

THEMATIC SERIES  
**The ripple effect: economic impacts  
of internal displacement**

This thematic series focuses on measuring the effects of internal displacement on the economic potential of IDPs, host communities and societies as a whole



**UNVEILING THE COST OF INTERNAL  
DISPLACEMENT IN AFRICA**

DECEMBER 2019

## ACKNOWLEDGEMENTS

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Cover photo: A woman walks along the market of the Protection of Civilians 3 site in Juba, South Sudan.

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# UNVEILING THE COST OF INTERNAL DISPLACEMENT IN AFRICA

NOVEMBER 2019

# TABLE OF CONTENTS

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|  |    |
|--|----|
| Executive summary . . . . .                | 5  |
| Introduction . . . . .                     | 7  |
| Country-level estimates . . . . .          | 10 |
| Burundi . . . . .                          | 10 |
| Cameroon . . . . .                         | 12 |
| Chad . . . . .                             | 15 |
| Democratic Republic of the Congo . . . . . | 17 |
| Ethiopia . . . . .                         | 19 |
| Mali . . . . .                             | 21 |
| Niger . . . . .                            | 22 |
| Nigeria . . . . .                          | 24 |
| Republic of Congo . . . . .                | 26 |
| Sudan . . . . .                            | 28 |
| <br>                                       |    |
| Filling the gaps . . . . .                 | 31 |
| Modelled projections . . . . .             | 31 |
| Primary data collection . . . . .          | 31 |
| Fiscal resource gaps . . . . .             | 33 |
| <br>                                       |    |
| Conclusion . . . . .                       | 35 |
| Methodological Annex . . . . .             | 36 |
| References . . . . .                       | 39 |

# EXECUTIVE SUMMARY

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IDMC developed a methodology to unveil the cost of internal displacement using publicly available data in February 2019. These first estimates focused on recent crises in the Central African Republic, Haiti, Libya, the Philippines, Somalia, South Sudan, Ukraine and Yemen.

This new report applies the same methodology to other African countries in an attempt to show the regional specificities, disparities and trends of the economic impacts of internal displacement. The countries included in this report are Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Ethiopia, Niger, Nigeria, Republic of the Congo, Somalia, South Sudan and Sudan.

The average annual economic impact associated with internal displacement in these countries ranges from 0.1 to 11 per cent of their pre-crisis GDP. Box 1 shows an overview of the estimates presented in more detail in the report.

In Somalia, for instance, the economic impacts of internal displacement associated with conflict, drought and floods from January 2017 to August 2018 total \$628 million. On average, this is \$400 million per year, the equivalent of 6 per cent of the country's pre-crisis GDP.

The average economic impact per IDP for one year of displacement ranges from \$190 in Somalia for displacement associated with floods to \$650 in Cameroon for displacement associated with conflict.

At the regional level, the total economic impact of internal displacement in 2018 is estimated at \$4 billion. This represents 0.4 per cent of these countries' GDP, a significant burden for already struggling economies.














The highest financial burdens come from the impacts of internal displacement on livelihoods, housing and health. The costs and losses associated with security and education are generally secondary to these, but are still significant. Crises that displace the highest number of people for the longest time result in the highest economic impacts.

These figures assess the costs and losses associated with internal displacement's most direct consequences on health, shelter, education, security and livelihoods. They do not account for longer-term consequences of internal displacement. Nor do they account for the costs and losses faced by host communities or other affected groups. They should therefore be considered as underestimates of the actual economic impact of internal displacement.

To complement and provide nuance for these assessments, other tools are presented and applied to specific countries in Africa. They highlight options to evaluate economic impacts associated with internal displacement's harm to work, education, housing, security and health. They compare the financial risk posed by internal displacement on national economies with the affected government's ability to cope with it.

These different measures all point to the repercussions of not accounting for all IDPs in development and humanitarian plans, leading to likely regress on the Sustainable Development Goals and other global commitments.

## BOX 1: OVERVIEW OF THE ESTIMATES PRESENTED IN THIS REPORT

|   | Internal displacement associated with           | Period considered                    | Cumulative economic impact<br>\$ = \$100 million  | Average annual economic impact associated with internal displacement |
|---|---|--------------------------------------|---|--|
| <b>Burundi</b>                          | Violence and disasters                          | 2016 - 2018                          | <br>\$92 million     | \$31 million / 1 per cent of the country's pre-crisis GDP            |
| <b>Cameroon</b>                         | Conflicts in Extreme-North and North/South West | 2015 - 2018 (2018 only for N/S West) | <br>\$332 million    | \$83 million / 0.24 per cent of the country's pre-crisis GDP         |
| <b>Central African Republic</b>         | Conflict  | December 2013 - 2017                 | <br>\$950 million    | \$230 million / 11 per cent of the country's pre-crisis GDP          |
| <b>Chad</b>                             | Conflict  | 2015 - 2018                          | <br>\$205 million    | \$51 million / 0.37 per cent of the country's pre-crisis GDP         |
| <b>Democratic Republic of the Congo</b> | Conflict  | 2012 - 2018                          | <br>\$5 billion     | \$720 million / 2 per cent of the country's pre-crisis GDP           |
| <b>Ethiopia</b>                         | Conflict and disasters (drought and floods)     | 2016 - 2018                          | <br>\$1.1 billion | \$369 million / 0.6 per cent of the country's pre-crisis GDP         |
| <b>Mali</b>                             | Conflict  | 2012 - 2016                          | <br>\$252 million  | \$50 million / 0.4 per cent of the country's pre-crisis GDP          |
| <b>Niger</b>                            | Conflict  | 2015 - 2018                          | <br>\$277 million  | \$69 million / 0.8 per cent of the country's pre-crisis GDP          |
| <b>Nigeria</b>                          | Conflict  | 2014 - 2018                          | <br>\$2.3 billion | \$462 million / 0.1 per cent of the country's pre-crisis GDP         |
| <b>Republic of the Congo</b>            | Conflict  | 2016 - 2018                          | <br>\$61 million   | \$21 million / 0.24 per cent of the country's pre-crisis GDP         |
| <b>Somalia</b>                          | Conflict and disasters (drought and floods)     | 2017- August 2018                    | <br>\$628 million  | \$400 million / 6 per cent of the country's pre-crisis GDP           |
| <b>South Sudan</b>                      | Conflict  | December 2013 - 2017                 | <br>\$2.6 billion | \$650 million / 4.3 per cent of the country's pre-crisis GDP         |
| <b>Sudan</b>                            | Conflict  | 2014 - 2017                          | <br>\$3.1 billion | \$785 million / 0.8 per cent of the country's pre-crisis GDP         |



# INTRODUCTION

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Internal displacement can have devastating effects on the lives of displaced people, their dependents, their hosts and those who are left behind in their community of origin.<sup>1</sup> Its impacts on health, livelihoods, security, housing, access to infrastructure, education, social life and the environment can harm individual wellbeing and affect society as a whole.

Internal displacement limits people's ability to contribute to the economy and generates specific needs that must be paid for by IDPs and their hosts and by their government and other aid providers. IDMC published in March 2019 the first estimates of the economic impact of internal displacement at the global level, amounting to \$13 billion per year of displacement.<sup>2</sup>

This report applies the same methodology to all sub-Saharan African countries affected by internal displacement for which data was available to conduct the assessment. For countries affected by internal displacement where data was not available, statistical projections were used.

These new estimates place the total economic impact of internal displacement in sub-Saharan Africa at \$4 billion in 2018, a significant burden for already struggling economies.

The figures presented in this report uncover just part of the hidden cost of internal displacement, but they amount to a noticeable share of each country's GDP. Highlighting these financial consequences for IDPs, hosts and governments can inform better planning for prevention and response to internal displacement.



*Mwenya (right) gathers firewood and vegetables in the forest, earning a meagre 2,500 Congolese Francs (less than two dollars) per day to be able to buy food. Mwenya's house in her home village in the DRC was destroyed, but she still wants to go home when the authorities guarantee that the area is safe and will be able to provide assistance. Photo: NRC/Christian Jepsen, December 2017*

## BOX 2: METHODOLOGY AND LIMITATIONS

Internal displacement can affect the economy through direct costs, such as the provision of shelter or emergency healthcare to IDPs. It can also have indirect consequences, including through the disruption of business networks in IDPs' communities of origin. In theory, internal displacement can have both negative and positive effects on an economy, creating additional losses and needs, but also opportunities. In reality, however, it usually results in financial burdens, as the conditions to seize potential opportunities are rare.<sup>3</sup>

Our estimates focus on the direct and immediate costs and losses associated with internal displacement for which quantitative data is publicly available at the global level. They do not account for longer-term consequences of internal displacement. For instance, they do not include the future reduction in income, consumption and income taxes linked with a displaced child's inability to access school. Estimates of the cost of adapting infrastructure and services to cope with the arrival of large numbers of IDPs in host communities are also missing.

Our estimates do include the costs associated with IDPs' housing, health, education and security needs, and loss of livelihoods. Research has shown that internal displacement also impacts host communities and IDPs' communities of origin, but the available data does not allow us to estimate this. We therefore consider the figures presented in this paper to be underestimates of the economic impacts of internal displacement that only measure part of its financial burden.

We selected impact metrics that represent the key dimensions through which displacement affects the economy: livelihoods, health, education, housing and security (see Table 1). Although internal displacement's effects on social life and on the environment can also impact the economy, data is not available to measure these costs.

We use information, including the funds needed to provide food to a certain number of IDPs, to estimate the cost associated with the nutritional needs resulting from internal displacement for each affected person. We then apply this cost per affected person to the internally displaced population recorded by IDMC to assess the economic impact.

Data sources used for these calculations are in United States dollars (USD).

The cost estimates do not correspond to the total amount spent by humanitarian organisations or governments in response to a crisis, nor do they correspond to the total amount requested by them to meet the needs of IDPs. They should be understood as estimates of the total amount that would have been required to meet the needs of all IDPs for a specific crisis: a measure of the impacts of internal displacement in a given impact dimension, expressed in monetary terms.

For each metric, we assess the average costs and losses per displaced person during one year of displacement and provide an estimate of the total economic impact of the displacement crisis. The latter is based on the duration of the crisis and number of IDPs.

The detailed calculations for each dimension are presented in the methodological annex at the end of this paper.



**TABLE 1:** Data sources and indicators used to assess economic impacts of internal displacement

| Dimension  | Metric   | What is included   |
|--|--|--|
| <b>Housing</b><br><i>Data sources: Humanitarian Response Plan and Humanitarian Needs Overview by OCHA</i>  | Cost of shelters or temporary accommodations         | <ul style="list-style-type: none"> <li>  providing emergency and transitional shelter solutions, including subsidies for rents or repairs</li> <li>  delivering needs-based, lifesaving non-food items</li> <li>  providing water, sanitation and hygiene services</li> <li>  coordinating and managing shelters and camps.</li> </ul> |
| <b>Livelihoods</b><br><i>Data sources: World Development Indicators and PovcalNET by the World Bank, displacement tracking matrix (DTM) by IOM</i> | Loss of income                                       | <ul style="list-style-type: none"> <li>  loss of income from work.</li> </ul>  |
| <b>Education</b><br><i>Data sources: Humanitarian Response Plan and Humanitarian Needs Overview by OCHA</i>  | Cost of providing temporary education                | <ul style="list-style-type: none"> <li>  restoring educational activities for children of primary and secondary school age</li> <li>  ensuring healthy and secure learning environments, including in some cases psychological support for children.</li> </ul>  |
| <b>Health</b><br><i>Data sources: Humanitarian Response Plan and Humanitarian Needs Overview by OCHA</i>   | Cost of providing food assistance                    | <ul style="list-style-type: none"> <li>  providing lifesaving food assistance</li> <li>  improving food production</li> <li>  preventing and treating malnutrition among children under five, and among pregnant and lactating women.</li> </ul>   |
|  | Cost of providing healthcare in emergency situations | <ul style="list-style-type: none"> <li>  providing emergency and essential primary/secondary health services</li> <li>  preventing and responding to communicable diseases and disease outbreaks</li> <li>  providing immunisation coverage for children under five.</li> </ul>  |
| <b>Security</b><br><i>Data sources: Humanitarian Response Plan and Humanitarian Needs Overview by OCHA</i>   | Cost of ensuring security in host areas              | <ul style="list-style-type: none"> <li>  reinforcing and providing protection to IDPs</li> <li>  preventing and responding to human rights violations</li> <li>  protecting children and women.</li> </ul>   |

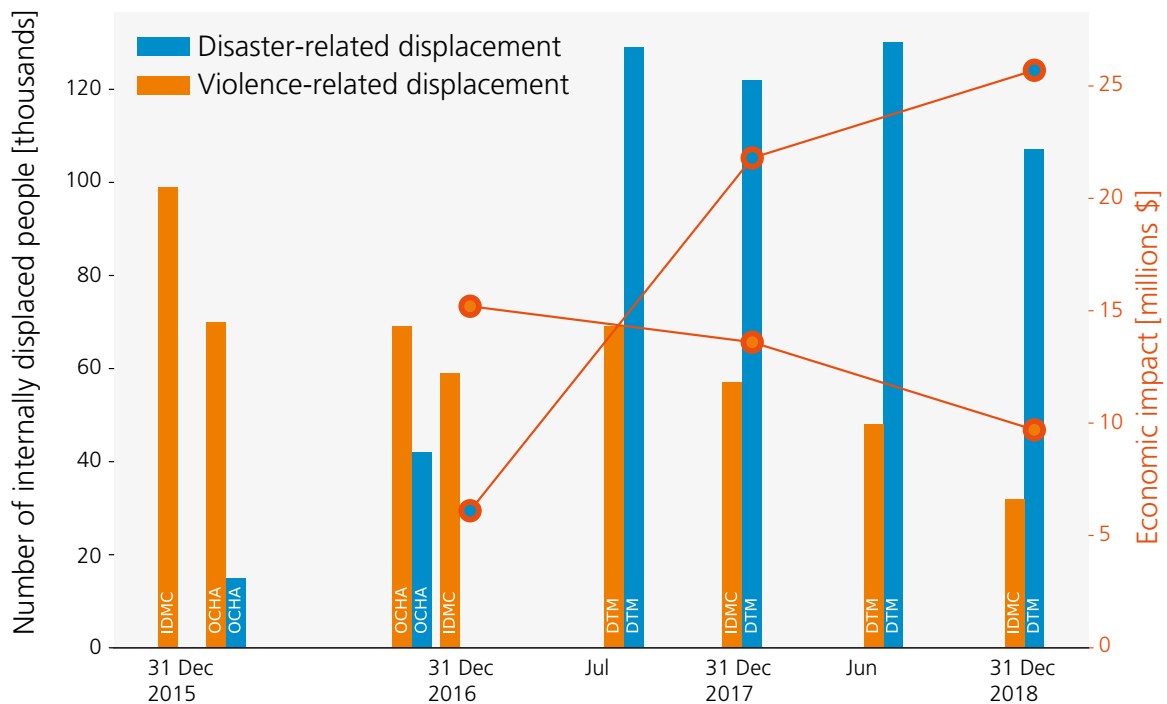
# COUNTRY-LEVEL ESTIMATES

The sub-Saharan countries included in this analysis have all recently been affected by significant internal displacement associated with conflict, disasters or a combination of both. For the Central African Republic, Somalia and South Sudan, estimates of the economic impacts of displacement were published in March 2019.<sup>4</sup> The same

methodology was applied to Burundi, Cameroon, Chad, the Democratic Republic of the Congo, Ethiopia, Mali, Niger, Nigeria and the Republic of Congo. It now covers half of all the countries in the region affected by internal displacement in 2018.

