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Report

Uncertain Power: The Changing Role of Official Donors in Humanitarian Action

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Acronyms

ALNAP	Active Learning Network for Accountability and Performance
APB	Afghanistan Programming Body
ASG	Afghan Support Group
BPRM	Bureau of Population, Refugees and Migration (US)
CAP	Consolidated Appeals Process (UN)
CERF	Central Emergency Revolving Fund (UN)
CFSP	Common Foreign and Security Policy (EU)
CHAD	Conflict and Humanitarian Affairs Department (DFID)
CIDA	Canadian International Development Agency
CSP	Country Strategy Paper (EC)
DAC	Development Assistance Committee (OECD)
DART	Disaster Assistance Response Team (US)
DEC	Disasters Emergency Committee (UK)
DFAIT	Department for Foreign Affairs and International Trade (Canada)
DFID	Department for International Development (UK)
DHA	Department of Humanitarian Affairs (UN)
DSG	Donor Support Group (ICRC)
ECOSOC	Economic and Social Council (UN)
ERC	Emergency Relief Coordinator (UN)
FPA	Framework Partnership Agreement (ECHO)
FSAU	Food Security Assessment Unit
GNP	gross national product
GPIS	Standing Inter-department Working Party (EC)
HAC	Humanitarian Aid Committee (EC)
HFWG	Humanitarian Financing Working Group
HLWG	Humanitarian Liaison Working Group
IASC	Inter-Agency Standing Committee (UN)
ICRC	International Committee of the Red Cross
IDC	International Development Committee (UK)
IGAD	Inter-Governmental Authority on Development
IMF	International Monetary Fund
ISP	Institutional Strategy Paper (UK)
IHL	international humanitarian law
IOM	International Organisation for Migration
MDG	Millennium Development Goal
MFA	Ministry of Foreign Affairs (Denmark)
MSF	Médecins Sans Frontières
NAO	National Audit Office (Denmark, UK)
OAG	Office of the Auditor General (Canada)
OCHA	Office for the Coordination of Humanitarian Affairs (UN)
ODA	official development assistance
OECD	Organisation for Economic Cooperation and Development
OEOA	Office for Emergency Operations in Africa (UN)
OFDA	Office of Foreign Disaster Assistance (US)
PAC	Public Accounts Committee
PAGER	Policy and Advocacy Group for Emergency Relief (Canada)
PCM	project cycle management
PCP	Principled Common Programming
PPA	Partnership Programme Agreement (UK)
PQs	parliamentary questions
PSA	Public Service Agreement (UK)

RBM	results-based management
RCB	Regional Coordination Body (Afghanistan)
SACB	Somalia Aid Coordination Body
SCFAIT	Standing Committee on Foreign Affairs and International Trade (Canada)
SCHR	Steering Committee for Humanitarian Response
UNDP	UN Development Programme
UNDRO	Office of the UN Disaster Relief Coordinator
UNHCR	UN High Commissioner for Refugees
UNOCA	UN Office for the Coordination of Humanitarian and Economic Assistance Programmes Relating to Afghanistan

Executive summary

The Kosovo crisis saw an unprecedented level of donor involvement in the definition and organisation of the humanitarian response. In its aftermath, there has been much whispering along the corridors of many humanitarian organisations that humanitarian response is increasingly ‘bilateralised’. This phenomenon of ‘bilateralisation’ is seen as including a number of elements:

- an apparent shift away from supporting multilateral humanitarian action and towards NGOs;
- increased earmarking of contributions, and the concentration of resources on highly visible emergencies;
- an increasing donor role in the coordination of humanitarian action;
- tougher contractual and managerial regimes to scrutinise the performance of implementing partners; and
- increased donor presence at field level.

These changes in the management and financing of humanitarian assistance might be seen as technical and banal were it not for the context in which they are taking place.

At one level, these shifts are presented as the product of donors taking much more seriously their responsibility to ensure the effective and accountable use of public funds. Historically, humanitarian assistance constituted only a very small part of official development aid programmes, and attracted relatively little scrutiny and attention. As official humanitarian aid budgets have grown, and the complexities of programming in politically contentious and violent environments have become more widely appreciated, so the ‘management lite’ approach to the funding of relief is no longer acceptable.

The increasing maturity of official humanitarian aid policy management has also coincided with a period when many donor governments have been developing more interventionist approaches to the management of conflict, and seeking ways of linking their assistance programmes with a wider effort to enhance international peace and security.

Many operational agencies have questioned the motives for donors’ increased involvement in humanitarian decision-making. Is it, as most donors argue, a means of enhancing the effectiveness of humanitarian action? Or does it mark a gradual encroachment on the political independence of humanitarian organisations?

This report documents the findings of a study on the changing role of donor governments in the management of humanitarian assistance. It describes the multiple and

complex changes that have been subsumed under the catchy, but misleadingly simple, label of ‘bilateralisation’; identifies the implications of this trend; and proposes an agenda that might be used to define ‘good donorship’ in the humanitarian sphere.

The research for this study looked at a number of key humanitarian donors (the UK, ECHO, Denmark, Canada and the US), through field research, interviews and documentary reviews. Chapter 1 identifies the key elements of ‘bilateralisation’ and examines the factors driving the changing role of donors in humanitarian action. Chapter 2 assesses changes in the financing of humanitarian assistance, and in how this aid is managed. Chapter 3 looks in detail at changes in donor coordination, drawing on field research in Afghanistan and Somalia. Chapter 4 reports on the accountability structures and mechanisms that apply to the case-study donors themselves. Chapter 5 identifies common themes and issues from this research, and makes recommendations for the future.

Is humanitarian aid spending becoming ‘bilateralised’?

Between 1990 and 2000, official humanitarian aid doubled in real terms, from \$2.1 billion to \$5.9bn. It also increased as a proportion of total official development assistance (ODA), from 5.83% to 10.5%. A very small number of donors account for the bulk of humanitarian aid. The US dominates, providing around a third of such spending in 1998–2000. Other consistently large donors include Canada, Germany, Japan, the Netherlands, Norway, Sweden, Switzerland and the UK. Together, these bilateral donors account for 93% of official humanitarian aid. ECHO, a multilateral organisation that acts as a donor, is also a major player; in 2000, it was responsible for approximately 10% of official humanitarian aid.

Although reporting on humanitarian aid is weak, existing data suggests that there is a trend away from multilateral methods of disbursing humanitarian assistance, in favour of bilateral channels. Between 1996 and 1999, the volume of assistance channelled multilaterally increased by 32% compared with levels a decade earlier. By contrast, bilaterally managed expenditure increased by 150%, and in the case of ECHO by 475%.

The picture is more complex and subtle than this headline might suggest. Part of the explanation for the apparent ‘bilateralisation’ of humanitarian aid lies in the technical peculiarities of official aid reporting. ‘Multilateral’ aid has a very particular meaning, referring only to aid that is unearmarked and channelled through multilateral institutions such as the UN and the World Bank. All other

aid, including earmarked assistance to the UN, NGOs and the Red Cross Movement, and funds spent by governments themselves, is technically speaking 'bilateral' aid.

Trends in disbursement channels

It is important to distinguish between multilateral aid and aid given to multilateral organisations. While overall levels of multilateral assistance have declined, the resources allocated to the major UN operational agencies – UNHCR and WFP – have remained relatively constant as a share of total official humanitarian aid. This is because donors are increasingly earmarking their contributions to UN organisations. They are doing this because of continued concerns over the UN's performance, and regarding its governance and reporting procedures, which are seen to weaken its accountability.

Earmarking can protect funds for activities that might otherwise not secure adequate support; the US, for instance, has broadband earmarking in favour of Africa in its contribution to UNHCR. More commonly, however, earmarking results in the concentration of spending on the most visible crises. The Consolidated Appeals Process (CAP) is now used primarily as a mechanism to disburse funding in high-profile emergencies, and has lost its ability to act as a focal point for global resource allocation (Porter, 2002).

Many official donors are reducing the share of their aid through multilateral channels simply because the growing range of potential recipients means that they can. As an increasingly strong NGO sector has emerged, so the pre-eminent position of the UN as a provider and coordinator of humanitarian assistance has been challenged. NGOs are thus the key mechanism for the bilateralisation of humanitarian aid. Donors see them as much more flexible than UN agencies in anticipating and responding to concerns regarding performance and accountability, for example by developing codes of conduct and initiatives such as the Sphere project, launched in 1997 by a group of humanitarian agencies to improve the quality and accountability of disaster response. In addition, new actors, including military and paramilitary forces, are becoming important conduits for official humanitarian aid funds, particularly in situations of complex peacekeeping.

Historically, one of the arguments in favour of multilateral aid disbursement mechanisms has been that they promote a more equitable allocation of funds than bilateral methods. While evidence is lacking to support these theoretical advantages, existing data suggests that increasingly bilateral approaches are not resulting in an equitable distribution of official humanitarian aid resources. For example, between 1996 and 1999 the top five recipient countries were Bosnia-Herzegovina, Serbia and Montenegro, unspecified former Yugoslavia, Israel and Iraq. The next five were Rwanda, Sudan, Afghanistan, Angola and Indonesia. The total volume

for these five was \$1,388m, half the total for the top five, which was \$2,725m.

Humanitarian aid and the new public management

The changing relationship between official donor bodies and recipient humanitarian organisations is part of broader developments in governance and public administration in donor countries. These changes have involved a significant increase in public service contracting, driven by concerns over the efficiency and effectiveness of public service provision by the state. Arguably, the character of donor giving to recipient organisations is now closer to a contract, in which funds are allocated to achieve a particular predefined purpose. The humanitarian arena is perhaps particularly sensitive to this shift. In contrast to the major development institutions, there are virtually no assessed contributions for humanitarian assistance. The power of donors to influence the pattern of humanitarian response that flows from this essential financial dependence is amplified as they become more specific in their requirements of their partners.

The choice of partners

Prior to the 1990s, official humanitarian aid was managed by relatively small departments within government ministries. The procedures in place for the allocation, monitoring and reporting of emergency aid were light compared with those that governed development assistance. This reflected an emphasis on rapid response, and the trust donors had in the competence and integrity of their partners. The light management arrangements accorded partners a high level of autonomy and independence; as such, this was a practical expression of donors' concern to maintain the independent and apolitical character of humanitarian aid.

The expansion in the range of potential partners through which official aid might be channelled has meant that it has become more difficult for donors to identify which agency is likely to be able to do the best job in any particular set of circumstances. Rather than assuming that others, in particular the UN and the ICRC, will be able to define needs and organise the most effective response, donors are investing more in developing their own analyses of different humanitarian crises in order to inform their allocation of resources. For example, ECHO has developed global plans that seek to map out overall need and present a coherent strategy determining the response.

These country-level analyses reflect donors' increasing ability to formulate humanitarian policy at a global level. Major donors, such as DFID and ECHO, have produced comprehensive statements of their overall objectives for humanitarian response and the principles that will guide

this. These policy frameworks also emphasise issues such as gender and the security of aid workers. Translating these policy frameworks into practice requires a formalisation of the procedures by which specific proposals are appraised, contracts are defined and performance is monitored. It also demands establishing and sustaining a global policy dialogue with key operational partners.

Project appraisal and monitoring

The donors examined in this study have made considerable investment in providing more detailed guidance to their partners on how to apply for and manage official aid funds. These guidelines have sought to formalise the logic of project preparation by demonstrating clear linkages between objectives, inputs and outcomes/outputs, so paving the way for performance monitoring. More policy-oriented goals have also been introduced, for instance mainstreaming gender and environmental protection issues, support for inter-agency coordination and an awareness of the political impact of relief. Agencies view such guidance as legitimate, and as broadly in line with their own policy priorities; agencies too are using logical systems, such as logframes, to organise planning and management.

For donors, the utility of more detailed and thorough application procedures will depend in part on the ability to interpret and verify applications, and to monitor outcomes. This in turn relies upon access to professional staff and resources. Many donors have invested significantly in their own capacity in this area, at headquarters and in the field. Both DFID and ECHO have relied in significant part upon contract staff, as well as increasing the number of their permanent civil servants to provide such capacity. It is an important, but as yet unanswered, question whether donors' capacity to appraise and monitor contracts has expanded sufficiently, particularly given the increase in direct contracting with NGOs and in earmarked funding.

Donors' accountability efforts remain focused on ensuring financial accountability, with much greater variation between donors in their capacity to invest in more policy-based and technical scrutiny. Meanwhile, results-based management in the humanitarian sphere remains in its infancy. At present, there are no universally accepted performance indicators, and donors are allowing their partners to define and monitor their own. While this allows agencies a desirable degree of freedom in defining the criteria for success, it will make it difficult to aggregate project-based information, and so assess the overall success of a particular donor's portfolio of humanitarian aid programming. As methods to formalise performance monitoring evolve, it will be important to ensure that this does not result in 'perverse incentives', discouraging agencies from engaging in high-risk activities and activities that do not have easily quantifiable outputs, such as advocacy, coordination and humanitarian protection. Given the diverse factors that influence success or failure in the

humanitarian arena, problems to do with the attribution of outcomes will also have to be dealt with. Securing improvements in nutritional status, for example, relies not only on the technical competence of implementing organisations, but also on security, access and adequate funding.

From projects to policy-based approaches

In addition to strengthening mechanisms to scrutinise interventions at the level of individual projects, donors are seeking to influence the global policy of humanitarian organisations. Until the 1990s, donors had two key ways of channelling their aid: project-based approaches realised through individual contracts and tightly earmarked contributions; and unearmarked contributions to global appeals mounted by international organisations. The former allows for tighter accountability and specificity, but is administratively onerous and can lead to a fragmented portfolio of funding. The latter is more easily administered, and provides the recipient with much greater flexibility. This may enhance effectiveness, but it also leads to problems in accountability.

To achieve more accountable block grants, a number of major donors have developed framework agreements with key international organisations. These provide for an annual contribution of funds, and formalise what donors expect in terms of their use. At one level, these agreements consolidate existing earmarking approaches; at another, they represent a more formalised process of policy dialogue between donors and recipient organisations.

Framework agreements have been useful in enhancing the predictability and timeliness of official contributions to international organisations, and have also increased trust and mutual understanding. This is sometimes reflected in increased overall funding flows. However, some agencies are concerned that such agreements are simply earmarking in a new guise. By linking funding with donors' objectives regarding institutional reform and priorities, these agreements are also seen as potentially undermining existing formal governance mechanisms. The process of negotiating these agreements has proved time-consuming, particularly for senior management staff.

Whatever the merits of these concerns, there are strong reasons why such policy-based approaches to negotiations over humanitarian aid funding are likely to continue, and why they might prove useful to recipient organisations. Used well, they can enhance the predictability of the donor-partner relationship not only in funding terms, but also in terms of defining their mutual expectations. If these arrangements do continue, it will be important to ensure that they are negotiated in a transparent fashion, and that appropriate checks and balances are in place to ensure that donor priorities do not distort organisational objectives. Enhanced donor coordination, peer review and clarity from

the partner agency itself regarding its objectives will be key to achieving this goal.

Donors in the field

The past decade has seen a significant increase in donor presence at field level, particularly from the major donors. The US has led the way, with ECHO and DFID close behind. The precise remits of field staff vary considerably from agency to agency. In broad terms, field offices provide a means by which donors can develop a first-hand understanding of need and of the operating environment, guiding the allocation of resources and providing for more sustained monitoring of partner agencies' performance. Field presence is particularly important in highly visible emergencies, where it provides immediate access to information as the crisis evolves. This can be shared with politicians and the media, as well as used to inform programming.

Donors' field staff can play an important part in monitoring the overall aid effort. Their financial leverage can provide momentum for change, and assist in securing additional resources to meet particular demands more quickly. Their role as 'pushers and prodders' is particularly welcome when donors deploy experienced staff, who share professional goals and technical understanding with partner organisations.

The role of field staff in shaping the overall envelope of resources, and in determining actual allocation, is a more difficult and contentious question. Field staff act as an important nexus in the decision-making process. On the one hand, they provide a focal point for operational agencies to channel information to the donor, and so influence resource allocation. On the other, they are also conduits of donor policy, and thus have influence in determining which agencies should be funded, and where. It is difficult to assess the net effect of this complex interplay in ensuring the appropriate and timely allocation of humanitarian aid resources. The answer varies from agency to agency, and between countries. Good field staff encourage coordination and provide a check on overall priorities. In other cases, field staff are seen to have disproportionate influence in interpreting humanitarian need, and as being overly directive, potentially reinforcing a culture whereby agencies are seen as the executing agencies of donors' set policy.

Donors as coordinators

In a small number of countries and territories – East Timor, Albania, Afghanistan and Somalia – donors have sought to become more engaged in the coordination of humanitarian operations. This study reviewed in detail two coordination structures, the Afghan Support Group (ASG) and the Somalia Aid Coordination Body (SACB).

The SACB was formed in 1994, at a time when UN coordination was weak, and Somalia had no recognised national government. When the ASG was formed, in 1997, the ruling *Taliban* was not recognised by Western governments. Thus, in both cases donor coordination initiatives were driven by the acute dilemmas donors faced in trying to provide assistance in the absence of a recognised government interlocutor, and amid concern regarding the UN's ability to act as a proxy authority.

The shape of these bodies was markedly different. The SACB was a standing forum with regular meetings, initially chaired by the EC delegate based in Nairobi; the ASG met in different donor capitals around the world as the chair rotated. The SACB was a more direct competitor with the UN coordination structure, particularly in its early years, while the ASG was more supportive of the UN's evolving coordination framework.

These important differences apart, a number of generic lessons emerge from these experiences. Both groups were important in raising awareness among donors of the issues facing humanitarian organisations working in these difficult environments. On occasion, they translated donors' financial muscle into action. For example, the ASG overcame some UN agencies' resistance to adopting the Strategic Framework for Afghanistan, which sought to enhance coherence between political and aid responses, and between relief and development efforts. They also provided a means whereby donors could meet and review their policies in a more collective way; for example, an informal grouping of some donors resulted in an agreement to extend the timescale of funding in Afghanistan to encourage longer-term strategies.

However, these achievements are relatively modest, and certainly fall far short of any promise to inform consensus in relation to overall strategy. Perhaps most striking is the near-absence of any connection between these aid-specific bodies and efforts in the political domain, an area in which donors clearly have a major advantage as against their operational partners. Thus, there was no formal connection between the ASG and the political grouping of nations concerned with the peace process, nor between the SACB and the East African Inter-Governmental Authority on Development (IGAD). In both cases, there was in fact active resistance to formulating common positions on political issues, including human rights. Donors' ability to use such forums to inform the political environment was further limited by their lack of a field presence in-country; instead, the UN remained the primary mechanism for negotiating access.

The only instance where a clearly political issue was tabled was in relation to security assessments, which were in turn linked to decisions regarding the deployment of funds and personnel. In Somalia, security issues were a major focus of attention in the SACB, and resulted in the adoption of a code of conduct by which violations would be monitored

and action, including the suspension of aid, could be considered. This proved contentious, with agencies accusing donors of selective and unevenly informed interpretation of security concerns.

A final lesson to emerge from the study of donor coordination is that it appears to have made little impact on the overall volume of aid allocated, or on donors' choice of sectors in which to invest. Overall volumes of aid did not significantly increase because of greater donor involvement in coordination, nor were areas that the coordination groups identified as priorities, such as livelihoods, guaranteed to attract additional funding.

Accountable donorship

Official donors clearly exert significant influence over both the size and the shape of humanitarian response, both globally and in specific countries. Decisions regarding which agencies receive official funding influence the relative mix of services populations receive, the degree of emphasis on protection and the framework for coordinating service delivery. While donors have laid considerable stress on enhancing the accountability of their operational partners, relatively little attention has been paid to how donors themselves are accountable for the impact of their decisions, both as funders and as policy actors.

Overall scrutiny of official humanitarian assistance remains limited within recipient states, in donor countries themselves and internationally. Humanitarian assistance is typically provided in environments where governance is weak and contested, and is usually channelled outside of public structures in recipient countries. This means that the mechanisms by which affected populations can influence the overall conduct of humanitarian operations is particularly limited, as they cannot usually rely upon their governments to ensure the equitable and appropriate use of funds.

Internationally, there is no mechanism of global governance to monitor and regulate the use of official humanitarian assistance. Forums such as the Development Assistance Committee (DAC) of the OECD seek to coordinate international aid policy, but have not explicitly examined humanitarian assistance. There is thus no consensus internationally over what a good donor should look like, and no systematic documentation of good practice.

Donor countries themselves are equipped with mechanisms to ensure the accountability of governments, including donor bodies. Parliamentary oversight is the ultimate form of democratic accountability. Evidence collected by this study suggests that these mechanisms have proved relatively weak in scrutinising official humanitarian assistance. With the partial exception of the UK, in the cases the study reviewed very little attention has been paid to scrutinising humanitarian assistance,

either through parliamentary questions or through parliamentary committees. This is explained by the relatively small amount of public funds spent on this area, by the lack of a constituency within donor countries to claim such attention and by the fact that, on the whole, humanitarian assistance enjoys high levels of public support. Audit offices are potentially more powerful scrutineers of public policy. In contrast to parliamentary committees, they are insulated from the pressures of partisan politics and have more resources with which to undertake their investigations. However, to date audit reports on humanitarian assistance have been largely confined to issues of financial probity and the conduct of specific operations, and have thus largely avoided questions of strategic accountability.

A number of donor and operational agencies have moved towards systems of results-based management, and away from traditional inputs-based planning and management. This technique aims to provide a means by which organisations can examine how their use of resources enables them to achieve their objectives. It should thus allow for more robust and routinised approaches to accountable public policy. In addition to problems with the definition of performance indicators, results-based systems rely upon a high level of self-reporting by partner organisations and donor bodies. This means that a capacity for independent evaluation is important to verify the robustness of monitoring systems. However, with the important exception of Danida and ECHO few independent evaluations of donors' humanitarian aid programmes have included assessments of the policies and procedures of donors themselves. Given the importance donors attach to ensuring a coordinated humanitarian response, it is striking that the joint evaluation of the international response to the Rwanda crisis, published in 1996, remains the only example of a system-wide investigation into humanitarian response, including that of donors.

Underpinning all of these obstacles to accountability and performance is the fact that the *objectives* of official humanitarian assistance have become increasingly unclear. At its simplest, humanitarian aid is about meeting life-saving needs. However, over the past decade additional, sometimes competing, objectives have been incorporated, including promoting development and conflict reduction. As a result, the idea of humanitarian aid as a distinctive form of assistance governed by principles of impartiality and neutrality is being gradually eroded. In particular, its independence from the foreign policy objectives of donor states is under threat, both in principle and in practice. Switzerland and ECHO have legislation that governs the use of humanitarian aid funds, and so safeguards against undue political influence. The Danish audit office has recommended the adoption of legislation defining the purpose of Denmark's humanitarian assistance. The British government has, however, rejected calls for similar legislation in the UK.

From ‘bilateralisation’ to good donorship

The increasing involvement of donors in humanitarian decision-making is both legitimate and appropriate. Donors are custodians of public funds and are accountable, via their parliaments, for the effective use of such funds. Furthermore, humanitarian action is not uniquely, or even primarily, the property of humanitarian organisations. Responsibility for upholding humanitarian law, including the responsibility to assist and protect civilians, rests first and foremost with states, not aid agencies.

The findings of this study suggest that it is inappropriate to concentrate policy debate on the bilateralisation of funding flows *per se*. Instead, we need to examine how the objectives of official humanitarian aid are shifting, how the procedures by which such aid is managed are evolving and how good practice can be defined and monitored. While there have been considerable efforts to define and measure good donorship in the development sphere, there has been little discussion, much less agreement, as to what constitutes a ‘good’ humanitarian donor. Establishing such an agreement would be timely as aid flows in this area increase, and humanitarian decision-making becomes more complex and sensitive. At the same time, the framework through which donor performance can be measured is weak, undermining accountability and the trust necessary for positive relations between donors and their partners.

Three core principles might provide the basis for such a discussion:

- a commitment to international humanitarian law and principles;
- a commitment to needs-based programming; and
- predictable and adequate funding.

In operationalising these principles, donors might consider:

- committing themselves in domestic law to the impartial allocation of official humanitarian aid;
- reaffirming the independence of humanitarian decision-making from wider foreign policy goals;
- increasing investment in more robust systems by which humanitarian need can be measured, globally and in specific countries, and the allocation of resources monitored; and
- enhancing the predictability and adequacy of official humanitarian funding.

The predictability and adequacy of official humanitarian funding could be improved through:

- encouraging the development of multi-year funding arrangements;
- ensuring that, in major emergencies, additional and adequate funds are made available, and funds are not simply reallocated from other ongoing crises;
- benchmarking OECD country contributions to humanitarian action, by setting a minimum target for humanitarian aid as a share of GDP or ODA, so diversifying and expanding the funding base;
- enhancing the transparency of existing financial reporting systems, including removing donors’ domestic spending on refugees; and
- deepening existing policy-based approaches to specific crises, and to humanitarian aid funding globally.

If such guidelines were established, it would also be important to invest in systems to monitor adherence to good practice. Lessons from this study suggest a need to:

- enhance the capacity and engagement of parliamentary committees and audit offices in reviewing humanitarian aid programmes;
- ensure regular independent evaluations of donor programmes and system-wide evaluations; and
- strengthen the role of the DAC in developing and monitoring humanitarian assistance issues, including more effective reporting of aid.

There is also a need for humanitarian organisations, individually and collectively, to maintain a critical dialogue with the official aid community, demonstrating their legitimacy as independent humanitarian actors, based on their competence as well as their mandates, and the inherent value of organisational autonomy in enhancing the effectiveness of aid. Agencies have varied in their capacity to engage in and sustain such dialogue.

In taking forward this agenda, it will be important to recognise both its modesty and its significance. It is a modest agenda in that it is concerned with a relatively tiny proportion of global wealth, which is seeking to counter the effects of much more powerful military, economic and political interests in disaster-affected countries. It is a significant agenda, in that the way in which the purpose of such funds is defined, and the ways in which they are managed, says much about the relationship between the most powerful nations and some of the most marginalised people on the planet. It is thus not an issue of whether or not donors should be involved in the management of humanitarian assistance, but why and how they choose to use their influence.

Chapter 1

Introduction

'Bilateralisation' first entered the lexicon of humanitarian organisations in 1999, in the grubby fields and precarious mountainsides of the Balkans. Alongside the well-known flags of NGOs and UN organisations flew some less familiar ones, belonging to donor states. They appeared on the vehicles and paraphernalia, not only of dedicated emergency aid departments, but also of military and paramilitary personnel.

The Kosovo emergency made familiar what many have referred to as the 'bilateralisation' of humanitarian action, but the phenomenon was not born there. Rather, the unprecedented level of donor presence at field level marked a new peak in a trend that had been under way for at least a decade. Instead of delegating responsibility for humanitarian decision-making to specialist international organisations, donor governments were becoming much more active humanitarian actors in their own right. In Kosovo's aftermath, humanitarian organisations have looked with unease at this apparent move towards the 'bilateralisation' of humanitarian action, and the increasing proximity of official donors to humanitarian operations and decision-making.

At the heart of this concern is the belief that the closer involvement of donors in humanitarian action is symptomatic of a wider movement towards the undue politicisation of humanitarian response. This is seen by many within the humanitarian community to threaten the very basis of independent, impartial and neutral humanitarian action.

Agencies' calls for donors to keep their distance from humanitarian action quickly confront three important retorts. First, agencies do not have a monopoly on wisdom or competence in organising humanitarian response. Throughout the 1990s, assistance was frequently ill-managed. Poor performance led to interventions that were at best technically ill-conceived, and at worst reinforced violence. Donor governments are not only or primarily providers of assistance – they are states with responsibility for achieving international peace and security, and protecting their domestic interests. It is therefore legitimate that they should work to ensure that the aid programmes they support contribute to effective conflict management. Being 'smart' humanitarian donors entails looking carefully at the conditions under which aid is delivered, as well as scrutinising delivery procedures.

Second, governmental donors have a democratic duty to

their constituencies to ensure the effective use of public funds. The expansion in official humanitarian assistance budgets has thus coincided with the increased scrutiny of humanitarian organisations. This has revealed many weaknesses. The trust that underpinned the informal mechanisms governing donor–recipient relations for a decade has been damaged, calling for more formal methods of scrutiny and the introduction of new mechanisms to enhance agencies' accountability to their funders. Furthermore, donor governments have a duty to respond to public opinion, and to be seen to do so. While writing cheques to international organisations may be laudable, it lacks the visibility necessary in an age of media-driven politics.

Finally, it can be argued that humanitarian organisations do not have a monopoly of responsibility for humanitarian action. Indeed, discourse on humanitarian policy over the past decade has emphasised that the *absence* of political engagement, not inadequate assistance, is the primary threat to populations suffering the consequences of war and other forms of strife. Thus, for example, the joint evaluation of the international response to the genocide in Rwanda famously argued for much greater coherence of humanitarian, military and political responses to such crises (Eriksson et al., 1996). Yet as Western governments have intensified their political and military engagement in many conflicts, and sought to place their assistance within this frame-work, many civilian humanitarian organisations have become squeamish. They have been quick to accuse donor governments of politicising humanitarian action, but much slower in defining more precisely what kind of political intervention would be desirable.

The literature on humanitarian policy and practice has burgeoned in recent years, but it has concentrated largely on the performance of operational agencies, in particular their ability to navigate the complex political economies of particular countries. Less attention has been paid to how donors influence the quality and impact of humanitarian operations through their choice of disbursement channels, and through the arrangements in place to manage them. Equally, while there has been much debate regarding the performance and accountability of operational agencies, there has been relatively little scrutiny of the ways in which donors are held accountable for their performance as policy actors, and on occasion as service providers. Official donors are not the only, or even the primary, influence upon the quality of humanitarian action, nor indeed are they its sole source

of funding.¹ However, understanding the changing role of donor governments as humanitarian actors has become more pressing as they have also become belligerents in several international conflicts. Events since 11 September have only reinforced the links between security and aid management.

This study informs and contributes to the debates regarding the changing role of donor governments in humanitarian action, particularly in conflict-related crises. It describes the multiple and complex changes that have been subsumed under the catchy, but misleadingly simple, label of ‘bilateralisation’. It identifies the implications of this apparent trend, and proposes an agenda that might be used to define ‘good donorship’ in the humanitarian sphere, which takes into account the concern for public accountability and the necessarily political implications of humanitarian aid, while at the same time preserving the distinctive and particular agenda of humanitarianism.

