarian funding needs and receipts in 2023 was the highest in an era, at \$33.6 billion (UN OCHA, 16 Feb 2024). This gap has been increasing steadily over the past few years.

The total funding request by humanitarian agencies for Rohingya refugees in Bangladesh in 2023 was \$918 million, against which funding came in at only \$230 million, which is only 25% of the demand (ISCG, 30 June 2023).

All agencies involved in humanitarian assistance and response work should take immediate action and do their best to reduce management costs given this global crisis. So that the maximum share of aid goes to the affected population. According to a study by the Cox's Bazar CSO-NGO Forum (CCNF), only a quarter of the received aid goes directly to the Rohingya community. This is concerning.

Appeals Funding Gap (2015-2023)

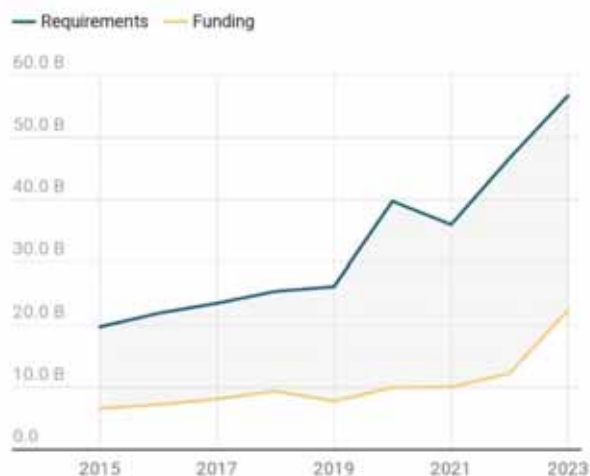


Chart: OCHA - Global Humanitarian Overview - Source: Financial Tracking Service - Get the data - Download image - Download PDF

Permit income-generating activities to reduce pressure on aid

As funding for the Rohingya response falls dramatically, we need to think about alternative measures. The Rohingya community should be allowed to engage in income-generating activities and immediate steps should be taken to start it. By doing so, dependency on aid from donor agencies is reduced.

International initiatives on repatriation are urgent now

We do not see any real initiative of the international community to repatriate the Rohingya refugees. Bangladesh's friendly countries India, China and Russia are in a position to influence Myanmar. They can play important roles in encouraging Myanmar to take them back to their motherland. We call on the United Nations and other powerful countries, including these friendly countries, to start the repatriation process as soon as possible. If not, the people of Bangladesh will be in debt to fulfil the responsibilities of others.

Loans will not solve the problem but worsen

Bangladesh is already burdened with many debts. Loans will not solve a complex problem like the refugee crisis, but will only exacerbate the problem for Bangladesh.

We call on the World Bank and the Government of Bangladesh to immediately cancel this proposed loan and take repatriation initiatives for an immediate solution to the Rohingya crisis.

Equity and Justice Working Group, Bangladesh (EquityBD)

Secretariat: House 13, Metro Melody, 1st floor,
Road 2, Shyamoli, Dhaka, Bangladesh.
email: info@equitybd.net

www.equitybd.net