## BURUNDI

FIGURE 1: Number of IDPs associated with disasters and violence in Burundi and corresponding economic impacts.



Data source: OCHA, DTM and IDMC

The political crisis that began in April 2015 has increasingly affected Burundi's population, particularly through violence and the deterioration of socioeconomic conditions. The latter contributed to the weakening of the

population's resilience, to the increasing degradation in access to and quality of basic services and to a lack of mechanisms for protection. As a consequence, tens of thousands of people have left their homes for

better living conditions. The number of IDPs was nearly 100,000 at the end of 2015, but was reduced to half of that in 2016 and 2017, and to one-third in 2018. Internal displacement was also triggered by natural hazards, such as torrential rains, high winds, floods and landslides that destroyed houses and agricultural production. The number of displaced people associated with these events strongly increased in 2017, reaching more than 100,000 from July 2017 to the end of 2018.

The economic impacts of displacement associated with violence or with disasters are estimated using the same costs and losses per IDP. Total impacts of displacement associated with violence are between \$10 million and \$15 million per year between 2016 and 2018. On the other hand, total impacts of internal displacement associated with disasters increased from \$6 million in 2016 to \$26 million in 2018, corresponding to 0.7/0.8 per cent of Burundi's pre-crisis GDP.

Economic impacts of displacement are found mainly in three sectors, health, housing and livelihoods, which cover almost 90 per cent of total impacts. The largest impacts are in housing, at 34 per cent. Most of the IDPs, 54%, are supported by the host community without outside help, thus exacerbating the pressure on already insufficient or limited resources and access to basic social services. This increases the level of vulnerability of the host populations.<sup>5</sup> To a lesser extent, displaced people found shelter in rented (24%) or vacant homes (18%), while only a small percentage found shelter in camps or collective sites.

Health costs include food security and healthcare, which account for 26 per cent and 7 per cent respectively of total impacts. Displaced people are among the most vulnerable populations to food insecurity in a country in which more than 40 per cent of the population already faces acute problems in that regard.<sup>6</sup> The low investments of Burundi's government in health, combined with its budget cuts in that area, mean that all IDPs are considered in need of health assistance.

Insecurity and violence have had a significant impact on economic activities, with entire sectors of the economy, such as commercial and artisanal activities, paralyzed. The economic crisis strongly affected IDPs, reducing their access to livelihood opportunities. The average access rate to activities that generate income for IDPs is 28 per cent, compared to a national employment rate of 78 per cent.<sup>7</sup>

The cost of covering the security needs of IDPs is also high, representing about 10 per cent of the total economic impact. IDPs are perceived as a potential threat by host communities.<sup>8</sup> This affects their access to basic social services, such as effective justice, the protection of fundamental freedoms and the realization of social and economic rights.

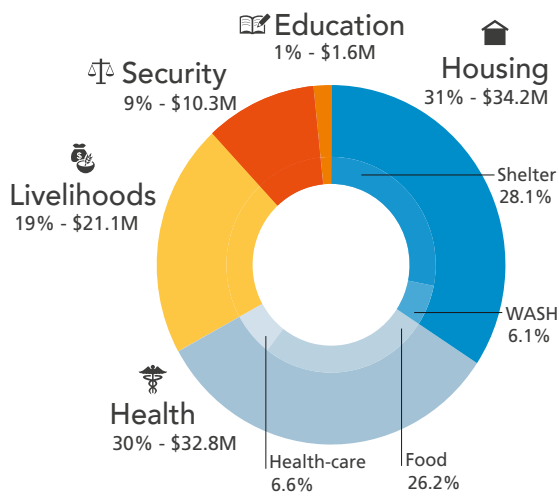
Support for the education of internally displaced children is estimated to have a low economic impact, representing only 1.6 per cent of the total. Humanitarian interventions in the education sector respond to emergencies, improving access to school and learning conditions in a healthy and protective environment for displaced children.

**TABLE 2:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for Burundi.

|   | Years             | IDPs in need                         | Cost/ Loss per capita |
|---|-------------------|--------------------------------------|-----------------------|
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | From 2016 to 2018 | 100%                                 | 60\$                  |
| Housing: Water, Sanitation and Hygiene                                  | From 2016 to 2018 | 100%                                 | 13\$                  |
| Livelihoods   | From 2016 to 2018 | 24% (64% of previously working IDPs) | 185\$                 |
| Education   | From 2016 to 2018 | 25% (100% of aged 5-14 children)     | 14\$                  |
| Health: Food Security   | From 2016 to 2018 | 100%                                 | 56\$                  |
| Health: Healthcare  | From 2016 to 2018 | 100%                                 | 14\$                  |
| Security  | From 2016 to 2018 | 100%                                 | 22\$                  |

**FIGURE 2:** Cumulative economic impacts of internal displacement associated with disasters and violence in Burundi per dimension, 2016-2018.

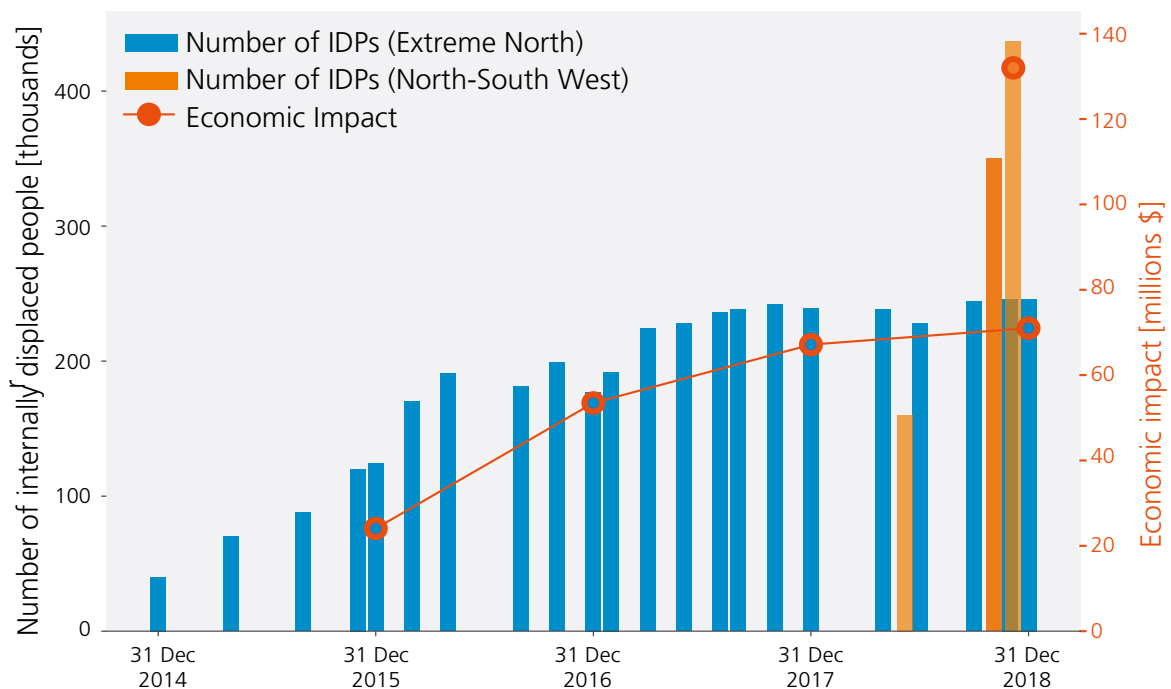
**TOTAL ECONOMIC IMPACT = \$92 million**



Attacks and violence related to the presence of Boko Haram in the Extreme North region of Cameroon have caused a sharp increase of the number of IDPs since 2014. They have also generated rising humanitarian needs for both IDPs and host communities, which were already in a situation of acute vulnerability before the crisis. The 40,000 IDPs at the end of 2014 quadrupled in 2015 and reached 240,000 in 2017. An additional humanitarian crisis during 2018 affected the Northwest and Southwest regions of the country. This was a result of confrontations between non-state armed groups and state armed forces in the regions. Since 8 November 2017, the date of the first clash between the opposing forces, confrontations have displaced 437,000 people. The economic impact of meeting the needs of IDPs related to these two crises are considered separately. For the Extreme North crisis, the financial burden linked with internal displacement from 2015 to 2018 amounts to about \$220 million, an average of \$54 million per year, corresponding to 0.15 per cent of the pre-crisis GDP. The estimated economic impact of internal displacement in the Northwest and Southwest in 2018 is \$117 million, more than twice the average economic impact in the Extreme North. This is due to the much higher costs associated with meeting the

## CAMEROON

**FIGURE 3:** Number of IDPs associated with conflicts in the Extreme North and in North- and South-West of Cameroon and corresponding economic impacts.



Data source: DTM, IDMC (end of year figures for the conflict in the extreme North), OCHA (North- and South-West).

needs of each IDP (not to the number of IDPs that are on average similar). These estimates are based on the humanitarian response plan drawn up in May 2018 for this specific crisis, with requirements for only the three following months.<sup>9</sup> These costs were extended linearly to the full year, potentially leading to an overestimation of the annual cost per IDP.

Focusing first on the crisis in the Extreme North, it appears that a third of the economic impact is related to the loss of livelihoods, assuming that 60 per cent of previously working IDPs lost their income after displacement.<sup>10</sup> The Extreme North has an alarming poverty rate (two out of three people live below the poverty line) and an underemployment rate of more than 85 per cent.<sup>11</sup>

Another 34 per cent of the total economic impact is a result of food insecurity. Most IDPs have found refuge in host communities that were already highly vulnerable to food insecurity, malnutrition, epidemics and limited access to basic social services. IDPs and their hosts both need food assistance, support for alternative production, access to water and health care. The global acute malnutrition rate in the Extreme North increased from 9 per cent in 2014 to 13.9 per cent in 2015, with 2.2 per cent suffering from severe malnutrition.<sup>12</sup>

Housing costs also have a significant impact, accounting for 17 per cent of the total. Sixty-four per cent of displaced people in the Extreme North live in host families, 24 per cent in rented houses in cities, 7 per cent in damaged or unfinished structures, and 5 per cent in collective centres.<sup>13</sup> The IDPs in the Extreme North have experienced a deterioration in living conditions and lack access to essential services, including potable water of sufficient quantity and quality, and basic sanitation services. Latrines are inadequate, there is open-air defecation, and there are too few hygienic products for women and girls. IDPs need assistance to improve these conditions.

Security and education have only a limited economic impact, representing 7 and 4 per cent respectively of the total, although they are critical sectors, especially for displaced children. In view of Boko Haram's active presence in the Extreme North, there is a real risk of targeted attacks against schools in border areas. Insecurity and fear of attacks have already forced the closure of 70 schools and may further limit opportunities for study. The vast majority of displaced children in host commu-

nities cannot be absorbed by local schools, and 65 per cent of them do not have access to education.<sup>14</sup> This makes them more vulnerable to multiple risks, including neglect, exploitation, forced labour, kidnapping, recruitment by armed groups, early marriage, sexual abuse and violence.

In the Southwest and Northwest regions, almost half of the economic impact is related to health. Access to food is the main priority for IDPs. They have had to resort to negative coping strategies in order to eat, including reducing meals to one a day and cutting back on adult consumption in order to ensure enough food for children. Restrictions on movement, including checkpoints, and poor infrastructure, also hinder access to productive land and markets. IDPs do not have access to basic health services and are at significant risk for water-borne diseases.

A quarter of the total impact comes from housing costs. Most people affected by crisis live in the bush, sheltering in overcrowded and often unhygienic conditions. They lack access to essential services, including potable water and basic sanitation, with inadequate and unsecured latrines, open-air defecation, and insufficient hygienic products for women and girls.

Livelihood losses cover 16 per cent of the total impact. The relatively low impact of these losses with respect to the crisis in the Extreme North is due to the much higher costs per IDP considered for the other dimensions, a factor 2 to 5 times higher.

The impacts of security and education are 9 and 4 per cent, respectively.

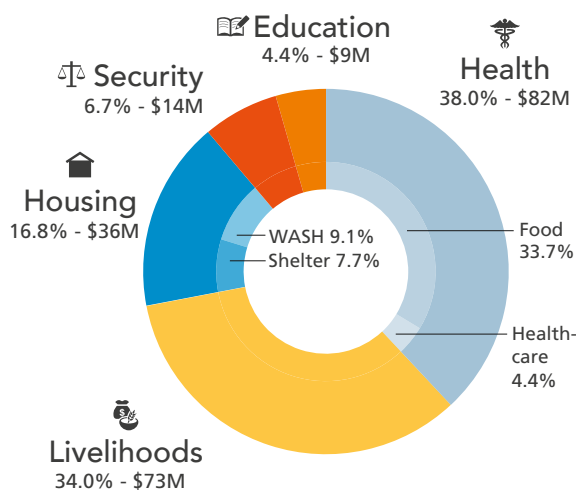


**TABLE 3:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for Cameroon.

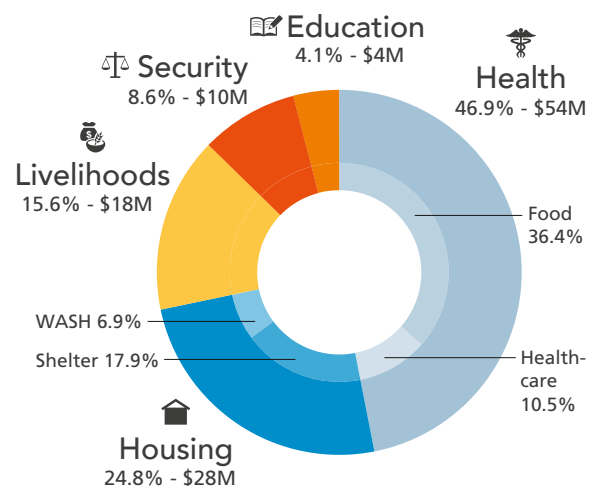
| Cameroon (Extreme North)  |                   |                                      |                       | Cameroon (North- and South-West)  |       |                                      |                      |
|---|-------------------|--------------------------------------|-----------------------|---|-------|--------------------------------------|----------------------|
|   | Years             | IDPs in need                         | Cost/ Loss per capita |   | Years | IDPs in need                         | Cost/Loss per capita |
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | From 2015 to 2018 | 100%                                 | 23\$                  | Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | 2018  | 100%                                 | 116\$                |
| Housing: Water, Sanitation and Hygiene                                  | From 2015 to 2018 | 100%                                 | 27\$                  | Housing: Water, Sanitation and Hygiene                                  | 2018  | 80%                                  | 56\$                 |
| Livelihoods   | From 2015 to 2018 | 17% (60% of previously working IDPs) | 580\$                 | Livelihoods   | 2018  | 17% (60% of previously working IDPs) | 580\$                |
| Education   | From 2015 to 2018 | 26% (60% of aged 5-14 children)      | 50\$                  | Education   | 2018  | 22% (50% of aged 5-14 children)      | 120\$                |
| Health: Food Security   | From 2015 to 2018 | 100%                                 | 100\$                 | Health: Food Security   | 2018  | 100%                                 | 236\$                |
| Health: Health-care   | From 2015 to 2018 | 100%                                 | 13\$                  | Health: Health-care   | 2018  | 100%                                 | 68\$                 |
| Security  | From 2015 to 2018 | 100%                                 | 20\$                  | Security  | 2018  | 100%                                 | 56\$                 |

**FIGURE 4:** Cumulative economic impacts of internal displacement per dimension related to conflict in the Extreme North of Cameroon, 2014 to 2018, and to North- and South-West regions in 2018.