1.1 Elements of ‘bilateralisation’

Previous work by the Overseas Development Institute and others suggests that there are a number of potentially significant facets of ‘bilateralisation’ (Macrae and Leader, 2000; Suhrke et al., 2000; Wiles et al., 1999). These include:

- an apparent shift by donors away from supporting the UN’s specialised agencies in favour of NGOs;
- the increased earmarking and concentration of resources on highly-visible emergencies;
- an increasing donor role in the coordination of the humanitarian sphere, both in specific countries and globally;
- tougher contractual and managerial regimes to scrutinise the performance of implementing partners; and
- an increased donor presence at field level to provide services and monitor agencies to which funds have been provided.

Although the term ‘bilateralisation’ has gained currency, there are reasons to suggest that it has limited value in

explaining what is going on, or in helping to assess the implications. ‘Bilateralisation’ is commonly understood in relation to its opposite, multilateralism. Multilateral approaches to aid, in other words channelling resources through the UN and the Bretton Woods institutions, have long been advocated on the grounds that they provide a way of ensuring equitable allocation according to need, not according to the interests of a particular state. Multilateralism has also been seen as a means to foster the coordination of aid. Thus, put simply ‘bilateralisation’ can be understood as donors reducing the share of their aid channelled through multilateral institutions in order to exert influence more directly.

An extensive literature attests to a number of problems with this approach, which too easily equates the institutional arrangements of multilateralism with the normative ideal of an (altruistic) international community. The work of multilateral institutions has always been prone to strong bilateral influence, and so it would be a mistake to identify any particular *channel* for the disbursement of assistance with greater or less independence *a priori*. Furthermore, while the advantages of multilateralism may be significant, these have to be measured against the disadvantages. These concern the effectiveness of multilateral agencies in achieving their objectives and remaining cost-efficient and accountable. Multilateral governing bodies, including those in the humanitarian sector, have been poor in delivering and coordinating assistance, and remain weakly accountable to their individual funders. Ironically, this weakness in accountability derives in part from one of their strengths, namely the diversity of their membership.

Underpinning current debates regarding the apparent shift away from a multilateral approach to humanitarian assistance is a precarious interpretation of aid statistics. The Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) defines multilateral assistance only in terms of unearmarked contributions to multilateral organisations. All other aid, including earmarked contributions to the UN and grants to the Red Cross Movement and NGOs, is by definition bilateral. Thus, as discussed in Chapter 2, there is a managerial question as to *how* aid is disbursed through the humanitarian system, and a normative question regarding the *terms* under which it is disbursed.

Ultimately, the term ‘bilateralisation’ retains some analytical usefulness only if it is understood not simply in relation to the use of a particular funding structure, but more widely, as a way of describing the changing role of donors in humanitarian action, and donors’ increased proximity to humanitarian decision-making. Once these aspects of the problem are understood, their normative implications can be discussed.

¹ There is unfortunately no accurate data on private funding for humanitarian action. A report by the US government suggests that only 10%–15% of humanitarian aid funds come from private sources. See *Global Humanitarian Emergencies: Trends and Projections, 2001–2002* (Washington DC: National Intelligence Council, 2001). However, a comparison between funding for UK NGOs from public appeals by the Disasters Emergency Committee and the allocation of funds from the UK’s Department for International Development (DFID) indicates that the proportion may be higher. For eight major emergencies, contributions through the DEC amounted to £150.5 million, compared with £193.4m from DFID. The DEC’s spending was higher than DFID’s particularly in sudden-onset natural disasters.

1.2 The changing role of donors in humanitarian action: forms, channels and systems

The ‘bilateralisation’ of humanitarian assistance can be seen to reflect changes in the *form* of official humanitarian assistance, the *systems* by which it is managed and the *channels* through which it is delivered (Cassels, 1998). Aid is designated as being for relief or for development, and is provided in a number of different ways: for projects or programmes, and as loans or grants. The form of aid partly determines the *channels* through which it is disbursed. It may be provided direct to recipient governments, through multilateral organisations like the World Bank, the International Monetary Fund (IMF) and the UN, through international organisations such as the International Committee of the Red Cross (ICRC) or International Organisation for Migration (IOM), or through non-governmental organisations. Different forms of aid, and different disbursement mechanisms, require different *systems* to manage and coordinate assistance.

Historically, humanitarian assistance can be seen as distinct from development aid. This distinction is partly to do with the particular ethics of humanitarian assistance. Humanitarian aid draws its legitimacy from a belief in a shared humanity, which suggests a shared entitlement to assistance and protection in circumstances of dire need. In relation to armed conflict, this is institutionalised in international humanitarian law (IHL), and implies a series of fundamental principles of humanitarian aid, such as impartiality (allocation according to need alone) and neutrality (not taking a position with regard to the legitimacy or otherwise of any particular political cause).

The distinctiveness of humanitarian assistance also stems from the way in which developmentalist thinking has typically understood humanitarian crises (Duffield, 1994). Developmentalism has long assumed that the path and outcome of development are known, that the process of development necessarily resembles the experience of Western developed states, and that it is inevitable (Pieterse, 1991). In this framework, crises – whether caused by conflict or natural hazard – were seen as unfortunate but temporary interruptions to an otherwise progressive process (Duffield, 1994). Thus, particular types of assistance other than developmental aid were needed to enable populations undergoing crisis to survive until normal conditions returned, and ‘development’ could resume. According to this view, relief aid was a largely technical task, requiring particular competences, notably in logistics and health care. It acquired a special status not because its ultimate goals were inherently different from those of development assistance, but because it demanded different inputs and management systems. By design, and by default, these systems were much less onerous than those governing development assistance. This implied a high level of donor

trust in operational partners, and provided for a large degree of independence and autonomy of action.

This view of the place and purpose of humanitarian assistance within the international aid system led to the emergence of particular types of specialist channels through which aid was disbursed, and particular rules by which it was allocated. Until the mid-1970s, the bulk of relief assistance was disbursed bilaterally, from one government to another; in 1976, for instance, the European Commission disbursed 90% of its relief assistance in this way (Borton, 1993). The bilateral character of aid located it firmly within the framework of foreign policy, particularly in the US. As Secretary of State Henry Kissinger put it, ‘disaster relief is becoming increasingly a major instrument of our foreign policy’ (Loescher, 2000). While foreign policy considerations clearly did not influence all disaster response, positioning assistance within this conceptual and management framework provided a mechanism through which foreign policy considerations could be played out. Access to victims of conflict was limited by the conditions of sovereignty, which meant that governments in disaster-affected countries determined whether and when outside assistance was permissible (Duffield, 1994; Jean, 1997). There were of course exceptions: the unique mandate of the ICRC meant that it was virtually alone in gaining access to all sides in a conflict. Most humanitarian actors, including the UN High Commissioner for Refugees (UNHCR) and NGOs, remained largely confined to the periphery of conflicts (Duffield, 1994; Jean, 1997).

In the late 1970s and early 1980s, the architecture of humanitarian assistance began to change in significant ways. The emergence of new actors like Médecins Sans Frontières (MSF) signalled a new approach to humanitarian action, even in wartime. This challenged traditional conceptions of sovereignty and the role of advocacy in humanitarian action. While NGOs became more visible, some donors became less so: in 1977, US President Jimmy Carter removed political conditionality on humanitarian assistance, paving the way not only for an increase in overall aid funding, but also making possible changes in the conditions under which it was provided (Jean, 1997).

One of the milestones in the process of change came with the Ethiopian famine in 1984–85. Official aid poured into the country, and was managed largely by the Ethiopian government. The government was fighting a civil war in the north, and this assistance was rapidly incorporated into the military machine. If the recipient government was not to be trusted to use relief equitably, and the UN and ICRC were unable or unwilling to negotiate access to enemy territory, a new tool was required. This came in the shape of a small NGO consortium, the Emergency Relief Desk, which was linked to the civilian arms of the rebel movements in Eritrea and Tigray. The consortium provided a mechanism by which Western states could penetrate a complex crisis without governmental consent. As Duffield and Prendergast (1994) note, the decision by the US

government and the European Commission to fund the Emergency Relief Desk marked not only the beginning of increased aid flows into northern Ethiopia, but also support for an intervention that was effectively illegal under international law. Donor governments were influencing the shape of humanitarian response without necessarily requiring the cooperation of either the government in the recipient country or the UN. In so doing, they were changing the balance of power in the Ethiopian conflict.

During the 1990s, three key developments prompted a further reanalysis of the channels through which relief aid was disbursed, the systems by which it was managed and its relationship with traditional development aid. First, with the end of the Cold War the determinants of international security were reassessed. In 1992, the UN launched *An Agenda for Peace*, which argued for a new definition of security that included social and economic factors, alongside diplomacy and defence. The concept of human security underlined the importance of poverty alleviation, environmental management and good governance in reducing conflict. This paved the way for the mainstreaming of aid into the international security agenda (Macrae, 2001). As the decade progressed, so the discourse in this area broadened, from an analysis of the role of development assistance in conflict prevention to an analysis of the role of humanitarian assistance in conflict reduction (Macrae and Leader, 2000). This was driven in part by the absence of development assistance in conflict-affected countries, and by a growing recognition that relief aid was being manipulated by warring parties.

Western governments thus sought to enhance the coherence of their political and military responses to conflict and their aid responses, both developmental and humanitarian (Macrae and Leader, 2000). This coherence aimed to ensure not only that official aid was not fuelling conflict, but also in some cases to explore whether and how such funds might be used to exert leverage over the belligerents. In many instances, there was a thin line between ensuring the principled delivery of assistance, and withholding or selectively providing humanitarian assistance in order to effect political change (Leader and Macrae, 2000). These new linkages between aid and political responses also implied the need for donors to improve their analysis of conflict-related crises, and of the position of aid within them. This necessitated a better understanding of events at field level, as well as more complex arrangements for monitoring partners' work. To achieve this, donors increased their field presence and tightened their reporting requirements.

These changes coincided with a move towards greater international engagement with internal wars. Initially, this was associated with the deployment of military force in order to protect humanitarian operations. By the end of the 1990s, and specifically in Kosovo in 1999, this interventionism had extended to the military enforcement

of a UN resolution to protect, not simply humanitarian assistance, but also human rights. In such crises, Western governments felt a clear obligation to their own constituencies to provide, and to be seen to provide, humanitarian assistance. The visibility of humanitarian aid was important in legitimising military and political interventions both to the domestic public in Western democracies, and internationally. Thus, as Jean (1997) notes, states re-entered the humanitarian field in a much more direct way. Donors now required a visible field presence, which would be able to coordinate assistance, military and political efforts, and which could respond quickly to the demands of politicians and the public that 'something must be done'. The ability to rapidly disburse funds to a particular crisis became increasingly important. Tight earmarking of contributions to international organisations provided one means of achieving this visibility.

The third development influencing donor practice in the humanitarian field came from wider changes in Western politics and public sector management. As described in Chapter 2, if the 1980s was the decade of privatisation, in the 1990s attention shifted to questions of effectiveness and accountability. Western democracies made intense efforts to counter declining trust in government and public administration by applying new management techniques (O'Neill, 2002). Thus, the revolution in public accountability has seen the introduction of more elaborate systems to monitor publicly funded activities, and to ensure their accountability.

In the humanitarian sector, concerns with accountability and effectiveness led donors to ask difficult questions of the UN's specialised agencies. In the eyes of donors, these agencies had failed to deliver on their mandates, resisted scrutiny and lacked effective and responsive governance structures. NGOs, by contrast, developed a welter of initiatives designed to improve their responses to complex ethical and operational dilemmas, and to meet donor concerns.² Thus, the balance between multilateral and bilateral disbursement channels was rethought, with an increasing volume of humanitarian assistance being channelled directly through NGOs. The 'accountability revolution' also prompted more general changes in the systems donors used to manage their aid. New forms of contract were developed, tougher monitoring and reporting requirements were introduced, and the number of evaluations undertaken in the field significantly increased (see Chapters 2 and 4 of this report).

² Thus, for example, the Code of Conduct for NGOs and the Red Cross can be seen as addressing concerns regarding operating principles; Sphere can be seen as a mechanism for measuring performance; and the Humanitarian Accountability Project as a way of addressing concerns regarding beneficiary consultation and agency accountability.

A number of issues emerge from this analysis.

- First, it has become more difficult to describe relief aid as having distinct objectives and principles. This is because the analysis of crises has changed; whereas in the 1970s and 1980s major disasters were predominantly viewed as acts of god, not man, they are now routinely presented as more complex in their origins and dynamics.
- Second, the utility of humanitarian principles like impartiality and neutrality has been questioned, and donors are again willing to include humanitarian assistance in the calculations that shape their political and military responses.
- Third, the institutional arrangements for managing aid are rapidly evolving. This is reflected at all stages of the funding cycle, and extends from demands for more comprehensive planning, monitoring and reporting, through to the introduction of new mechanisms to identify and fund projects, new forms of contracting and new mechanisms for coordination. At the same time, agencies working in conflict-affected countries can now draw on a range of budget lines, including developmental and rehabilitation budgets, to finance their work.
- Fourth, the range of channels through which donors can disburse their funds has changed, both qualitatively and quantitatively. The mushrooming of NGOs and the arrival of new military and quasi-military actors in conflict situations have occurred at a time when the comparative advantage of the UN is increasingly questioned.

1.3 The study and an overview of the report

Ten researchers have contributed to this study over an 18-month period. The research looked at the policies and practices of a number of key humanitarian donors: the UK, ECHO, Denmark, Canada and the US. Field research was carried out in Afghanistan and Somalia, together with documentary reviews and interviews with donor officials and agency staff in donor capitals and at field level. This report summarises and synthesises the key findings, which are based on a series of background papers, separately available. Annex 1 provides a full list of the outputs produced by the research team.

The study looked at three facets of the ‘bilateralisation’ phenomenon. First, it reviewed changes in the financing of humanitarian assistance and in the systems that are used to manage this. The findings of this component of the study are reported in Chapter 2. Second, it looked at the changing role of donors in the coordination of humanitarian assistance, and in their policies towards coordination. This is the subject of Chapter 3. Since many of the changes being advocated by donors have been driven by a concern to improve the accountability of the humanitarian system, the study also examined the evolution of the mechanisms by which donors themselves are held to account. Chapter 4 reports on this aspect of the work. The detailed methodology and scope of these different elements of the research are described in each chapter. Chapter 5 identifies common themes and issues emerging from the different components of the study, draws lessons from them and makes recommendations for the future.

Chapter 2

The 'bilateralisation' of humanitarian assistance: the changing financing, contractual and management environment of humanitarian aid

2.1 Introduction

During the 1990s, a number of factors encouraged many official donors to adopt a more hands-on approach to the management of humanitarian assistance. Donors and the UN made policy commitments to integrate humanitarian and political responses to complex political emergencies (Macrae and Leader, 2000). Calls for enhanced 'coherence' between humanitarian, political and military action were framed as an ambitious programme of international and cross-departmental activity to better manage conflict and its aftermath. This also reflected mounting concern that relief was doing more harm than good, fuelling the very conflicts that donors were aiming to resolve.

From the mid-1990s, the complexities of defining and implementing this maximalist interpretation of 'coherent' responses to conflict have become clearer. As the decade progressed, the initial promise of using humanitarian assistance as part of an integrated response to conflict worldwide gave way, to be replaced by a much more complex and differentiated approach. There has been growing recognition that humanitarian assistance can exert only limited leverage over conflicts. Thus, after a brief moment when humanitarian assistance became mainstreamed into the security agenda, it now occupies a more marginal position. In this context, in the majority of emergencies official donors are concentrating their efforts on more managerial concerns regarding the effectiveness and accountability of humanitarian assistance, rather than on its strategic value. This is not to say that humanitarian assistance has lost all political value and meaning, particularly in high-profile emergencies. In Afghanistan and Sierra Leone, for instance, there have been attempts to integrate humanitarian action into a wider political and military response. However, the political value of humanitarian aid now seems to lie primarily in enhancing the legitimacy of international political and military interventions to domestic audiences and to the populations of affected countries (Macrae, 2002).

This policy shift has coincided with a number of significant changes in the financing, organisation and management of humanitarian assistance. These changes have been introduced in part as a means of operationalising the coherence agenda, but also in response to the parallel debates that emerged during the mid-1990s about the accountability and performance of public policy, including for humanitarian assistance. These concerns have been sharpened by the increased funding donors are allocating to humanitarian aid. Donors also now have a much wider

choice of mechanisms through which they can disburse their assistance. This is reflected in the significant expansion in the number and capacity of NGOs, and the emergence of a new range of military and civilian actors from donor countries able to implement humanitarian aid. The primacy of the UN as a global humanitarian actor has become less clear. Its comparative advantage as a coordinating body, as well as a provider of services, can no longer be assumed, but now has to be proved.

These diverse factors have all encouraged donors to engage more intensively in humanitarian action. These drivers are political, reflecting changes in the way donors are seeking to manage conflict-related crises, and the need to respond to electors' demands to 'do something'. They are also managerial, and reflect donors' need to use public funds efficiently and effectively. In part, this means being able to choose appropriately from an ever-larger range of potential partners and mechanisms through which they can be funded.

This chapter analyses how donors have responded to these different pressures to engage more closely in humanitarian affairs. As noted in Chapter 1, the term 'bilateralisation' reflects a number of changes in the *form* of official aid, the *systems* by which it is managed, and the *channels* through which it is delivered. The form of official aid is shaped by the political context in both donor and recipient countries. Historically, humanitarian assistance was seen as a particular form of aid, governed by particular rules, which did not necessarily confer political legitimacy upon the government of the affected country. Donors' choice of a particular form of aid (relief, bilateral or multilateral development, policy-based or project-based assistance) reflects their global policy objectives and their analysis of how aid contributes to the development process. Thus, as fashions in development theory have changed and circumstances in affected countries have altered, so donors have increased or decreased the proportion of their aid channelled through the state in recipient countries. Donors' choice of aid instrument is also affected by the degree to which they wish to engage with the recipient state (Macrae, 2001). The greater the international legitimacy of a recipient country's government, the more bilateral and developmental the channels of assistance are likely to be.

This research was concerned to understand the extent to which humanitarian assistance remains a particular form of aid, with specific objectives and rules. Aware that different forms of aid imply different choices in terms of the channels

through which aid is disbursed, and the systems by which it is managed, it also sought to analyse trends in disbursement channels and in donors' management of their relationship with their operational partners. In order to do this, the study examined changes in the financing of humanitarian aid, notably the apparent expansion in the use of bilateral channels of disbursement. This analysis draws heavily on a paper prepared by Judith Randel and Tony German (2002) for ODI, and is reported in Section 2.2.

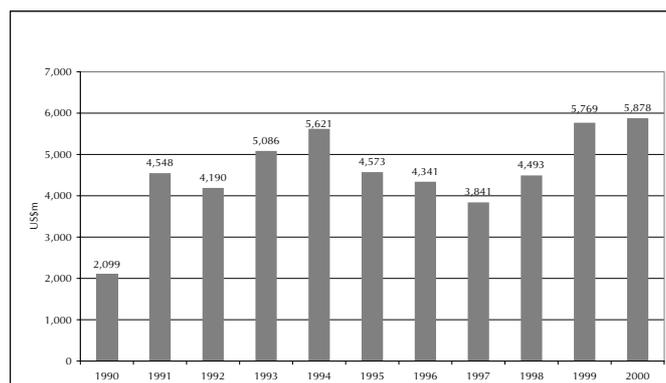
To understand the systems through which humanitarian aid is managed, the study drew on the international literature on public sector management and accountability. This suggests that the relationship between governments and the organisations they finance is determined not only by the volume of funding, but also by the formal and informal arrangements that are used to govern the relationship. Section 2.3 introduces this wider literature as a prelude to more detailed discussion of changes in the contractual and managerial environment of humanitarian assistance. This analysis, reported in Section 2.4, draws upon case studies of selected donors, including the UK, ECHO, the US and Danida, as well as field research in Afghanistan and Somalia. In addition, documentary reviews and interviews were undertaken in two UK NGOs (one very small, the other very large) to examine how donors' requirements of such organisations had changed. This is reported in Section 2.5. Section 2.6 examines the implications of this analysis for recipient organisations, and Section 2.7 summarises the key issues discussed.

2.2 Trends in official humanitarian financing

2.2.1 Trends in aid flows

One of the reasons why donors are paying greater attention to humanitarian issues is that they are spending more on humanitarian aid, both in real terms and as a proportion of total official development assistance (ODA). In 1990, aid for humanitarian assistance was \$2.1 billion. By 2000, it had reached \$5.9bn (see Figure 2.1).

Figure 2.1: Humanitarian assistance, 1990–2000

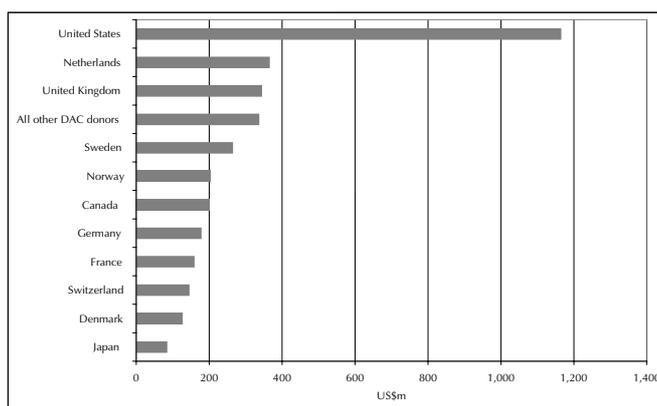


As a share of overall ODA, humanitarian aid increased from an average of 5.83% between 1989 and 1993 to 10.5% in 2000 (Randel and German, 2002).¹ While humanitarian aid has increased, *total* aid flows have declined. In 2000, official aid amounted to \$53.7bn, 12% lower than the 1992 peak (Randel and German, 2002). Aid has also declined as a proportion of national wealth, from around half of the UN's target of 0.7% of gross national product (GNP) in the 1970s and 1980s to 0.22% of GNP in 2000 (Randel and German, 2002).

2.2.2 Concentration of donors

The bulk of humanitarian assistance is provided by a very small number of donors. Figure 2.2 shows the major bilateral donors of humanitarian assistance in 2000. This data excludes bilateral spending on domestic support to refugees, and so represents the amount available to support international humanitarian action as commonly understood.

Figure 2.2: Major bilateral donors of humanitarian assistance, 2000



This means that changes in the policy priorities and disbursement preferences of only a handful of countries can have a considerable influence throughout the humanitarian system. The US is the predominant bilateral donor: its contribution exceeds that of any other by a factor of three or four. In the three years between 1995 and 1997, the US accounted for approximately 20% of total official humanitarian assistance. In 1998–2000, this had increased to around a third. ECHO is also a significant donor body, with a humanitarian aid budget of some 500 million euros (around \$490m) in 2000. (In official statistics, ECHO appears as a multilateral organisation, but it acts primarily as a donor, funding the activities of other organisations.)

¹ Total contributions to OCHA appeals for countries that were affected exclusively by natural disasters amounted to \$311 million in 2001. This compares with contributions of \$2.1 billion to OCHA appeals in conflict-affected countries.

Other consistently large donors are the UK, the Netherlands, Sweden, Switzerland, Germany, Norway, Japan and Canada. The remaining OECD country donors account for \$240m, or just 7% of the total. This concentration of donors is also apparent in the funding for specific agencies. Thus, the US usually provides at least 20%–25% of UNHCR’s funding (UNHCR, 2001), and over half of the resources of WFP (Randel and German, 2002). For UNHCR, six donors contribute 75% of funds (Lubbers, 2001a), while just three (the US, the EC and Japan) accounted for 75% of WFP’s relief resources in 2000 (Randel and German, 2002).

2.2.3 Concentration of spending

Just as a handful of donors account for the bulk of humanitarian assistance, so official humanitarian aid spending is concentrated on only a handful of emergencies. Porter (2002) notes that, in most years, contributions to the Consolidated Appeals Process (CAP) have been heavily concentrated on major crises (see Figure 2.3). Randel and German (2002) show that, between 1996 and 1999, the top five recipients of bilateral humanitarian aid were all political hotspots: Bosnia, Serbia and Montenegro, the former Yugoslavia (unspecified), Iraq and Israel, which together accounted for \$2,725m of official spending. The next five – Rwanda, Sudan, Afghanistan, Angola and Indonesia – received \$1,388m combined. Porter (2002) suggests that the following factors determine the overall size of funding for particular countries at any one time: donors’ foreign policies; historical relationships with a country or region; geographical proximity; opportunity (for example, the prospect of peace); ‘dumping’ of resources towards the year end; and sustained media attention. There has,

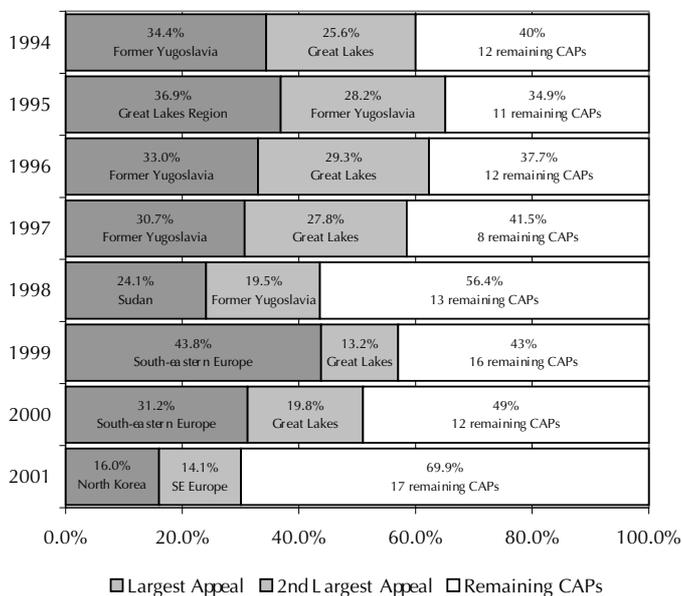
however, been little empirical investigation into how these decisions are made.²

In the absence of an internationally-accepted mechanism enabling easy comparison between resource flows and humanitarian need, the CAP is the nearest thing we have. However, its shortcomings are well-known, not least its inability to provide a comprehensive assessment of need and a prioritised programme of response (Porter, 2002). Nonetheless, the data does suggest that existing mechanisms for the disbursement of official humanitarian assistance are not ensuring an equitable distribution of relief. While this has apparently lost the power to shock, there is increasing unease over the humanitarian community’s inability to measure the impact of this failure on disaster-affected communities. This is clearly a prerequisite in any examination of the impact of humanitarian assistance globally. It is also important in understanding how donors’ choices of disbursement mechanisms are affecting the ability of the humanitarian system as a whole to respond to need globally. There is of course no guarantee that, left to their own devices, international humanitarian organisations would allocate official humanitarian resources evenly across the world. However, it is questionable whether donors are helping or hindering their operational partners in reaching this goal.

2.2.4 Disbursement channels: is humanitarian aid spending becoming more bilateral?

There have been major changes in the mechanisms through which official humanitarian aid is channelled. This reflects the significant expansion in the capacity of NGOs, the increased engagement of military and paramilitary actors in humanitarian action and in some cases the development of donors’ own operational capacity.³ It also reflects the advent of new fund-raising mechanisms, such as the CAP.⁴

Figure 2.3: CAP contributions, 1994–2001



At first sight, bilateral assistance appears to be growing much faster than multilateral assistance. In 1996–99, the total amount of multilateral spending (that is, unearmarked aid channelled through a multilateral organisation)

² The Humanitarian Financing Working Group (HFWG) is currently undertaking such an investigation, and will report in spring 2003.

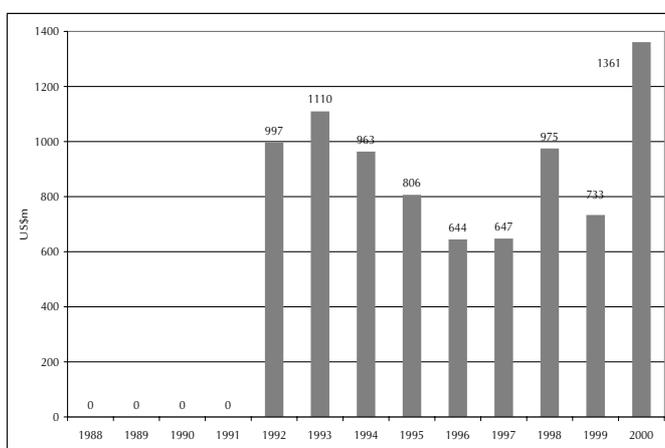
³ At present, there are no easily accessible data that indicate the volume of official humanitarian aid spending disbursed through military forces. Anecdotal evidence from Kosovo and Afghanistan suggests that the amount being disbursed through these mechanisms is increasing. In addition, there have been cases, for example US forces in Afghanistan, where the military has drawn on non-aid budget lines to undertake work that would conventionally be counted as ‘aid’, such as infrastructure rehabilitation. Again, there are no easily accessible figures that quantify such spending.

⁴ The CAP is not only or primarily a fund-raising tool; it is also a tool for strategic programming. Porter (2002) notes the potential tensions between these related but distinct functions.

increased by 32% compared with 1988–89. In the same period, bilaterally-managed expenditure (including earmarked contributions to UN agencies, direct contracting to NGOs and donors' own operations) increased by over 150%; for ECHO, the increase was 475%. These headline figures are potentially misleading, however. The correlation between bilateral funding flows and increasing donor influence in decision-making is not straightforward.

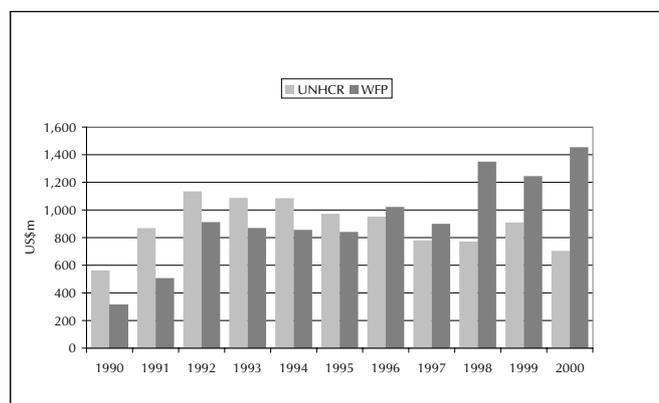
Changes in the DAC reporting requirements are one reason why the trend towards the bilateralisation of humanitarian assistance appears particularly pronounced. Since 1992, OECD countries have been allowed to include in their report on official humanitarian aid spending the amount spent on supporting refugees in their own country for their first year of residence. Most, though not all, countries do this; the UK, for instance, does not. As Figure 2.4 shows, the amounts involved are significant, and appear to be increasing. Since 1992, nearly \$8.5bn of ODA has been spent in this way; in 2000, this accounted for 38% of bilateral assistance (Randel and German, 2002). Almost by definition, this spending is largely bilateral. It is certainly not supporting international humanitarian assistance organisations in their work in disaster-affected countries.