**TOTAL ECONOMIC IMPACT = \$216 million**



**TOTAL ECONOMIC IMPACT = \$117 million**



### BOX 3: CENTRAL AFRICAN REPUBLIC

Conflict began in 2013 in the Central African Republic (CAR) and displaced nearly 20 per cent of the country's population.<sup>15</sup> On average, the annual costs and losses associated with internal displacement are estimated at \$230 million, the equivalent of 10.5 per cent of the country's pre-crisis GDP. The cumulative economic impact from December 2013 to December 2017 is \$953 million.

The greatest financial burden associated with this displacement crisis is related to the nutritional impact on IDPs. Support to ensure food secu-

urity and nutrition accounts for 39 per cent of the total. As the food crisis worsened over time, the percentage of IDPs affected by it rose from 70 per cent in 2013 and 2014, to 100 per cent in the following years.<sup>16</sup>

Internal displacement's impacts on housing are the next largest, accounting for 20 per cent of the total. This includes the cost of building and managing camps for about 40 per cent of all IDPs, and support for the 60 per cent of IDPs living with host families or on their own in rural areas.<sup>17</sup>

The estimated loss of income due to internal displacement is almost 17 per cent of the total economic impact. Eighty per cent

of all IDPs are unable to pursue their habitual income-generating activities during displacement, based on several assessments by the International Organization for Migration (IOM) and DTM. In displacement sites in Bangui, 80 per cent of IDPs interrupted work after displacement.<sup>18</sup> Other reports show that more than 90 per cent of interviewed IDPs in host communities and spontaneous sites stopped working after displacement.<sup>19</sup>

Details of these estimates for CAR are available in IDMC's March 2019 report, *Unveiling the Cost of Internal Displacement*.<sup>20</sup>

## CHAD

Internal displacement in Chad is linked to the Boko Haram insurgency and is mainly concentrated around the western Lac region. The conflict originated in Nigeria in 2009, escalated and spilled over into the neighbouring countries of Niger, Chad and Cameroon with an enormous humanitarian impact and numerous human rights violations that forced important movements of population. Before 2015, internal displacement in Chad was related to its 2006 to 2010 war with Sudan that displaced people in the east of the country. New displacement in the Lac region during 2015 brought the number of IDPs to more than 100,000 following violent attacks from Boko Haram. Displacement increased in 2017 to almost 160,000 IDPs, but decreased in 2018 to 130,000.

Internal displacement is only one of many large population movements in Chad. There are also hundreds of thousands of refugees from the neighbouring countries of Nigeria, Cameroon, Sudan and CAR. These amounted to half a million in 2015 alone. Chadians returnees from countries, including Nigeria and CAR, totalled more than 300,000 between 2015 and 2018. These displacements exacerbated the humanitarian needs of the local population and host communities, amplifying existing

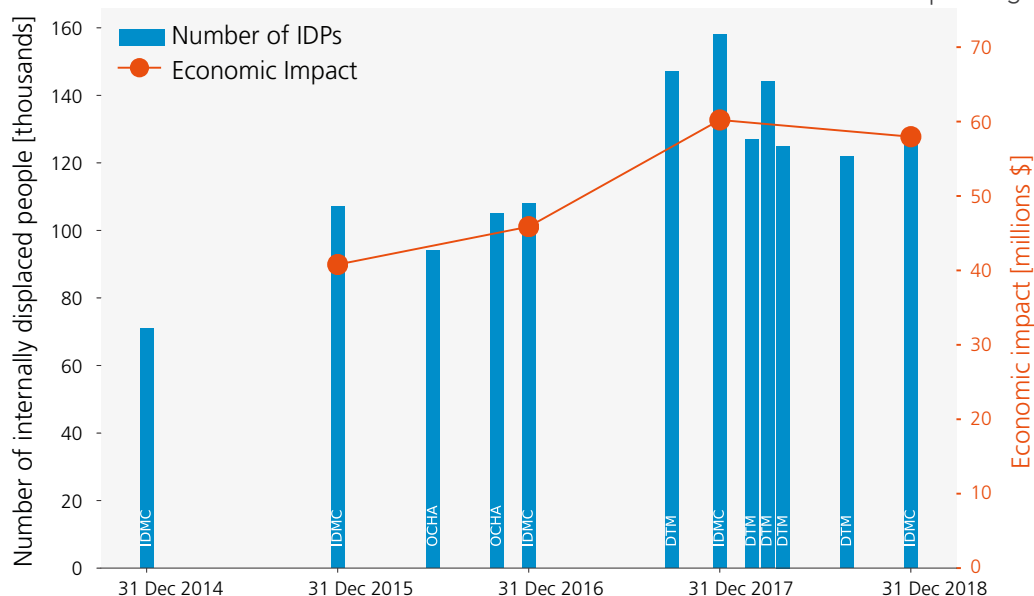
vulnerabilities amidst poverty, underdevelopment, food crises and epidemics. Humanitarian response plans target all these people in need, who represent a third of the country's total population.

The economic impact of internal displacement since 2015 amounts to \$200 million. That is \$40 to \$60 million per year, corresponding to 0.3 per cent to 0.4 per cent of Chad's 2014 GDP each year.

By far, the largest impact is in the health sector. This represents half of the total costs and losses associated with internal displacement. Food security needs amount to 35 per cent and healthcare needs to 18 per cent. Housing, security and livelihoods have also a noticeable economic impact, representing between 12 per cent and 18 per cent of the total. IDPs have restricted or very limited access to food, drinking water, adequate shelter and basic social services (in particular health and education), with consequences for the morbidity and mortality of both displaced and host communities. They remain largely dependent on humanitarian aid, especially in the first months after their arrival.

The high costs for security, at 14 per cent, reflect tensions between host communities and the displaced population,

**FIGURE 5:** Number of IDPs associated with disasters and violence in Chad and corresponding economic impacts.



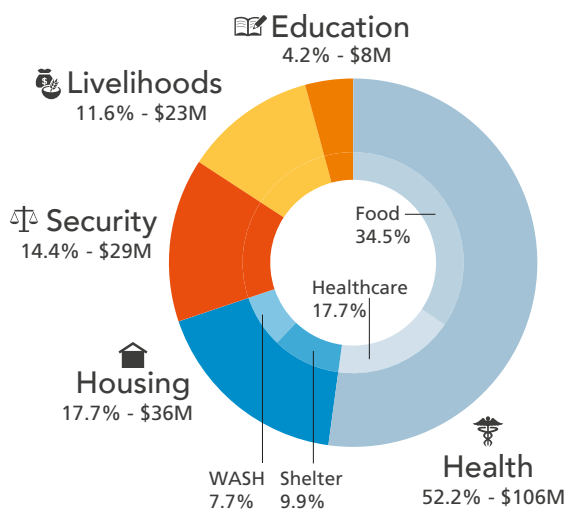
Data source: OCHA, DTM and IDMC

often around issues related to exploitation of natural resources, such as water, firewood and arable land. On the other hand, loss of livelihoods has an unusually low impact, corresponding to only 12 per cent of the total. This is related to the very low portion, of the total population, 27 per cent, that Chad’s working population represents.

Education costs represent 4 per cent of the total and are focused on ensuring the continuation of schooling for displaced children. Displacement limits schooling and can lead to school failure because of difficulties in integration, psychosocial effects, language differences, and health and food issues.

**FIGURE 6:** Cumulative economic impacts of internal displacement associated with conflicts in Chad per dimension, 2015-2018.

**TOTAL ECONOMIC IMPACT = \$205 million**



**TABLE 4:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for Chad.

|   | Years             | IDPs in need                                       | Cost/ Loss per capita |
|---|-------------------|--|-----------------------|
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | From 2015 to 2018 | 100%   | 45\$                  |
| Housing: Water, Sanitation and Hygiene                                  | From 2015 to 2018 | 100%   | 35\$                  |
| Livelihoods   | From 2015 to 2018 | 16% (60% of previously working IDPs) <sup>21</sup> | 360\$                 |
| Education   | From 2015 to 2018 | 38% (100% of aged 5-14 children)                   | 50\$                  |
| Health: Food Security   | From 2015 to 2018 | 100%   | 156\$                 |
| Health: Health-care   | From 2015 to 2018 | 100%   | 80\$                  |
| Security  | From 2015 to 2018 | 100%   | 65\$                  |

## DEMOCRATIC REPUBLIC OF THE CONGO

Decades of chronic political instability and armed conflict led to the displacement of hundreds of thousands of people, leaving them in highly vulnerable conditions, unable to achieve durable solutions. Displacements are concentrated in the eastern provinces of North and South Kivu and in the southern and central provinces, such as Tanganyika, Kasai, Kasai-Oriental and Ituri.

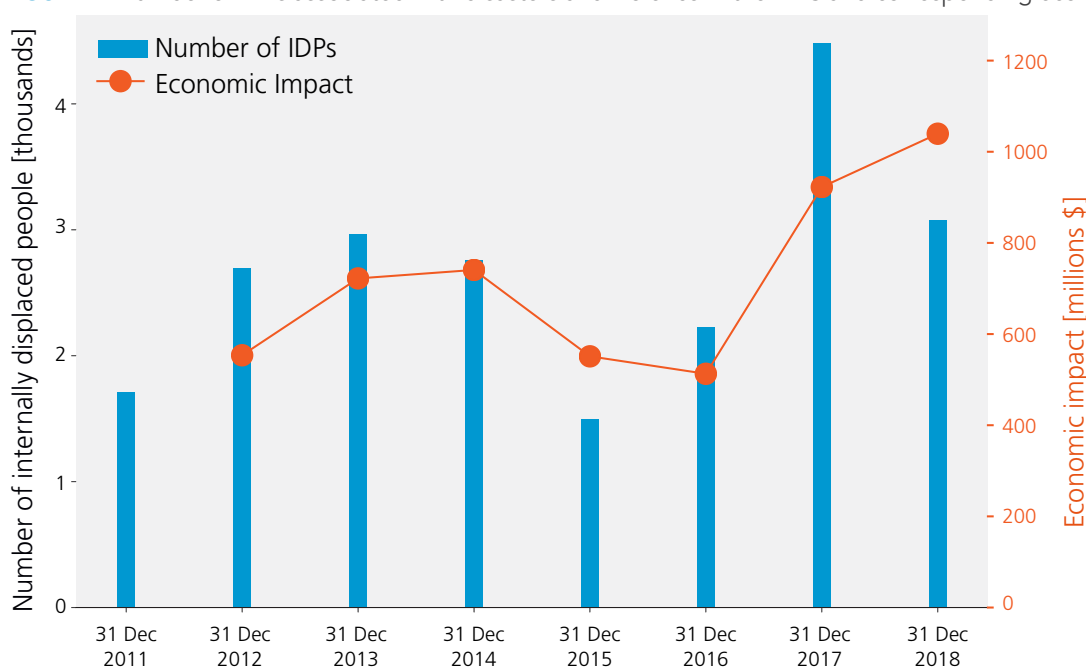
Around 1.7 million IDPs were recorded at the end of 2011. As a result of continuous intercommunal clashes, especially in Kivu provinces, the number of IDPs increased in 2012 and 2013, reaching 3 million. Renewed fighting in 2016 and 2017 in the Kivus provinces, Kasai region and Tanganyika led to a new surge in displacement after a period of relative stability in a large part of the territory and the return of a large percentage of the IDPs. About 2.2 million new displacements were recorded for 2017. At the end of 2017 4.5 million people were living in a situation of internal displacement, double the number from the previous year. The figure at the end of 2018 was around 3 million.

The economic impact of internal displacement is estimated from 2012. The annual total costs and losses per

IDP vary from \$250 in 2012 to \$275 in 2018. The total impact is \$5 billion for seven years, about \$720 million per year on average, corresponding to 2 per cent of the Democratic Republic of the Congo (DRC)'s GDP each year. The largest costs are linked with health (36 per cent for food insecurity and 7 per cent for health-care). Displacement is often accompanied by the loss of essential assets and means of production. These losses increase vulnerability to food insecurity and malnutrition. Most IDPs live in host families and communities, putting additional pressure on the already scarce resources of host families and limited infrastructure. In addition to having to share their meagre food reserves, families live in overcrowded conditions that can pose health and protection risks. Lack of access to basic services has an impact on household hygiene and health and increases the risk of illness and death.

Housing needs represent 23 per cent of total economic impacts. Eighty-five per cent of IDPs live in host families and communities, and 15 per cent in camps.<sup>22</sup> Potable water can be extremely scarce, at less than 10% for IDPs in rural areas. This is significant because an adequate supply of fresh water is needed to reduce the risks of water-borne diseases such as cholera. Sanitation facilities, including latrines, are also scarce. Only 17% of IDPs have access to latrines in rural settings.

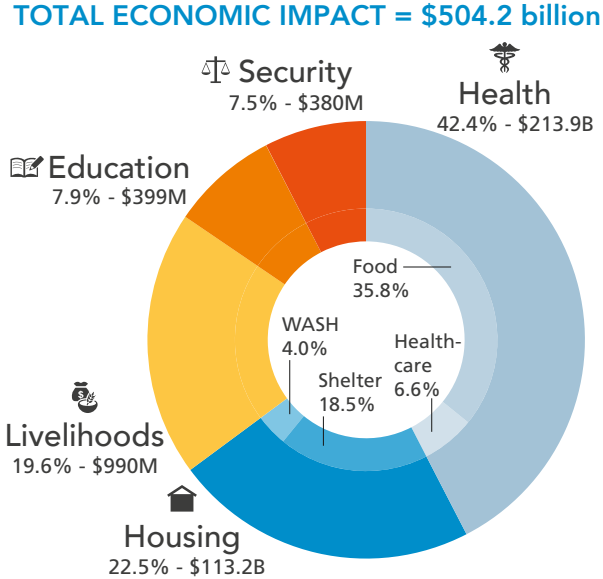
FIGURE 7: Number of IDPs associated with disasters and violence in the DRC and corresponding economic impacts.



Data source: IDMC

Another 20 per cent of the economic impacts are a result of the loss of livelihoods, while security and education contribute to 8 per cent each. Displacement contributes significantly to the exclusion of children from the school system, increasing their vulnerability to all kinds of abuse, including recruitment into armed forces and groups, child labour, survival sex and sexual exploitation. Many cases of separated or unaccompanied children are also reported among displaced populations, including more than 4,000 in September 2013 in North Kivu.<sup>23</sup> The educational situation is alarming in the areas most affected by conflict. In Manono, Moba and Pweto in Katanga, for example, 40 per cent of all children between 6 and 11 years of age are not in school. The rest study in precarious conditions, given that more than 60 per cent of schools have been destroyed, and classes have more than 55 children per teacher. This situation is occurring amidst an almost total lack of funding for emergency education in the country. Typically less than 15 per cent of humanitarian requirements for education are funded, and as low as 3 per cent in 2014.<sup>24</sup>

**FIGURE 8:** Cumulative economic impacts of internal displacement associated with conflicts in the Democratic Republic of the Congo per dimension, 2012-2018.



**TABLE 5:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for the DRC.

|   | Years             | IDPs in need                                       | Cost/ Loss per capita |
|---|-------------------|--|-----------------------|
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | From 2012 to 2018 | 70%  | 70\$                  |
| Housing: Water, Sanitation and Hygiene                                  | From 2012 to 2018 | 70%  | 15\$                  |
| Livelihoods   | From 2012 to 2018 | 20% (60% of previously working IDPs) <sup>25</sup> | 260\$                 |
| Education   | From 2012 to 2018 | 28% (100% of aged 5-14 children)                   | 75\$                  |
| Health: Food Security   | From 2012 to 2018 | 100%   | 95\$                  |
| Health: Healthcare  | 2012/15           | 80%  | 10\$                  |
|   | 2016/18           | 80%  | 35\$                  |
| Security  | From 2012 to 2018 | 100%   | 20\$                  |



# ETHIOPIA

Internal displacement from January 2016 to December 2018 was driven by conflict and multiple factors associated with climate, such as drought, floods and landslides. Southern and eastern Ethiopia were hit in 2015 and 2016 by two consecutive years of drought, followed by weak rainfall at the end of 2017. Harvests fell between 50 per cent and 90 per cent in the most drought-affected highland areas. Extreme livestock losses were also related to drought. Together these factors resulted in acute food insecurity and malnutrition and caused hundreds of thousands of people to leave their homes.<sup>26</sup> Seasonal flooding traditionally displaces people living in flood-prone areas for up to three months. Favourable rains in 2018 produced better harvests and an improvement in the livelihoods of pastoralists in most parts of the country. Those same rains, however, also led to flooding along river basins, affecting around 382,000 people and displacing around 172,000 people in Somali region alone.

Displacements associated with climate reached almost half a million during 2017 and 2018.

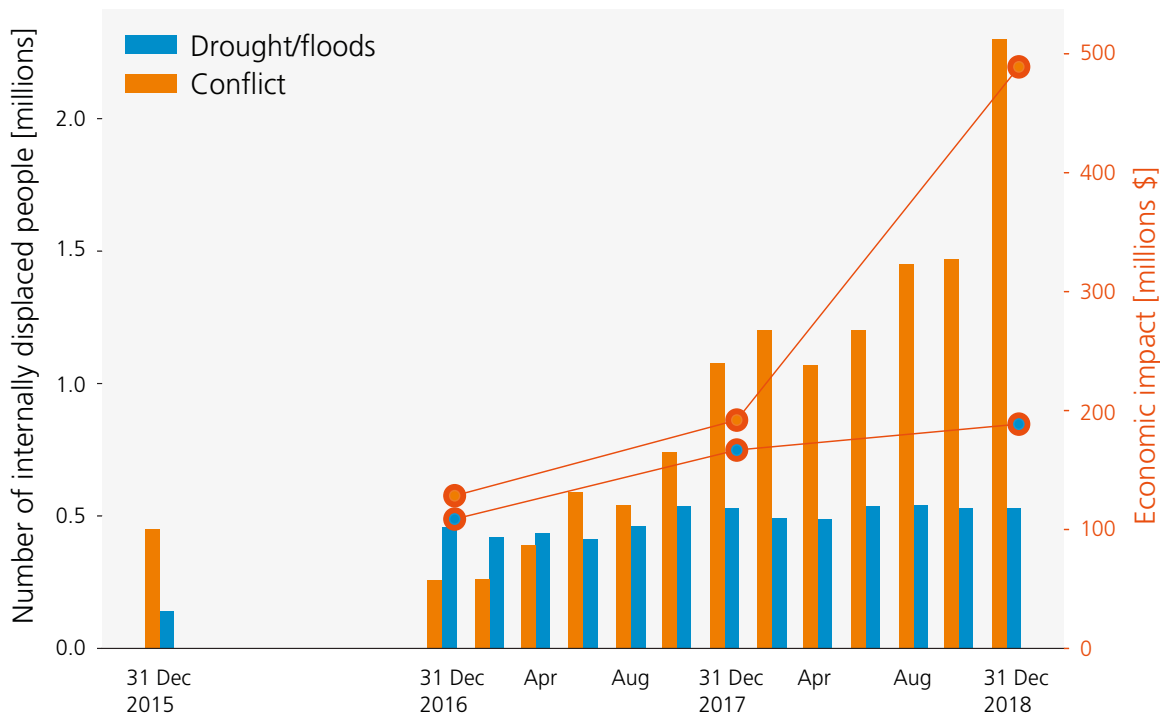
The main driver of displacement, however, was conflict.

The conflict around the border areas of Oromia and Somali regions, including the August and September upsurge, displaced around a million people in 2017. The situation got worse in 2018 with the escalation of the crisis in Gedeo and West Guji. This led to over 2 million people living in internal displacement because of conflict at the end of the year.

The economic impacts of internal displacement associated with climate factors represented around \$400 million from 2016 to 2018. During the same period, displacement associated with conflict caused losses to the economy of \$700 million, or 1.1 per cent of pre-crisis 2015 GDP. The annual average impacts of internal displacement as a result of climate and conflict are \$135 million and \$234 million respectively.

Three-fourths of the total economic impact of internal displacement, independently of the driver, are a result of food insecurity and loss of livelihoods, which represent 38 per cent and 35 per cent of the total impacts, respectively. Food access and malnutrition are the main concerns for displaced people, especially in areas affected by drought. The government and humanitarian agencies supported several million people, prioritising IDPs and vulnerable populations with the provision of food relief and/or cash assistance.

**FIGURE 9:** Number of IDPs associated with conflicts, drought and floods in Ethiopia, and corresponding economic impacts.



Data: IOM-DTM, IDMC (end of year conflict figures)

Estimates of the loss of income are computed assuming that 60 per cent of previously working IDPs lost their income.<sup>27</sup> This is probably a conservative estimate because DTM analysis found that IDPs have access to income-generating activities in only 10 per cent to 20 per cent of displacement sites.

Internal displacement’s economic impacts on housing represent 20 per cent of the total. Fifty-five per cent of IDPs were living with host communities, sharing limited resources.<sup>28</sup> Some districts in Somali region are hosting more than double their population size.<sup>29</sup> Humanitarian support consisted in providing emergency, transitional and long-term shelters, kits with non-food items, and shelter recovery assistance, including to IDPs living in host communities.

Only 4 per cent of the total economic impact is attributed to healthcare needs. Health support focused on strengthening the capacity of the health system to deliver lifesaving interventions, reducing morbidity and mortality and responding to epidemic disease outbreaks.

Costs associated with security represent less than 2 per cent of the total impact. The government and humanitarian agencies mainly target the most vulnerable displaced and non-displaced groups, including children, the elderly and people with disabilities. They are providing protection from gender-based violence, neglect, abuse, and other risks.

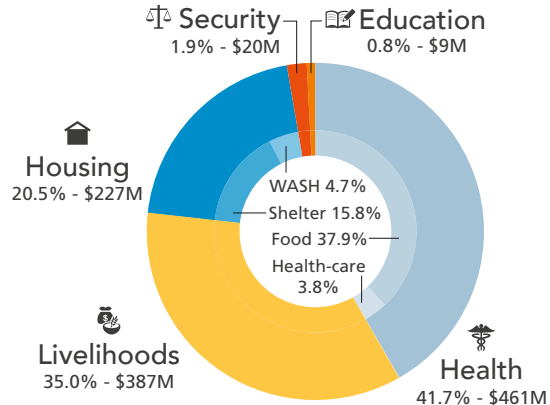
Education costs represent only 0.8 per cent of total economic impact. The DTM data reveals that 40 per cent to 50 per cent of the school-aged population do not have access to education as a result of displacement.<sup>30</sup> Education costs are then related to efforts to ensure that school-age children in temporary settlements can attend learning activities and services.

**TABLE 6:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for Ethiopia.

|   | Years             | IDPs in need                         | Cost/Loss per capita |
|---|-------------------|--------------------------------------|----------------------|
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | From 2016 to 2018 | 100%                                 | 50\$                 |
| Housing: Water, Sanitation and Hygiene                                  | From 2016 to 2018 | 100%                                 | 15\$                 |
| Livelihoods   | From 2016 to 2018 | 25% (60% of previously working IDPs) | 440\$                |
| Education   | From 2016 to 2018 | 13% (50% of aged 5-14 children)      | 20\$                 |
| Health: Food Security   | From 2016 to 2018 | 100%                                 | 120\$                |
| Health: Healthcare  | From 2014 to 2018 | 100%                                 | 12\$                 |
| Security  | From 2014 to 2018 | 30%                                  | 20\$                 |

**FIGURE 10:** Cumulative economic impacts of conflict, drought and floods associated with internal displacement in Ethiopia per dimension, from January 2016 to December 2018

**TOTAL ECONOMIC IMPACT = \$110.7 billion**



# MALI

Mali has been plunged into an unprecedented political and security crisis since 2012. A military coup overthrew its elected government and armed groups have occupied three northern regions, Gao, Kidal and Timbuktu. The political and security crisis comes on top of an already complex humanitarian situation that combines food and nutritional crises and high vulnerability rates. As of 2012, an estimated 4.6 million people were at risk of food insecurity, including 2.97 million people living in drought-affected areas and 1.63 million people living in the three northern regions.<sup>31</sup>

The conflict between the government in the south and the armed opposition groups in the north directly affected three million people and caused widespread displacement within Mali and in neighbouring countries. More than half a million people were displaced in 2012, 200,000 of them internally. The number of IDPs increased up until June 2013, reaching 350,000. Then, as a result of a normalization of the political situation and the gradual restoration of state authority in the north, the displaced population gradually returned to the northern regions, reducing the number of IDPs to 50,000 at the end of 2014. Insecurity and the ongoing

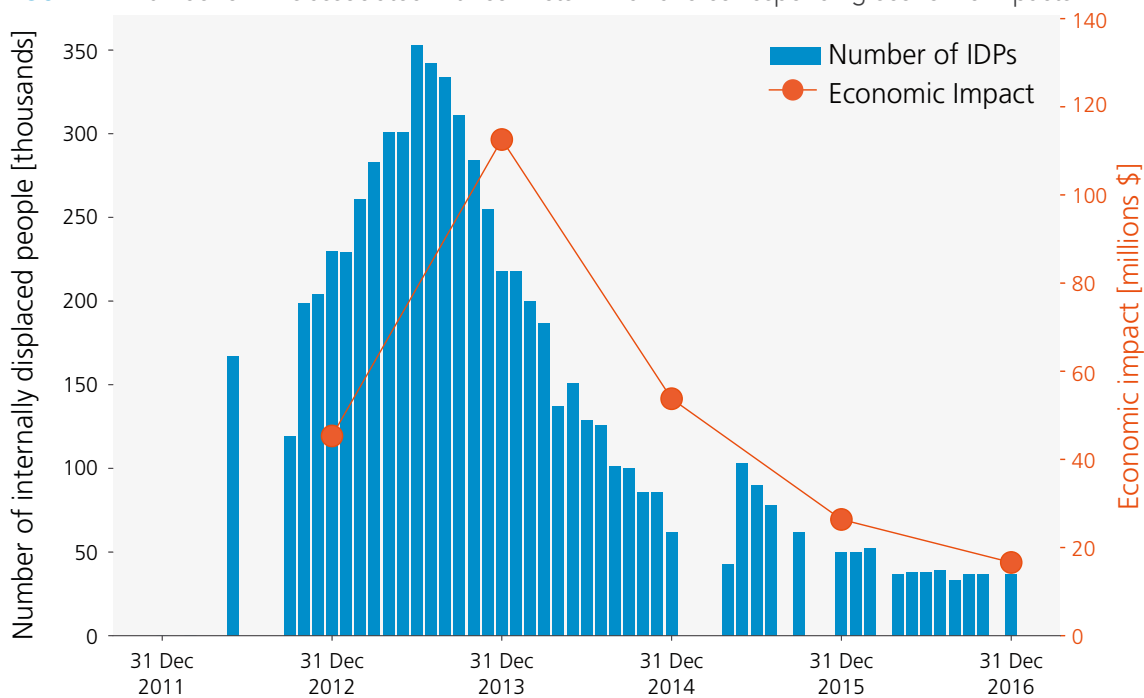
conflict triggered new displacements between 2014 and 2016. There were 30,000 IDPs at the end of 2016. The economic impact of internal displacement associated with the political crisis amounted to \$250 million between 2012 and 2016. The largest impact was in 2013 with \$110 million, almost 1 per cent of Mali's pre-crisis GDP.

The largest economic impacts come from food insecurity and housing needs, which each represent more than 30 per cent of the total. The two sectors are strictly related. Most IDPs live with host families that are already heavily affected by the food and nutrition crisis, and 67 per cent of them are entirely dependent on the host family for their food needs.<sup>32</sup>

Loss of income-generating activities accounts for about 14 per cent of the total impacts. This is computed assuming that 56 per cent of IDPs have lost their source of income during displacement.<sup>33</sup> In the south, 31 per cent of IDP households report having no income, while 22 per cent report having an occasional income.