Figure 2.4: ODA spent on refugees in DAC donor countries



Increases in bilateral aid flows do not mean that less money is being spent through the UN; indeed, the share of resources channelled through the UN appears to have remained relatively constant over the past decade. (Figure 2.5 shows the share of official humanitarian assistance (excluding refugee aid spending) allocated to WFP and UNHCR, the major UN operational agencies.) There are two reasons for this: first, donors are increasingly earmarking their contributions to multilateral humanitarian organisations; and second, spending through the UN has not always grown in line with increases in overall humanitarian assistance. Thus, the proportion that counts as multilateral (i.e., unearmarked) aid has fallen, from around 31% in 1989–93 to 25% in 1994–98. By the end of the decade, 11.67% of humanitarian assistance funds were given in the form of multilateral contributions to UN agencies (Randel and German, 2002).

Figure 2.5: Official humanitarian assistance allocated to WFP and UNHCR



Looking at how this pattern plays out in relation to specific donors is illuminating. In 1997–98, the Department for International Development (DFID)'s humanitarian assistance was divided relatively equally between bilateral aid (£94m) and multilateral aid (£92m, comprising £72m channelled through the European Community and £20m through UN agencies). Although its multilateral humanitarian assistance has remained relatively stable at around £85m–£100m, in 1999–2000 DFID disbursed £221m bilaterally through NGOs, Red Cross organisations and earmarked funding to UN agencies, more than double the £102m of unearmarked assistance that went to multilateral agencies. While distorted by the peculiarly bilateral response to the Kosovo crisis, this nonetheless shows that donors can 'go bilateral' if and when they choose to do so. In the US, while overall funding to multilateral humanitarian organisations has not declined in real terms, the proportion of resources that go to multilateral programmes has fallen. Thus, the share of the Bureau of Population, Refugees and Migration (BPRM)'s budget allocated to international organisations (the UN and the ICRC) has declined, from 92% in 1996 to 85% in 2001. In the case of ECHO, there has been considerable volatility in the proportion of its funds channelled through the UN over the past decade. From a peak of 37% in 1992, contributions to UN agencies hovered at around 20% in the period 1998–2000.

At the same time, the direct contracting of NGOs by the major donors is increasing. So, for example, the US Office of Foreign Disaster Assistance (OFDA) has increased the share of its funding going through NGOs, from roughly 60% to over 70%. In the UK, DFID's humanitarian aid spending through NGOs more than doubled between 2000 and 2001, from £33.5m to £75m, just as its overall spending on NGOs declined (Randel and German, 2002). In 1990, ECHO spent 27% of its funds through NGOs. By 2000, this had risen to 67%, compared with 20% channelled through the UN. Whereas direct contracting of NGOs by the major donors is increasing, UNHCR, for example, is reducing the number of contracts it has

with NGO partners. In 2000, such contracts accounted for 44% (\$311m) of UNHCR's expenditure, compared to 51% (\$500m) in 1996.

2.2.5 Summary

This analysis suggests that:

- Official humanitarian assistance has increased significantly in real terms, and as a proportion of total ODA. Donor governments are using humanitarian assistance more than was the case in previous decades, particularly in conflict-affected countries.
- A handful of donors are responsible for the bulk of humanitarian assistance.
- Official humanitarian resources appear to be heavily concentrated on a relatively small number of countries. This concentration does not necessarily correlate with humanitarian need.
- The amount of humanitarian assistance available for operations at field level has not increased as significantly as official data suggests. An increasing share of resources is being allocated to spending in donor countries themselves.
- The share of resources allocated through the UN has remained relatively static: multilateral organisations have not expanded their market share, either through multilateral or unearmarked contributions.
- Many donors are increasingly choosing to contract NGOs directly.

The weakness and complexity of the financial data mean that, while it is clear that financial flows have become more bilateral in the narrow technical sense, the implications of this for the system as a whole are not clear. It is therefore important to place this quantitative data alongside more qualitative changes in the managerial and contractual relations within the international humanitarian system. This is the subject of the following sections.

2.3 The new public management: a review of trends in Western public policy

The changing relationship between official donor bodies and recipient humanitarian organisations is part of broader developments in governance and public administration in donor countries. While there are peculiarities in the humanitarian sphere, these are not sufficient to explain all the changes in the financial and management arrangements in the sector over the past decade.

During the 1970s, there was growing concern among politicians and their electorates that governments were proving ineffective and costly providers of public services. During the 1980s, the governments of Ronald Reagan and Margaret Thatcher embodied a political and fiscal response to these concerns. In the US and the UK in particular, government involvement in the direct provision of public services was reduced. Services were privatised, and new relationships established between governments and providers, both commercial and voluntary. In addition to the political arguments supporting the promotion of a mixed economy, the privatisation of service provision was expected to improve quality, efficiency and effectiveness. In particular, governments turned increasingly to the voluntary sector to provide public services, arguing that the ethos of charitable organisations and their proximity and commitment to particular groups, such as the disabled, the elderly and children, gave them greater insight into their needs and more accountable ways of meeting them. By introducing competition between different private providers, these changes were also expected to yield cost-savings (Demone and Gibelman, 1989). However, while this approach drew heavily upon models of competition in the private sector, the performance of public service providers could not be judged solely or primarily in terms of profitability. This meant that new mechanisms to monitor performance were required (Glynn and Murphy, 1996).

For voluntary organisations, the wave of government contracts and funding that emerged during the 1980s represented a significant opportunity. The scale of funding and its relative predictability provided a means of expanding service provision. It also enhanced the visibility and legitimacy of voluntary organisations, and gave them more direct access to public policy-making. However, there were also potential costs. From an NGO perspective, these included the practical implications of 'scaling up' activities, and how this would affect organisational culture; problems with the slow disbursement of grants; and the high transaction costs of the more formal application and reporting procedures associated with government funding.

A more fundamental question also emerged as to whether increased dependence on governments for funding would mean compromising the independence of the recipient agencies. Thus, for example, there have been concerns that voluntary organisations might be less willing to engage in critical advocacy and challenge a donor government's policy. Blau (1964) suggests that, as the volume of resources provided to organisations increases, so the recipient will increasingly accept the donor's demands as legitimate. Conforming to the procedures for the award, management and monitoring of public service contracts may require voluntary organisations to meet goals set for them by government, rather than ones they have set themselves. In other words, public service contracting, far from enabling decentralisation and deregulation, may ultimately extend the reach of the state (Edwards and Hulme, 1997; O'Neill, 2002; Smillie, 1993; van der Heijden, 1987).

It is not clear that increased dependence on official funding necessarily compromises the independence of the contracted organisation. Control over resources is only one of several ways in which donor bodies may exert power. These include formal authority (that is, legitimate power to which people submit voluntarily); control of decision processes; control of knowledge and information; and through inter-personal alliances and informal exchanges.⁵ Thus, a series of intangible resources *in addition to funding* is at stake: donors provide recipient organisations with information, political support and legitimacy, and give them access to the policy process. Personnel may also be a resource which flows in both directions between the organisations. Organisations can defend themselves against undue donor influence in a number of ways, for instance by establishing independent networks, securing resources from elsewhere, increasing their organisational capacity and moral authority and making independent claims to knowledge.

Smillie (1993: 30) notes that the precise proportion of an organisation's income from a governmental source is not the primary issue; more important is 'whether governments respect and value the independence of the voluntary sector. Whether they see NGOs as an important part of civil society, or simply as inexpensive executing agencies, working in places they themselves cannot reach'. In other words, it is not only money that matters: the *nature* of the relationship between donor and recipient is also important.

For the humanitarian sphere, a key question is whether there is a common understanding between actors regarding the purpose of donor behaviour, the way in which donors' power is exercised, and how that is perceived and interpreted by the agency. Conflicts arise when the goals of one organisation are at the expense of another (Mowjee, 2001).⁶ Molnar and Rogers (1979) divide such conflict into two types: structural conflict, where there is an inability to establish or maintain the basic rules that govern the relationship, and there is a breakdown of trust; and operating conflict, which occurs over expectations of a task or performance of a role, and can be viewed as a continuous process of mutual adjustment and negotiation. The major points of contention between donors and recipient

organisations have largely been confined to operating conflicts, in which there is dispute regarding how particular tasks should be undertaken; outright structural conflicts, where there is fundamental disagreement over the respective rights and responsibilities of the different partners, have been rare.

Most analysts agree that trust is fundamental to the character of the donor–recipient relationship. Fukuyama (1995) defines trust as an expectation of regular, honest and cooperative behaviour, based on shared norms among members of a community. He argues that it is fundamental to economic relationships, as well as social relationships, and has a large and measurable economic value. This point has been well demonstrated by the significant falls in international stock markets in 2002 following revelations of accounting irregularities in large corporations such as Enron and WorldCom. In a series of lectures in 2002, the British philosopher Onora O'Neill (2002) examined the proposition that there has been a crisis of trust in public life, and explored the mechanisms that governments have used to re-establish public confidence. In the wake of scandals over the poor performance of professionals such as doctors, social workers and politicians, and continuing concerns regarding the mismanagement of public funds, there has been a revolution in public accountability in parliaments and related pillars of governance, such as audit offices, and in the processes by which governments allocate resources between departments.

The question of trust – or the lack thereof – seems to underlie at least some of the recent transformations in humanitarian aid. As described in Chapter 1, during the 1990s there was arguably a breakdown of what Sako (1992) calls 'goodwill trust' in the humanitarian sphere.⁷ Assumptions that humanitarian organisations would 'do the right thing' were challenged in a number of major emergencies, and the role of humanitarian aid, and of the governments that were financing it, came under significant scrutiny. This, combined with pressures to account for the effectiveness of public spending more generally, has meant that there have been important changes in the contractual and management framework governing humanitarian aid spending, particularly for the larger donors. The remainder of this chapter is primarily concerned with how different donors are applying these new contractual and management systems, and the implications for humanitarian action.

⁵ This characterisation of formal power, like most discussions of the subject, is from the nineteenth-century German sociologist Max Weber. The importance of legitimacy in determining formal authority is a recurrent theme in the literature. For example, Blau (1964) argues that the 'legitimation of patterns of social conduct and relations requires that common values and norms put the stamp of approval on them and reinforce and perpetuate them'.

⁶ Mowjee (2001) uses theories of organisational relationships to examine whether and how resource dependency affects the behaviour of a receiving organisation. She notes that an organisation's independence is determined by three key factors: its level of access to resources from different sources; the objectives of the organisation; and the degree to which there is agreement between donors and their partners regarding their goals.

⁷ Sako distinguishes between different types of trust that govern socio-economic relations: contractual trust is the expectation that each partner will adhere to specific agreements; competence trust is based on each partner fulfilling its role competently to professional standards; and goodwill trust, which is more diffuse, refers to the mutual expectation of open commitment. An individual worthy of goodwill trust can be granted great discretion because they can be relied on to take initiatives and refrain from taking undue advantage.

2.3.1 Summary

This analysis suggests that:

- The changing contractual environment within the humanitarian sphere needs to be understood against the backdrop of wider changes in public sector management in donor countries.
- These changes have involved a significant increase in public service contracting, driven by concerns over the efficiency and effectiveness of public service provision by the state.
- The increased availability of official funds has enabled non-governmental organisations to expand the scale of their activities significantly, and in some cases to gain increased access to public policy-making.
- It is not clear that increased dependence on official funding necessarily compromises the independence of the contracted organisation.
- Trust is key to the donor–recipient relationship. Where there are high levels of trust and a mutual understanding of goals, there is likely to be less reliance on formal contractual relationships.
- Recipient organisations are not passive in managing their relationships with donors, and can respond to perceived threats to their independence and organisational goals in a number of ways.

2.4 The changing contractual environment

As public and bureaucratic pressure to ensure the effective and accountable use of official humanitarian aid has grown, so donors have formalised many of the procedures governing their financing of assistance in this area. This section examines changes in the contractual arrangements between the case-study donors and the recipients of official humanitarian assistance. It looks at the development of donors' own humanitarian strategies; changes in the requirements for project proposals and funding requests; and the various funding mechanisms donors use to define their financial relations with NGOs and the UN.

2.4.1 The development of donors' humanitarian strategies

Historically, most official donor bodies were largely reactive in their funding for emergencies, responding to proposals from individual organisations and relying on their partners to identify need, define strategies to meet it and develop reporting structures. By providing unearmarked contributions to international organisations, donors also invested in a relatively flexible global capacity to respond to various forms of crisis. However, as the complexity of

humanitarian decision-making has increased, and as the number of potential mechanisms through which humanitarian assistance can be channelled has expanded, so the larger donor organisations have developed their own humanitarian strategies, both globally and in relation to specific crises.⁸ This formalisation of humanitarian planning reflects the significance of this form of aid as a share of expenditure, as well as an acknowledgement of the protracted nature of many emergencies. In other words, the idea that emergencies are inherently unpredictable, short-term events no longer holds, at least in planning terms (it persists in the short length of project cycles). Thus, some donors have increased their technical expertise, either in-house or through contracted staff, in order to guide the allocation of resources, prioritising different activities and areas of a country.

In the case of DFID, this follows a broader trend towards developing comprehensive Country Strategy Papers (CSPs) to guide the allocation of development assistance. Unlike CSPs, however, the strategy papers that relate to humanitarian assistance are not systematic; not all countries or regions that are long-term recipients of relief aid have them. For example, there are papers for Iraq, Myanmar and the northern Caucasus, but the paper for Angola is still in development. In the case of high-profile crises such as Kosovo and Afghanistan post-11 September, these documents form part of a government-wide policy strategy. Humanitarian strategies might be better classified (although not formally) as funding guidance papers, as they are developed more as mechanisms to determine appropriate levels of DFID funding, rather than as strategic tools for humanitarian action. In contrast to CSPs, these documents are not public, and partner organisations do not have access to them. The British government argues that its humanitarian assistance policy documents are not made public mainly for reasons of security.

ECHO's humanitarian strategy for particular emergencies is set out in Global Plans. These were introduced in 1994 to 'provide a coherent framework for action in a given country or region where the scale and complexity of the humanitarian crisis is such that it seems likely to continue' (Official Journal of the European Communities, 1996). Since 1996, they have been required for all programmes where spending exceeds 100,000 euros. Global Plans initially covered six- and 12-month periods, but since

⁸ Smaller donors such as Denmark continue to rely on mechanisms such as the CAP, and upon the knowledge and expertise of their NGO partners. However, the recent evaluation of Danida's humanitarian assistance recommended that the agency should enhance its capacity to define country-specific plans to guide its work, in cooperation with the diplomatic desks in the Ministry of Foreign Affairs (ETC UK, 1999: 44). In the Netherlands, the introduction of strategies to guide humanitarian aid spending grew as much from new legal requirements regarding the contracting of private organisations as from a desire to increase the strategic quality of Dutch humanitarian response.

2002 there has been a provision for them to run for up to 24 months. Global Plans set the overall funding available for a particular country, and how these funds will be used. They enable ECHO to make one funding decision for a crisis, and no additional resources are allocated for a given area unless another emergency occurs. ECHO's network of field correspondents is particularly important in formulating Global Plans, and it is at this level that ECHO has invested most heavily in technical expertise. Draft Plans are reviewed by headquarters staff, and when finalised are presented to the Humanitarian Aid Committee (HAC) for final approval.⁹ Thus, as well as aiding planning Global Plans fulfil an accountability function, providing a consolidated basis for presenting ECHO's strategy to the HAC.

Global Plans have enabled ECHO to streamline an extremely cumbersome administrative process for the release of funds. For those included, the system works well, and helps to provide predictability. One NGO staff member reported that:

Once you get into a sector with ECHO, you generally stay there ... Theoretically, all you're getting from ECHO is a six-month contract. Life would be an absolute nightmare if that was actually the case ... it usually works alright because one contract rolls into the next contract which rolls into the next.

These Plans have also, however, been controversial within the humanitarian community. The primary concern has been the lack of transparency in the process by which they are developed. Agencies cannot successfully apply for funding once a Global Plan is approved, nor is it clear how different organisations are counted in or out of a Plan. Although in some cases field correspondents have convened workshops for potential partners, the views of partners are rarely solicited, and ECHO only began providing partners with an overview of draft Plans in December 2001. Understanding the development process, at least until recently, has therefore relied upon informal mechanisms of consultation, particularly at field level. Since smaller agencies may not be able to invest time in developing relationships with headquarters and field staff, they risk being disadvantaged.

In the US, USAID's country strategies are formulated by the mission, and often include provisions on disaster prevention, preparedness and mitigation planning. OFDA's regional offices are seeking to develop regional

disaster response and mitigation strategies and to integrate them within the mission country strategies, but in general OFDA focuses more on rapid reaction after the fact. Since it has greater flexibility than other donors in resource mobilisation, OFDA does not face the same external pressures to develop a formalised plan.

2.4.2 Changes in the requirements for project proposals

Donors are also formalising the procedures by which agencies submit requests for funding. Until the mid-1990s, many donors did not require emergency aid projects to conform to pre-specified proposal formats. Agencies submitted proposals in their own formats, which varied in their emphasis on contextual and programming analysis and in the presentation of budgets. The majority of donors now require their implementing partners to clearly present their objectives, and how the proposed programme and inputs will serve to achieve them. There is increased emphasis on argumentation, justification and quantitative analysis.

Not all donors have increased their reporting requirements to the same degree, and not all donors demand the same degree of formality and specificity. For example, ECHO's guidelines for the completion of project proposals are relatively tight. DFID's are significantly more straightforward and flexible, and recognise that not all questions are necessarily relevant to all types of project. The differences between donors appear to be related to their size (with larger donors able to demand and manage more information); bureaucratic culture (the EC, for instance, has tight contractual procedures to which ECHO must conform); and the political culture of a particular country (thus, in Denmark there is a far higher level of support for aid than in, for example, the US). Where there is a high degree of goodwill trust, as in Denmark, there are fewer pressures to establish more formal and complex contractual and management arrangements.

Many donors emphasise the importance of logframes in project planning; logframes became compulsory for all ECHO projects in 2001, for instance, and are mandatory for all DFID-funded projects over £100,000. Both DFID and ECHO are critical of 'stable' logframes, and stress the need for rolling objectives because projects change during implementation. Both also require that any revisions to logframes and objectives are noted in interim reports. Both donors' logframes follow a broadly similar format (see Harmer (2002) for a detailed account), and both see the responsibility of agencies as ending at the 'results' level, with the project purpose and overall objective beyond the control of the implementing agency. Both donors also demand quantitative and qualitative performance indicators, as does the US. Thus, if a project proposal claims to reduce mortality and morbidity, donors ask to what extent these

⁹ The Humanitarian Aid Committee comprises representatives from all EU Member States. It meets monthly. Global Plans are usually agreed without amendments by the HAC, no Global Plan has been rejected, and there is a widespread feeling that the degree of donor participation in the process is minimal. ECHO makes the point that it usually anticipates what would be acceptable to the HAC, including ensuring a broad and representative balance of implementing partners.

will be achieved, and how this will be measured. OFDA requires that each project it funds is constructed as a series of discrete, measurable objectives, each with baseline data and indicators for measuring performance and results. Project budgets are broken down by objective, although NGOs can also list separately cross-cutting expenses such as staffing, office needs and institutional overhead.

Both DFID and ECHO also request information regarding operational history, details of beneficiaries and evidence of needs assessment, a proposed workplan and details of any proposed local partner. DFID focuses on policy and strategy, such as dealing with marginalised groups, participatory practices, gender analysis and conflict awareness, and also emphasises the importance of risk assessment and value for money. OFDA also requests information on relief–development linkages, community capacities and participation and coordination with other organisations. ECHO has sought to mainstream gender issues by requiring partners to disaggregate their programming and contextual analysis in gender terms.

According to NGO staff interviewed for this study, the majority of queries regarding project proposals concerned financial details, particularly in the case of ECHO. Different donors ask for different degrees of detail, and require information to be presented in different ways (by results or by input, for example). NGO representatives noted difficulties in striking the right balance between providing sufficient detail to ensure the rapid processing of the application, while allowing sufficient room for changes in prices, for example for drugs and food.

NGOs also reported delays in the response to proposals. One of the reasons given for the traditionally light procedures applied to the project application process in the humanitarian sphere was that tougher requirements would slow donors' response rates – and thus eventually the overall response to emergency situations. Both ECHO and DFID have committed themselves to response times for informing partners of funding decisions. In rapid-onset disasters, DFID undertakes to respond 'within hours', and in other cases promises a progress report within three weeks of a proposal being received. In ECHO's case, the commitment is less specific. While ECHO was able to approve a project quickly, the actual disbursement of funds was often more problematic. In contrast, DFID was seen as slower in its initial response to applications, but more flexible and faster in disbursing funds.

Neither DFID nor ECHO provides detailed feedback as to why proposals are refused. In the case of UNHCR's applications to ECHO, this has proved a particular source of frustration, with the agency seeing no improvement in the rate of successful applications. One NGO reported that some proposals to ECHO had failed because they were seen as too expensive, but no estimate was provided as to what would be a reasonable cost.

A significant difference between DFID and ECHO is that, whereas international organisations can draw on different funding streams for support from DFID (and indeed from the US and Danida), in ECHO's case they have to conform to the same project format as NGOs. Arguably, ECHO's procedures are less adapted to the more programmatic and less visible activities of multilateral institutions, such as coordination. Not only do UN programmes fit less comfortably with this style of proposal, but UN organisations have also proved less willing to engage with proposal requirements. Similarly, in relation to the US, the UN has been unable to provide compelling evidence of its success to challenge the widely-held belief among politicians and the public that it is ineffective and chronically wasteful. This places the UN at a disadvantage from the start.

By formalising project proposals and introducing logical systems, donors are requiring funding applicants to establish their objectives clearly from the outset, and to state how different inputs and activities will contribute to meeting these goals. Donors are also seeking to strengthen the evidence base on which humanitarian action is founded. However, this seems to have had only limited impact in informing a more aggregated analysis of activities. The degree to which different elements of proposals (narrative, activities, outputs and outcomes) are followed through at later stages of the project cycle varies considerably from donor to donor, with some emphasising financial scrutiny, and others focusing more on the qualitative aspects of performance. Thus, more rigorous and professional application procedures may act more as a useful discipline for project applicants, than as the basis for donors to review and monitor systematically and comparatively the performance of particular agencies, and the effectiveness of their overall intervention in a particular country.

2.4.3 Defining the contract

The privatisation of welfare services in donor countries in the 1980s was associated with a shift in the way governments provided financial support to non-governmental organisations. In particular, a distinction emerged between 'grants' and 'contracts'. While the literature on public service contracting in the UK and the US has highlighted the difficulties that this created for recipient organisations, it has not offered consistent definitions of these terms. Nonetheless, it does highlight a number of characteristics of these different types of financial arrangements. These include:

- *Flexibility.* While grants are flexible and easy to adapt to changing circumstances, contracts are governed by rules which might make them difficult to amend.
- *Specificity.* Grant terms are not specific about activities or quantitative aspects of the work to be undertaken

by the recipient organisation. Contracts are usually spelt out in detail, and try to cover the rights and responsibilities of the parties involved in all eventualities.

- *Formality.* Grant relationships are generally based on informal communication, while contractual relationships are governed by the formal terms of the contract.
- *Aims and goals.* Whilst grant-givers and receivers usually have a shared understanding of the goals they are working to, this is not necessarily the case for parties to a contract.

OFDA uses three funding mechanisms: grants, which are the primary vehicle for implementing partnerships with NGOs, UN agencies and international organisations in emergency situations; contracts, which are intended primarily for private sector or highly specialised technical actors in the procurement of specific goods and services; and cooperative agreements, which fall somewhere between grants and contracts, and entail 'substantial involvement' between the donor and the recipient during the lifespan of the project (Stoddard, 2002). OFDA disburses roughly 90% of its funding in the form of grants. Exceptions have occurred when an emergency situation turns into a recovery effort, when OFDA turns to longer-term cooperative agreements.

ECHO's contractual framework is the most complex of the donors reviewed. Its Framework Partnership Agreement (FPA), introduced in 1993, and repeatedly renegotiated, comprises three parts: a general contract with an organisation; general clauses that apply to all projects submitted by the agency; and the operational contract, which covers individual project proposals as well as reporting. This standard format applies to all ECHO implementing partners. The general clauses which apply to all projects consist of 33 Articles covering financial and operational issues. An outline of the main Articles is provided in Annex 2. By 2002, 214 NGOs had signed the FPA. The FPA has allowed ECHO to expedite the issuing of contracts to its implementing partners. However, its primary purpose is to ensure effective administrative and financial control, replacing the 'easy informality' that had characterised funding relations in the past.

The history of the FPA is long, detailed and controversial (for a full account, see Mowjee and Macrae (2002)). Of particular concern has been the extent to which the Commission's expectations of financial reporting can be reconciled with the desire to maintain rapid and flexible responses, and to react to ever-more complex policy requirements. A sophisticated NGO lobbying network in Brussels – the FPA-Watch group – has provided the focus for extended negotiations on the FPA between ECHO and its NGO partners. These negotiations led to agreement on a new FPA in 1999, and its further renegotiation in 2001. Another round of negotiations is under way. In

addition to reiterating the centrality of financial accountability, the revisions of 1999 and 2001 reflected the definition of humanitarian aid introduced in the 1996 Council Resolution, including the importance of impartiality, as well as the eligibility criteria set out in Article 7 of the Regulation. It also included three Provisions that state the general principles of partnership. The second Provision is perhaps the most significant. This committed the signatories to respect humanitarian principles; establish a link between relief, rehabilitation and development; involve beneficiaries in the management of relief aid; ensure that any publicity presents disaster victims as dignified human beings; and take necessary measures for the security of aid workers.

It is indicative of the FPA's complexity and importance that the process of renegotiation has attracted significant interest, particularly from NGOs. However, a review of the minutes of meetings of the FPA-Watch group suggests that most attention has focused on legal and financial aspects. For instance, NGOs have complained about the absence of a definition of 'expatriate' in the FPA, leading to different interpretations by ECHO staff. Much less attention has been paid to the implications of substantive policy debates.

The NGOs interviewed for this study had differing views regarding the advantages and disadvantages of ECHO's highly formalised requirements compared with other donors. One official working for a larger agency commented that 'The FPA was fantastic. Finally, we knew what we were meant to do. Previously, there were very different interpretations of the procedures. The FPA brought clarity on both sides'. ECHO's technocratic and procedural preoccupations are seen as providing a buffer against political interference, and so enhancing the predictability of ECHO funding. Arguably, this is reinforced by the Regulation defining ECHO's legal status, as well as the distinctive competence of the Commission in relation to the EU and the Common Foreign and Security Policy (CFSP). The procedural complexity of the FPA also has costs, however. The larger NGO interviewed estimated that negotiating a single amendment to an ECHO contract cost around £1,000 in staff time. For the smaller NGO we examined, these high transaction costs outweighed the benefits of political predictability compared with DFID. This was despite the fact that DFID's decision to stop funding in one country in 1998 meant halting a large component of the NGO's work, with considerable implications for the organisation's financial viability.

Aside from concerns about financial accountability, ECHO and other donors have found it difficult to translate substantial policy priorities into contractual terms, particularly in areas that are difficult to quantify. Both ECHO and DFID have sought not only to establish mechanisms for the appropriate management of public funds, but also to influence the overall policy framework governing humanitarian action. In making this explicit,

the basis is set for a new dialogue between donors and recipient organisations on issues such as humanitarian principles, security management, the introduction of professional standards and the involvement of beneficiaries in relief programmes. However, the interpretation of these policy goals has at times proved contentious, for example with regard to US and British policy towards Afghanistan before 11 September, or the EC's use of security assessments to govern funding in Somalia. In part, these difficulties stem from the diversity of the humanitarian 'system', which makes it difficult to get partners, particularly NGOs, to agree to common programming values. Thus, for example, ECHO's attempts to encourage human rights reporting and conformity to Sphere standards have met with fierce resistance, particularly from a number of francophone NGOs.

Given these difficulties, it is perhaps not surprising that donors should elect not to include detailed programming requirements in generic contracts, preferring instead to maintain some room for manoeuvre and to operate more informal criteria for reviewing NGO performance. This can be seen as a visible commitment to preserving the independence of their partners, with donors pulling back from making adherence to a strict policy framework a formal requirement. However, in the absence of mechanisms by which to monitor partners' adherence to key policy objectives, it is unclear how donors can assess the extent to which their funding is contributing to the achievement of these goals. In addition, the selective scrutiny of certain conditions, for example over security, can undermine trust between donors and their partners.

2.4.4 'Contracting' the UN: from earmarking to institutional management

Donors differ in how they fund the UN's humanitarian agencies, according to their perception of the organisation's role in humanitarian action. With the partial exception of the Scandinavian countries, the UN is increasingly seen as one actor among many, and its place in the humanitarian arena is not guaranteed. There are a number of important points of contention between donors and multilateral organisations working in the humanitarian field. These include the perception that the UN's ability to report effectively for its use of funds is weak and its performance patchy, and a belief that the mechanisms for change – the Executive Boards and Committees – are unwieldy, political and slow. This has meant that UN agencies can be subject to an unusually high level of scrutiny by donors. In the US, the BPRM's contribution to UNHCR is subject to a Congressional reporting requirement, designed to facilitate close scrutiny of the US government's contributions. UNHCR was also subject to a very public drubbing at the hands of the UK's International Development Committee in 1999 (IDC, 1999a). This mistrust has formed the backdrop for more detailed, technical discussions over funding and contracting arrangements.

Of the four donors reviewed for this study, Danida remains the most committed to UN institutions in its orientation, and goodwill trust largely prevails. This is in part because the performance of multilateral humanitarian agencies has not yet attracted significant public or parliamentary scrutiny. Danida continues to allocate a significant proportion of its support to UNHCR through unearmarked funds, in addition to responding to general appeals. It is also a relatively strong supporter of the CAP. Yet even within Danida, there are signs that a more critical view of the UN's performance is emerging.

In the UK, the overall policy, as laid out in the 1997 White Paper, is one of active multilateralism. The UK's policy goals with respect to multilateral institutions and international organisations such as ICRC are formalised and made explicit in Institutional Strategy Papers (ISPs). ISPs differ from one agency to another in their detail, but a number of key themes can be discerned. These include efforts to bolster performance monitoring, accountability through results-based planning, reporting and evaluation activities; strengthening emergency response capacities; and improvements in security management. The 1997 White Paper made clear that DFID would be watching carefully the extent to which its multilateral partners shared its goal of poverty reduction, and were able to contribute to achieving it. Thus, while the UK shares Denmark's commitment to multilateralism in principle, DFID's approach to the UN is more conditional.