Security needs of IDPs also have a significant cost, representing more than 10 per cent of the total economic impact. In the north where the government is now almost entirely absent and armed groups are in control,

FIGURE 11: Number of IDPs associated with conflicts in Mali and corresponding economic impacts.



Data: DTM, IDMC (end of the year figures).

security and access to basic social services are a strong concern for IDPs. More than 50 per cent of IDPs face documentation problems as a result of the non-issuance, interruption of issuance and/or loss of their documents since the beginning of the crisis.<sup>34</sup> This lack of documentation has a significant impact on their freedom of movement, their ability to exercise their civil, economic and political rights and their access to justice and basic social services, such as education and health. .

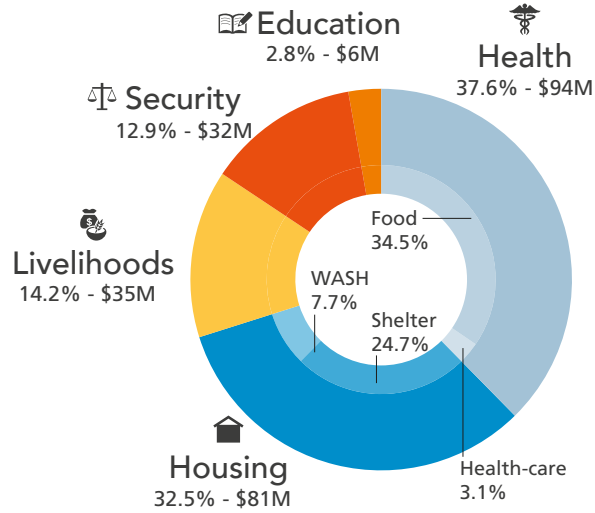
Education and healthcare jointly amount to only 6 per cent of the total impacts. This is due to the low budget allotted to these two dimensions per capita per year, \$25 for education (although it was significantly higher for 2015 to 2016, at \$100) and \$15 for healthcare.

**TABLE 7:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for Mali.

|   | Years             | IDPs in need                         | Cost/ Loss per capita |
|---|-------------------|--------------------------------------|-----------------------|
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | From 2012 to 2016 | 80%                                  | 120\$                 |
| Housing: Water, Sanitation and Hygiene                                  | From 2012 to 2016 | 100%                                 | 30\$                  |
| Livelihoods   | From 2012 to 2016 | 19% (56% of previously working IDPs) | 290\$                 |
| Education   | 2012 2013 2014    | 29% (100% of aged 5-14 children)     | 25\$                  |
|   | 2015 2016         | 29% (100%)                           | 100\$                 |
| Health: Food Security   | From 2012 to 2016 | 100%                                 | 134\$                 |
| Health: Healthcare  | From 2012 to 2016 | 80%                                  | 15\$                  |
| Security  | From 2012 to 2016 | 100%                                 | 50\$                  |

**FIGURE 12:** Cumulative economic impacts of internal displacement associated with conflicts in Mali per dimension, 2012-2016.

**TOTAL ECONOMIC IMPACT = \$252 million**



**NIGER**

Since the first Boko Haram attacks in February 2015, the Diffa region of Niger has faced an unprecedented security and humanitarian crisis. At the end of 2015, the number of IDPs in Diffa stood at more than 150,000. There were also 150,000 refugees and returnees escaping violence and instability in the Lake Chad region. The humanitarian impact of displacement overlaps other chronic problems, including severe food insecurity, malnutrition and epidemics. The number of IDPs stood at 150,000 at the end of 2018.

The economic impact of internal displacement in the Diffa region is estimated from between 2015 and 2018. The average impact per year is \$74 million, corresponding to about 1 per cent of Niger’s 2014 GDP.

Food insecurity represents almost half of the total economic impacts. This is not surprising as the Diffa region has the greatest food insecurity in the country.<sup>35</sup> The nutritional situation in the displacement sites of Diffa is serious: The severe malnutrition rate varies between 10 per cent and 15 per cent and that of chronic malnutrition between 35 per cent and 40 per cent.<sup>36</sup> IDPs in the Diffa region are also struggling to access basic health services. IDPs and host communities live in precarious sanitary conditions. An epidemic of hepatitis E broke out in 2017, mainly in displacement sites.<sup>37</sup>

Livelihoods, housing and security each represent between 13 and 15 per cent of total economic impacts. IDPs remain limited in their access to livelihood opportunities such as fishing and agropastoral production because of security reasons.

Around 80 per cent of newly displaced households do not have adequate shelter and essential non-food items.<sup>38</sup> They live most often uncomfortably, under trees or in the open. In June 2017, 55 per cent of households with IDPs were in urgent need of shelter, and 66 per cent needed non-food items. Water is also a big concern for IDPs in Diffa region, where only an estimated 47.8 per cent of the population has access to it.<sup>39</sup>

IDPs are exposed to various protection risks, including difficulties in accessing certain localities, lack of identity documents (82 per cent of them do not have a civil status document), arbitrary arrests, restricted freedom of movement and limited access to basic social services.<sup>40</sup>

The educational sector represents the lowest economic impact, with about 5 per cent of the total, although a large number of displaced children are at risk of not attending school. The primary enrolment rate in the Diffa region in 2017 was 46.2 per cent, compared to the national average of 68.6 per cent in 2012.<sup>41</sup>

FIGURE 14: Cumulative economic impacts of internal displacement associated with conflicts in the Diffa region of Niger per dimension, 2015-2018.

**TOTAL ECONOMIC IMPACT = \$277 million**

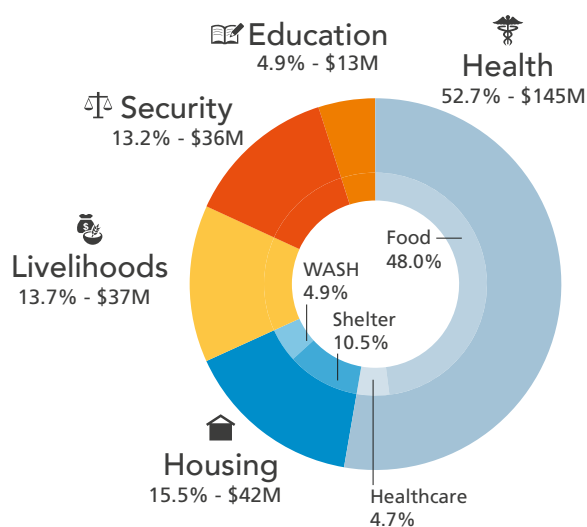
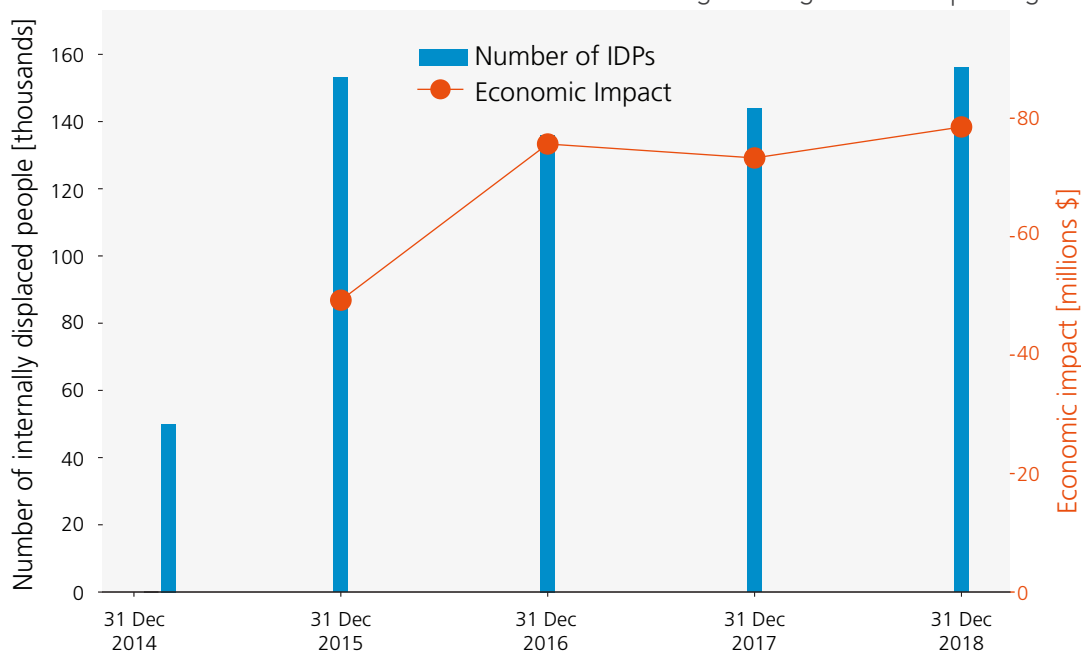


FIGURE 13: Number of IDPs associated with conflicts in the Diffa region of Niger and corresponding economic impacts.



Data: IDMC



**TABLE 8:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for Niger.

|   | Years             | IDPs in need                                       | Cost/ Loss per capita |
|---|-------------------|--|-----------------------|
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | From 2015 to 2018 | 70%  | 80\$                  |
| Housing: Water, Sanitation and Hygiene                                  | 2015              | 100%   | 45\$                  |
|   | 2016 to 2018      | 50%  | 45\$                  |
| Livelihoods   | From 2015 to 2018 | 23% (60% of previously working IDPs) <sup>42</sup> | 310\$                 |
| Education   | 2015              | 30% (100% of aged 5-14 children)                   | 150\$                 |
|   | 2016 to 2018      | 30% (100%)   | 75\$                  |
| Health: Food Security   | From 2015 to 2018 | 100%   | 255\$                 |
| Health: Healthcare  | From 2015 to 2018 | 100%   | 25\$                  |
| Security  | From 2015 to 2018 | 100%   | 70\$                  |

## NIGERIA

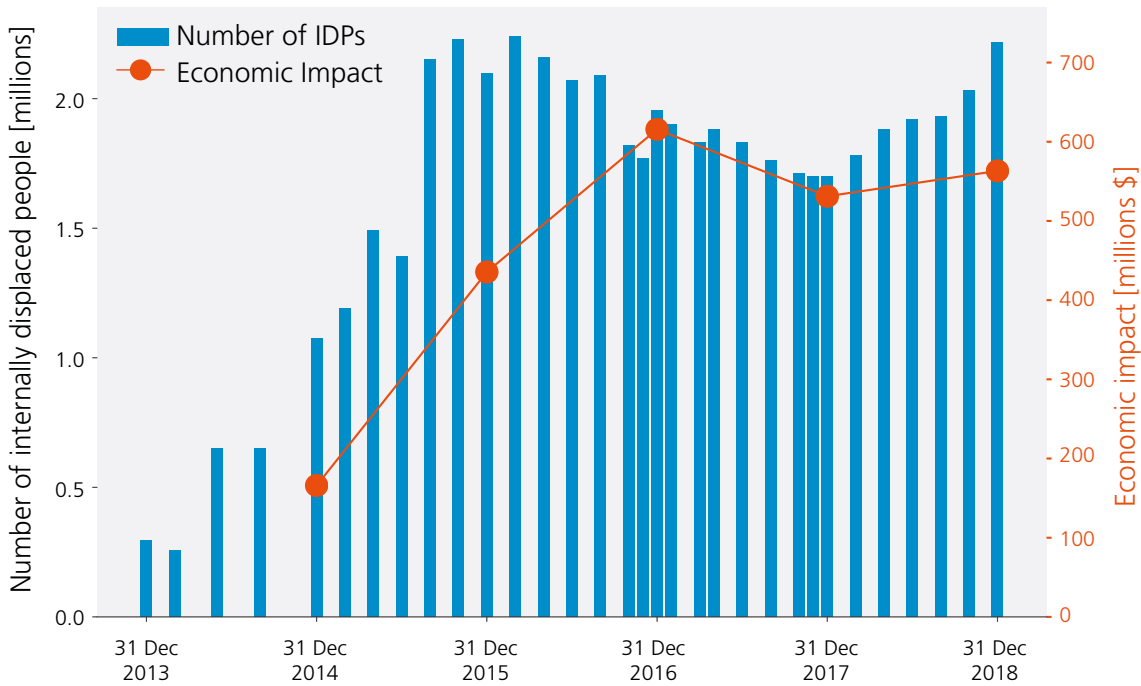
Although Boko Haram’s militants have engaged in violence across northern Nigeria since roughly 2009, increasingly violent attacks were launched from mid-2014 onwards. This led to an unprecedented displacement crisis in north-eastern Nigeria and the wider Lake Chad basin. The number of IDPs rapidly increased from 300,000 at the beginning of 2014 to a million at the end of that year. It rose to more than two million in December 2015. After that, the number of IDPs slightly decreased until the end of 2017 and rose again in 2018, reaching more than 2 million at the end of that year.

The total economic impact of internal displacement during those five years is estimated at \$2.3 billion, with an annual average of half a billion, corresponding to 0.1 per cent of Nigeria’s 2013 GDP.

The largest costs are linked with health needs, mainly as a result of IDPs’ food insecurity. They account for 35 per cent of the total impacts. Most IDPs rely on humanitarian food assistance.<sup>43</sup> The loss of IDPs’ livelihoods, along with high food prices, disrupted trade flows, a drastic drop in agricultural production and the closure of most markets in the conflict-affected areas, strongly reduce their access to food. Host communities are increasingly unable to feed IDPs with their existing resources. Healthcare needs represent only 6 per cent of the total, although all IDPs are in need of humanitarian health assistance. The budget per capita for this dimension is minimal, only \$16. Half of that is for security and education and is concentrated on lifesaving primary services and on strengthening the health system to prevent and respond to disease outbreaks.

Loss of livelihoods also has an important economic impact, accounting for 28 per cent of the total. IDPs face a dire livelihoods situation because of a lack of regular income and competition for jobs in host communities. More than 80 per cent of IDPs identify agriculture or livestock as their main sources of livelihood before the crisis. This makes dependence on external assistance inevitable in the short term.<sup>44</sup> Only 20 per cent of IDPs has access to some source of income.<sup>45</sup> If compared with a national employment rate of about 50 per cent, about 60 per cent of previously working IDPs have lost their income because of displacement.

FIGURE 15: Number of IDPs associated with conflicts in Nigeria, and corresponding economic impacts.