US policy towards the UN is less clear cut. The US is the single largest supporter of all humanitarian multilateral and international organisations, yet its foreign policy has been marked by a deep distrust of the UN. Although the level of scrutiny applied to UNHCR is particular to that agency, it is symptomatic of a wider political culture in which engagement with multilateral organisations is highly conditional, and sometimes selective (Stoddard, 2002). The US position towards the UN can be seen as an expression of the wider tensions that have long characterised its foreign policy, namely its global ambitions to uphold and spread particular values, and a tendency towards isolationism. In addition, the bifurcated structure of US policy-making and the complexity of the legislative system mean that positions are not always articulated clearly or consistently (US government, 2000). These difficulties work against US influence over the detailed management of UN organisations, and partly offset the influence achieved through very tight earmarking.

ECHO is probably unique in its approach to the UN. Contractually, ECHO's grants to UN organisations are no different from those for NGOs, and its approach is defined by the same complex legal framework that governs all of the EC's grant-making procedures. At the same time, there is a deep-seated view within the Commission and among some member states that the UN is an inefficient and expensive middle-man in the contracting chain, and that

it is preferable to go directly to NGO ‘suppliers’. The tendency towards greater Commission ‘ownership’ of its humanitarian programming can thus be seen as a reflection of the Commission’s desire to promote the EU as an international actor in its own right.

Such ambivalence towards multilateral organisations is possible because donors are no longer dependent solely on them to disburse large volumes of funds quickly. While inter-agency mechanisms such as the CAP, in which the UN looms large, retain value for donors in absorbing surges in funding, large transnational NGOs are now formidable players; in a 1997 report, UNHCR estimated that 20 European and US organisations received 75% of the global humanitarian assistance channelled through NGOs (UNHCR, 1997). Porter (2002) notes that the total value of all water and sanitation interventions presented in the CAP was probably less than Oxfam’s emergency budget, which is largely devoted to this sector. In addition, military and paramilitary actors may also call upon official humanitarian aid budgets (Barry, 2002; Macrae, 2002). The EU, for instance, can draw upon a significant civilian and military operational capacity, and so represents a new form of multilateral action which is potentially in direct competition with the UN.

2.4.5 Earmarking contributions and framework agreements

Each of the donors reviewed in this study contributes to the UN with varying levels of earmarking and contractualism. Of the four, ECHO acts most ‘bilaterally’: all of its contributions to UN organisations are against specific projects (Mowjee, 2001). Its position is influenced both by EC-wide regulations and procedures, and by its own particular concerns regarding the UN as a partner. The US also has a long history of earmarking, and at least 80% of contributions to UNHCR and WFP were earmarked in 1999–2000 (Randel and German, 2002). In the same period, the UK earmarked approximately two-thirds of its contributions to the same agencies. This reflects the global trend described in Section 2.2 towards a decline in multilateral (unearmarked) contributions.

In itself, earmarking should not be understood as a negative development: donors may earmark their contributions in order to encourage attention to areas that might otherwise be under-funded, or to effect positive change within recipient organisations. Earmarking can also enhance accountability. Thus, for example, BPRM’s consistent and broad earmarking of contributions to UNHCR’s work in Africa has sought to counterbalance the relative lack of attention to that continent from other donors. Equally, DFID’s earmarking of contributions to capacity-building within IFRC and prevention activities in ICRC protected work that had traditionally been affected when resources were tight (Wiles, 2002a; Wiles, 2002b).

That said, there are potential problems with earmarking contributions to multilateral agencies. First, the selection process may not be neutral; donors may use resources coercively to ensure that their policy objectives are met, and these may or may not reflect need on the ground. Tight, project- and country-specific earmarking also makes financing less predictable and stable, particularly when a major, visible crisis occurs. In the aftermath of 11 September, rather than providing additional resources for the Afghanistan crisis donors in effect reallocated resources that might otherwise have been earmarked for other regions, or left unearmarked. Like a ship whose passengers run suddenly from one side to the other, such a ‘system’ is inherently unstable.

Randel and German (2002) summarise the potential problems with earmarking as follows:

- it does not necessarily lead to the equitable and efficient distribution of resources;
- it reduces the flexibility of agencies to allocate resources to respond to changing needs and funding availability;
- it increases the administrative burden associated with managing contributions;
- it does not support core costs; and
- it encourages ‘cherry picking’, with stronger, more promising parts of organisations singled out for support, while other less attractive services may be left to struggle.

Many of these points apply particularly where very narrow earmarks are specified to the country or even project level.

More broadly, there is a debate regarding the degree to which donors’ choice of projects and activities influences the whole of the multilateral project. Earmarking is seen by some, particularly within UN agencies and the G77 group of developing countries, to contradict the governance structures that manage multilateral institutions. Donor governments are members of the same Executive Boards of UN agencies that have encouraged the adoption of unified budgets, and approved them. These same states, having agreed that the organisation should pursue an overall agenda, then proceed to select which parts of that agenda they will support, and which parts they will not. However, donor states resist any implication that approving a budget constitutes a responsibility to fund it (Lubbers, 2001b).

Framework agreements and related strategic dialogue can be seen as an attempt to rationalise the process of earmarking, and to link it more clearly with broader issues of institutional accountability and performance. This reflects a wider move away from project-based approaches to the policy-based approaches common in development cooperation. These agreements are usually valid for one year, but sometimes for up to three, commit the donor to providing a minimum contribution to the organisation

over a period of time, and articulate clearly the extent to which this is to be earmarked against particular activities. In 'return', donors map out their expectations of the recipient organisation.

For donors, these agreements are important tools in enhancing the effectiveness of aid, and meeting their management and accountability needs. The UK's ISPs, for example, outline how DFID proposes to reach its poverty eradication targets, identify DFID's policy objectives and its partners, and constitute one way in which to monitor progress. They also provide a direct means of operationalising DFID's Public Service Agreement (PSA) with the UK Treasury (this is detailed in Chapter 4). They are quasi-contractual in spirit and in fact; behind the main ISP document there are detailed annual action plans that link funding to specific activities, and continued support is made conditional upon partners meeting key indicators. In the US, framework agreements such as that with UNHCR make explicit the government's concerns about the agency's strategy, and provide benchmarks that, once fulfilled, would lead to the lifting of the restrictions currently applied to funding, such as requirements regarding the number of US personnel working for the agency. Thus, these agreements can be seen as an attempt to establish shared norms and goals, as well as defining key competencies that donors expect to see fulfilled.

The *process* by which these agreements are negotiated is almost as important as the agreements themselves. The signing of framework agreements typically represents months of demanding discussion and analysis behind the scenes. In some cases, they have also built upon field-based reviews of performance, as was the case in the preparation of DFID's ISP with UNHCR. The negotiation process can increase the goodwill trust between donor and recipient, but it can also damage it, particularly if relations are already poor. The preparation of the DFID-UNHCR ISP, for example, coincided with a period when the relationship between the two organisations was at an all-time low, and funding had declined correspondingly. In such an environment, donor scrutiny can be seen as threatening and inappropriate, particularly if such analysis is carried out by relatively junior officials. Equally, a recipient's defensiveness and resistance can deepen existing mistrust.

These agreements can also have important benefits for recipient organisations. The US framework agreement with UNHCR, for instance, was followed by a more timely and additional disbursement of funds in late 2000 (Wiles, 2002a). Similarly, DFID's ISPs with IFRC and ICRC have led to a significant increase in the overall funding available to these organisations, both through the ISP framework and through additional earmarked funding (Wiles, 2002a; Wiles, 2002b).

While these benefits are recognised, some agencies also see these agreements as problematic. In 2001, UNHCR

declared a moratorium on further framework agreements because of concerns that, as their numbers increased, so they were likely to prove difficult to manage. Both ICRC and UNHCR have expressed concerns regarding the increased workload associated with negotiating framework agreements, particularly for senior staff (see Wiles (2002a); Wiles (2002b); and interviews conducted for this study with UNHCR). These costs would merit closer comparison with more conventional forms of funding. If, as the UK envisages, the initial phase of intensive negotiation and tight scrutiny paves the way for re-establishing trust and creating positive change, this would enable management to become lighter and more loosely earmarked, and the start-up costs of framework agreements may be offset in the medium term. Given the relatively small number of major donors, concerns about the proliferation of donor agreements also bear discussion.

In one sense, the proliferation of framework agreements has led international organisations to see themselves as in a similar position to developing countries, facing a barrage of slightly different conditionalities on the development assistance they receive. If, as donors argue, framework agreements reinforce existing decisions made by Executive Boards and complement agencies' own reforms, then the case needs to be made exactly how donors' demands are substantively different, and/or how their strategies for linking their funding to these changes might impact negatively on recipient organisations. At the same time, agencies' demands for the independence of multilateral action to be respected retain a ring of moral authority, particularly against the increasingly complex political backcloth of contemporary humanitarianism. Framework agreements are a relatively recent development, and it is as yet unclear whether and how different donors' interpretations are affecting agencies' work, other than financially. Greater inter-agency discussion, combined with comparative analysis of different agreements, would inform a debate which at present is rather limited. In this respect, moves to increase donor transparency with regard to international organisations, for example by sharing framework agreements and making them available on websites, are to be welcomed.

One important factor in relation to framework agreements is that, because they provide a basis for consolidating core contributions to an agency, rather than disbursing them through a wide range of more country-/activity-focused work, they may be seen as an all-or-nothing deal; in other words, there may be more to lose if the deal goes wrong. Robinson (1997) has made this point with regard to the potential disadvantages to countries receiving development assistance if donors act in a highly coordinated way. While donor leverage may increase in relation to a particular policy objective, the recipient's power is correspondingly diminished. There may thus be organisational advantages to fragmented donor engagement. Whether these translate

into enhanced operational effectiveness is, of course, a matter for debate.

Finally, framework agreements are long on what the recipient organisation should do, but offer very little on what the donor governments might do, other than provide funds and monitor their use. Thus, with the partial exception of Sweden, which pledged to advocate on refugee issues during its presidency of the EU in 2001, commitments regarding humanitarian diplomacy and protection, for example, are absent. This reinforces the impression that these agreements are designed primarily as managerial tools, rather than as mechanisms to achieve coherent policy responses to conflict and disaster. There is in fact no evidence that recipient organisations have lobbied for them to be otherwise. While recipients have been vociferous and careful in scrutinising the contractual and financial details that apply to them, they have been much more muted in seeking to formalise their expectations of donor governments.

Neither ECHO nor Danida has framework agreements with UN humanitarian organisations. ECHO is constitutionally unable to provide programmatic funding, and is reluctant to untie these contractual knots. One reason for this reluctance is its pique at the UN's ambivalent recognition of its own status (Commission of the European Communities, 2001: 7). As far as the UN is concerned, the Commission is an international organisation, and its status in the programming and administrative organs of UN bodies and its external audit arrangements is conditional upon the consent of the agency in question. Although ECHO is a major donor to the UN, it has very uncertain formal influence through its governing bodies. Thus, while the Commission has gained seats on the boards of FAO and WFP, the ECHO representative to UNHCR is accorded only observer status. There is no consensus among EU member states regarding the EC's status in such bodies. In relation to UNHCR, for example, their views were one of the obstacles to formalising ECHO's role on the Executive Committee.

This has led ECHO to channel more funding directly through NGOs. At the same time, it has also entered into a new process of strategic dialogue with UN agencies, including UNHCR. This has been facilitated by the wider EC–UN consultation that resulted in the EC Communication on EC–UN Relations in 2001 (Commission of the European Communities, 2001), and by the Article 20 evaluation, which encouraged ECHO to strengthen dialogue with international humanitarian organisations. This dialogue is still at an early stage, and there has apparently been only slow progress in moving the discussion away from technical issues to do with contracting towards a more strategic agenda. The signs are, however, promising. UNHCR shared early drafts of its forward plans for 2002, and ECHO has in the past two years been more open in sharing its Global Plans.

2.5 The changing managerial environment

This section assesses some of the mechanisms the case-study donors have used to manage their humanitarian assistance once funds have been disbursed. It examines how donors have increased their oversight capacity at headquarters, and expanded their presence in the field. It also describes how some donors are paying much greater attention to management and monitoring techniques developed outside the humanitarian sphere, such as results-based management.

2.5.1 Headquarters capacity and skills

ECHO and DFID have significantly increased their capacity to oversee the operations of others. They have done so both by recruiting more staff, and by drawing in more staff with a professional background in humanitarian operations. It is difficult to quantify the precise extent of this increase because much of this expansion is 'hidden'. Ceilings on the recruitment of permanent civil servants mean that humanitarian aid departments have sought new and innovative ways of expanding their capacity, such as using contracting organisations and individual contractors.

In the UK, Crown Agents, a logistics and management company, has provided a range of services, known as CHAD-Ops. This unit was established in 1995, and by 2002 comprised 26 core members (compared with DFID's 20 public servants), with the capacity to draw on additional staff as required. CHAD-Ops has expanded to include more policy-based work, and is involved in the day-to-day management of DFID's ISPs, in effect representing British government policy in relation to international humanitarian organisations. In the US, budget cuts throughout USAID during the 1990s have resulted in overall reductions in personnel levels. However, within OFDA specifically staff numbers have remained static, and may have increased. In addition, there is a strong sense that there has been greater professionalism and specialisation of skills within OFDA. In Danida, the evaluation of its humanitarian aid programme noted that the rotation of personnel through the organisation every three years hindered the development of a cadre of staff specialised in humanitarian issues (ETC UK, 1999). It is the understanding of the research team that these rules remain in place.

Despite the expansion and professionalisation of emergency desks, anecdotal evidence suggests that concerns persist among recipient agencies over the uneven experience of donor officials, unclear reporting lines, particularly between the field and headquarters, and high staff turnover. This contributes to the difficulties agencies face in building long-term relationships with donor agencies, and on occasion is seen to compromise the legitimate role of donors in scrutinising agencies' performance.

2.5.2 Donors in the field: from operationality to policy definition and oversight?

There has also been a significant increase in the capacity of donors at field level. At the same time, however, the majority of donors appear to be moving away from direct service provision through their aid programmes. The heavy involvement of donors in service provision in Kosovo and elsewhere in the Balkans may thus prove an exception. A particular combination of factors promoted the extensive bilateralisation of operational response in that emergency, namely high political and media profile, relatively good security and accessibility. These have not been replicated since, and donors did not rush to establish a significant operational presence in Afghanistan in late 2001.

The general move away from operationality is most notable in ECHO. In the mid-1990s, ECHO was spending a significant proportion of its income through its own operations: 15.4% of its budget at its peak in 1994. By 2000, this had fallen to just 1%. This is in line with the recommendations of the Article 20 evaluation and subsequent discussion of ECHO's role by the European Council and the European Parliament (Council of the European Union, 2000; European Parliament, 2000; Franklin Advisory Services, 1999). The Council noted that ECHO does not have a rapid response unit with the operational capacity to deal with acute emergencies, and the Parliament was of the view that ECHO should not concentrate on operational issues (Council of the European Union, 2000).

DFID's capacity to establish multi-mandated field offices has grown significantly. In 1999 and 2000, CHAD-Ops was involved with intensive emergency response and rehabilitation operations in the Balkans, East Timor, Turkey, Sierra Leone and Mozambique. Its involvement in these operations included identifying projects (including assessments of the field capacity of partners), collecting information and monitoring agencies to which funds had been provided. In interviews, NGO staff noted CHAD-Ops' increase in size and capacity in the field, and many consider it a threat to the work of their own agencies. A National Audit Office (NAO) report in 2000 shows that, of a total UK aid expenditure in Kosovo of £110m, £46.3m was disbursed through CHAD-Ops in support of direct service provision, services in kind and grants to other organisations. This exceeds the £42.7m that the Conflict and Humanitarian Affairs Department (CHAD) disbursed directly to international organisations (NAO, 2000).

The majority of donors are not significantly expanding their role in the direct provision of humanitarian assistance through their civilian departments. However, some are investing considerable energy in increasing their presence at field level to undertake a range of planning, assessment and coordination tasks. Field presence has clearly become politically necessary. US interviewees in particular argued

that, because of media pressure and public scrutiny, it is increasingly important for donors to find out for themselves what is going on in the field. This drive for information – and the political inadequacy of relying on information from implementing partners – appears to be more powerful than concerns about performance *per se*. However, the closer proximity of donor personnel to those that they fund has provided ample opportunity to influence the nature and implementation of programmes. This may open specific funding windows, attracting agencies to work in particular sectors or geographical areas. But it may also affect operational issues, as one interviewee commented with reference to the US: 'We get people in the Budget Office telling us what size truck we should be ordering. That's what happens when things get political' (Stoddard, 2002d).

As discussed further in Chapter 3, the US government has long had personnel on the ground with an assessment, oversight, liaison and reporting remit. The State Department's BPRM has deployed staff as Refugee Coordinators ever since the Bureau was established in 1980, and OFDA has had field offices since the 1980s, principally in Latin America and Asia and focused on training and preparedness for natural disasters. OFDA also deployed staff on short-term missions to Africa, such as the Ethiopian famine in 1984, but longer-term deployments did not occur until later in the decade, when personnel were posted to Mozambique and Malawi to 'deal with refugees' in 1988.

USAID Administrator Andrew Natsios is pushing for greater decentralisation of power to mission directors, but it is not clear what this will mean for ODFA personnel or BPRM Refugee Coordinators. Interviewees suggested that there is evidence of Washington seeking to exert greater control over decisions on the ground. Some US government officials argue that, without greater delegation of power, field-based personnel risk becoming yet another layer of bureaucracy, particularly for implementing partners. From the NGO perspective, the introduction of Disaster Assistance Response (DART) teams has represented a major change in the funding relationship and programming process (Stoddard, 2002d). Whereas NGOs used to come to OFDA with funding requests, now NGOs will just as frequently be approached by the DART team to undertake a specific project. The teams have enabled much more communication in the field at the project design stage. While in many instances this is seen as enhancing the quality of programmes, it also serves as a means by which the donor's agenda and priorities can be realised.

ECHO's field presence comprises some 70 correspondents working in 40 countries. The contractual nature of ECHO's relationships with its implementing partners, and the emphasis on financial reporting and procedural compliance, mean that ECHO's field personnel tend to see themselves as more of a controlling than a facilitating presence. ECHO's emphasis on efficiency and the push for improvements in the performance of implementing partners are both possible additional drivers for this.

Interviewees at field level suggested that ECHO staff are generally more focused on the detail of contracts, whereas the US has a team in Washington to assess budgets, enabling field staff to focus on other substantive issues. The fact that many ECHO field personnel are former NGO officials also appears to produce the counter-intuitive effect of high levels of micro-management and control.

As in the US, EU Member States have favoured decentralising strategy-making away from Brussels (Brusset and Tiberghien, 2002). However, the limited role of EC Heads of Delegation in-country imposes restrictions on decentralisation in ECHO. Their contractual status means that ECHO's field coordinators occupy an ambiguous position, and their colleagues in Brussels are neither bound to accept their recommendations, nor to consult them. At the same time, this ambiguity gives a good deal of room to individuals on the ground to determine their own role in the definition of ECHO's programme and its coordination.

Of the four donors looked at for this study, Danida's field presence is the most limited. Exceptionally, the humanitarian aid department established a presence at field level in Kosovo, with a small Steering Unit in Pristina. This is likely to remain in place until the end of 2003, when Danida is scheduled to pull out of the Balkans. The Steering Unit meets with Danish NGOs in Kosovo every fortnight. According to NGOs, its presence speeds up the approval and processing of project proposals. It also encourages coordination between Danish NGOs. A post in Denmark's Nairobi embassy covers Somalia, and oversees Denmark's humanitarian and development aid programme in the country.

2.5.3 Monitoring and results-based management

In recent years, a number of donor and operational agencies have moved towards systems of results-based management (RBM), and away from traditional inputs-based planning and management. Three of the four donor case studies (Danida is the exception) have adopted this approach in relation to humanitarian assistance. The UN Secretary-General's reform process has also embraced these ideas, as have UNHCR and ICRC.

RBM emphasises results and impact in relation to the strategic vision of the institution in question. Put simply, it aims to provide a means by which organisations can examine how their use of resources enables them to achieve their objectives. The framework is intended to inform and guide all stages of the programme timeline (planning, resource allocation, implementation and monitoring) and to allow a continuous comparison of the planned and actual effect of the use of resources in relation to predefined results at the project, programme and institutional level. At the core of the process is the notion of a results chain, with a succession of observable cause and effect relationships and

a methodology for their assessment. The log frame is the starting-point of this process, and is now firmly embedded in the practice of the majority of donor organisations. However, the next stage, budgeting by results, is not widely practised; with the exception of the US, all of the donors examined still expressed their budgets as a series of inputs.

At first sight, such systems are ideally suited to, and much needed in, the humanitarian system. Specifically, they could provide a concrete means by which to examine the extent to which the allocation of humanitarian resources has met humanitarian need. To date, however, establishing this correlation has proved extremely problematic at all stages of the project cycle. In part this derives from the fact that, in the humanitarian aid sphere, cause and effect relationships are highly complex. Nor is there consensus regarding what constitutes humanitarian need, or what the objectives of humanitarian assistance should be. For example, should humanitarian action focus on life-saving support, or should it be investing in the longer-term protection of livelihoods? Should education and capacity-building be included in the range of humanitarian action? Until such consensus is reached, the effectiveness of the humanitarian system, including donors' inputs, remains extremely difficult to quantify using results-based approaches.

DFID's monitoring is increasingly organised around the Millennium Development Goals (MDGs), which form the starting-point for its Public Service Agreement. However, the MDGs are difficult to apply to humanitarian action because they do not include particular goals for humanitarian work. In turn, there is no mention of humanitarian action in the Public Service Agreement, so DFID's spending on humanitarian assistance is measured instead through its contribution to poverty alleviation and conflict reduction. DFID has also tried to build on measures developed by its partners themselves. Thus, the Sphere standards, for example, promised quantifiable indicators by which agencies' performance could be measured. However, although DFID has encouraged agencies to use such standards, it has not insisted that they do so and there is little evidence that NGOs' performance is routinely monitored against these criteria. Instead, DFID has opted for self-assessment, inviting its partners to score their work against objectives along a sliding scale of one to five, with one being the highest score. DFID has also developed an automated management database system (PRISM) which should include a wide range of project information, including performance ratings and scores.

The European Commission's approach to monitoring has included introducing objectives and associated indicators in Global Plans. The Commission has also committed itself to requesting indicators in projects wherever possible, and ECHO has been considering incorporating these into its contractual agreements. ECHO will verify if the objectives have been achieved through performance indicators, which will depend on information provided by the partner agency. Agencies will be responsible for defining their own

indicators, and like DFID the emphasis will be on self-reporting. ECHO has also adopted project cycle management (PCM).

In 1999, a 'Project Appraisal Sheet' or 'fiche op.' (short for 'fiche de suivi d'opération') was introduced. This consolidated the various tools that had been used in different parts of ECHO since 1996. The current fiche op. is used mainly to facilitate structured information exchanges between field and desk staff. It enables staff to see what happened, why and when over the lifecycle of a project. It also shows why ECHO decided to fund one part of a project and not another. A fiche op. is started when ECHO agrees to a project proposal. The document has a front page for general project information, such as contract details, any modifications made to the contract, contact details for the partner organisation and an outline of project beneficiaries (number, type and location). Subsequent pages provide for summaries of the initial project appraisal by a desk officer, monitoring reports, contract modifications and final evaluation. Fiche ops. are also used to provide information to the ECHO hierarchy and to the Commission. They provide a structured and standardised method of analysing projects and the recommendations of desk officers to decision-makers.

Project-scoring data for emergency humanitarian response and reconstruction projects is likely to remain less useful than for larger and/or longer-term development projects. Nonetheless, pressure for the humanitarian community to conform to RBM is likely to increase, particularly from national audit offices (DFID, 2001; EC, 1997; NAO, 2002). The introduction of new techniques of knowledge management such as ECHO's fiche ops. may also quicken the pace in this area.

2.5.4 Summary

The analysis in these sections shows that:

- Donors have responded to public and bureaucratic pressure to ensure the effective and accountable use of official humanitarian aid by formalising many of the procedures they use to finance and manage their assistance in this area.
- Many of these tools rely upon consensus regarding the definition of humanitarian need, the objectives of humanitarian assistance, methods of quantifying performance and assumptions about the attribution of change. Each of these elements is contested, making it difficult to monitor the various stages of the project cycle. A number of donors are working to address these weaknesses, through tighter definition of indicators and project management technologies.
- The UN has proved less responsive than NGOs to the new demands for accountability and performance management. This is partly because NGOs are by their

nature more flexible and adaptable. However, their development of a range of performance- and accountability-related initiatives since the mid-1990s indicates an urgent need to establish legitimacy. NGOs are also arguably more directly dependent on public support than their UN counterparts, and so need to demonstrate greater accountability for their use of public funds. And in the current increasingly competitive environment, NGOs have been quicker to see the benefits of complying with donors' demands.

- There appears to be a trend towards more policy-based approaches to financing humanitarian action, through framework agreements for example. There is a great deal of variation between different donors' agreements, and agencies have greeted them differently. While there is evidence that these arrangements have increased the volume and predictability of assistance, there is little comparative analysis of their costs and benefits. On the one hand, such agreements might provide a basis for re-establishing goodwill trust, but on the other they may be seen as unduly bilateral tools that undermine existing governance structures, and as administratively expensive and time-consuming.
- Some larger donors are expanding their field presence to enable their own analysis of need and to enhance their scrutiny of humanitarian organisations in the field. There are marked differences between donors in the objectives and *modus operandi* of this field presence.
- Larger donors are assuming some of the roles traditionally ascribed to multilateral organisations, in particular the UN. They are playing an increasing role in defining needs, monitoring service delivery and carrying out field-level coordination. In addition, the increasing complexity of some donor governments' overall crisis management structures means that they are also leading multi-mandated operations, which combine civil, military and diplomatic measures.

Significant changes are taking place in the ways donors manage the disbursement of funding through the humanitarian system. These have been driven by concerns regarding aid effectiveness and visibility, particularly in high-profile crises. The ability of major donors' to scrutinise their partners, and to exert financial leverage over them by increasing the specificity of contractual arrangements, has increased. While this may have important gains in terms of enhancing accountability and performance, it is difficult to draw generic conclusions regarding the costs and benefits of these approaches. This is because, while the majority of donors are 'bilateralising' their humanitarian aid programmes, they are doing so to different degrees and in different ways, reflecting their own institutional priorities and cultures. The absence of accepted norms for donor performance or obvious mechanisms for donor coordination in the humanitarian sphere means that it is difficult to identify how the initiatives of individual bilateral agencies contribute to enhancing the performance of the humanitarian system as a whole.

2.6 From fund-raising to donor relations: the implications of 'bilateralisation' for recipient organisations

Despite manifold changes over the past decade, some persistent problems in relations between donors and agencies remain. These concern the predictability and overall volume of funding, how to absorb surges in funding, and the rate at which funds are disbursed. These problems are common to very large organisations, as well as very small ones. Nonetheless, changes in donor–recipient relations seem likely to favour larger agencies, which are better able to invest in the human and technological resources necessary to ensure compliance with donor procedures, and to sustain their relations at multiple levels: field, regional and in donor capitals. It is not only size that matters, however. Massive UN agencies such as UNHCR have been slower than their NGO counterparts to invest in analysing trends in donors' behaviour and in establishing mechanisms to influence it. UNHCR's sluggishness in establishing a presence in Brussels, for instance, contrasts with the vibrant and numerous lobbying mechanisms open to NGOs, both in Brussels and nationally within EU member states.

Organisations now talk less of 'fund-raising' and more of 'donor relations'. This shift in nomenclature is more than semantic; it implies that those at the funding coal face not only have to raise and account for funds, but also manage a complex set of relationships. To an extent, it was ever thus. In UNHCR's archives, there are dusty cables dating back to the early 1990s recording complex correspondence between the field, Geneva and donor headquarters negotiating the earmarking of contributions and debating implementation strategies. However, what has changed is that agencies have had to expand their capacity to manage relations, both in establishing mutual understanding about overall objectives, and in negotiating ever-more complex procedures. This expansion is signalled in the growth in departments responsible for fundraising and their heightened profile in many organisations, and in the increase in the number of staff dedicated to such work. In the large NGO we studied, for example, capacity in this area had expanded from six to 30 staff, reflecting both an increase in the volume of funds and the demands of managing new donor procedures. In addition, the relationship between fundraisers and their operational counterparts appears to have changed. In at least one agency, donor relations' staff were required to transmit donors' queries regarding operational practice, and there was a sense from some staff that the fund-raising department was inappropriately scrutinising operational issues, rather than simply mobilising funding.

It is noteworthy that shifts in donor expectations have in part responded to NGOs' own concerns regarding the

performance and cost of UN agencies. NGOs have benefited in cash terms from a switch away from multilateral institutions. Thus, although many associate the phenomenon of bilateralisation, particularly after Kosovo, with the 'politicisation' of humanitarian assistance, most are aware that NGOs are a primary mechanism for this bilateralism. While many NGOs working in Kosovo called for UNHCR to be strengthened and wish to see UN capacity reinforced, particularly in protection and negotiating access, some continue to see these agencies as direct competitors for funding.

There are clearly genuine concerns within the donor community to enhance performance and accountability in the humanitarian sphere. On the whole, there is an established bureaucratic routine, in which the rules are relatively clear and consistent, if occasionally onerous. It is here that accountability and performance have become formalised and mainstreamed into project management, and so are likely to be contributing to an overall effort by agencies to increase the effectiveness of humanitarian response. However, the key question is the extent to which agencies change their objectives and working methods to conform to donor demands, rather than basing their response solely on humanitarian need. In other words, agencies may elect to do (and offer to do) what can be measured, and what is valued.

There is a mass of anecdotal evidence to suggest that agencies routinely adjust their requests for funding, and their assessments of need, depending on their estimate of what the market can bear. It is much more difficult to measure how increasing donor managerialism will result in certain types of activity or certain regions being favoured over others. For example, it is difficult to establish the extent to which donor field offices appropriately encourage their partners to work in certain regions or in certain sectors. It is also difficult to predict whether increasingly tight contractual arrangements and a narrowing of performance indicators will encourage agencies to work in easier, lower-risk areas and activities, where there are no established mechanisms to monitor impact. This is more likely to happen if humanitarian action becomes incorporated into wider development objectives and management systems.

Agencies are not passive in these debates; rather, they have been active in trying to maintain their independence, and many donors respect them for doing so. There is, however, a need for sustained discussion regarding the *purpose* of humanitarian action, and subsequently of the new management requirements. Clarity is also required regarding the criteria by which resources are allocated, and by which agencies are made accountable for their use. This kind of dialogue has become more pressing as the objectives of humanitarian assistance have become more diffuse, and as donor organisations are becoming more informed and assertive about their objectives for humanitarian action.

2.7 Summary and conclusions

One of the key messages to emerge from this analysis is that the distinctiveness of humanitarian assistance as a particular form of aid has become more difficult to discern. At a conceptual level, humanitarianism has become blurred as its objectives have expanded to include more developmental and peace-building aims. This conceptual shift has played out at a managerial level. Whereas in the past, the peculiar nature of humanitarian action – the need for a rapid and independent response – justified light management by donor governments, this is no longer accepted. Aware of their responsibilities as custodians of public funds and as providers of significant volumes of assistance, the major donors are now claiming a much more significant role in the definition and management of humanitarian strategy. In this way, the management of humanitarian assistance is becoming much more akin to that in the development sphere, with tougher procedures for the appraisal and monitoring of projects.

In shaping humanitarian response, donors' primary tool remains the power of the purse. Funding decisions and disbursement choices remain the most important (but most opaque) factors influencing the conduct of officially funded operations. As donors make these decisions, the new complexities of the public sector management, changes in the operating environment and the increasing array of potential partners have required the introduction of new contractual and management tools, which have regularised and formalised relations with recipient organisations. These include new forms of contract and new techniques of project management.

The implications of these changes for the autonomy and independence of recipient organisations are hard to assess. On the one hand, the general literature on the new public management suggests that, as the relationship between non-governmental agencies and government funding bodies becomes more contractual, so the independence of these agencies comes under threat. Rather than a vehicle for increased pluralism, these agencies become increasingly incorporated into the state. On the other hand, any assessment of the impact of changes in the relationship between donors and recipients depends upon highly qualitative judgements as to whether, in the name of increasing accountability and concern for performance, the autonomy of humanitarian actors is being undermined, and whether that autonomy has an inherent value in terms of the effectiveness of these agencies. Given the diversity of behaviour of both donors and recipient organisations, the unevenness of response between countries, and the absence of counterfactuals regarding specific decisions, it is probably impossible to reach a definitive answer as to whether and how donors affect agencies' operational decisions.

That said, some aspects of the relationship between donors and recipients merit closer review. First, the high degree of voluntarism and unpredictability of official humanitarian

funding means that official donors have potentially greater leverage over recipients than would be the case if there was a greater proportion of assessed contributions and less volatility. Second, there are costs in increased donor engagement in humanitarian policy. The strengthening of donors' roles in the management of humanitarian contracts, and the expansion in direct contracting of NGOs, suggest that the costs to donors of managing these contracts are likely to have increased. However, there is no reliable evidence regarding how effective donors have been in enhancing performance. Third, new forms of policy-based contracting potentially offer a means to establish a more predictable and even funding base in the sector, and a mechanism through which donors and recipients can discuss and agree expected norms and competences. On the other hand, these approaches may primarily represent a means for donors to increase their control over recipient organisations.

Whatever the impact of donors' increased involvement in the management of official humanitarian aid, it clearly has not resulted in an equitable sharing of these funds. In other words, the sum of bilateral decisions is not demonstrably linked to the sum of humanitarian need. Instead, current arrangements, through earmarking and the selective interpretation of contractual requirements, provide for much greater control, if donors choose to use it. While the primary source of donor influence remains the power of the purse, new managerial arrangements have nuanced this power, and to a degree legitimised and normalised it. Thus, while donors share the concerns of their partners regarding aid effectiveness, they also have other agendas, and these can be furthered through managerial tools.

While the majority of agencies rightly welcome donors' renewed interest in the effectiveness of humanitarian assistance, they have been relatively sluggish in establishing the checks and balances that might defend against undue donor influence. Thus, for example, there is little sign of inter-agency discussion regarding trends in donor behaviour, nor have NGO fora paved the way for substantive discussions regarding rights and responsibilities. Instead, the focus has been on more technical and financial issues.

The major points of contention between donors and recipient organisations have largely been confined to what Molnar and Rogers (1979) have described as operating conflicts, in which there is dispute regarding how particular tasks should be undertaken. Only rarely have outright structural conflicts emerged, where issues of fundamental principle are contested. To date, there appears to have been little effort to document and learn from these rare but significant episodes of conflict, and to translate them into a set of principles that might be used to govern future relations. Such an effort would seem worthwhile, to make transparent the behaviour of donors, and as a means by which recipient organisations could demonstrate how they translate a commitment to their beneficiaries into their relationships with donor states.

Chapter 3

The changing role of donors in the coordination of humanitarian action

3.1 Introduction

Over the past decade, as levels of humanitarian aid have increased and the number of agencies providing it has multiplied, so donors have become more involved in the coordination of humanitarian action. They are doing this at a global level, establishing new mechanisms to influence humanitarian organisations, and in relation to specific humanitarian operations. This shift has been partly driven by the proliferation of agencies providing humanitarian assistance, particularly in high-profile crises. In this crowded environment, donors have shown increased interest in funding NGOs, and funding to UN agencies has been subject to greater earmarking, reducing multilaterals' room for independent manoeuvre. The involvement of military actors or assets in the provision of humanitarian assistance is an added facet of the coordination challenge, as is the drive for humanitarian action to be coherent with other policy responses to crises and complex political emergencies. These factors – the increased profile of humanitarian action, the proliferation of actors, the shifting fortunes of bilateral and multilateral agencies and the push for policy coherence – are all aspects of the changing face of humanitarian coordination.

This chapter documents the findings of a review of the role of official donors in the coordination of humanitarian response. The research focused on four donors: the US, the UK, Denmark and the EC, and on two recipient countries, Somalia and Afghanistan. The four donors were selected because they embody a broad range of funding preferences. Thus, the US favours a bilateralised approach, Denmark is a strong supporter of multilateral funding, the UK sits somewhere in between and ECHO is a multilateral donor in its own right.¹ The two country case studies were chosen on the basis of earlier HPG research, which found that the donor coordination groups in both cases were a significant innovation (Reindorp and Wiles, 2001). The case studies involved extensive interviews with donor personnel, UN staff and NGO workers, as well as a review of grey literature, including minutes of meetings, reports and evaluations.

This chapter comprises four parts. Section 3.2 gives a brief history of donor and humanitarian coordination, and

¹ The US is, of course, the primary funder of multilateral organisations. However, it has a significant capacity and interest in shaping multilateral agendas. It does so through a high degree of earmarking and scrutiny of contractual arrangements (see Chapter 2), and, as this chapter describes, through a strong presence in the field.

suggests that donors are seeking to enhance their input into the coordination of humanitarian action at both global and field levels. Sections 3.3 and 3.4 examine the approaches of different donors to coordination at field level, both in general terms, and in two specific cases – Somalia and Afghanistan. Section 3.5 looks at the implications of the emergence of so-called 'Friends of' groups. Section 3.6 reviews donors' efforts to enhance coordination among themselves, and Section 3.7 concludes the chapter by outlining the key implications of this analysis.

3.2 Coordinating humanitarian action: an overview

3.2.1 Donors and the coordination of development aid

The history of development aid yields a number of instructive lessons about donors' involvement in aid coordination generally. First, coordination does not come naturally to donor governments; they have always needed strong incentives or pressure to coordinate with one another. One of the earliest examples of post-war inter-governmental coordination – the Marshall Plan for European recovery – was not purely voluntary, and assistance was made conditional upon regional cooperation. Recipients engaged in joint assessments of needs and submitted common requests to the US. They also monitored each other's performance.

Second, donors' performance in coordination has always been subject to criticism, and throughout the post-war period donor governments have received frequent and urgent injunctions to coordinate their development aid policies more effectively. In the late 1960s, the Pearson Commission's report on international development, *Partners in Development*, took coordination as a key theme (Pearson, 1969). A decade later, the Brandt Commission's report *North–South: A Programme for Survival* noted confusion and overlap between different sources of development finance. The Commission pointed to the proliferation of agencies both inside and outside the UN system, and argued the need for policies, procedures and programmes to be much more concerted and effectively coordinated (Brandt Commission, 1980). In the early 1980s, the OECD called for increased coordination. The report of the World Commission on Environment and Development (the Brundtland Report) of 1987 noted new imperatives and opportunities for international cooperation, and

highlighted the weakness of international agencies in coordination. In 1999, a World Bank evaluation noted that donor policies and practices had actually hindered coordination, that governments in developing countries saw no improvement in the coherence of donor activities, and that there had been only marginal improvements in consistency and efficiency (Eriksson, 1999). An EC report, also in 1999, reached much the same conclusions (EC, 1999).

Third, donors have relied on multilateral agencies to play a key coordination role. The World Bank's Consultative Group annual meetings, at which developing countries present their plans, have been an important mechanism for coordinating development assistance for individual countries. UN Development Programme (UNDP) Round Tables have served the same function for some countries, often those emerging from conflict. However, while the practice of delegating coordination to a third agent has persisted, UN organisations have been sidelined in favour of agencies more closely controlled by powerful donor governments. By the late 1990s, the World Bank was chairing Consultative Groups for 60 countries, compared to 20 Round Tables convened by the UNDP (Eriksson, 1999).

Fourth, donor coordination has expanded from an early focus on mobilising aid resources to include more substantial policy coordination. This change is linked both to increasing concerns about the effectiveness of aid provision, and the significant increase in the number of actors involved (Eriksson, 1999). Thus, the purpose of aid coordination now includes harmonising donor policies and practices; negotiating economic policy reforms at the macroeconomic and sectoral levels; and dialogue on a range of development-related issues (Eriksson, 1999). At the country level, efforts have increasingly focused on improving coordination on World Bank-led initiatives such as the Comprehensive Development Framework and its corresponding Poverty Reduction Strategy Papers, and Sector-Wide Approaches.² More recently, coordination has centred around the Millennium Development Goals.

3.2.2 Governance and humanitarian coordination

The coordination of humanitarian action has changed in similar ways to development aid, and is beset by many of the same problems. Yet between the two forms of aid, there is a significant distinction in the role accorded the government of the recipient country. In theory, if not always

² The Comprehensive Development Framework (CDF) was launched in 1999. It sets out key principles for development: ownership by the country concerned; partnership with the government, civil society and assistance agencies; a long-term vision of need and of solutions; the equal treatment of structural and social concerns; and an orientation towards results. Poverty Reduction Strategy Papers, launched in 2000, seek to put the CDF principles into practice.

in practice, states deemed fit to receive development resources are judged sufficiently legitimate and competent to be at the centre of coordination efforts. With humanitarian assistance, by contrast, aid is frequently delivered in response to emergencies created by a crisis of governance, which means that there may be no legitimate or capable government with authority across a national territory. In effect, humanitarian agencies and coordinators work around the government, or in its place. Thus, coordination arrangements, like the choice of aid forms and channels, are determined by, and a comment upon, the quality of governance in a particular setting. The choice of coordination arrangements has symbolic power, as well as operational consequence.

Despite assertions about the value and importance of coordinated humanitarian responses, none of the donors looked at for this study actually has a policy on coordination. Instead, donors tend to see it as a task for multilateral agencies, principally the UN.

3.2.3 Humanitarian coordination structures in the UN

The first key innovations in humanitarian coordination in the UN came in 1971, when General Assembly Resolution 2816 (XXVI) established the Office of the UN Disaster Relief Coordinator (UNDRO) 'to mobilise, direct and coordinate relief'. The move followed a number of high-profile emergencies: an earthquake in Peru in 1966, the Biafran war of 1967–71 and war and flooding in Bangladesh in 1971. The UNDRO was not a success, and during the 1980s a 'lead agency' was sometimes appointed from among the principal humanitarian agencies to coordinate emergency relief in situations of armed conflict (Righter, 1995). *Ad hoc* coordination bodies were also established. These included the Office for Emergency Operations in Africa (OEOA), which was set up in 1984 to coordinate responses to crises in the Horn of Africa, and the UN Office for the Coordination of Humanitarian and Economic Assistance Programmes Relating to Afghanistan (UNOCA), established in 1988.

In December 1991, after 17 resolutions and decisions seeking to strengthen disaster response, General Assembly Resolution 46/182 was passed. The Resolution recognised that the UN had a 'central and unique role to play in providing leadership and coordinating the efforts of the international community'. It led to the designation of an Emergency Relief Coordinator (ERC) to lead a new department, the Department of Humanitarian Affairs (DHA). The Resolution also set up the Inter-Agency Standing Committee (IASC), the CAP and the Central Emergency Revolving Fund (CERF). At country level, the ERC was represented through Humanitarian Coordinators. Under terms of reference agreed in 1994, coordination would 'normally' be assumed by the UN Resident Coordinator in the affected country. However,

the Humanitarian Coordinator might also be appointed separately from the Resident Coordinator (or in a situation where there was no Resident Coordinator), or the local country director of a designated 'lead agency' might fill the role.

The DHA was given inadequate resources and was unable to tackle the competitive tendencies of the UN operational agencies, some of which were themselves given coordination responsibilities from time to time. It was also side-tracked by its management of a plethora of small funds for programmes that fell outside other agencies' mandates (UN Secretary-General, 1997; IASC, 1998). In 1997, as part of his reform programme, UN Secretary-General Kofi Annan replaced the DHA with a new body, the Office for the Coordination of Humanitarian Affairs (OCHA). OCHA was divested of the DHA's operational activities, and given a more streamlined mandate focused on coordination, advocacy and policy development. However, debates continued among donors and UN agencies around the respective merits of the three so-called models of coordination (the Resident Coordinator as Humanitarian Coordinator; the Humanitarian Coordinator appointed separately; and the 'lead agency' model). Work continued within the IASC and the UN Secretariat to clarify relationships and responsibilities. The report of the UN Expert Panel on Peace Operations – the Brahimi Report – animated the debate on coordination, particularly between the UN's humanitarian agencies and UN political and military personnel involved in complex peacekeeping operations (Brahimi, 2000). Meanwhile, OCHA increased its presence on the ground through the deployment of field offices, and began its own reform process. By mid-2002, OCHA was present in some 35 countries around the world (OCHA, 2002).

Although donor governments ostensibly delegate the coordination of humanitarian response to UN actors and agencies, their behaviour, particularly their funding decisions, still has a profound impact on how these structures work. Over the past decade, donors have made some efforts to strengthen UN coordination activities. In the mid-1990s, for instance, ECHO, the BPRM and OFDA all channelled their funding through UNHCR, buttressing the agency's coordination role in the Ngora camps in Tanzania (Borton, 1996). Donors have also at times taken a keen interest in appointments to coordination posts, and have in some instances asked NGOs to report on the UN's performance in coordinating humanitarian assistance.

Overall, however, while at a rhetorical level donors maintain their support for the UN's unique role in humanitarian coordination, there is evidence to suggest that in practice they are much more equivocal (Reindorp and Wiles, 2001; Minear et al., 1992). Both the DHA and OCHA have suffered from inadequate funding and resources, while funding tactics have consistently confounded effective coordination by fuelling competition within the system; agencies vie with each other for funds, corroding

relationships and coordination at all levels (UNICEF/UNHCR/WFP, 1998: 4). Donor governments also frequently undermine coordination by making conflicting demands of agencies. The DHA's ambiguous mandate shackled it from the start, as donors insisted that it expand its operational presence into areas left unfilled by other UN agencies. Its subsequent role in demining, demobilisation, natural disaster mitigation, logistics and transport forced the DHA into a level of operationality that invited criticism from other agencies, and fundamentally compromised its capacity for coordination. OCHA too has struggled, with insufficient means, authority or support (Reindorp and Wiles, 2001). Finally, as described in Chapter 2, by choosing to contract NGOs directly, rather than channelling resources through UN bodies such as UNHCR and WFP, the leverage that UN agencies can exert over operational agencies is necessarily diminished.

3.2.4 The EU and ECHO: a new force for multilateral coordination?

The emergence of ECHO as a major actor in humanitarian assistance has had an important impact on the evolution of humanitarian coordination. Even before ECHO was established in 1992, steps were being taken to make the European Commission a coordinator of the assistance activities of Member States, such as the intervention of the UK's Overseas Development Administration in northern Iraq in 1991. With the rapid growth of the humanitarian aid budget and the appointment in 1995 of a Commissioner specifically responsible for humanitarian assistance, pressure grew from Member States for greater accountability and improved coordination in the field. This approach was confirmed in 1996 with the adoption of Council Regulation 1257/96 concerning humanitarian aid, and the EC Communication on Linking Relief, Rehabilitation and Development (COM96-153). The European Council pressed for a greater focus by ECHO on cooperation with the UN and the Red Cross, and the European Parliament argued that ECHO should coordinate Member States' emergency aid during major natural disasters.

Despite these ambitions, from the outset there has been ambiguity as to ECHO's coordination role, both internally and with external actors. Its mission statement refers to the coordinated delivery of humanitarian assistance and protection through partner organisations, but does not make clear the requirements of implementing partners, or of ECHO itself (Brusset and Tiberghien, 2002). Although Member States meet regularly with ECHO in the HAC, ECHO has no systematic procedures to facilitate coordination either within the Commission or in relation to Member States' humanitarian programmes. The UN and NGOs continue to secure funding for similar or related actions from several EC sources, managed by different departments; both ECHO and DG Development, for instance, provide significant amounts of aid to WFP. The

need for improved coordination between different services was highlighted by the Court of Auditors in 1995, and again by an independent evaluation of ECHO's activities published in 1999 (Franklin Advisory Services, 1999).

ECHO's coordination with other agencies and donors has also been difficult. According to the 2001 Strategy, its 'strategic orientation will strive for maximum complementarity and coherence with other key players' priorities'. In order to develop 'a common vision and effective division of labour', ECHO began a 'strategic dialogue' about particular countries, themes and priorities with other major humanitarian players, both within the Commission and externally. However, ECHO's Global Plans for funding long-term emergencies do not include coordination strategies with other donor governments, and ECHO's efforts to raise the profile of its aid have made relations with other actors difficult. ECHO does not contribute to CAP appeals, and, as described in Chapter 2, its principal funding tool, the FPA, is designed to provide project-based funding, not unearmarked, programmatic funding for the UN and other international organisations. There have been individual efforts to address these coordination difficulties, including the Standing Inter-department Working Party (GPIS), set up November 1994 to define the EC's position with regard to UNHCR, but problems have persisted. More recently, ECHO has sought to broaden the basis for its engagement with international organisations through more formal, planned dialogue. In November 2000, it initiated such a process with UNHCR. This has since been sustained, and has enabled the sharing of basic information, including ECHO's Global Plans, to which UNHCR did not formally have access.

3.2.5 Herding cats?: the challenge of NGO coordination

The proliferation of NGOs, with their diverse and self-appointed mandates, non-governmental status and concerns about independence, poses one of the key coordination challenges for the humanitarian system. Donors have shown interest in supporting coordination between NGOs. The US government, for instance, provides 60% of the funding for the Interaction Disaster Response Committee, an umbrella group set up to improve the coordination of US NGOs in emergency response, and has also subsidised coordination units in the field. OFDA claims to require 'its' NGOs to coordinate, DFID requires NGOs to be 'constructive members of the community', and Danida encourages Danish NGOs to work together. Yet although all the donors looked at for this study expressed concerns about the performance and quality of the NGOs they fund, none makes coordination a consistent or explicit part of their requirements of NGOs. No donor produced systematic indicators of what effective coordination would look like, and there was no evidence of a donor withdrawing funding from an agency on the basis of a lack of coordination with others.

This is not to say that donor pressure is necessary before NGOs coordinate with one another or other actors involved in humanitarian response. NGOs often lead coordination at sectoral level, and have been responsible for some highly coordinated, even integrated, operations. These have often gone beyond information-sharing to encompass joint advocacy, shared standards of action and even mechanisms to ensure compliance to such standards, as in Liberia and Sierra Leone (Leader, 2000). Such efforts do not necessarily involve the UN; indeed, some of the best operational NGO coordination took place precisely because the UN was not present, as in Biafra, the Oxfam-led consortium for Cambodia in 1979–81 or the Emergency Relief Desk for Eritrea and Tigray in 1981–91 (Borton, 1994).

3.3 Donor coordination in the field

Shifts in donors' involvement in coordination are most apparent at field level. Yet here again, these changes have been gradual, and appear to be a response to particular events, rather than the result of a considered policy. There are two main aspects to this change: the increased deployment of donor personnel in the field; and the use of formal field-based coordination mechanisms.

As discussed in Chapter 2, Danida has only a limited field presence. Field-based staff are located in embassies, and focus on Denmark's bilateral development programme. The only exceptions are the Kosovo Steering Unit and a post at the Nairobi embassy covering Somalia. The Steering Unit, which meets Danish NGOs fortnightly, encourages coordination among Danish NGOs. The Nairobi-based staff member has been a key player in coordination among donors, the UN and NGOs.

By contrast, OFDA maintains large regional offices in Africa, Asia and the Caribbean, whose staff members travel to emergency areas throughout their region, and the BPRM has 23 Refugee Coordinators in posts around the world, attached to US embassies. OFDA's Africa office has sought to be a focal point for contact with Coordinators, as well as other governments and humanitarian actors. Regional offices are credited with improving the perennial coordination difficulties that dog the US aid bureaucracy; the US Interagency Review of US humanitarian assistance of 2000 (the so-called Halperin Report) points to US government personnel on the ground working to overcome the limits of their bifurcated structure, informing each other of their funding decisions and undertaking joint monitoring, for example in Afghanistan (US government, 2000).³

³ OFDA field personnel and BPRM Refugee Coordinators have not been consistently co-located, nor have BPRM personnel been systematically included on DART teams.

The EC experimented with field-level coordination throughout the 1990s. Among the first instances was the Zagreb task force, which was set up in 1992 to support UNHCR's humanitarian aid to the former Yugoslavia. Its aim was 'to improve coordination on the ground, principally by facilitating the exchange of information on actions funded, between donors'. In practice, the respective responsibilities of Member States and the EC were left ambiguous, and the task force had insufficient funds and received inadequate cooperation from donors (EC, 1999). In 1993, the EC established an ECHO *cellule de crise* (crisis unit) with the Rwandan government. Task forces were also established in Liberia, Haiti and Guatemala. However, ECHO correspondents in the field continue to play a role in coordination.

There are distinct differences in how the US and the EC approaches coordination. For the US, the UN remains the primary coordination mechanism in the field. US field personnel interviewed for this study see their function as catalytic and service-oriented, both to headquarters, with the provision of information and scrutiny of programmes, and to partners on the ground: 'a pusher and prodger', as one official put it. Thus, the Halperin Report points to the importance of information flows to implementing partners, and argues that 'Embassies should be encouraged to share as much information as possible through regular briefings for all US implementing partners' (US government, 2000). Staff appear to see their role as facilitative, although the tendency to focus on US government implementing partners can exclude collaboration with others, suggesting that monitoring is more important than a more general approach to the coordination of the overall relief effort. By contrast, EC field personnel see coordination more as control. ECHO's field correspondents are often in a good position to observe the failings of UN coordination mechanisms, and can adopt a more direct approach to coordination themselves, at least with ECHO's implementing partners (Reindorp and Wiles, 2001).

3.4 Case-studies: coordination in Afghanistan and Somalia

This section analyses the coordination mechanisms established by donors in Afghanistan and Somalia, principally the Afghan Support Group (ASG) and the Somalia Aid Coordination Body (SACB). In Afghanistan, additional coordination arrangements have emerged with the US-led campaign, but these are outside the scope of this research, which was completed by the end of 2001.

3.4.1 Coordination structures in Afghanistan

Donors to Afghanistan formed the ASG following a UN-convened conference in Ashkhabad, Turkmenistan, in

1997.⁴ The meeting brought together key political and assistance players to discuss ways of making international efforts more effective, and specifically to explore measures to reinforce the political and assistance processes. The conference was also animated by the emergence of the *Taliban* in 1996. There were a number of concerns about the assistance project in Afghanistan. These included mandate creep by UN agencies; patchy coordination, both among UN agencies and NGOs; confusion as to the proper roles of the UN's coordinators of relief and development aid; and the damaging effects on coordination of donors' funding practices and their behaviour on UN Executive Boards.

The primary outcome of the meeting was a proposal for Principled Common Programming (PCP). As the name suggests, PCP was an attempt by the aid community in Afghanistan to develop a joint programme guided by agreed principles and goals. At the same time, Dutch Development Minister Jan Pronk pressed donors to get involved with a field-based body. When the donors next met, in Islamabad, they called themselves the Afghan Support Group. Although terms of reference were never written, the subsequent six-monthly meetings held in various donor capitals provided a forum for dialogue on Afghanistan, with an emphasis on the overall direction of the assistance effort.⁵ In the absence of terms of reference, the management 'troika', comprising the previous, current and next chair of the ASG, has provided overall direction, and identified issues to be addressed. Besides the six-monthly meetings, the ASG has held periodic meetings in Islamabad, as well as an annual meeting to which representatives of UN agencies, the World Bank and NGOs have been invited.

The emergence of the ASG coincided with a number of other coordination developments. The most trumpeted was the Strategic Framework, a strategy and associated coordination architecture that sought to 'reduce the disconnects' between the UN's political and assistance projects. The Strategic Framework was devised in recognition of the need for greater policy coherence between political and assistance efforts, and between relief and more developmental interventions. It was also in part a response to the UN's reassessment of its role and organisational structure.⁶ Other coordination mechanisms

⁴ The principal donors to Afghanistan between 1995 and 2001 were the US, Japan, the UK, Canada, the EU, the Netherlands and Sweden. Neither the World Bank nor the IMF is involved directly in funding activities within Afghanistan, although the Bank maintains a 'watching brief', operated through UNDP, and issues periodic analyses of the situation in the country.

⁵ The ASG held its first six-monthly meeting in London (June 1998), followed by Tokyo (December 1998), Stockholm (June 1999), Ottawa (December 1999), Montreux (December 2000) and Berlin (December 2001).

⁶ A 1995 UN-commissioned review proposed the idea of a UN-wide strategic framework. The Administrative Committee on Coordination selected Afghanistan as a test-case in April 1997. A draft was produced in November 1997, and the final version emerged in September 1998.

include the Afghanistan Programming Body (APB), the overall coordinating body for the realisation of PCP, with five thematic groups reflecting the five principal components of the assistance effort set out in the final Strategic Framework. Some of these groups further subdivided along sectoral lines. Regional Coordination Bodies (RCBs), usually chaired by the UN regional coordination officers for the area, offered a forum to discuss cross-sectoral issues inside Afghanistan. A number of other *ad hoc* coordination structures were set up in the field or in Islamabad, with occasional donor participation. The three key NGO coordination bodies – ACBAR, SWABAQ for the south-west and Islamic Coordination – were all based in Peshawar, before moving back to Afghanistan with the change in regime at the end of 2001.

3.4.2 Coordination in Somalia

The origins of the SACB have become the subject of a form of folklore, which has it as largely the creation of the EC, seeking to wrest control from a discredited (and US-dominated) UN peacekeeping and aid effort. In reality, however, a more subtle combination of factors, actors and motives were at work.

In December 1993 in Addis Ababa, the UN held the fourth in a series of meetings on the coordination of humanitarian assistance for Somalia.⁷ Chaired by the head of the DHA, the meeting brought together donor personnel, the UN and a disparate group of Somalis. At the margins of the meeting, a group of donor personnel – from the UK's ODA, USAID, SIDA, the EC and UN agencies, notably UNHCR and UNDP – met to discuss possible ways forward. What emerged was a proposal to create an alternative to the UN framework for supporting Somalia, to include donors, UN agencies and programmes, NGOs and multilateral and regional institutions and organisations to coordinate various aspects of international aid. The resulting declaration focused on three main elements: emergency needs; reconstruction and rehabilitation; and economic management and governance. Underlying the discussions was the absence of a government interlocutor in Somalia. The external actors therefore sought legitimacy for their interventions: unable to refer to a government, they would refer to each other.

The Somalia Aid Coordination Body was formed in February 1994. Its Executive Committee was comparatively small, involving the US, the UK and Italy, and occasionally France and Sweden, as well as representatives of the UN Development Office for Somalia, UNICEF, WFP and the

UN Political Office for Somalia. Its structures have since changed, proliferated and consolidated. Today, it includes 117 partner agencies, working through committees that meet mostly in Nairobi. These range from the most formal, the monthly meeting of the SACB Executive Committee, to small, sectorally-based working groups seeking to harmonise policy on issues such as cholera or the salaries of local staff. The SACB has no representation or permanent presence in Somalia itself. Although there have been efforts to address this absence of field presence, formal coordination structures on the ground have remained minimal.

3.4.3 Overall assessment: politicisation or political vacuum?

Any assessment of the coordination mechanisms in Somalia and Afghanistan comes with the caveat that these structures have changed over time. Both case studies revealed that groupings develop and evolve, a process in which leadership and the degree of engagement of key players is key. For the ASG, for instance, the different approaches adopted by the rotating chairs have had a significant impact on the perceived productivity of meetings. The body is widely acknowledged to have been most effective in its early stages, between December 1997 and May 1998, when there was a relatively high degree of consensus on programming priorities.⁸ This consensus appears to have come under strain with the EC's more dogmatic approach to women's rights, and the increasing insistence in the US on the need to put pressure on the *Taliban* for policy changes. This, combined with the departure of Alfredo Witschi-Cestari as the UN Resident Coordinator, meant that the ASG became less effective in achieving consensus among donors on programming and funding. Similarly, the history of the SACB is marked by fluctuating relations between donor personnel and the various UN Resident Coordinators. The SACB virtually ground to a halt during a period of intense antagonism between the chair of the Executive Committee and the Resident Coordinator. From 2000, a much closer working relationship between the two people in these roles has again enabled the SACB to function more effectively.

Despite these changes over the years, the case studies revealed that coordination mechanisms in Afghanistan and Somalia shared a number of characteristics and impacts. Perhaps the most striking was what also made them exceptional: in both of these 'failed states', the interest of donor governments in establishing coordination structures

⁷ The first coordination meeting was held in October 1992 in Geneva to review and pledge funds for a 100-day UN action plan for humanitarian assistance, which called for \$83m. The second meeting was held in Addis Ababa in December 1992, which resulted in a comprehensive relief and rehabilitation plan for Somalia budgeted at \$159m. The third coordination meeting, again in Addis Ababa, was in March 1993.