Data: DTM, IDMC (end of year figures)

Housing needs represent 27 per cent of total economic impact. More than 80% of IDPs live in host communities, where space and resources are overstretched, and belongings worn out from protracted displacement. Most IDPs are camped in schools, churches or mosques. Minimum humanitarian standards for shelter, food, water, sanitation at those sites are not being met. An estimated 76 per cent of all IDPs, more than 1.6 million people, require immediate assistance for shelter and essential household items.<sup>46</sup>

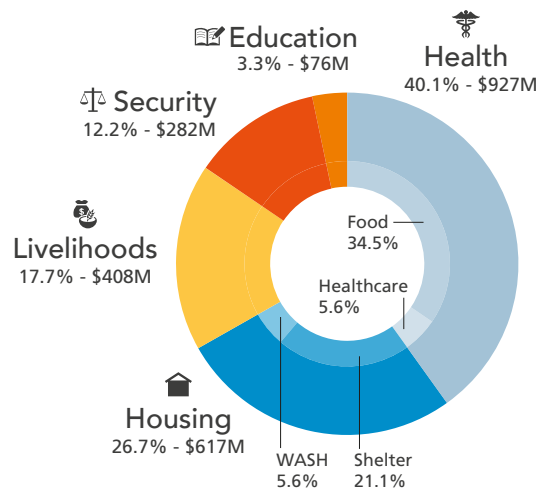
Costs for education are estimated at \$15 million on average per year, assuming 100 per cent of internally displaced children between 4 and 15 need educational support. Access to education is severely impacted by widespread closures, the occupation of schools and attacks on educational facilities by the insurgents. At least 338 schools have been destroyed in Adamawa, Borno and Yobe States alone.<sup>47</sup>

Security needs represent more than 10 per cent of the total economic impacts. IDPs in temporary sites often live in congested shelters or isolated, insecure or inhospitable areas, and are vulnerable to all forms of risk, exploitation and abuse. In host communities, resources are being exhausted, causing tension between IDPs and host families. Up to 1.8 million IDPs lack an effective

legal framework for their protection.<sup>48</sup> The needs of the affected population cover the full spectrum of access to justice concerns, from human rights violations, such as arbitrary detention, to matrimonial and family issues and housing, land and property matters.

FIGURE 16: Cumulative economic impacts of conflict-related internal displacement in Nigeria per dimension, from January 2014 to December 2018.

**TOTAL ECONOMIC IMPACT = \$2.312 billion**



**TABLE 9:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for Nigeria.

|   | Years             | IDPs in need                         | Cost/ Loss per capita |
|---|-------------------|--------------------------------------|-----------------------|
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | 2014              | 80%                                  | 30\$                  |
|   | 2015              |                                      |                       |
|   | 100%              | 75\$                                 |                       |
|   | 2016 2017 2018    |                                      |                       |
| Housing: Water, Sanitation and Hygiene                                  | From 2014 to 2018 | 80%                                  | 20\$                  |
| Livelihoods   | From 2014 to 2018 | 17% (60% of previously working IDPs) | 320\$                 |
| Education   | From 2014 to 2018 | 27% (aged 5-14 children)             | 35\$                  |
| Health: Food Security   | From 2014 to 2018 | 90%                                  | 110\$                 |
| Health: Healthcare  | From 2014 to 2018 | 100%                                 | 16\$                  |
| Security  | From 2014 to 2018 | 100%                                 | 35\$                  |

## REPUBLIC OF CONGO

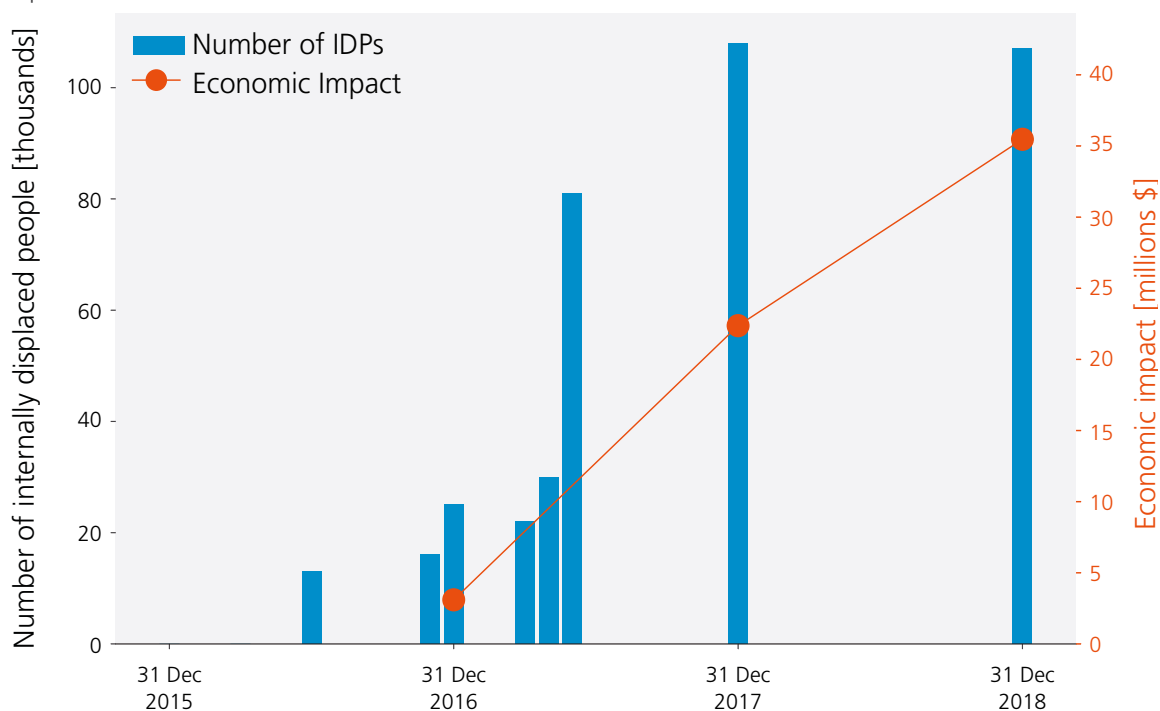
The Pool department of the Republic of Congo has experienced violence and insecurity since April 2016 because of an insurgency by the Ninja militia and a subsequent government military offensive. This has resulted in the displacement of nearly one out of three people, totalling 107,000 people, in the affected areas at the end of 2017. The number of IDPs remained the same in 2018 despite the cessation of hostilities as of December 2017.

The economic impact of displacement in Pool is estimated from April 2016 to December 2018. The total cost during that time is \$60 million, with \$35 million in 2018 alone. This corresponds to 0.4 per cent of the Republic of Congo's 2015 GDP.

The main impact is a result of health needs, which account for 45 per cent of the total, including 38 per cent for food security and 8 per cent for healthcare. IDPs face great difficulties in accessing food and markets, a phenomenon exacerbated by the high volatility in the prices of staple foods in the affected areas. In May 2017, the nominal price per kilo of fofou, a staple food made from cassava flour, increased by 85 per cent in Mindouli and 10 per cent in Loutété, a town hosting displaced persons in Bouenza region. The same trends are observed for the price of rice, which increased by 55 per cent over the same period in Mindouli and by 25 per cent in Kinkala.<sup>49</sup> These increases in food prices have resulted in high rates of acute malnutrition reaching 17.3 per cent among displaced children under 5 years of age.<sup>50</sup> Access to basic services and health care for IDPs also has deteriorated. This is because of IDPs' frequent isolation, and the inadequacy of health infrastructure, hygiene and sanitation services. These factors favour the resurgence of epidemics, especially measles and cholera.

Loss of livelihoods accounts for nearly 20 per cent of total economic impacts. Most IDPs no longer have access to their usual sources of income, including agriculture, fishing, hunting and gathering. In many cases, they lack agricultural tools and seeds.<sup>51</sup> Humanitarian assistance targets the most vulnerable IDPs, including female heads of families, through the creation of temporary jobs and the payment of temporary subsistence.

**FIGURE 17:** Number of IDPs associated with conflicts in the Republic of Congo and corresponding economic impacts.



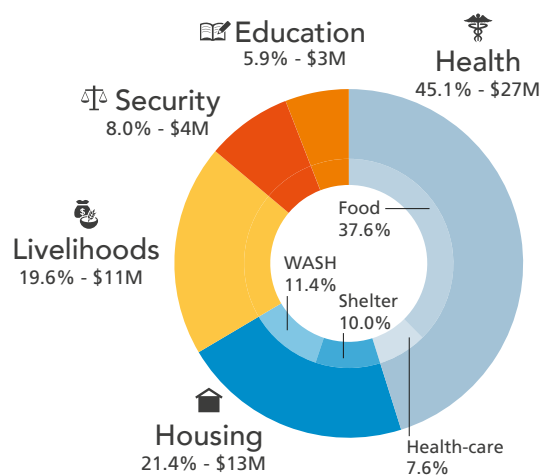
Data: OCHA, IDMC (end of year figures)

Costs related to housing represent more than 20 per cent of the total. Up to two-thirds of all IDPs live with host families. Infrastructure for sheltering IDPs is almost nonexistent. The humanitarian response involves using cash transfers and/or vouchers in order to improve living conditions for IDPs and host communities. At displacement sites, tents, shelter kits and tarpaulins are distributed for building community or family shelters.

Education and protection needs represent 6 per cent and 8 per cent respectively of total economic impacts. Access to education for displaced children is extremely limited as a result of school closures and damage to school facilities. These phenomena are related to the situation of insecurity and have caused widespread school dropout. The protection needs of IDPs, especially women and children, have been exacerbated by the instability and violence in the Pool region. These survivors were exposed to attacks, sexual violence and loss of or separation from family members. Many displaced children also do not have birth certificates.<sup>52</sup>

**FIGURE 18:** Cumulative economic impacts of internal displacement associated with conflicts in the Republic of Congo per dimension, 2016-2018.

**TOTAL ECONOMIC IMPACT = \$61 million**



**TABLE 10:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for the Republic of Congo.

|   | Years             | IDPs in need                                       | Cost/ Loss per capita |
|---|-------------------|--|-----------------------|
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | From 2016 to 2018 | 30%  | 110\$                 |
| Housing: Water, Sanitation and Hygiene                                  | From 2016 to 2018 | 75%  | 50\$                  |
| Livelihoods   | From 2016 to 2018 | 22% (60% of previously working IDPs) <sup>53</sup> | 300\$                 |
| Education   | From 2016 to 2018 | 26% (100% of aged 5-14 children)                   | 75\$                  |
| Health: Food Security   | From 2016 to 2018 | 70%  | 177\$                 |
| Health: Health-care   | From 2016 to 2018 | 100%   | 25\$                  |
| Security  | From 2016 to 2018 | 75%  | 35\$                  |

## SUDAN

Recurring conflicts between Sudanese government forces and armed movements have taken place mainly in Darfur since 2003 and in the South Kordofan and Blue Nile states since 2011, directly affecting or displacing hundreds of thousands of civilians. Conflict in Darfur in 2014 resulted in 2.5 million IDPs (half a million just in that year), representing almost a third of Darfur’s population. An estimated half a million people more are displaced in areas not controlled by the government in South Kordofan and Blue Nile. According to recent estimates from Sudan’s government, the number of IDPs in Darfur dropped in 2017 to two million. There are also

## BOX 3: SOMALIA

In Somalia, a country-wide drought led to 892,000 new displacements in 2017 and thousands more in 2018.<sup>54</sup> The economic impact of displacement associated with drought was estimated at \$500 million for those two years, equivalent to 7.4 per cent of GDP.

Conflict drove 400,000 people from their homes from January 2017 and August 2018, for an estimated impact of \$108 million. Floods in April 2018 displaced more than 300,000 people for an additional \$19 million.

The cumulative effects of drought and conflict, often affecting the same people, led to an increase in the cost of addressing their severe needs, especially nutrition.

Details of these estimates for Somalia are available in IDMC’s March 2019 report, *Unveiling the cost of internal displacement*.<sup>55</sup>

around 386,000 people who have voluntarily returned to their places of origin across the country. Key gaps in data remain, however, in areas not controlled by the government, as there is no access to these populations.

The economic impacts of displacement are estimated from 2014 to 2017, when humanitarian needs overviews and humanitarian response plans were available. They amount to a total of \$3 billion, with average costs and losses of \$785 million per year, almost 1 per cent of Sudan’s GDP. Although their number fell in 2017, the fraction of IDPs in need of assistance increased compared

to previous years in most areas. This is a result of multiple factors. While agricultural production improved in 2017, a hike in food prices unaccompanied by a proportional increase in income among IDPs increased food insecurity. There were also outbreaks of disease, particularly an outbreak of acute watery diarrhoea, which began in 2016 and continued throughout 2017. Access to newly accessible areas in Jebel Marra, South Kordofan and Blue Nile revealed severe malnutrition, with access to basic services below emergency thresholds for IDPs.

More than half of the economic impacts associated with internal displacement come from the loss of livelihoods. Protracted displacement has disrupted traditional livelihood activities and eroded community resilience. IDPs are made more vulnerable because of their reduced access to natural resources, such as land and water, which affect these livelihood opportunities.

Food insecurity represents the second largest economic impact with 18 per cent of the total. Inflation in the prices of agricultural products has exacerbated problems of food access for displaced people. Displacement also has increased malnutrition among children, who have been observed at emergency level for decades.

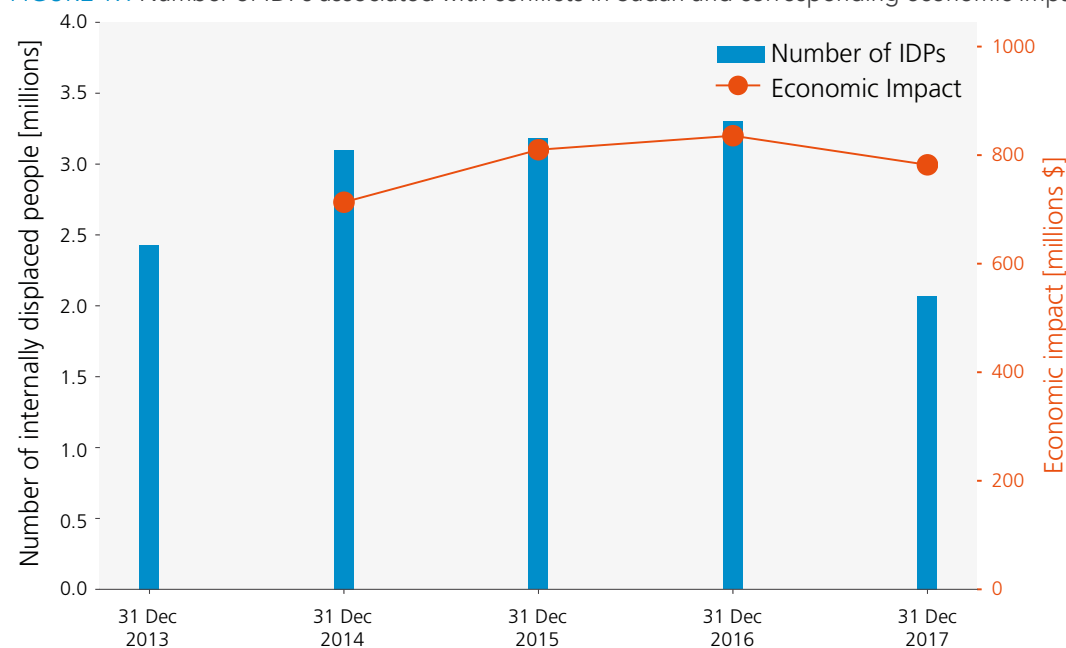
Healthcare needs account for 6 per cent of all economic impacts. Health costs take into account only the priority needs of IDPs, including treatment for injury and trauma,

maternal and child health care, immunization, and treatment of endemic and chronic disease. For instance, there were cases of acute jaundice syndrome, hepatitis E and diarrhoea directly linked to inadequate sanitation and a lack of safe drinking water in camps of North and South Darfur in 2014.<sup>56</sup>

Housing costs are lower than in most countries, representing less than 10 per cent of the total. Humanitarian response plans for Sudan are designed, as in the case of health, to provide only emergency shelter and items to save lives, provide relief from harsh weather and restore a sense of dignity. They are not intended as long-term solutions.