⁸ These included the appropriate approach to gender issues, agreement on appropriate interventions to support grass-roots community development and what programming would constitute undesirable support to the local authorities. There was also an acknowledgement of a limited role for aid programming in reducing narcotics production.

was in the first instance driven by the acute dilemma presented by the absence of a legitimate or competent interlocutor. Yet in both cases, this problem was largely ducked. Far from donor coordination mechanisms signifying political engagement by proxy, these structures were rather a manifestation of disengagement. In both countries, there was a policy vacuum among donor governments, which was filled only by untested assertions about the incentive and disincentive powers of aid. In Somalia, the sole policy on offer was the 'Peace Dividend' approach – a policy initially promoted by the EC, which declared that donors would target resources to more peaceful areas, so rewarding those authorities who managed to achieve stability, and denying resources and legitimacy to others. The policy was both under-resourced and under-theorised (Reindorp, 2002). While the Strategic Framework in Afghanistan was more elaborate, aiming to use aid to 'socialise' the *Taliban* through principled engagement, this too was criticised for ignoring the underlying political economy that sustained the regime (see Duffield et al., 1998). The revenues available to the *Taliban* from foreign backers or from illicit trade eclipsed the paltry sums of aid on offer.

In both cases, donors failed to address the underlying question of how Somalia or Afghanistan might move towards becoming accountable and functioning states. In neither case was it clear how the coordination structures related to other aspects of the response. For instance, it was not clear how the ASG was meant to relate to the crucial '6+2 Group' of governments, involving Afghanistan's neighbours plus Russia and the US. Nor has the relationship between the SACB and the Inter-Governmental Authority on Development (IGAD) or other *ad hoc* diplomatic groupings been adequately defined.

In both countries, the strikingly elaborate nature of the coordination architecture and the intensity of coordination *activities* obscured the absence of coordinated *policy* and the underlying obstacles to coordinated strategies, and even distracted from the programme responses that the whole coordination edifice was intended to improve. In Afghanistan, as Duffield argues, the 'strategic goal' was impossible to achieve via a 'disparate, short term and project focused' intervention. 'In practice ... the atomistic, local and project level tendencies of the assistance system have proved stronger than the architectural reforms. All the various mechanisms have been adapted and adjusted so that they accommodate these tendencies. The project rules' (Duffield et al., 1998: 5). In the case of the SACB, the multiple 'performances' of coordination – especially the proliferation of meetings – frequently risked becoming an end in themselves. The SACB in particular was strong on detail, but weak in generating wider analysis. No collective strategic analysis materialised, and the SACB structures failed to deliver joint planning. Even where agreement was achieved in the SACB, these decisions did not always reach workers in the field, and so were not always implemented.

3.4.4 The impact on donor behaviour and decision-making

In both Afghanistan and Somalia, donors failed to coordinate meaningfully among themselves on key issues to do with relations with local authorities and the security of staff, nor did they coordinate their messages to the UN system.⁹

In Afghanistan, the presence of strong national interests meant that the habit of cooperation ran extremely shallow, and donors repeatedly failed to agree on a shared policy (Johnson and Leslie, 2002). On the whole, most donors seem ambivalent towards collective positions, especially where these might compromise their independence of action. At the ASG meeting in Stockholm in 1999, for instance, efforts to define an appropriate process of engagement with the *Taliban* on human rights were opposed by the US. Johnson and Leslie (2002) conclude that the Strategic Framework, ASG and PCP have had little influence on donors' decisions, which have instead been shaped by a mixture of inertia, *ad hoc* thinking, political aims and developmental/humanitarian priorities. For many donors, these questions are determined at headquarters, and staff in Islamabad have relatively little influence over them.

In the few identified instances where donors have coordinated among themselves to produce a collective shift in policy, this resulted from informal discussions and groupings, rather than from the larger, formal structures. For example, an informal grouping comprising Scandinavian countries, Switzerland, Canada and the Netherlands was instrumental in bringing about a shift in funding timescales in support of longer-term initiatives in Afghanistan. Yet as with the 'Friends of' groups, this kind of informality excludes some parties. Johnson and Leslie note that, in Afghanistan, one of the advantages of the formal fora was that they offered the opportunity for Afghans to participate in donor meetings, thus potentially informing and influencing decisions.¹⁰

In the SACB, where donors' strategic interests were less pronounced, the research revealed a number of ways in which donors have influenced one another, and where the structures of the SACB enabled influence to be exerted in particular ways. The primary route has been through

⁹ In 1999, for example, Danida resumed funding for UNHCR's repatriation programme after a break of two years, but insisted that international UNHCR staff inside Afghanistan should supervise and monitor returns. Meanwhile, the US pressured UNHCR to stop repatriation activities and provide assistance in neighbouring countries, while Japan argued for 'showcase repatriation' (Johnson and Leslie, 2002). See also Leader (2000) on donors' poor coordination with the *Taliban*; and the Halperin Report (US government, 2000) on relations with the WFP.

¹⁰ Most coordination fora were outside Afghanistan, especially in Islamabad, while most Afghan NGOs were either in Afghanistan, or in Peshawar.

policy leadership. The 'peace dividend approach' is one example of this, and the Code of Conduct another. The combination of peer pressure and the requirement that there should be consensus within the SACB has also occasionally modified the policies of key donors. For example, one donor, seeking to draft a strategy to guide all SACB members' funds on governance projects, in fact had their own policy modified because other SACB members were unhappy about political bias. The fact that donors came together in smaller groups has also allowed the adoption of complementary strategies; for example, while one donor favoured one geographical area or sector, another was able to ensure that other areas and sectors were supported. Yet while the SACB has fostered a strong sense of collegiality and cooperation among individual personnel, overall it did not enable donors to devise shared strategies to guide their aid. Some interviewees suggested that, by combining donors with UN agencies and NGOs, the SACB appears to have had the perverse effect of constraining the dialogue between donors themselves.

3.4.5 The impact on funding

Funding strategies represent the primary form of influence for any donor. Yet in both case studies, the coordination structures have had at best an ambiguous impact on the level and type of funding each country has attracted.

Funding for core humanitarian activities in Afghanistan appears to have been reasonably consistent until September 2001. Funds received under the CAP dipped from \$76.5m (72% of requested funds) in 1995 to \$40m (22%) in 1999, before recovering again to \$107m (48%) in 2000. However, CAP data paints only part of the picture; for example, whereas in 1999 the CAP received just \$40m, total recorded humanitarian aid to Afghanistan was an estimated \$300m (Danida, 1999).¹¹

The available evidence suggests that the ASG has had little or no impact on donors' decisions about funding. Although interviewees stressed that information-sharing on funding decisions was the basis for their engagement in coordination structures, none could point to an example of donors collectively exploring funding 'gaps' and adjusting their priorities to meet these needs (Johnson and Leslie, 2002). Indeed, funding patterns did not reflect areas of concern as expressed in the ASG. For example, despite widespread international concern at the human rights situation in Afghanistan and declarations to that effect in the ASG, investment in rights-centred activities has been limited.¹² And despite declared concerns about funding the salaries

of *Taliban* officials, major donors continued to support this in practice. Interviewees acknowledged that the funding priorities set by donors bore at best an incidental relation to the deliberations within the various coordination groups. For example, only 12% of proposals put forward in the 2000 Consolidated Appeal under Sustainable Livelihoods were in fact funded, despite the fact that this had been one of the key themes within the Strategic Framework (Johnson and Leslie, 2002).

Overall, until September 2001 the bulk of humanitarian funding was disbursed to the same organisations for the same kinds of activities year after year. Donors provided consistent levels of non-earmarked funding to those agencies mandated to provide essential supplies or services, including ICRC and the WFP.¹³ The study found no evidence of a significant decline in funds to multilateral agencies; in fact, in Afghanistan an exceptionally high percentage of DAC ODA has been multilateral. Between 1993 and 2000, around half of all aid (\$668.6m out of \$14.7bn) was multilateral. The research did, however, reveal a growth in earmarked grants to multilateral organisations, and an increase in the funding of NGOs. Switzerland, for example, allocated almost all of its funds for Afghanistan to ICRC, UNHCR and WFP until 1998, at which point it moved to more direct partnerships with NGOs. Prior to 11 September, DFID also increased its direct funding of NGOs, while reducing its support for UNHCR, which had sub-contracted care and welfare programmes to Pakistan-based NGOs. This was matched by the perception that UNHCR should concentrate less on service delivery and more on the protection of refugees.¹⁴ The case study also showed that agencies are better able to secure funding if they successfully argue that their work is humanitarian, not developmental, thus maintaining access to budgets earmarked for humanitarian assistance (Donini, Dudley and Ockwell, 1996).

Events after 11 September, though largely beyond the scope of this study, clearly show how quickly funding choices can change in the presence of strong strategic interest and engagement. During September and October 2001, Afghanistan received significant new offers of aid; by December, \$345m had been pledged, compared with a reported total of \$107m during 2000. This was despite continued political uncertainty and a deterioration in the security situation, which had hitherto been portrayed by donors as a major constraint to humanitarian work.

¹³ This consistency was variously attributed to donors' organisational inertia, the degree of confidence in implementing partners, an explicit commitment to multilaterals among some donors, and the bureaucratic difficulties involved in tracking a variety of individual grants.

¹⁴ For both Switzerland and the UK, this shift depended on having adequate staffing to cope with more direct NGO funding. In the case of the Netherlands, the continued direct contribution to OCHA acknowledges that there is insufficient staff capacity to manage direct funding of NGOs.

¹¹ This discrepancy was mostly due to major emergency programmes following the Wardak and Badakhshan/Takhar earthquakes; nonetheless, a number of organisations, notably ICRC, regularly receive funds outside of the CAP.

¹² In 1999, the only human rights project to receive funding (from Norway) was the UN Coordination Office's Human Rights office.

Procedures for applications and approvals of grants were streamlined, and significant new resources were made available to multilateral agencies. Areas of activity which had been short of funding before September 2001, such as coordination and support for refugees, enjoyed greatly increased pledges, while some donors were prepared to commit significant sums to UN agencies with few conditions attached.

In Somalia, any assessment of aid levels is complicated by the opacity and paucity of the data. Donors do not keep consolidated, easily accessed information on what they provide. The SACB has not been able to fill this gap: analysis of resource flows, and an ability to match these with an analysis of need, has historically been the starting point for discussions regarding effective humanitarian coordination. According to DAC figures Arab states, previously major donors to Somalia, are giving virtually nothing, though anecdotal evidence suggests that this is not true. Prior to 2001, when it produced its first overview of donor funds to Somalia, the SACB had done little to address this information gap. While it remains difficult to distinguish between humanitarian aid and development assistance, the available evidence suggests that the SACB has not had a huge impact on donors' funding patterns (Reindorp, 2002).

Aid to Somalia has fluctuated hugely over the years. It reached a high of \$964m in 1993 (5% of total ODA to Sub-Saharan Africa), but has dwindled over the lifespan of the SACB. In 1999, total aid was \$114m. Between 1993 and 2001, the CAP on average received \$39m a year, meeting 42% of requests.¹⁵ Bilateral emergency aid has accounted for 30%–40% of total ODA since 1995 (the point at which it began to be clearly reported). Since 1995, both the overall level of multilateral aid, and its share of total ODA, have remained relatively consistent overall. In the absence of consolidated information, anecdotal evidence suggests that NGOs and the ICRC are supporting their programmes from unearmarked funds. Interviewees also suggested that management capacity, rather than funds, was the key factor limiting their programmes. The type of programming also appears to be important in attracting funding: NGOs focusing on life-saving emergency work, and with large numbers of expatriates delivering the programme, report that they find fund-raising easiest, while donors are not willing to commit development assistance for fear that such aid is especially vulnerable to diversion.

Interviewees made a number of links between the SACB and funding levels, but it was difficult to relate these to available figures. Some interviewees suggested that the SACB had helped to mobilise resources because its joint alerts and statements had more credibility than would have been the case had they been issued by individual agencies.

This potential may, however, be limited given the low levels of recognition of the SACB among Western donor publics (Bradbury and Coultan, 1998). Otherwise, it was difficult to identify a clear case where the SACB had a significant impact on the funding behaviour of a donor, with the possible exception of Denmark. From 1999, Denmark's share of total ODA to Somalia doubled to 1.33% compared with 0.63% for the decade 1985–94.¹⁶ This was the largest increase in any donor's share of aid, and coincided with Denmark's chairing of the SACB Executive Committee.

3.4.6 The impact on humanitarian space

While the extent to which the ASG or SACB have influenced donor funding is unclear, both case studies highlighted how donors have used these structures to influence humanitarian operations in ways that impact directly on the quality and quantity of 'humanitarian space'.

In Afghanistan until late September 2001, the *Taliban's* policies arguably represented the most significant constraint to 'principled' humanitarian action (Johnson and Leslie, 2002). Yet at the same time, the imposition of UN sanctions in November 1999, followed by a one-sided arms embargo in January 2001, damaged perceptions of the international community's impartiality and neutrality.

In Somalia, the SACB's commitment to unconditional emergency aid was open to question from the outset, since the US zoning policy effectively linked resource flows with security. In this context, humanitarian principles, particularly impartiality and neutrality, have been misinterpreted, blurred by the exigencies of working in such a volatile setting and marked by the kind of confusion around principles typical of 'grey zone' activity. Over time, a more pragmatic, but also arguably confused, approach has emerged. Thus, over the past two years donor policy seems to have been driven by different factors, determined as much by the experience and perspectives of individual desk officers, as by the more formal frameworks established by the SACB. In some cases, these favour the humanitarian 'minimum' of life-saving interventions, in others they encourage more developmental and peace-building approaches. This suggests that the SACB has been largely unable to develop a comprehensive framework to guide international interventions, and direct official aid, in this chronic crisis.

In both the SACB and ASG, donors have most clearly influenced decisions about the nature and allocation of assistance through their assessments of security. From the outset, security questions dominated discussions in the SACB's Executive Committee, and the body's success in

¹⁵ Significantly larger amounts reach Somalia through remittances from overseas Somalis, and from Somali organisations, Islamic groups, regional governments and local communities; most of this goes unrecorded.

¹⁶ In 1999 and 2000, Denmark gave over \$3m to Somalia, about 0.31% of its bilateral ODA. When imputed multilateral aid is included, the total rises to \$4.84m in 1999.

establishing collective responses in this area has been hailed as one of its greatest achievements. In 1995, all SACB members agreed a Code of Conduct. This listed a number of conditions for the release of aid, one of which was that the 'responsible Somali authorities must guarantee that secure conditions prevail for aid agencies and their staff and that they pursue and bring to justice the perpetrators of criminal acts'. The SACB undertook to monitor the Code's implementation, and 'to advise the donors and other partners to take appropriate action whenever deemed necessary, including suspension of activities'.

Responses to security incidents ranged from collective denouncements by the SACB to the imposition of bans on assistance by SACB members to a particular area. However, as time went on deciding when conditions had changed such that a ban could be lifted became increasingly contentious. Since the SACB has never had a unified system for gathering security information or managing the response, the range of sources has been wide, including UN security officers, donors' security personnel and NGO workers. This has provided fertile ground for debate over the security situation on the ground. The emphasis on collective decision-making and the donors' domination of the SACB's Executive Committee gave donors the greatest sway over how humanitarian agencies should respond to security conditions. Donors were ready to change their assessments of the security situation in order to ensure that, for political reasons, aid reached certain parts of the country (Reindorp, 2002). One donor, for instance, enforced a ban on aid to one area by refusing to allow aid agency personnel onto its flights. Crucially, neither NGOs nor UN agencies were fundamentally opposed to donors' involvement in decisions to do with security; rather, donors are seen to have a key role to play in sustaining a framework of consent for humanitarian action. It is *how* donors were involved – apparently overlaying humanitarian agencies' assessments with their own political concerns – that has provoked concern. The lack of a robust and impartial mechanism for gathering and analysing intelligence, combined with the lack of consultation with operational agencies, was seen by agencies to compromise the legitimacy of donors' applying *de facto* conditionality on humanitarian aid.

In Afghanistan, there were similar concerns about donors' use of security issues as a form of political conditionality on aid. In 1998, DFID decided to withdraw funding from NGOs fielding expatriates in Afghanistan. The move followed the killing of a UNSMA staff member in Kabul in August 1998, the day after US missile attacks on Khost in eastern Afghanistan. While some of DFID's partner agencies withdrew their expatriate staff, the major international NGOs did not, and sought alternative sources of funding to maintain their programmes.¹⁷ Throughout this period, guarantees of security for humanitarian

personnel became central to discussions between the UN and the *Taliban*, both in Kabul and elsewhere (Johnson and Leslie, 2002). In the wake of 11 September, donors associated with the US-led 'coalition' appear to have become much more tolerant of security risks, despite the fact that the security situation for agencies has in fact deteriorated. The impartial provision of assistance was also jeopardised as donors imposed conditions on aid in an effort to isolate the *Taliban*.

Political factors may also influence assessments of need. Different assessments among donors and aid agencies about the severity of food needs in Gedo, Somalia in November 2001 are one example of the potential for such politicisation. In early 2001, assessments by WFP and a number of NGOs suggested that there was going to be a food crisis in the area. This failed to convince the SACB Executive Committee of the urgency of the situation and the need for action. However, following an assessment involving WFP and the EC in October 2001, and a bulletin from the EU-funded Food Security Assessment Unit (FSAU) stating that food aid needs would exceed the levels envisaged by the WFP and NGOs, the SACB Executive Committee members appeared to revise their view. The EC explained this shift as due to 'methodological differences', but the fact that the FSAU methodology relies on subjective as well as technical assessment suggests that the EU was influencing the measurement of need.¹⁸

3.5 Donor coordination and international organisations: enhanced coherence or the bilateralisation of multilateralism?

In addition to increased donor presence at field level, the past decade has also seen important innovations in how donors are seeking to shape international humanitarian policy. Donors have always sought to do this, through funding patterns, participation in global governance, and through bilateral dialogue with their key partners. In recent years, however, the mechanisms through which donors seek to establish and sustain dialogue with their multilateral partners have become more formalised, and have sought to foster inter-donor coordination.

One important way in which donors have sought to do this is through the establishment of 'Friends' groups. These seek to bring interested donors together on a regular basis to discuss key issues of concern to particular organisations, usually with representatives of the relevant organisation

¹⁷ DFID's funding of ICRC, which fielded expatriate staff throughout this period, does not seem to have been similarly affected.

¹⁸ This episode is linked to wider tensions between donors and agencies regarding food aid in Somalia generally. The EC opposes food aid, believing that other interventions can support food security more effectively. The US, and its principal implementers of food aid, CARE and WFP, are more supportive.

present. One of the first such groups, the Donor Support Group (DSG), appears to have been formed by government donors to the ICRC in 1996–97. The group seems to have been established as an advisory body to counter donor concerns over their lack of access to the ICRC's governing bodies, and hence to decision-making (Wiles et al., 2002). The group, which comprises the 13 largest donors to ICRC, meets annually, and acts as a forum for dialogue with and support to the ICRC.¹⁹ In addition, it undertakes two field visits each year. In common with other similar forums, there are no terms of reference, and no formal statements or decisions are made. Rather, the tone tends to be informal, with an emphasis on lesson learning and exchanging experience on key issues. Topics of discussion have included issues such as coordination, exit/transition strategies, the Red Cross and Red Crescent Movement, human resources, the development of management systems, cost effectiveness, evaluations and lesson learning. Interestingly, protection, which many would see as at the core of ICRC's mandate, appears to have attracted less attention. The DSG seems to have enabled ICRC to maintain a unified reporting system to its donors, and to resist demands from some donors for additional, specific reports (Wiles et al., 2002).

Within the UN, similar groups have emerged for OCHA, UNICEF and UNHCR. They too are informal, and appear to lack precise rules about purpose, conduct, composition or accountability. They are also small; the 'Friends of UNHCR', for example, is limited to the agency's seven top donors. Interviewees for this study suggested that the 'Friends of OCHA' group – now called the Working Group on OCHA – was established by a group of European donors in response to pressure for UNHCR to become the lead coordination agency. These donors included Denmark, the UK, the Netherlands, Norway, Sweden and Germany. Thus, the group was established as a way of strengthening OCHA's position as the coordinating body within the UN. It now meets annually, though it convenes more frequently at working level. With the 'Friends of' groups for UNICEF and UNHCR, interviewees suggested that they were established in part to address widespread frustration about the formal governance mechanisms of these agencies, as well as to provide more coherent donor input into the development of the organisations. In the case of UNHCR, the formation of this group appears to have met with a mixed reception, and even a degree of resistance. In autumn 2001, when the research for this study was conducted, the group remained very informal, and even lacked a clear name.²⁰

¹⁹ This group comprises Australia, Canada, Denmark, ECHO, Germany, Italy, Japan, the Netherlands, Norway, Sweden, Switzerland, the UK and the US. These countries each donate over CHF10m (\$7m) annually.

²⁰ It is perhaps significant that one major donor sought to call the group the 'High Commissioner's Special Group on Policy', a label likely to be resisted by many, including the major host countries, who perceive that their contribution to refugee welfare remains unrecognised by the major aid donors.

What emerges from even a superficial analysis of these different groups is that they differ significantly from one to the other, reflecting not only donors' own agendas, but also the ability of particular organisations to define the terms on which they wish to engage with official donors. Thus, for example, ICRC has used the DSG as a means of managing donors' increased demands for accountability, while also underscoring its independence. For OCHA, its group appears in part to have provided at least one mechanism to achieve policy guidance, given the absence of a formal governance body. By contrast, UNHCR, particularly under High Commissioner Sadako Ogata, appears to have been relatively resistant to such a group, seeing it as a threat both to its formal governance mechanisms and to its ability to negotiate bilaterally with selected donors.

Friends' groups have become popular with donors partly because, despite attempts at reform, governing boards are seen as too unwieldy and formal to allow for effective dialogue, scrutiny or direction. Interviewees from many donor bodies complained about the need to submit formal requests to speak in advance, and difficulties in getting information on particular actions. Some interviewees for this study also raised concerns over alleged obfuscation by UN agencies, making it difficult for donors to hold them to account. The Halperin Report notes that the governing boards of the UN's humanitarian agencies are too large and formal to take quick and decisive action (US government, 2000). This means that the informality of the 'Friends of' groups is particularly attractive, and is often cited as a key aspect of their value. Indeed, as OCHA's group has become larger and more formal, some members have complained that discussion has become more superficial, and the group less useful.

On the whole, donors view these smaller, more informal groupings among peers as a positive development. Donors argue that they make it easier to get information on their particular concerns, enable a shared view on particular issues and make funding for the agency in question more predictable. In this sense, the emergence of these groups mirrors the shift to policy coordination in development aid. However, there is inconsistent evidence as to how substantive or demanding discussions are within these groups. This may depend partly upon membership; for instance, the New York-based Humanitarian Liaison Working Group (HLWG), an informal point of contact for UN donor governments, involves diplomatic staff without the expertise that would allow real scrutiny of OCHA. Although some participants argue that the HLWG is a forum for policy discussion, others say that it is solely a forum for briefing and information exchange. Nor is it clear what impact these groups really have in coordinating donor behaviour, or in putting more pressure on UN institutions to coordinate with one another. The primary strength of these groups appears to be as a forum for briefing and the exchange of ideas, rather than as a mechanism for coordination in terms of joint responses, resource allocation, shared policies and consistently complementary practices from different donors. Nonetheless, their emergence does suggest that donors are interested in

at least the minimal coordination activities of sharing information and perspectives on the organisations in question.

3.6 Coordination among donors: the weakest link?

The analysis so far has focused on donor relationships with 'third party' coordinators, such as the UN, as well as new institutions for interaction such as the 'Friends of' groups. However, coordination *between* donors may in fact be the weakest aspect of the coordination of humanitarian response. This was true of the Afghanistan and Somalia case studies. More generally, although levels of interaction among donors concerned with humanitarian response are relatively high, examples of good coordination are hard to find. Evaluations paint a picture of consistently poor coordination among the major European donors.

In the EU, humanitarian coordination is described as weak, among EU members, within the EC, and between headquarters and the field (EC, 1999). The recent evaluation of ECHO's work notes, for example, that 'Half of the evaluations refer to the lack of coordination between donors and only 5% refer to good coordination'. The Humanitarian Aid Committee, which brings together ECHO and the 15 Member States of the EU, is seen by all sides as little more than a rubber-stamp for ECHO's Global Plans. Information is described as flowing in one direction: from the Commission to the Member States (EC, 1997; EC, 1999). Representatives on the HAC tend to be relatively junior, and have little contact with other policy mechanisms such as the CFSP, further complicating coordination (Brusset and Tiberghien, 2002).

The UK has no stated policy on aid coordination, though the 1997 White Paper on development stated that the British government should increase its impact by influencing others. Officials report that DFID is putting greater effort into persuading counterparts in other countries to work towards common objectives, particularly around the Millennium Development Goals. DFID seems to be increasingly keen to convene *ad hoc* meetings of donors, often to discuss DFID proposals, and this is seen as a key source of influence. DFID has the capacity to develop detailed policy in ways that smaller donors cannot, and the personal dynamism of Clare Short, the Secretary of State, was also cited as another important source of influence. However, despite this apparent focus on the policies of others, interviewees from DFID and elsewhere suggested that DFID seeks coordination around specific tasks and objectives, in particular the MDGs, rather than in relation to particular mandates.²¹

The US government's capacity for coordination with other donors is hampered both by Washington's well-known ambivalence towards multilateral cooperation, and by the institutional architecture of official US aid. Coordination problems are thus external, in terms of working with others, and internal, to do with relations between the various bureaux involved in humanitarian policy-making and response. At the end of 1999, for instance, State Department humanitarian assistance for Afghanistan came from several bureaux: Political–Military Affairs (for demining); International Narcotics and Law Enforcement Affairs (for counter-narcotics activities); International Organisations (to support OCHA); Democracy, Human Rights and Labor; and the President's Interagency Council on Women. Assistance for conflict victims inside Afghanistan was channelled through ICRC.

Then Secretary of State Madeline Albright's decision to commission a review of US humanitarian policy was driven by coordination concerns, and the resulting Halperin Report is a lucid description of the challenges that the US faces in coordinating internally between its respective offices and departments. According to the report, the absence of 'a unified, empowered humanitarian leadership structure made it difficult to resolve disputes, ensure policy consistency and guard against unilateral decisions' (US government, 2000). The report also suggests that bifurcated funding weakens the US government's influence on decision-making among other donors, and may encourage partners to play agencies off against each other.²² In its case study on Afghanistan, the Halperin Report states that 'most of the assistance community generally views PRM and AID as two separate donors with different priorities and procedures ... at times this may make it appear as if [the US government] has no strategy or single policy in the country' (US government, 2000). These internal problems make it difficult for the US to exert the level of influence that might be expected given its status as the major donor of humanitarian aid.

That is not to say that there are no examples of coordination with other donors. One of the most cited has been the efforts of OFDA and ECHO to strengthen their collaboration with biannual meetings (although one US official described ECHO's decision-making as 'covert', suggesting that some ingredients of effective cooperation are missing). OFDA staff are encouraged to pass through Brussels whenever they can. However, the internal challenges the US faces suggest that it will continue to struggle with coordination mechanisms.

Denmark has demonstrated its commitment to coordination through its staunch support for DHA and OCHA. As a donor with a small bureaucracy and limited

²¹ Horton (2002) notes that DFID's attempts to ensure that WHO's objectives were in line with the MDGs risked compromising other core aspects of WHO's mandate, including the definition of international standards for the diagnosis and treatment of disease.

²² Stoddard (2002) notes that NGO interviewees were hostile to a unified aid administration as this could reduce their funding opportunities.

numbers of staff concerned with humanitarian aid on the ground, Denmark has delegated coordination to the UN. Danish officials note that their interactions with UN agencies have been mostly focused at a policy level, and state that Danida needs to focus more at the country level where there is a policy-implementation gap. Danish officials reported that they follow and learn from DFID policy, such as the ISPs guiding relations with UN multilateral agencies. Denmark is also following the UK in putting more emphasis on establishing alliances with like-minded donors.

3.7 Conclusion

This chapter explores the extent, nature and impact of the changing involvement of donor governments in the coordination of humanitarian operations. The major innovations in humanitarian coordination over the past decade have been the ERC, the IASC and the formation of DHA and OCHA, even if the nature and level of support from donors for these mechanisms has made it difficult for them to deliver coordinated responses. The creation of ECHO and its deployment of field personnel have shifted the balance of power in the humanitarian system, while funding for coordination among NGOs has increased.

At field level, the evidence suggests that bodies such as the SACB and the ASG are peculiar to their circumstances, not least because of their cost in time and human resources. Perversely, in the case of Somalia, the SACB has militated against donors sitting together to work out what they can coordinate on, and what they cannot. Among the factors here have been the size of the SACB, and some suggestion too that its formality inhibits frank discussion. The highly routinised nature of the SACB, while on one hand a benefit because it brings predictability and allows relationships to form, can on the other discourage participants from doing the necessary preparation and investment that a more *ad hoc*/irregular forum may provoke. In coordination, one has to guard against regularity and formality breeding contempt.

The involvement of donors in coordination at field level is welcomed, even sought, by other actors operating in situations of chronic political crisis. However, donors have not engaged in an optimum way. In neither Somalia nor Afghanistan was donor involvement in coordination structures linked to a political strategy to manage conflict; rather, the intensity of involvement and the complexity of the architecture that developed masked the lack of such a strategy. At the same time, donors were clearly seeking to scrutinise and influence humanitarian aid and action. Thus, for example, donors in both the ASG and the SACB exerted influence over aid through a highly political analysis of security. However, this does not necessarily imply that such influence could not have been brought to bear in the absence of a coordination structure, nor is it clear that these structures undermined the UN any more than is

apparent elsewhere. Major donors to Afghanistan assert that, if they wish to influence the aid effort, they do not have to use coordination structures to do so. Unilateral decisions on aid allocation and provision can be just as effective.

At headquarters, there is increasing awareness that the nature of the coordination challenge is becoming more complex. However, coordination architectures and technologies are rarely up to the task. The most that can be said is that there is some evidence of increased interest among donors for greater policy discussion, if not coordination, through informal and *ad hoc* mechanisms. This study was not systematic in its consideration of relations between civilian and military bodies, nor in its examination of cross-departmental and inter-ministerial coordination within governments, yet it is clear that there are weaknesses in both areas. These will become increasingly important as new actors seek a role in humanitarian response.

Donors still see the UN as the default coordination structure, while still also doubting its ability to do this job well. Yet concerns about the UN's performance do not seem sufficient to encourage systematic efforts to tackle the organisation's weaknesses. There is perhaps a keener sense of where the UN's comparative advantage lies. In its capacity to handle 'sudden, large volumes of financial and other donations from the public' (US government, 2000: 19), its global presence, its coordination capacity and its economies of scale, the UN is largely unrivalled. Even donor personnel keen to support NGOs concede that they do not have the logistics capacity and global reach of UN agencies. Although the consolidation of NGOs into large confederations is a potentially major shift in the landscape of humanitarian coordination, present evidence suggests that coordinating between the various elements of these new 'families' may in fact pose more problems than external coordination. Such conglomerates are not yet a reliable alternative to larger multilateral agencies, and give little sign that they are keen to adopt a broader coordinating role. The response to Afghanistan after 11 September was further proof that donor governments need channels to disburse large volumes of assistance rapidly. US interviewees referred in particular to the WFP's logistics capabilities.

While the great majority of this study's interviewees stressed that the UN retains pre-eminent responsibility for coordination, this position is not unchallenged, and the EC appears to be interested in taking a more active role, potentially in competition with the UN. In some settings, ECHO appears poised to challenge the UN's monopoly on coordination (Reindorp and Wiles, 2001; Mowjee and Macrae, 2002; Brusset and Tiberghien, 2002). While the recent communication between the EC and the UN provides a much stronger basis for coordination and collaboration between the EC and the UN (Commission of the European Communities, 2001), an EC report of 1997 concludes that the lack of an overall policy in this area has meant that collaboration has been unstable, with

different principles being applied at different times (EC, 1997). This has given ECHO personnel a free rein to supervene. The fact that ECHO does not contribute to CAPs only increases tensions.

For the future, all the signs are that the humanitarian 'system' will remain dependent on the UN, but donors are largely pessimistic about the organisation's ability to reform itself, particularly through Executive Boards. This suggests that donors are likely to continue to try to influence multilaterals through other means. Ostensibly, 'Friends of' groups are the first attempt by donors to scrutinise the performance of UN agencies in a more coordinated way. They also indicate donors' shared interest in exerting greater influence, although the extent to which these groups in themselves allow for this is open to question. Arguably, this capacity for influence is already available to the small group of donors that fund UN agencies. The top 15 donors to UNHCR, for example, provide over 90% of the agency's funding, and around 80% of funds are earmarked for specific purposes. This leaves UNHCR susceptible to donors' opinions, priorities and prejudices, with or without a 'Friends of' group.

Although the donor personnel interviewed for this study disagreed about the extent to which the 'Friends of' groups allow donors to bypass the governance mechanisms of Executive Boards, they could potentially bring donors closer to the policy-making process. However, while these groups appear more amenable to donor governments than do formal governance structures, it appears that donors are inconsistent in their use of them to coordinate on the details of what they expect from a particular organisation. In as much as they apply pressure to UN agencies to improve their coordination performance, and this pressure is applied to all UN agencies, these groups could have a positive benefit. If UN agencies use them as a forum to press donors to improve coordination among themselves, and to develop their policy and practice in ways that enhance the delivery of humanitarian assistance and protection, they are useful. These groups perhaps best exemplify the tensions between donors' concern to improve the performance of UN agencies, and the risk that this will allow a handful of governments undue influence over the multilateral system. It remains to be seen whether these groups afford donors sufficient influence that they dispense

with earmarking as their preferred tool of control. Overall, donor enthusiasm for informal coordination may be a positive development in as much as it delivers greater coordination than more formal mechanisms. Where such *ad hoc* fora foster greater clarity on how donors can complement each other, this is to be welcomed. Yet these informal groupings may also reinforce problems around the weak accountability of donors. In groupings such as the ASG, where terms of reference were never laid out, donors can evade responsibility for their inaction or poor coordination.

A number of factors are driving these changes in the way donors approach coordination. Alongside a professional concern with quality, civil servants in donor countries are also under pressure to ensure that their work is visible to key constituencies, including the general population in donor states, interest groups and politicians. This increased visibility, amplified by the media, exerts contradictory pressures on coordination. Whilst theoretically the heightened profile of humanitarian action should increase the pressure for greater coordination, in practice this increased visibility seems to have led to greater competition within the sector, including among donors and between donors and their operational partners.

Donors are in the strongest position to demand coordination from others and ensure coordination between themselves. Yet despite an increasingly formalised commitment to inter-donor coordination, they do not appear to have enhanced coordination significantly either at field level or globally. Coordination is clearly difficult given that governments are dealing with the divergent demands of domestic constituencies. There is a wealth of theoretical and experimental work that reveals why coordination among donors can be difficult.²³ The absence of explicit strategies for humanitarian coordination on the part of donors makes for a poor start. So too does the absence of any global strategy, similar to that which exists in relation to development coordination in the shape of the DAC, and through country-based mechanisms such as Consultative Groups and Round Tables. Thus, while there have been small steps towards establishing more policy-based approaches to humanitarian action, as yet the systems required to make this concrete in a coherent strategy remain elusive.

²³ See, for example, Hackett, Dudley and Walker (1997) on how differential capabilities impair cooperation; and Eriksson (1999) on how coordination is complicated by non-aid concerns, such as donor commercial interests.

Chapter 4

Donors and accountability

4.1 Introduction

Most Western donor government agencies are strong supporters of the various initiatives to strengthen accountability within the international humanitarian aid system in the last six to seven years. This growing interest in accountability and value for money in their implementing partners has been one of the major drivers towards the apparent bilateralisation of donor funds. In theory at least, it should be easier to hold implementing partners to account if funds are clearly earmarked for particular programmes. And it has long been held that it is easier to hold NGOs to account than large complex UN agencies – hence the trend amongst some donors to increase the proportion of aid channelled through NGOs. Yet for all this concern with accountability, how *donors* are held to account has been overlooked. Instead, the focus has either been on strengthening operational agencies' upward accountability to their funders, or their downward accountability to their beneficiaries.

This chapter explores the complex question of donor accountability. It begins by setting out a framework for accountability, and reviewing key trends in public sector management relevant to the management of official aid programmes. Section 2 describes the main stakeholders in the humanitarian assistance provided by donor

governments, and identifies some inherent problems in holding actors within the system to account. The following sections review the various accountability mechanisms that apply to donor agencies. The formal mechanisms for holding each donor agency to account operate mainly 'upwards', principally to parliament (including the scrutiny of the national audit office) and to the wider government, including the treasury/ministry of finance. Internal bureaucratic means of promoting accountability within donor agencies are reviewed, as well as the more powerful forms of informal accountability: the role of the media, of NGOs and of academia. Finally, conclusions are drawn about where there are gaps and weaknesses in the current accountability structures and mechanisms. A number of recommendations are made, with the intention of improving the accountability and overall performance of the humanitarian assistance policies and programmes of donor agencies. These recommendations take into account the potential tension between ever-tighter accountability mechanisms and the kind of flexibility that may be critical to the overall effectiveness of humanitarian assistance policies and programmes. Hence, it is important to distinguish between different levels of accountability and their associated mechanisms. This is explored further in the next section.

Donor accountability is a complicated issue because of the range of domestic and international political and policy

Table 4.1: Key features of DFID, Danida and CIDA

Features	DFID	Danida	CIDA
Status of the department	Independent ministry. Secretary of State for International Development has cabinet status	Part of the Ministry of Foreign Affairs (MFA)	Subordinate to the Department for Foreign Affairs and International Trade (DFAIT)
Size of humanitarian aid budget	Approx. £200m (\$310m) per year	Approx. DKK850m (\$110m) per year	Approx. \$90m (Canadian) (US\$60m) per year
Humanitarian aid as a percentage of total aid	Approx. 10%	Just under 10%	Approx. 7–8%
Extent to which operational	Operation Response Team run by a private contractor, has expanded significantly over the past decade	Not at all	Recent and very limited. Small Emergency Response Unit established in 2001, administered by Canadian Red Cross, principally for needs assessment and designing a response strategy

environments that government aid departments operate in. Although they are key actors in the international humanitarian system, these departments are first and foremost components of a domestic government system. Hence, they are primarily accountable to their national electorates and domestic taxpayers, and it is here that accountability mechanisms are clearest and most formalised. But humanitarian assistance is rarely just the concern of a government's aid department. Other ministries are often involved, and humanitarian aid programming is often closely linked with a government's broader objectives and policy. In addition, a wide range of other stakeholders are engaged in one way or another, from affected populations to multilateral organisations, the media and business.

This chapter is based on case studies of three donor agencies: DFID, Danida in Denmark and the Canadian International Development Agency (CIDA). Each has distinct characteristics. For example, DFID is an independent ministry, whereas both CIDA and Danida are part of their respective ministries of foreign affairs. CIDA and Danida are traditionally regarded as strong supporters of multilateralism, whereas DFID has adopted a more mixed and sometimes ambivalent approach to the UN (see Chapter 2). DFID has developed its own operational capacity, while CIDA and Danida are entirely dependent on NGOs, the Red Cross and UN agencies for operational capacity. Yet there are also common threads; all three, for example, are concerned about the visibility of their aid programmes; in all three, there is evidence of increasing bilateralisation of their aid spending, albeit from a different base; and all three have supported key accountability initiatives within the humanitarian aid sector.

4.2 Accountability and government agencies

4.2.1 Definitions and types of accountability

There are many definitions and types of accountability. For some, accountability is the basic process of accounting for one's actions. For others, being accountable means being held responsible for one's actions. For the purposes of analysing the accountability of donors, accountability can be described as having four main components:

- agreement of clear roles and responsibilities of the organisation and its personnel;
- taking action for which an organisation is responsible;
- reporting on and accounting for those actions; and
- responding to and complying with agreed standards of performance and the views and needs of stakeholders (Raynard, 2000).

For governments, five main types of accountability operate, each of which is associated with a distinct set of accounting mechanisms.¹

i) Political/strategic accountability

Political or 'strategic' accountability relates principally to members of the executive charged with defining and carrying out policy, who are obliged to explain their policies and actions to the electorate and take responsibility for them. The executive/ministers therefore have responsibility for macro-policy objectives and overall resource allocation.

ii) Legal accountability

Governments and their ministers are accountable for their policies and actions to their national courts of law, and to any relevant supranational court of law, such as the European Court of Justice. Legal accountability is only effective where government policy and action is circumscribed by relevant and sufficiently clear legislation.

iii) Managerial accountability

Government departments are charged with implementing the government's macro-policy objectives, subject to allocated resources. Civil servants are accountable to the senior civil service and to the minister concerned for achieving delegated targets and objectives for the use of resources, including negotiating and managing contracts with service providers.

iv) Financial accountability

The financial accountability of government departments is separate from managerial accountability, but closely linked to it. It includes the accountability of civil servants for the regularity, effectiveness and efficiency with which public resources are managed and used in the implementation of policy.

v) Contractual accountability

Government departments increasingly delegate or sub-contract the delivery of public services to agencies and/or independent organisations, including non-governmental organisations. These agencies are accountable for providing services to clients in accordance with contractual terms agreed with the department concerned.

4.2.2 The changing face of the public sector

Democratically elected governments are arguably the most accountable of bodies. They enter office through an election; they are meant to adhere to the promises made in their manifestos; their policies and actions are open to challenge and scrutiny by opposition parties, upper houses and committees; and they have to go back

¹ These five categories of accountability draw on a typology outlined in Glynn and Murphy (1996).

to the electorate periodically to be judged on their performance. No private or non-profit sector organisation has to suffer such public scrutiny. Yet ironically, the experience and practice of private organisations is informing the accountability of the public sector; the language of efficiency and effectiveness, quality control and value for money has become part and parcel of how the public sector goes about its 'business'.

As described in Chapter 2, the 'New Public Sector Management' has its roots in the seismic changes that took place during the 1980s as a result of the neo-liberal policies of many Western governments, notably those of US President Ronald Reagan and British Prime Minister Margaret Thatcher. The belief that the public sector was failing to deliver the required services led to a fundamental shift in the role of the state, from provider to facilitator and regulator (Humphrey et al., 1993; Power, 1994; Barberis, 1998). New forms of organisation sprang up; so-called 'quangos' (quasi non-governmental organisations) took over welfare provision; the private sector assumed greater prominence, not only with the privatisation of public utilities but also through private contracting, both to NGOs and private agencies. This growing reliance on unelected bodies to carry out regulatory and service functions once reserved for the state gave rise to criticism about their non-democratic nature, 'not least because many of these bodies are now staffed with government-approved individuals where their functions were once performed by elected local government officials' (Humphrey et al., 1993). In addition, the new enterprise culture saw a new drive for measurement, reporting and accountability, and the introduction of new financial and economic criteria for assessing the performance of the public sector.

4.2.3 The ministerial model of democracy

One of the problems for accountability is that the basic model of democracy has not changed with these changes in the role of the state. Parliament is the ultimate institution for the accountability of any department of the executive. It is here that the laws and policies formulated by the executive within its departments are debated and enacted, and where a government is accountable to its public. The basis for the governance and therefore accountability of the executive is the ministerial model of government, which has a long history in each of the countries looked at for this study. Members of the executive are charged with defining policy, and are obliged to explain their policies and actions to the electorate and take responsibility for them. Ministers therefore maintain responsibility for macro-policy objectives and overall resource allocation. Each department, in turn, is responsible for implementing a particular area of government policy, and the minister and department are accountable to parliament. Rush (2000) identifies two forms of ministerial responsibility,

collective and individual, and notes that 'the ultimate sanction in both cases is the forced resignation of the government as a whole or of an individual minister respectively'.

One of the key weaknesses in the ministerial model is uncertainty over where and how the lines should be drawn between ministerial *responsibility* (understood in terms of potential blame or credit) and ministerial *accountability* (interpreted in terms of explanation and clarification). Should a minister be required, not only to provide an account of particular policies or activities, but also to take full responsibility for them? For example, if the government is disbursing funds to multilateral bodies which are ineffective or inefficient, does the responsibility lie with the executive for the misuse of taxpayers' money, or must ministers only provide an account?

4.3 Accountability within the international humanitarian system: key trends and challenges

Problems of accountability are especially acute in the humanitarian sphere. There are a number of reasons for this, including the variety of stakeholders involved; the types of situation in which humanitarian agencies work; the way in which the humanitarian system operates; and the changing objectives governments have attached to humanitarian assistance.

The various stakeholders to which a donor may be directly or indirectly accountable are spread throughout the world, and may be in fast-changing conflict zones or areas of natural disaster where local institutions are weak or non-existent. These stakeholders include:

- affected populations;
- the national authorities, including parliament: members of parliament, select committees, opposition spokespersons and other government departments in affected countries;
- operational humanitarian and development agencies: NGOs and multilateral organisations;
- other donor governments;
- Southern and 'recipient' governments and state institutions;
- the domestic public (taxpayer and electorate);
- the media;
- academia; and
- business.

Populations affected by humanitarian crises are clearly the primary stakeholders. However, they are also the weakest – often physically, nearly always politically. The links

between donor government agencies and the potential or actual beneficiaries of their humanitarian assistance are at best tenuous, and often mediated by the donor's operational partners. This highlights the obvious but important difference between accountability mechanisms applied to ministries that have a principally domestic function (for example, health and education), and those applied to ministries or departments for international development and assistance. In the latter case, the most important stakeholders are not part of the electorate, do not usually have access to the national parliament of the donor government, and are therefore represented by proxy, often by international NGOs, and to some extent by the media. As one official interviewed for this study put it, 'The Treasury should be quite worried about the fact that there is absolutely no customer "test" when it comes to humanitarian aid'.

At the centre of an emergency – whether caused by natural disaster or by conflict – the 'normal' local accountability mechanisms associated with the judiciary, democratic processes and even the media may be suspended, damaged or ineffective (Borton, 2001). In some conflict situations, such as Somalia and the eastern Democratic Republic of Congo, there is no formal state authority at all, or a very weak state. The accountability mechanisms that would normally exist between international aid agencies and the government of the recipient country are absent. Therefore, the only way in which humanitarian aid agencies are usually held to account tends to be functional and upwards, accounting for the financial resources provided by the respective donor agency.

Obstacles to effective accountability also stem from fundamental characteristics of the international humanitarian system. Raynard (2000) has highlighted the general lack of clearly defined responsibilities among humanitarian organisations, and therefore problems of attribution. Thus, for example, if food aid is not delivered to those in need, it may be difficult to establish whether this failure is the responsibility of the operational NGO on the ground, of the agency supplying the food, of the donor agency which is supposed to provide the financial resources, of diplomats who are negotiating humanitarian access, or of the belligerents who have denied access. If responsibilities have not been clearly defined at the outset, it is easy for one actor to lay the blame for failure at the feet of one (or a number) of others.

This means that a systemic approach to accountability is needed. However, there are no international structures or mechanisms responsible for scrutinising the performance of the system as a whole. Remarkably, there has been only one system-wide evaluation of the international humanitarian response to a crisis – the multi-donor *Joint Evaluation of Emergency Assistance to Rwanda*

(JEEAR, 1996). Only this type and scale of evaluation can really deal with the complex web of inter-dependent relationships between different agencies, and tackle the problems of attribution and the lack of clearly defined responsibility.

The changing objectives of official humanitarian assistance also present challenges to accountability. At its simplest, humanitarian assistance is about meeting immediate life-saving needs with material help in the form of medical care, and resources such as food, shelter and water. During the 1990s, however, the aims of humanitarian aid became much more complex. Humanitarian assistance is now also expected to contribute to longer-term developmental needs, or to peace-building and conflict reduction. As a consequence, aid has been withheld or disbursed selectively in areas or countries controlled by political or military groups or regimes deemed unacceptable to donors. Thus, the goal of humanitarian aid has become blurred. Without clear goals, it is all the more difficult to develop and agree appropriate criteria against which donors and other agencies can be held to account.

4.3.1 The drivers for change within the humanitarian system

Since the mid-1990s, this 'accountability vacuum' has attracted considerable attention. Poor performance and the political and moral dilemmas faced by humanitarian aid organisations gained particular prominence during the Rwanda crisis from 1994 to 1996. High-profile media coverage raised fundamental questions about how international humanitarian aid was organised, and concerns about the lack of accountability of aid agencies, especially NGOs, have persisted. This criticism has been a powerful external driver for aid agencies – especially NGOs – to improve their performance, particularly to tighten up their own lines of accountability.

The second factor driving change has been the exponential growth in the NGO sector. In Rwanda, over 200 NGOs were active at the height of the international response; in Kosovo in 1999–2000, there were over 300. As small and relatively inexperienced NGOs have become involved in emergencies, established and experienced agencies have become concerned to maintain, or in some cases establish, technical standards to ensure a sufficiently high quality of interventions, and thus to promote a greater degree of professionalism. Linked to this is a fear that, unless humanitarian agencies improve their performance and strengthen their accountability, regulation will be imposed on them from the outside. This combination of factors has given rise to a number of 'accountability initiatives', summarised in Table 4.2.

Table 4.2: Accountability and quality initiatives in humanitarian assistance

Initiative	Date	Origin	Key features
Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief	1994	Formulated by the IFRC and other NGO representatives	States basic principles and standards of behaviour. Hundreds of signatories
Sphere Project	Started in 1996. Humanitarian Charter and Minimum Standards published in 2000	Developed by a coalition of European and US NGOs	Provides a Humanitarian Charter. Sets minimum standards and key indicators for disaster assistance in five sectors. Currently under evaluation
People in Aid	Started in 1996. People in Aid Code of Best Practice published in 1997	Established by a group of UK organisations	Sets standards for the management and support of aid personnel. Verified by social audit of signatory agencies
ALNAP	1997	Supported by a wide range of agencies (donors, UN, NGOs, Red Cross movement etc), and hosted by ODI	Inter-agency forum to link different initiatives on learning and accountability, and to undertake complementary activities
Humanitarian Ombudsman	1997	Concept developed by a group of UK organisations	Explored how a Humanitarian Ombudsman might act as an impartial and independent voice for people affected by emergencies
Humanitarian Accountability Project	2000	Developed out of the Humanitarian Ombudsman, to become an international project based in Geneva	Dedicated to improving accountability within the humanitarian sector, initially through a programme of action-research
Quality Platform	2000	Developed by French NGOs	Designed to raise awareness that there is disagreement over Sphere, and to explore alternative approaches
Country-specific codes	Periodic, from mid-1990s onwards, for example in Liberia, DRC and Sierra Leone	Usually drawing on 1994 Code of Conduct	Usually to ensure humanitarian organisations are working to the same principles, and to guide behaviour. Occasionally to secure agreement of warring parties to standards and principles

Although the need to strengthen accountability has motivated many of these initiatives, strictly speaking most are concerned with improving quality and performance in the delivery of humanitarian assistance. With one exception – the People in Aid Code – there are no agreed mechanisms for monitoring compliance with any of these codes and standards, nor for sanctioning those who breach them.

Most of these initiatives have been developed by NGOs. NGOs have also been most active in implementing them, albeit amidst considerable controversy in the case of Sphere (Terry, 2000). UN agencies have been slower to get involved, except perhaps in some country-specific codes and the Active Learning Network for Accountability and Performance (ALNAP). Donor agencies have been very supportive of these initiatives, particularly the Sphere project; many have provided funding, and some, like CIDA, offer to fund training in Sphere for their implementing partners. Although few of these standards are regarded as definitive and their acceptance and institutionalisation within the humanitarian aid system is still at an early stage, donors increasingly expect their implementing partners to abide by them. However, there has been little thinking about what standards such as Sphere could mean for donors themselves. In theory, donors could be held to account against these same standards, at least in terms of the systematic monitoring of, and accounting for, the standards achieved by their operational partner organisations and in their own operational activities.

4.3.2 Principles and laws

Raynard has argued that:

For those involved in humanitarian assistance the bottom line is all about values, as expounded in humanitarian principles and law. This seems to be a fundamental foundation on which to drive accountability in humanitarian assistance; this set of powerful values can allow one to develop accountability systems based upon the principles of humanitarianism (Raynard, 2000).

Humanitarian values are spelt out in broad terms in IHL, and all Western donor governments are signatories to IHL through the Geneva Conventions. However, these Conventions are primarily concerned with the conduct of warfare, and therefore serve more as a check on political action, to ensure that involvement in conflict and warfare respects core humanitarian principles. The general principles and values of humanitarian assistance derived from international humanitarian and human rights law, including the right of humanitarian organisations to provide assistance to non-combatants in situations of conflict, informed a set of guiding principles for humanitarian action developed by the Red Cross movement, including the impartiality, neutrality and independence of humanitarian assistance, and these remain

a central foundation of today's international humanitarian system. Yet these principles and much of the body of international law from which they derive are not strictly binding on donors or other actors in the system, and there is little consensus among humanitarian agencies about which humanitarian principles they adhere to, and what they mean in practice (Leader, 2000).

At national level, some countries legislate for their official development assistance programmes, for example through the UK's International Development Act of 2002, and the Law on International Development Work in Denmark. (There is no legislated mandate for the Canadian aid programme.) However, humanitarian assistance is rarely an explicit part of this national legislation. Switzerland appears to be one of the few Western donor governments to have established a statutory basis for its humanitarian assistance. A federal law in 1997 states that 'humanitarian aid is not to be used as a substitute for other instruments', and declares a commitment to humanitarian principles (Stevenson and Macrae, 2002). In the UK, the decision was explicitly not to include a statutory definition of humanitarian assistance in the International Development Act. According to DFID, this was because 'any definition of humanitarian assistance in legislation would be unnecessary, and would furthermore constrain our ability to react quickly, to respond to need, to learn from the operation of humanitarian assistance programmes, and to reflect those lessons in future programmes' (Stevenson and Macrae, 2002). Instead of setting out clear responsibilities for humanitarian assistance, the Act specifies only that the Secretary of State for International Development 'may provide any person or body with assistance for the purpose of alleviating the effects of a natural or man-made disaster or other emergency on the population of one or more countries outside the United Kingdom'. The language is permissive, not obligatory. In Denmark, the NAO has drawn attention to the lack of a legal basis for Denmark's humanitarian assistance, and has recommended that such a basis be incorporated into the country's law on international development. The Canadian government established a National Committee on Humanitarian Law in 1996. However, in none of the three cases looked at for this study are there legislative criteria for holding the donor agency to account for its core strategic responsibilities for humanitarian assistance.

As the operational realities of humanitarian assistance have become more complex, and the accompanying debates more sophisticated, so donor agencies have developed more detailed policies and strategies for their work (see, for example, DFID, 2000; Danida, 2002; CIDA, 2001). These usually make reference to IHL and to humanitarian principles, but are still at a general level which does little to address the complexity of most of today's humanitarian crises, nor the political and moral dilemmas routinely faced in providing humanitarian assistance. In 1998, DFID announced ten 'Principles for a New Humanitarianism', but the difficulty of consistently applying them in practice

is reflected in an important caveat, to the effect that sometimes the department:

may have to cease funding completely ... where there are serious security risks or concern that any harm to staff could lead to wider negative implications; or if it is proving impossible to keep to humanitarian principles and deliver help effectively to those who need it. We seek to discuss the reasoning behind such decisions as fully as possible with the agencies concerned. But when there are complex security considerations, it is not always possible to publicly share all the information that may be available to us (DFID, 2000: 9).

In all three cases studied, the status of the relevant policy document itself is unclear, and there is no formal process for monitoring and reporting the donor's adherence to it at different levels. In the UK, there has been controversy over the status of humanitarian principles within DFID's humanitarian assistance programme, and within the government's broader humanitarian policies. The elevation of the minister responsible for international development to cabinet rank and the creation of DFID as a separate government department in 1997 took the aid portfolio – including humanitarian aid – out of the control of the Foreign Secretary and the Foreign and Commonwealth Office (FCO). However, at the same time as creating DFID, the new Labour government also started moving towards much more 'joined up' policy-making in both domestic and international policy. This was reflected in the 1997 White Paper, which signalled that the UK's responses to conflict, political instability, poverty and humanitarian assistance would involve the deployment of diplomatic and military instruments, as well as aid (DFID, 1997; see also Macrae and Leader, 2000). The alignment of humanitarian aid with foreign and security policies was reaffirmed by Foreign Secretary Jack Straw in 2002:

where intervention is required, it has to be early and it has to be coordinated. Diplomacy by itself is not enough. Humanitarian and development aid by itself is not enough. Military action by itself is most certainly not enough. But bring these three together, within a clear overarching strategy, and we can far better secure and sustain the peace of the global community. This is the approach which we have adopted with success in Kosovo, Macedonia, East Timor, Sierra Leone and now Afghanistan. We have to build on this experience.²

This has raised questions about the extent to which DFID's emergency aid and other development policies might be subordinated to the government's wider international political objectives, despite the formal separation of the aid portfolio from the FCO. Concerns raised by a number

of NGOs about the apparent 'politicisation' of the UK's humanitarian response in Sierra Leone in 1997–98 were followed by similar charges relating to the UK's humanitarian policies in Afghanistan before September 2001 (see IDC, 1999b; and Macrae and Leader, 2000). These debates have been fuelled by an overall lack of clarity in the parameters of core objectives and responsibilities for individual ministers and their departments in this area. It is noteworthy that the International Development Act of 2002 does not define humanitarian assistance, nor does it define or limit how that assistance should be provided, with what objectives or against what criteria.

The alignment of humanitarian aid with foreign and security policies is expressed by the government in terms of achieving more effective responses to complex humanitarian and political emergencies, such as in Kosovo, East Timor, Sierra Leone and Afghanistan. The government's strategic accountability for its policies in these situations is therefore couched generally in terms of the overall effectiveness of its diplomatic, military and humanitarian strategies in response to specific emergencies. But this raises the problem of how to measure effectiveness at this level and against what criteria, since the effectiveness of humanitarian policies cannot be assessed against the same criteria as political and military policies. The government could succeed in its overarching aim of securing and sustaining the peace of the global community, but this does not say anything directly or specifically about its humanitarian policies and their impact, or about whether humanitarian principles have been adhered to.

In a meeting with chief executives of British humanitarian NGOs in 1999, Short acknowledged that a perception of the humanitarian response as part of, or linked to, the overall political agenda 'would directly and disastrously compromise the impartiality and universality of humanitarian aid'. She therefore underlined the need for 'an open, on-going and constructive dialogue ... to explore the potential of policy coherence, and the respective boundaries of, and differences between, humanitarian and foreign policy objectives' (DFID, 1999). To date, this debate has remained muted, and has failed to clarify how the humanitarian imperative to save lives and reduce suffering sits with longer-term conflict reduction and developmental objectives.

4.4 Internal accountability mechanisms

4.4.1 Management processes and monitoring mechanisms

In many Western countries, public sector management has been rethought, and terms such as 'performance management' and 'results-based management' have been introduced. Key features of these approaches include setting clear outcome targets, and shifting the emphasis in

² Speech by Foreign Secretary Jack Straw, London, 10 April 2002. See also chapter 2 of the 1999 Government White Paper *Modernising Government* (London: Her Majesty's Government, 1999).

management and monitoring from activities and outputs to outcomes and impact.

This shift in emphasis has applied to international aid programmes, as well as domestic social services. Thus, DFID has a PSA and Service Delivery Agreements, against which it must monitor and report on its performance to the Treasury, and has adopted a 'performance management approach'.³ The PSA is designed to link DFID's strategic objectives set out in the 1997 and 2001 White Papers to measurable managerial targets and resource allocations. However, humanitarian assistance does not figure in the current PSA. This is because the PSA is structured around the MDGs (in which humanitarian assistance does not feature). This absence also stems from the difficulties involved in developing an appropriate quantifiable results-based target in this area, and DFID's interest to maintain flexibility in its emergency programming. CIDA has also adopted results-based management as part of its Policy for Performance Review in 1994, in response to sharp criticism from the national audit office. It has also established a Performance Review Branch, whose role is to 'provide independent and objective advice to management on the continued relevance ... success and cost-effectiveness of key CIDA policies, programs, and projects and on the effectiveness of the management systems, processes and practices' (CIDA, 1996: 1). A Performance Review Committee has been set up to decide which parts of CIDA's operations should be reviewed each year.

Traditionally, aid programming and monitoring have focused on inputs and activities. In theory, the shift to results-based management switches attention to immediate outputs, intermediate outcomes and longer-term impacts. In practice, however, applying these management techniques to international aid programming is more complex. In 2002, for instance, the UK's NAO noted the particular challenges to effective performance management and measurement in development work. These stemmed from:

- the timescales over which discernible results will show, which are longer than those usually set for public expenditure monitoring and reporting;
- attribution, where there is a range of different actors involved and other external political, economic and social factors that need to be taken into account;

³ PSAs are short statements of a department's priority objectives for the following three years, with associated performance measures and targets. They are reviewed every two years as part of the UK government's spending review process, and departmental budgets are linked increasingly to performance in relation to the PSAs. In addition, each department reports on its performance against PSA targets in its annual reports to parliament. A department's PSA is supported by a Service Delivery Agreement, which focuses on the implementation of policy. The SDA explains how the department will contribute towards delivery of the PSA targets.

- the decentralised management of aid programmes, which means that teams in the field may not be fully integrated into their agency's high-level objectives; and
- the poor quality of performance data available in developing countries (NAO, 2002: 4).