On the contrary, the costs of providing education are relatively large with respect to other countries, reaching 9 per cent of the total impacts. This is a result of the fact that children make up 60 per cent of the displaced population and that costs per student are high, at \$80. The education of displaced children is very much at risk. Schools and other learning spaces in host communities are overcrowded and largely unable to meet the high demand. In 30 out of 60 IDP camps in Darfur there are 90 to 120 pupils per classroom; 64 per cent of IDP schools are not connected with water sources, 46 per cent of schools have no access to essential education supplies, and there is one latrine for every 358 boys and one for every 300 girls. Post-primary education is largely non-existent in IDP camps.

FIGURE 19: Number of IDPs associated with conflicts in Sudan and corresponding economic impacts.



Data: IDMC



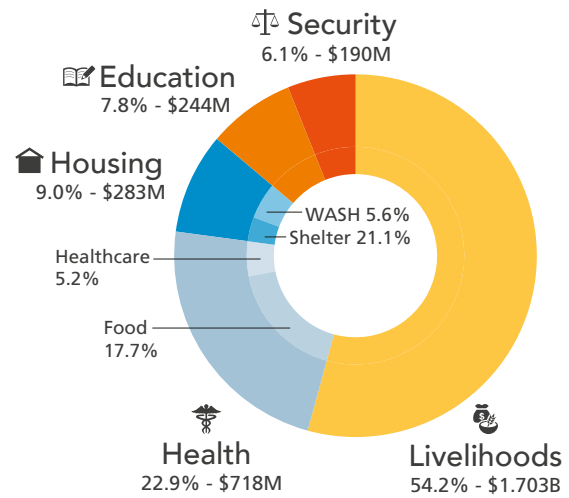
Security needs account for 7 per cent of all economic impacts. IDPs are at heightened risk of physical abuse and exploitation. There have been incidences of assault, robbery and gender-based violence across areas affected by conflict. IDPs, particularly children, are also vulnerable to trafficking, early marriage and abuse, and recruitment into armed gangs.

**TABLE 11:** Percentage of the total internally displaced population impacted in each dimension and corresponding cost or loss per affected person per year for Sudan.

|   | Years             | IDPs in need                                       | Cost/ Loss per capita |
|---|-------------------|--|-----------------------|
| Housing: Shelter + Non-Food Items + Camp Coordination & Camp Management | From 2014 to 2017 | 30%  | 32\$                  |
| Housing: Water, Sanitation and Hygiene                                  | From 2014 to 2016 | 65%  | 20\$                  |
|   | 2017              | 95%  | 20\$                  |
| Livelihoods   | From 2014 to 2017 | 14% (60% of previously working IDPs) <sup>57</sup> | 1000\$                |
| Education   | From 2014 to 2016 | 30% (75% of aged 5-14 children)                    | 80\$                  |
|   | 2017              | 40% (100%)   | 80\$                  |
| Health: Food Security   | From 2014 to 2016 | 55%  | 81\$                  |
|   | 2017              | 95%  | 58\$                  |
| Health: Healthcare  | From 2014 to 2016 | 70%  | 18\$                  |
|   | 2017              | 100%   | 18\$                  |
| Security  | From 2014 to 2016 | 60%  | 25\$                  |
|   | 2017              | 80%  | 25\$                  |

**FIGURE 20:** Cumulative economic impacts of internal displacement associated with conflict in Sudan per dimension, 2014-2017.

**TOTAL ECONOMIC IMPACT = \$3.141 billion**



#### BOX 4: SOUTH SUDAN

Conflict in South Sudan started in December 2013 and has caused more than three million people to flee their homes.<sup>58</sup> The estimated economic impact of this crisis from December 2013 to December 2017 stands at \$2.6 billion. On average, internal displacement diverted the equivalent of 4.3 per cent of the country's pre-crisis GDP from the economy, each year.

The cost of meeting the nutritional needs of IDPs represents the greatest impact, reaching 38 per cent of the total. Protracted conflict led to severe food insecurity affecting six million people, including 1.1 million malnourished children in 2017.<sup>59</sup>

Loss of livelihood was also significant, estimated at 20 per cent of the total. Fewer than 30 per cent of all IDPs were reported to have a reliable and sustainable source of income.<sup>60</sup>

Details of these estimates for South Sudan are available in IDMC's March 2019 report, Unveiling the cost of internal displacement.<sup>61</sup>

# FILLING THE GAPS

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The country-level assessments presented in the previous section only assess the costs and losses associated with internal displacement's most direct consequences on health, shelter, education, security and livelihoods. They do not account for longer-term consequences. Nor do they account for the costs and losses faced by host communities or other affected people. They should therefore be considered as underestimates of the actual economic impact of internal displacement. To complement and nuance these assessments, other methods have been developed, including statistical projections to fill the gap where data is not directly available, primary data collection to obtain more granular information on the economic impacts of internal displacement and probabilistic models to inform better planning. This section presents these tools as applied to sub-Saharan African countries.

## MODELLED PROJECTIONS

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The estimates presented in the previous section are based on country-specific data available in humanitarian response plans and other reports. This methodology allows the estimates to be as accurate as possible for a given country, but is only applicable to countries where such reports are available.

Modelled projections assuming a correlation between the economic impacts of internal displacement and countries' level of socioeconomic development can use these data and estimate costs and losses in countries where they are not available.<sup>62</sup>

People were internally displaced by conflict or violence in 22 countries of the region in 2018. For 13 of them, data exists to estimate the economic impact of displacement. It is presented in detail in the previous section. For the nine countries that remain without data, modelled projections can be used.

Two different methods, linear regression and K-nearest neighbours, were applied and cross-checked to estimate the economic impacts of internal displacement associated with conflict in Benin, Burkina Faso, Cote d'Ivoire, Ghana, Kenya, Madagascar, Mozambique, Sierra Leone and Uganda. The results of these estimates are presented in Table 12.<sup>63</sup>

Adding these to the estimates presented in the previous section, the total economic impact of internal displacement associated with conflict in sub-Saharan Africa in 2018 amounts to \$4 billion, or 0.4 per cent of the total GDP of these affected countries.

These figures give a sense of the scale of internal displacement's impacts at the country level but, as with the figures presented in the first part of this report, they do not provide detailed information on the costs and losses affected people face. This type of information is not readily available, but is essential to understand where support and investments are most needed. To bridge this knowledge gap, a new primary data collection tool was developed and tested in four African countries in 2019.

## PRIMARY DATA COLLECTION

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Governments, humanitarian aid providers and development organisations dedicate millions to support people affected by internal displacement, although their budgets are rarely enough to meet IDPs' needs. Those who bear the heaviest costs, however, are the IDPs and frequently their host communities – both in terms of human and economic impacts.

Informing national and international actors about their most urgent needs in quantifiable terms that can help improve planning, budgeting and fundraising is essential. For this purpose, a standard survey was developed by IDMC to collect primary data from IDPs and host communities on the financial consequences of internal

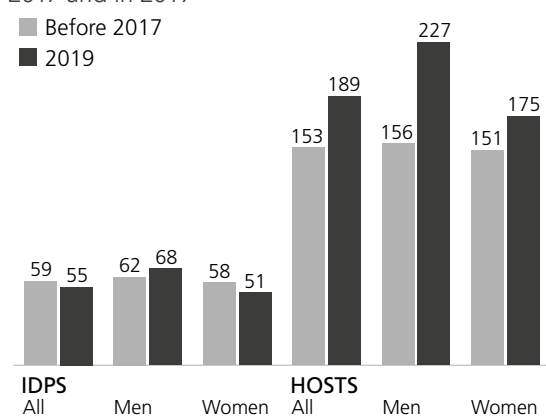
displacement on their livelihoods, housing, security, access to healthcare and education.

The tool, involving 100 questions, can serve in various displacement contexts and has been tested in Eswatini, Somalia, Kenya and Ethiopia with people affected by short-, medium- and long-term displacement associated with storms, drought and violence. The information collected can help design cash assistance programmes for emergency responses and measure the results of aid in the long term. It can also measure the remaining impacts that must be addressed after years of displacement and compare the benefits of action and the costs of inaction.

In the previous section, for example, loss of income as a result of internal displacement is estimated using information on IDPs' unemployment or reduced income and a measure of individual income such as median income or GDP per capita, applied to the previously employed internally displaced population.

In Somalia, the survey results confirmed an 11-point drop in the percentage of people displaced by drought earning an income from work, and a reduction in their average monthly income from \$59 to \$55 (Figure 21). The survey also showed that 44 per cent of the interviewees who previously had a job became unemployed as a result of their displacement and remained so for more than six months.<sup>64</sup> It showed a sharp increase in the percentage of interviewed hosts earning an income from work, and in their average monthly income – a potential consequence of the economic growth in the Banadir area linked with the arrival of hundreds of thousands of IDPs.

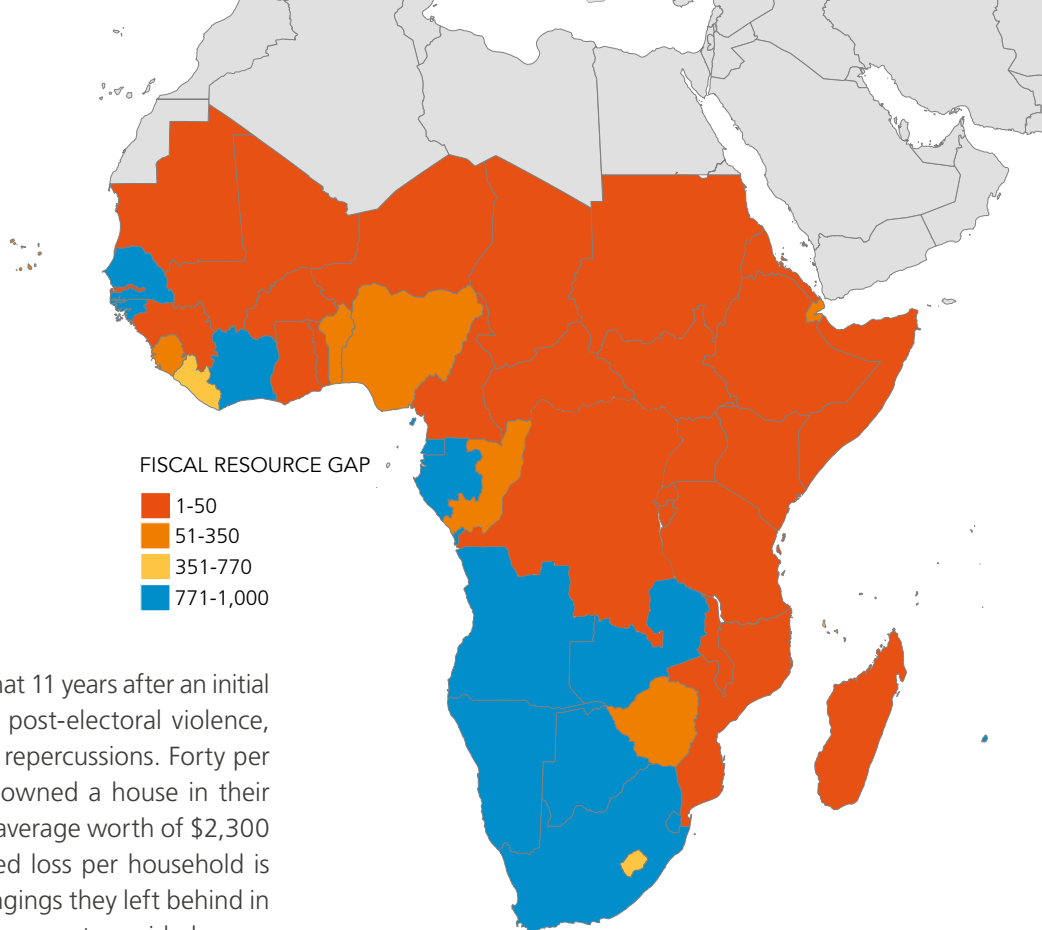
**FIGURE 21:** Average monthly income from work earned by surveyed IDPs and hosts in Banadir, Somalia, before 2017 and in 2019



**TABLE 12:** Estimated economic impact of internal displacement associated with conflict in sub-Saharan target and input countries in 2018

| Target Country                   | Costs per IDP [\$] | Average number of IDPs in 2018 | Total Costs 2018 [M\$] |
|----------------------------------|--------------------|--------------------------------|------------------------|
| Benin                            | 364                | 1,750                          | 0.64                   |
| Burkina Faso                     | 411                | 23,450                         | 9.6                    |
| Côte d'Ivoire                    | 373                | 3,100                          | 1.2                    |
| Ghana                            | 341                | 2,500                          | 0.85                   |
| Kenya                            | 296                | 170,00                         | 5                      |
| Madagascar                       | 333                | 500                            | 0.17                   |
| Mozambique                       | 358                | 1,960                          | 0.7                    |
| Sierra Leone                     | 350                | 1,500                          | 0.53                   |
| Uganda                           | 299                | 5,150                          | 1.5                    |
| <b>Input Country</b>             |                    |                                |                        |
| Burundi                          | 213                | 45,580                         | 9.7                    |
| Cameroon                         | 297                | 239,000                        | 71                     |
| Central African Republic         | 458                | 665,000                        | 305                    |
| Chad                             | 453                | 128,750                        | 58                     |
| Republic of the Congo            | 330                | 107,500                        | 35.5                   |
| Democratic Republic of the Congo | 264                | 3,780,500                      | 998                    |
| Ethiopia                         | 326                | 1,333,000                      | 435                    |
| Mali                             | 397                | 79,000                         | 31.4                   |
| Niger                            | 535                | 150,000                        | 80                     |
| Nigeria                          | 284                | 1,916,000                      | 544                    |
| Somalia                          | 353                | 321,000                        | 113                    |
| South Sudan                      | 406                | 1,884,000                      | 765                    |
| Sudan                            | 266                | 2,072,000                      | 551                    |
| <b>Regional</b>                  |                    |                                |                        |
| Regional                         | 350                | 12,931,240                     | 4,017                  |

**FIGURE 22:** Map of fiscal resource gaps linked with the economic impacts of internal displacement in sub-Saharan Africa



In Kenya, the survey revealed that 11 years after an initial displacement associated with post-electoral violence, many IDPs still suffer financial repercussions. Forty per cent of the interviewed IDPs owned a house in their home area with an estimated average worth of \$2,300 per household.<sup>65</sup> The estimated loss per household is \$8,400, including all the belongings they left behind in their flight. Although the government provided emergency shelter and financial support for IDPs to buy land and build new homes in their host areas, these losses were never compensated. More than a decade later, 61 per cent of surveyed IDPs are still less satisfied with their current housing conditions than with what they had before.

Such level of detail is rarely available to assess the consequences of internal displacement and can help design and monitor short- and long-term responses that lead to durable solutions.

## FISCAL RESOURCE GAPS

Investing in better responses is crucial to addressing internal displacement, but even more efficient are investments in preventing it altogether. Probabilistic models have been developed and are being refined and expanded to predict future displacement associated with sudden-onset disasters. They will soon be used to predict displacement associated with conflicts and violence.<sup>66</sup>

A new methodology was developed building upon the International Institute for Applied Systems Analysis' previous work on catastrophe simulation modelling (CatSim) and on IDMC's estimates of the economic impacts of internal displacement and model of displace-

ment risk associated with sudden-onset disasters. The methodology was developed to estimate the fiscal gap governments may face in coming years because of internal displacement.<sup>67</sup>

One of the main goals of this tool is to help integrate liabilities associated with internal displacement in budget preparation and development plans. Historically, countries have planned for financial losses in a rather ad-hoc manner, by, for example diverting money from other parts of the national budget.

The methodology combines estimates of the financial risk to which a country is exposed as a result of internal displacement, with an evaluation of the government's fiscal resilience: its ability to access funding such as domestic or external savings. Combining fiscal resilience with probabilistic losses allows the assessment of fiscal risk: the lack of government access to domestic and foreign savings needed to cover the costs associated with internal displacement. The fiscal resource gap is defined as the return period after which the government will no longer be able to cover these losses.

Table 13 presents the fiscal resource gaps for all sub-Saharan African countries assessed. This means, for

**TABLE 13:** Fiscal resource gap for sub-Saharan Africa

| Country                  | Fiscal resource gap |
|--------------------------|---------------------|
| Angola                   | 1000                |
| Benin                    | 61                  |
| Botswana                 | 1000                |
| Burkina Faso             | 7                   |
| Burundi                  | 6                   |
| Cabo Verde               | 112                 |
| Cameroon                 | 11                  |
| Central African Republic | 11                  |
| Chad                     | 2                   |
| Comoros                  | 455                 |
| Congo, Dem. Rep.         | 10                  |
| Congo, Rep.              | 108                 |
| Cote d'Ivoire            | 1000                |
| Djibouti                 | 54                  |
| Equatorial Guinea        | 1000                |
| Eritrea                  | 11                  |
| Eswatini                 | 1000                |
| Ethiopia                 | 9                   |
| Gabon                    | 1000                |
| Gambia, The              | 22                  |
| Ghana                    | 15                  |
| Guinea                   | 42                  |
| Guinea-Bissau            | 1000                |

|              |      |
|--------------|------|
| Kenya        | 39   |
| Lesotho      | 368  |
| Liberia      | 368  |
| Madagascar   | 3    |
| Malawi       | 3    |
| Mali         | 13   |
| Mauritania   | 5    |
| Mauritius    | 1000 |
| Mozambique   | 11   |
| Namibia      | 1000 |
| Niger        | 9    |
| Nigeria      | 86   |
| Rwanda       | 21   |
| Senegal      | 1000 |
| Seychelles   | 1000 |
| Sierra Leone | 84   |
| Somalia      | 8    |
| South Africa | 1000 |
| South Sudan  | 5    |
| Sudan        | 12   |
| Tanzania     | 1    |
| Togo         | 34   |
| Uganda       | 10   |
| Zambia       | 1000 |
| Zimbabwe     | 287  |

instance, that Angola would not be able to sustain the costs associated with internal displacement associated with a natural hazard likely to occur only once every 1,000 years, a very low risk level. Chad, on the other hand, is likely to reach this threshold if a natural hazard occurring on average every two years hits the country and triggers displacement. The lower the fiscal resource gap, the sooner the country is likely to face financial difficulties as a result of displacement.

At the global level, the average fiscal resource gap value is 550, compared to 319 for sub-Saharan Africa. This shows that African governments are likely to be unable to cope with the financial consequences of internal displacement sooner than governments in many other regions.

Figure 22 illustrates these results on a map on which the countries that will sooner face a fiscal resource gap are lighter.

The countries most at risk of being unable to counter the economic impacts of internal displacement in the short and medium term are precisely those already struggling with lower levels of development while being exposed to significant risk associated with natural hazards.

Fiscal resource gaps only consider the economic impacts of internal displacement, not of the disaster itself, such as housing or infrastructure destruction. Adding these would mean the depletion of government budgets even sooner than estimated here. Finally, this model only accounts for internal displacement risk associated with sudden-onset disasters. Internal displacement associated with conflict or climate change would come as an additional burden for many of these countries that are regularly affected by these phenomena.



# CONCLUSION

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This report presents the first estimates of the economic impacts of internal displacement on all affected sub-Saharan countries using methodological innovations that are beginning to bridge a major knowledge gap. Not only should this information raise awareness on the extent of the consequences of displacement on IDPs, their hosts and societies as a whole. It should encourage better and larger investments in prevention and response to mitigate the consequences on people's lives, their well-being and the economy.

At the regional level, internal displacement is estimated to cost affected sub-Saharan countries a total of \$4 billion per year. At the national level, these countries have lost up to 11 per cent of their pre-crisis GDP for the Central African Republic or 6 per cent for Somalia, per year of displacement. Countries in the Sahel and in Eastern Africa are the least likely to be able to cope with the costs and losses associated with the displacement projected in the coming years.

At the individual level, more than one third of the interviewed people displaced by drought in Somalia who used to earn an income from work lost at least six months of wages as a result of their displacement. In Kenya, the average worth of the homes and belongings IDPs left behind in 2007 when they fled post-election violence amounts to \$8,400: a loss nearly impossible to overcome in a lifetime without sufficient support.

The range of tools available to better understand and measure the ways internal displacement impacts people's livelihoods, health, education, security and access to housing and infrastructure is expanding. With more comprehensive and detailed information, response plans and preventive measures can be better tailored to the most urgent needs of IDPs and their hosts, and to the resources of governments and aid providers.



*Displaced people and farmers from the host communities can get farmer inputs (seeds + fertilizers + farming tools) to grow grains and beans. As the rain season is about to start in northeast Nigeria, it is essential for these farmers to start sowing now so they can harvest their crops at the end of the rain season. If it's good crop year, they will harvest enough to eat, feed their families and sell to generate extra income. Photo: NRC/Hajer Naili, June 2018*



# METHODOLOGICAL ANNEX

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Economic impacts of internal displacement are estimated in five dimensions: housing, livelihoods, education, health and security. They are expressed either as additional costs required to meet the needs of IDPs or as losses compared with their pre-displacement situation.

For health, education, housing and security dimensions, our estimates are based on funds required in humanitarian response plans to meet IDPs' needs. In particular, we compute the cost per affected person ( $C_{cap}$ ) in each metric ( $m$ ) as the total budget ( $R_{tot}$ ) required by humanitarian organisations to meet IDPs' needs in that metric divided by the number of targeted IDPs ( $N_{target}$ ):

$$C_{cap}(m) = \frac{R_{tot}(m)}{N_{target}(m)}$$

$m = Food, Health, Education, etc$

This is computed for a specific year. For multi-year events, the value of  $C_{cap}(m)$  can change every year, although significant variations are rare.

When information on specific requirements for IDPs is not available, the cost per affected person is computed based on total requirements for the targeted population, including people affected, whether displaced or not.

The economic impacts of internal displacement on **housing** is represented by the cost of providing shelters, temporary accommodation or other forms of housing support to IDPs. We use several metrics from humanitarian response plans to account for this cost:

- | Provision of emergency/transitional shelter solutions or support (e.g., camps, collective centres, informal settlements), and of non-food items (as kitchen sets, blankets, clothes, etc.). In some countries, this can also include monetary support for rent, or home repair and return.

- | Providing or improving access to safe drinking water, basic sanitation and hygiene items.

- | Camp coordination and camp management. This is applied only to IDPs living in camps or collective centres.

The economic impacts of internal displacement on **education** are represented by the cost of providing temporary education to internally displaced children living in camps or in host communities. This covers the costs of providing or restoring educational activities for displaced children in healthy and secure environments. Psychological support for children is explicitly included in a few cases. In our analysis, the cost per affected person associated with this metric is applied only to displaced children/youth of primary and secondary school age, between 5 and 14 years of age.

Our figures for education are largely underestimated. This is because they result from the funds humanitarian organisations requested for education, an area which has consistently been among the most underfunded in displacement crises. Our figures also do not take into account the presumably significant impacts of barriers to education on internally displaced children's future income, consumption or income taxes or the effects of displacement on children left behind in communities of origin or in host communities where classrooms may be overcrowded.

The economic impacts of internal displacement on **health** are represented by the cost of addressing the nutritional needs of IDPs and providing them with emergency or primary healthcare.

The former consists of the costs of providing food assistance and improving access to food security, as well as nutritional assistance for children under five years of age and for pregnant or lactating women at risk

of malnutrition. Data from the World Bank is used to compute the number of IDPs under five and of pregnant or lactating women.

The latter accounts for the costs of providing emergency or essential primary health services to IDPs, including prevention and response for communicable diseases and immunisation coverage for children under five. Emergency healthcare is typically provided by humanitarian organisations, especially in conflict situations.

The economic impacts of internal displacement on **security** are represented by the cost of ensuring security in camps and host areas. This includes ensuring basic protection services for IDPs with particular attention to child and gender-based violence and to human rights violations. It also includes protection monitoring, advocacy and response, as well as strengthening community-based mechanisms for identifying and responding to protection concerns; legal assistance and advocacy for access to services and documentation provision, and psychological support and material assistance for survivors of violence.

Economic costs per affected person are then translated into total economic costs of displacement associated with an event in the following way. They are proportional to the number of IDPs and to the duration of their displacement. We can define the estimated total economic costs (*EEC*) by means of the formula:

$$EEC = \int_{\text{begin}}^{\text{end}} C_{cap}(t) * n_{IDP}(t) dt ,$$

where  $n_{IDP}(t)$  is the number of IDPs at a time  $t$ , measured in years. The starting and end times for each particular event are specified case by case. Here,  $C_{cap}(t)$  is the sum of costs per affected person from each metric used in the analysis,  $C_{cap}(t) = \sum_{m \in \text{metrics}} C_{cap}(m, t)$ . Assuming  $C_{cap}(t)$  to be constant at least in the scale of a year, we can write the total economic costs as the sum of the economic costs over all the years between the starting and the end time of the event in consideration:

$$EEC \cong \sum_{y \in \text{years}} C_{cap}(y) * \bar{n}_{IDP}(y),$$

$$\text{where } \bar{n}_{IDP}(y) = \int_{01/01/y}^{31/12/y} n_{IDP}(t) dt .$$

$\bar{n}_{IDP}(y)$  is the average number of IDPs at the year  $y$ .

The evolution in the number of displaced persons over time is a key piece of information for an accurate estimate of economic impacts. The number of IDPs can change from zero to millions, or vice versa, in a single year. Because it is only partially possible to track the number of IDPs over time, we often can use only the number of IDPs at the beginning and end of the selected time period and at the beginning of each year in between. A linear interpolation is then used to fill in the data gaps.

Our accounting of the economic impacts of internal displacement on livelihoods differs both in methodology and in data source from that of the previously discussed dimensions. In this case we estimate losses due to the inability of IDPs to continue a work activity because of their displacement. In the year  $y$ , this is computed by multiplying the average lost livelihood among IDPs ( $all_m$ ) with the number of IDPs that lost their income due to displacement:

$$EL(y) = all_m(y) * \bar{n}_{IDP}(y) * f_{15+} * f_w * f_{lost},$$

where  $f_{15+}$  is the fraction of the working-age population,  $f_w$  is the fraction of the working-age population employed before the event or among non-displaced population, and  $f_{lost}$  is the fraction of IDPs that lost their income. Following the World Bank and International Labour Organization's definition, the working-age population is considered all people 15 and older. Information on  $f_{15+}$  and  $f_w$  are taken from the World Bank database, while the value of  $f_{lost}$  is obtained from the Humanitarian Response Plans or from the Displacement Tracking Matrix assessments. In a few cases, information are in term of the increment of unemployment ( $\Delta f_w$ ) among IDPs after displacement with respect to before or with respect to the non-displaced population. This is simply related to previous quantities by  $\Delta f_w = f_w * f_{lost}$ .

As a proxy indicator for the average lost livelihood among IDPs,  $all_m$ , we use the national median income per capita or, in the absence of it, the annual median consumption per capita, from the PovcalNet database. In the case of Libya and Somalia, where both annual median income and consumption levels are not available, we used as proxy the average value of neighbouring countries.



*In 2016, Philomene and her 6 children began a life in displacement after their village was targeted by armed men, in the Central African Republic. After seeking refuge in a Catholic Church where they stayed for a year, she reached the camp of Lazare, Kaga Bandoro, in which they have been living for over a year. Philomene is disabled; she suffers from muscle dystrophy. "I wish I could use my legs so my son would not need to skip school to fetch firewood. This our only source of income. He fetches the wood and I sell it. I earn about 300 Francs CFA (46 cents) a day, just enough to buy manioc powder. Photo: NRC/Hajer Naili, October 2018*

Our figures for this dimension are limited by a lack of knowledge on the actual loss of income linked with internal displacement, particularly in countries where little information is available. Another limitation is that loss of income can be caused by other factors, such as the destruction of production facilities by conflict or disasters. Lastly, accounting only for lost income does not include other economic impacts of internal displacement on livelihoods, such as loss of savings or other assets that may have been left behind in the area of origin.

It is important to stress that the data we use to assess economic costs and losses sometimes applies to all affected people, including IDPs and their hosts. For lack of better information, we assume that these costs and losses are distributed evenly between IDPs and hosts.

Another limitation is the distinction between costs and losses associated with internal displacement and those associated with the event itself, such as destruction caused by a natural hazard.



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