These difficulties are compounded in the case of humanitarian assistance, which is often seen as a special case. In DFID, some of the mechanisms for implementing performance management – for example output-to-purpose reviews of projects that require managers to assess annually their progress towards delivering outputs and outcomes – usually do not apply to humanitarian aid projects because they typically fall below the funding threshold of £500,000, and/or are over too quickly to be subject to such detailed reviews. CIDA's International Humanitarian Assistance Department has gone furthest in developing and launching a performance framework for short-term humanitarian responses (CIDA, 2002). This indicates the expected impact and outcomes of humanitarian assistance programmes, but is relatively un-prescriptive, giving examples of expected outputs whilst allowing implementing partners to develop their own list according to the local context. Nevertheless, officials in CIDA report that the agency is still struggling to implement results-based management and to develop performance indicators, particularly above project level to the programme and especially the corporate/strategic level. Indeed, some outside observers are dismissive of the impact of this new approach, claiming that it has mainly brought cosmetic changes in the type of paperwork that officers are required to fill out. A recent report on development effectiveness in DFID similarly comments that 'as a basis for corporate management, performance reporting and accountability, current systems are not yet adequate' (Flint et al., 2002).

4.4.2 Evaluations

The practice of evaluating emergency programmes took root in the wake of the major African famines in the mid-1980s, but since the mid-1990s, there has been a notable increase in the number of evaluations of humanitarian aid; ALNAP's database of evaluations, for example, holds less than ten for each year between 1986 and 1993, 20 for 1994 and over 50 in 2000. Most evaluations have been commissioned by individual aid agencies, to evaluate their particular contribution to the response to a humanitarian emergency. According to ALNAP's definition (ALNAP, 2001: 18), an evaluation of humanitarian action is:

a systematic and impartial examination of humanitarian action intended to draw lessons to improve policy and practice and enhance accountability. It has the following characteristics:

- *It is commissioned by or in cooperation with the organisation(s) whose performance is being evaluated.*
- *It is undertaken either by a team of non-employees (external) or by a mixed team of non-employees (external) and employees (internal) from the commissioning organisation and/or the organisation being evaluated.*
- *It assesses policy and/or practice against recognised criteria ...*
- *It articulates findings, draws conclusions and makes recommendations.*

Despite growth in recent years, donors expend much more energy in evaluating development assistance than they do in evaluating humanitarian aid. CIDA's Performance and Evaluation Branch, for instance, has not evaluated any aspect of Canada's humanitarian assistance programme. All its efforts have focused on development programmes. Within DFID, responsibility for commissioning evaluations of humanitarian work was largely delegated to CHAD from the central evaluations department in 1997. With the exception of the UK's response to the Montserrat emergency (Clay et al., 1999), there have been no independent evaluations of DFID's humanitarian work since then. Instead, the emphasis has been much more on internal reviews and lesson learning studies, and evaluations commissioned by CHAD that are concerned primarily with examining and assessing the performance of partner organisations.

In Denmark, Danida commissioned a major evaluation of its humanitarian assistance in 1999, based on six country case studies and two institutional reviews. When donors do commission an evaluation of their humanitarian programme, it usually focuses on the implementing partner. In other words, the donor is being evaluated only by proxy, according to the performance of its operational partners. Initially, this was the case for the 1999 Danida evaluation, and was reflected in the terms of reference. However, it soon became apparent that Danida's own policies and programming decisions needed to be included if the evaluation was to be complete. Thus, Danida itself was being held to account in what must be one of the largest evaluation exercises ever launched by a bilateral government donor agency.

There is an ongoing debate in both the development and humanitarian sectors about whether it is possible to use evaluations for accountability *and* for learning. Danida's evaluation was commissioned by the Evaluation Secretariat rather than by the humanitarian assistance department. This division of responsibility increases the likelihood that the evaluation will serve an accountability function, particularly if – as in the case of Danida – independent teams are commissioned to carry out the work, usually in an investigative style. However, an investigative process, which may end up attributing responsibility and blame, may not

encourage learning. Instead, a more participatory approach is likely to be most effective, along the lines that DFID has been experimenting with in its internal reviews. For instance, DFID conducted an internal evaluation of its, and others', response to the Gujarat earthquake. The evaluation process was built into line-management procedures in order to focus specifically on lesson learning. DFID has similarly relied upon internal lesson learning exercises, rather than formal evaluations, in relation to the crises in Kosovo and Afghanistan. These exercises usually result in internal documents which are not in the public domain and hence are distinct from accountability mechanisms. DFID's evaluation department has acknowledged that the department's external audiences 'will be concerned with the degree to which self-assessment is complemented by genuinely independent checks' (DFID, 2001). In the US, OFDA's After-Action Reviews clearly distinguish between learning and accountability with their 'No Attribution, No Retribution' rule (ALNAP, 2002: 60). Similarly, the Swiss Agency for Development Cooperation makes a distinction between external evaluations for cross-sectoral analysis, and self-evaluations for internal learning and team-building (ALNAP, 2002: 60).

Danida's 1999 evaluation is a positive example of how evaluation can perform an accountability function *and* result in some significant changes. For example, in response to the evaluation's recommendations Denmark now has its first-ever strategy specifically for humanitarian assistance. The evaluation also resulted in the piloting of two country-specific strategies, for Sudan and Angola, as part of an overall effort to improve country-level strategic planning. There are several reasons why this evaluation was taken seriously, and why it contributed to meaningful change. First, all evaluations commissioned by Danida's Evaluation Secretariat are made public, and if sufficiently high profile, their release may be accompanied by a press conference. This was the case for the evaluation of humanitarian assistance, which was reported on in the national press. This policy reinforces the accountability function of the evaluation, and it means that the findings are read carefully by Danida officials. Second, it appears that larger and more comprehensive evaluations have greatest impact, not least at a policy level. This is borne out not only by the Danida evaluation, but also from the list of evaluations cited in the latest ALNAP review as having had a particular impact on policy and practice. These include evaluations of the UK's response to drought in southern Africa (Clay et al., 1995) and the *Joint Evaluation of Emergency Assistance to Rwanda* (JEEAR, 1996).

4.4.3 Governance and advisory structures

Danida is the only one of the three case study donors to have its own consultative/advisory bodies: the Council for International Development Cooperation and the Board for International Development Cooperation. Strictly speaking, neither performs a formal accountability function,

but *de facto* they have significant influence, especially the Board, and both are important in linking Danida to Danish civil society.

The Council for International Development Cooperation has up to 75 members, drawn from different parts of Danish civil society, and appointed by the Ministry of Foreign Affairs (MFA) for a three-year period. It is a consultative body, meeting twice a year. The Board comprises nine members, also appointed by the MFA for a three-year period. It meets ten times a year. Its main tasks are to assist the Minister in carrying out his or her regular duties as specified in the Law on International Development Work, by reviewing policy, strategy and individual project and programme proposals over DKK5m (\$0.7m). Although the Board is formally an advisory body, Danida officials take its views and comments seriously; if a project proposal receives negative comment, it is as if it has been rejected.

Although neither the Council nor the Board spends much time on the humanitarian assistance programme, which accounts for less than a tenth of Danish ODA, these two bodies are regarded as having an important positive influence on the high level of public support that Danida's aid programme has traditionally enjoyed. Powerful constituencies, such as agriculture and industry, are represented on the Board, along with NGOs. This appears to contribute to the consensual support for official Danish aid.

Neither DFID nor CIDA has an equivalent advisory body. However, both embarked on extensive public consultation exercises in the 1990s: DFID during the rolling-out of the 1997 White Paper, when the Labour party came to power, and subsequently in the preparation of the ISPs for negotiation with multilateral agencies; and the Department of Foreign Affairs and International Trade (DFAIT) in Canada during the formulation of the new Liberal government's foreign policy, 'Canada in the World', in 1994. In Canada's case, the consultation was in response to the widespread and vocal criticism of the previous Conservative government's approach to aid. In the early 1990s, the Conservatives had made what was perceived to be a major reorientation in aid policy to serve more blatantly commercial objectives, and in 1993 had decided to terminate Canadian aid to several African states. In both countries, these consultation processes appeared to indicate a greater concern to take account of public views, and especially to be seen to consult. They were, however, principally focused on development assistance.

4.5 Parliamentary oversight

Parliamentary oversight is generally regarded as the ultimate form of democratic accountability, despite some of the weaknesses of the ministerial model of democracy described above. Both the UK and Canada have

'Westminster-style' parliaments, comprising two chambers and a first-past-the-post electoral system. The executive in the Westminster system is particularly powerful. The Danish parliament consists of a single chamber and an electoral system of proportional representation. It also has a powerful executive, although governments are normally formed by coalition. Despite these differences, the mechanisms of parliamentary oversight are broadly similar in each country. MPs exercise their scrutiny function within parliament through legislative procedure, debates on non-legislative business and parliamentary questions, and through the activities of investigative committees, including departmental select committees.

Although parliamentary questions (PQs) appear to be the route most regularly and vigorously used by MPs, absorbing considerable time on the part of departmental officials, they do not provide the most effective tool for rigorous and detailed scrutiny of particular areas of government policy. Particularly in Canada and the UK, oral PQs tend to take the form of politically aggressive exchanges, which encourage defensive and largely uninformative replies from ministers. Written PQs may generate more specific information, but not sustained analysis or discussion of government policy.

Instead, parliamentary committees appear to have the most potential in holding the international aid programme to account, although this potential is rarely fully realised. The power of these committees resides in their ability to launch inquiries of their own choosing, and to call witnesses (ministers, civil servants, independent experts or others) to give evidence, and to make recommendations to the department concerned. However, they have no formal role in the legislative or policy process, and cannot force a government to accept their recommendations.

On the financial side, finance committees are responsible for monitoring all government expenditure. A departmental committee is responsible for monitoring the aid programme. In Canada, this is the Standing Committee on Foreign Affairs and International Trade (SCFAIT), and in Denmark it is the Foreign Affairs Committee. In each of these countries, just as the aid programme is one small part of the foreign affairs ministry, so aid tends to represent a relatively small proportion of the workload of the committee. SCFAIT's Sub-Committee on Human Rights and International Development, which was established in the mid-1980s, has periodically lapsed into dormancy. In the UK, the establishment of DFID as an independent ministry in 1997 meant the creation of a dedicated select committee, the International Development Committee (IDC). In each case, the aid department or ministry submits its annual report (and often its annual plans) to the UK. Themed or country-specific investigations, chosen by the select committee, tend to be vigorously pursued. In these investigations, a particular aspect of the aid programme comes under scrutiny, and witnesses are called to give evidence.

In both Denmark and Canada, there have been no formal hearings or enquiries related to humanitarian assistance in at least the last six years, despite the incidence of major, high-profile humanitarian emergencies such as Kosovo in 1999 and Afghanistan in 2001, and the general rise in humanitarian aid expenditure.

In Denmark, this lack of formal scrutiny is partly to do with the high level of public support that the aid programme has traditionally enjoyed. The Danish public has rarely questioned the level and direction of their country's aid programme, while the traditionally consensual political culture translates into what appears to be a low propensity to scrutinise certain areas of government policy, including aid policy. The Foreign Affairs Committee receives summaries of all Danida's completed evaluation reports, including the high-profile 1999 evaluation, but does not seem to have responded to them. The traditional position of international aid may, however, be changing. In general elections in November 2001, overseas development aid was, unusually, a hotly debated issue. Right-wing parties regarded aid as a prime target for budget cuts in order to fund domestic programmes, at the same time as Denmark's relatively liberal policy on immigration came under major attack. On taking power, the coalition immediately initiated small but significant cuts in the aid budget.

In Canada, there has been little parliamentary scrutiny of the aid programme, especially the humanitarian aid programme, since the influential Weingard Committee in 1987. The Committee was set up by SCFAIT in the wake of the Ethiopian famine in 1985, and was tasked with examining Canada's response. Chaired by a distinguished academic, the Committee expanded its remit to review the entire aid programme, and ended up focusing more on the efficacy of CIDA's long-term development assistance than on emergency relief. The Committee's report is widely regarded as one of the best and most comprehensive reviews of Canadian aid policy.⁴ It had a major impact, and many of its recommendations formed the basis of government policy as set out in *Sharing Our Future*, which was issued in the same year (CIDA, 1987). This remained the guiding policy document until CIDA's next comprehensive review in 2001.

There are a number of reasons why there has been no significant parliamentary scrutiny of humanitarian assistance since Weingard and *Sharing Our Future*. First, the SCFAIT has a very broad agenda, within which aid policy has never been a priority, compared with trade and international security. Humanitarian aid represents only 7–8% of the total aid budget. In the high-profile complex political emergencies of the 1990s, humanitarian assistance was

perceived as secondary to the larger military and political issues at stake. (Similarly, development aid has tended to be seen as a side issue to trade and the economic agenda.) The second set of reasons is structural, to do with how Canadian parliamentary accountability mechanisms operate in general. The committees are constrained in their activities by strong party discipline, which hinders critical analysis of government policy by the committee as a whole. In recent years, there has been a move towards the submission of minority reports, produced by various factions within the committees. This has weakened the committee structure further. While SCFAIT is considered a prestigious committee, there is a high turnover in the membership and of the chair of the Sub-Committee on Human Rights and International Development. Most of the members of the sub-committee, including the chair, are not members of SCFAIT; the division of labour between the parent and the sub-committee is not entirely clear, and workloads are not well-coordinated. A review of the minutes of the sub-committee indicates that its hearings have served primarily as a forum for briefing MPs on various international issues and on the current political situation in a given country, rather than for accountability purposes.

Some political commentators in Canada have argued that there has been a gradual concentration of power in the prime minister's office since Jean Chrétien came to power in 1993, and that there has been a corresponding weakening of the role of parliament in policy-making and oversight (Simpson, 2001). For instance, unanimous opposition within the Sub-Committee on Human Rights and International Development to swingeing cuts in aid in 1993 had no influence on the government (Folster, 2001). Although a government department is required to respond within a fixed period of time to the recommendations of a select committee, only very rarely will the committee follow up or take issue with that department if it regards the response as inadequate.

As in Denmark and Canada, the IDC in the UK can only make recommendations. But the impact of the IDC and other select committees should be assessed purely in terms of their influence over policy, since their primary function is to hold the government to account through the *scrutiny* of government policy and administration. The IDC has undertaken a number of inquiries into specific humanitarian crises since it came into existence in 1997:

- Montserrat in 1997 and 1998;
- Sudan in 1998;
- Kosovo in 1999;
- Mozambique in 2000; and
- Afghanistan in 2001.

In addition, the IDC undertook a major inquiry in 1999 into conflict prevention and post-conflict reconstruction, which looked at DFID's humanitarian programming in

⁴ *For Whose Benefit? Report of the Standing Committee on External Affairs and International Trade on Canada's Official Development Assistance Policies and Programs* (Ottawa: Ministry of Supply and Services, 1987).

Sierra Leone. Although not all humanitarian emergencies are subject to IDC inquiries, this level of scrutiny is probably unique internationally, and represents a very considerable advance in overall parliamentary attention to humanitarian policy.

Nevertheless, a number of factors inhibit the ability of the IDC to scrutinise DFID and the wider UK government effectively. The committee's business is, to a large extent, driven by committee members' particular interests and areas of expertise, and its work is limited by some of the constraining factors described above, in particular the lack of clear criteria against which the humanitarian assistance programme can be held to account at a strategic or operational level, and difficulties in attributing responsibility to DFID as opposed to other actors in the international humanitarian system. The committee suffers from the same structural constraints as in Canada, with strong party discipline tending to restrain criticism of government policy. Moreover, the committee's inquiries are usually launched shortly after the onset of a major humanitarian crisis, reflecting an implicit intention on the part of the committee to influence policy as it is being made, as well as to scrutinise it. It also means that the committee tends to focus on immediate operational issues and challenges rather than on larger issues of strategic policy.

A significant constraint on both SCFAIT and the IDC is the lack of resources available to them to conduct genuinely independent inquiries. In Canada, the Parliamentary Centre, a not-for-profit organisation closely associated with parliament, provided specialist advisers to the foreign affairs, trade and defence standing committees until 1995, when it suffered major budget cuts. Since then, the centre spends only about 10% of its time servicing committees. The IDC is serviced by five support staff, and only occasionally brings in specialist advisers. The lack of professional research staff inevitably limits the depth of assessment and analysis that the committee can engage in. It also means that these committees tend to be heavily dependent on NGOs, both for an overall analysis of the government's policies and performance record, and as proxies for the 'real' stakeholders in humanitarian crises – those at its centre. NGOs may do a good job in both roles, but they also have their own interests, have no formal obligation to scrutinise DFID and may lack the resources to do so effectively, and also often have a contractual relationship to DFID as service providers. Media coverage of a major humanitarian emergency is one of the triggers of an IDC inquiry, and the content of the coverage may determine the issues that it covers. Thus, there is a circular link to NGOs, on whom the media is often dependent for stories and analysis. In the UK, proposals to strengthen the committees' scrutiny work have focused on increasing their independence from party influence, increasing the provision of specialist and support staff, and systematising the focus of committee inquiries through establishing common objectives and core tasks (see, for instance, Modernisation Committee, 2002).

4.6 National audits

In each of the three case studies, the national audit is one of the strongest accountability channels, both for the detail and quality of scrutiny and the seriousness with which audit reports are taken. In the three countries looked at here, the Auditor-General, supported by the NAO in the UK and Denmark and by the Office of the Auditor General (OAG) in Canada, reports directly to parliament, and specifically to the Public Accounts Committee (PAC). In the UK and Canada, the PAC is a special kind of select committee comprising MPs; in Denmark, it is made up of six paid members who are not necessarily MPs, and who are appointed by parliament for a four-year term independently of elections.⁵

There are a number of reasons why national audits are particularly effective and authoritative.

- Financial accountability is one of the easiest forms of accountability to monitor, related as it is to hard quantitative data about the disbursement and tracking of government money. Managerial accountability is a little harder to monitor – particularly against the criterion of effectiveness, although efficiency and economy are relatively straightforward – but is still more tangible than, say, strategic accountability.
- Government departments with large discretionary budgets generally receive more attention from the national audit office than departments whose expenditure is principally payroll. Thus, the grant-making aid departments come under scrutiny, although humanitarian aid much less so by virtue of being a relatively small percentage of the total aid budget. However, this is usually carried out at greater cost to the national audit office than the corresponding audit of a domestic-oriented ministry, because of the need to travel – 'to get out there and kick the tyres', in the words of one Canadian official.
- The mechanisms through which the national audit operates are clear and powerful, and are linked to parliament. The national audit office is respected for its professionalism and political neutrality. In turn, it reports to the parliamentary PAC, which is taken seriously and is much less partisan than most other select committees (and not partisan at all in the case of Denmark). The respective government department is required to respond formally to the recommendations in an audit report (in Canada this has been the case only since April 2002). And the PAC has the power to ensure that certain recommendations are acted upon.

⁵ None of the national audit offices has a mandate to audit multilateral organisations – in this case UN agencies – that are recipients of Danish, Canadian or British aid. They may scrutinise how the respective donor agency administers these funds, but auditing of the agency itself is usually the responsibility of its internal audit office (in the case of UNESCO, Canada's OAG has been appointed as auditor).

- Finally, as all major audit reports are made public, there is the possibility of negative press coverage. In Canada, the OAG's annual report to parliament on the findings of its audits of federal government departments and programmes is regularly given prominent coverage in the national media.

In addition to the financial audit, which establishes whether accounts are sound and whether actions are in accordance with appropriations, laws and agreements, there is also a performance audit component to the work of the national audit office. Economy and efficiency are the two most important criteria within the performance audit, and are common to each of the national audit offices. In the case of the Danish NAO, effectiveness is an additional performance criterion, which monitors the extent to which the intended results have been achieved. The OAG's mandate is restricted to monitoring whether CIDA is scrutinising its own aid effectiveness. In short, the national audit monitors financial accountability and elements of managerial accountability. It does not play any role in relation to strategic accountability, and cannot evaluate policy, only whether policy is being adhered to.

That said, the advent of PSAs in the UK, for instance, means that Britain's NAO will probably have much stronger macro indicators against which policy performance can be measured than has hitherto been the case. Importantly, DFID's stated objectives – to save lives through emergency relief, to protect and rebuild livelihoods and communities and reduce vulnerability, to provide swift and appropriate assistance based on analysis of need, to work towards better disaster preparedness and prevention, and to seek improved standards, conduct and partnership across the humanitarian system – have not been incorporated into the PSA. Instead, they are seen as being subsumed under overall conflict reduction and poverty eradication objectives. These are not necessarily identical with humanitarian objectives, however. Since these headline objectives for humanitarian assistance have not yet been linked to any PSA or other formal targets or monitoring and reporting systems, it is not clear how the NAO, or indeed DFID itself, is to scrutinise and assess performance against these general objectives.

In any case, the NAO and PAC are very much concerned with value-for-money considerations and the ways that policies and programmes are implemented, and it would be beyond their remit to examine the extent to which policies themselves are appropriate. The PAC and NAO, for instance, could examine whether DFID's humanitarian assistance conforms to the policies it set out, for example the ten 'Principles for a New Humanitarianism', but it could not take a view on the relevance and appropriateness of these principles. The NAO's approach is also potentially constrained by the range and volume of its work. In common with other audit offices, it is responsible for auditing all areas of government, and since emergency aid accounts only for around 10% of the UK's overall aid programme, it is not likely to scrutinise DFID's humanitarian programme very

frequently. In the last ten years, the NAO has published two reports concerned with humanitarian assistance: in the early 1990s, on the emergency aid programme of the Overseas Development Administration (DFID's predecessor), and in 2000, on DFID's response to the Kosovo crisis (NAO, 1993; NAO, 2000). A recent NAO report on performance management in DFID does not include any specific discussion or scrutiny of humanitarian assistance (NAO, 2002). Importantly, in 2002, a new investigation into the overall humanitarian assistance spending of DFID was launched, which is likely to be wide-ranging.

In Denmark, the NAO looks at humanitarian assistance at least once every five years, which is the cycle within which it covers the whole MFA. On a number of occasions it has noted shortcomings in how humanitarian assistance grants are administered and monitored. This contributed to Danida's decision to revise its 'Guidelines for Administration of Extraordinary State Contributions for Humanitarian Purposes to Danish Organisations' (Danida, 2001a). There is an important continuity in the way that the NAO scrutinises Danida, referring back to previous audits and monitoring Danida's progress in implementing earlier recommendations. As well as this regular audit cycle, the NAO can carry out one-off investigations in response to particular concerns. This may be on its own initiative, or on the initiative of the PAC. In 2000, for instance, newspaper articles raised serious questions about Red Barnet (Danish Save the Children)'s financial management and the MFA's management of grants to the organisation, prompting the PAC to request a supplementary audit in addition to the NAO's general audit of MFA grants to Danish NGOs.⁶ There were a number of criticisms of Danida's handling of these grants, giving further impetus to its revision of its guidelines.

Canada's OAG works on a similar cycle, expecting to conduct a major audit of CIDA every four to five years. In fact, CIDA has been a much more frequent target of OAG audits. There was a major review in 1993, and subsequent reviews almost every year since: in 1995, 1996, 1998, 1999 and 2000. However, the audits have never covered the humanitarian assistance programme because it is seen to be too small to warrant scrutiny, and has never been identified as 'high risk'.⁷ The comprehensive 1993 audit was highly critical of CIDA (OAG, 1993), for reasons including conflicts in the aid programme's stated objectives, unclear lines of accountability in the administration of ODA and a lack of transparency and under-utilisation of audits and evaluations for internal learning. The report was a key factor in the introduction of results-based management in 1996. Subsequent audits have monitored CIDA's progress in addressing the concerns raised in the 1993 report. The 1998 audit, for instance, found that progress had been made, but had been slow (OAG, 1998). The significance and impact of the 1993 review is

⁶ This was published in Danish, entitled *Rigsrevisionens beretning om udenrigsministeriets forvaltning af tilskud til Red Barnet*.

⁷ Personal communication, Canadian government official.

demonstrated by the fact that it triggered a hearing by SCFAIT as well as by the PAC. However, officials have commented that 'CIDA is just not on the radar' as much since.

A number of interviewees suggested that the OAG has become more authoritative and influential as parliamentary opposition to the Liberal government has weakened with the demise of the federal Conservative party and the arrival of several small regionally based parties in parliament. In the absence of effective parliamentary scrutiny, OAG audit reports have become one of the primary tools for holding the government to account. However, officials at the OAG also indicated that it was important for them to preserve their professional neutrality, which includes being wary of politically-motivated parliamentary requests for audits.

4.7 Informal accountability: NGOs, academia and the media

NGOs, academia and the media each play an informal role in holding donor government agencies to account for their humanitarian assistance programmes, both directly and through their interaction with the formal accountability mechanisms described above.

The nature of relations between donors and NGOs varies considerably from country to country. In Canada and Denmark, it is close and mainly collaborative. There are a relatively small number of NGOs in each country engaged in humanitarian assistance work, and they are heavily dependent on their governments for funding. In Denmark, an informal forum, the Humanitarian Contact Group, brings together Danida and the NGOs (along with some other government ministries). It is used principally for information exchange and coordination, but the frequency and cooperative nature of the dialogue means that NGOs can sometimes use these channels to influence and question Danida. In Canada, close relations between CIDA and the NGOs are demonstrated by the fact that both CIDA and the DFAIT are observers on the NGO Policy and Advocacy Group for Emergency Relief (PAGER). Again, this offers an informal mechanism for the occasional questioning of government officers.

In the UK, DFID's relationship with UK-based NGOs has become more distant since the Labour government came to power in 1997, with occasional high-profile stand-offs and confrontation. During the famine in South Sudan in 1998, for example, Secretary of State Clare Short criticised UK-based agencies for launching a public appeal, claiming that it was unnecessary; also in 1998, British NGO ActionAid criticised DFID's humanitarian response to the crisis in Sierra Leone. More recently, DFID's relationship with NGOs appears to have become closer. It was noticeable, for example, that the launch of the Disasters Emergency Committee (DEC) appeal for southern Africa in July 2002 was greeted warmly by the Prime Minister. This reflected the resumption of close dialogue on

humanitarian issues between NGOs and DFID, institutionalised through the DEC, for example, and bilaterally through Partnership Programme Agreements (PPAs) with individual NGOs. PPAs mirror the ISPs that DFID has negotiated with its multilateral partners, and set out at a strategic level how the two partners will work together to meet the Millennium Development Goals. Strategic funding is linked to jointly agreed strategic objectives. Although DFID has agreed PPAs with a small number of large NGOs active in the humanitarian field, these do not yet incorporate any substantial provisions relating to partnership in the area of humanitarian assistance. Thus, DFID's relations with NGOs remain largely based on project-by-project contracts.

In all three cases, NGOs probably have little impact on donor accountability, for a number of reasons. First, donors and NGOs are dependent upon each other, particularly in humanitarian assistance. Most NGOs rely heavily on official donors for funding, and in turn donors depend on NGOs for operational capacity and visibility. This funding dependence may limit the extent to which NGOs publicly (or indeed privately) hold their governments to account. Second, NGO advocacy around humanitarian issues is generally less well developed than for development. NGOs have been most influential around long-running and well-established joint campaigns, for example on trade and land mines, but joint campaigning has not been a strong feature of humanitarian advocacy.

It is arguable that NGOs have had most impact indirectly, in particular by submitting evidence to parliamentary select committees, and also by raising issues in the media. But in the words of one IDC member interviewed for this study, 'NGOs are unreliable whistle-blowers in the area of emergency aid because they have their own interests at stake; they are too concerned with fundraising'. As NGOs have become increasingly powerful players on issues of international policy, especially to do with development, their own legitimacy and accountability have been called into question.⁸ In this respect, the humanitarian sector is probably ahead of its development counterparts, with its initiatives to strengthen accountability.

Through their research, academics also provide a degree of scrutiny of donor governments' humanitarian assistance. As the debate around the role of humanitarian assistance in complex political emergencies has become more active, so the amount of research activity has increased. The effect this has had in holding donor governments to account is hard to measure, or even to guess at. It is likely to depend upon intangibles, such as the nature of the relationship between researchers and policy-makers, the prevailing political climate and the credibility of the evidence.⁹

⁸ See, for example, 'The Non-Governmental Order', *The Economist*, 11 December 1999; 'Sins of the Secular Missionaries', *ibid.*, 29 January 2000; and 'NGOs – Credible, Legitimate and Accountable?', *Accountability Quarterly*, no. 15, 2001.

⁹ ODI has launched a research project exploring the relative influence of research on policy.

The media can be a powerful mechanism of informal accountability by virtue of its close relationship with domestic public opinion. Again, the extent of this influence varies from country to country, depending upon the extent of domestic interest in humanitarian aid issues and the style of the national media.

In the UK, the media has become increasingly critical of humanitarian aid agencies and of the nature of some humanitarian aid work. Collinson (2002) notes that ministers and senior civil servants increasingly try to account directly for their policies and actions through statements to the media, in addition to (and sometimes in advance of) statements to parliament. Much of the scrutiny of government policy undertaken by the British parliament through the IDC is supported and/or influenced by the information, analysis and advice provided by the media.

In Denmark, the national press has been less hostile to humanitarian agencies than in the UK, but there are still clear examples of its influence over Danida's decision-making. For instance, the 1999 evaluation of Danish humanitarian assistance in the Bahr El Ghazal famine in Sudan the year before commented that 'the timing of Danida's response to acute crisis in Sudan appears to have been very dependent upon the arrival of pictures of starvation in the Danish media' (Danida, 1999: 70). The evaluation argues that this was far too late for famine prevention or mitigation activities. In other words, aid disbursement was influenced more by the domestic media than by the timing of need on the ground.

Much media debate and comment is conducted through sound bites, by-passing most of the detail relating to the management and delivery of humanitarian operations, and the scrutiny that it applies tends to be directed at government as a whole rather than any particular department. Thus, the accountability role played by the media is mainly at a political and strategic level. But however powerful, the media is also a highly unreliable driver of accountability at any level. This was commented upon by the IDC in its report on the humanitarian crisis in Afghanistan:

The response of the media to the crisis has been disappointing. A great deal of attention has been paid to the military side of the campaign with little devoted to the humanitarian crisis ... Once the Taliban began to collapse and access to the most vulnerable people was possible the world's media still chose to follow the military. What little coverage of the humanitarian crisis there has been has focused on refugees and the refugee camps while the real crisis is inside Afghanistan among the internally displaced and vulnerable populations. A few reporters have chosen to focus on the humanitarian crisis but much more could be done to show the world the true nature of the crisis and the difficulties the humanitarian effort faces every day (IDC, 2001).

4.8 Conclusion

Developing effective ways of holding Western donor governments to account for their humanitarian assistance policies and programmes is more challenging than for many other areas of government policy. The key stakeholders – those suffering at the centre of a humanitarian crisis – have no voice or access to formal accountability mechanisms, least of all to national parliaments. And donor governments are part of different and overlapping policy environments, both domestically and internationally. These and other factors differentiate international humanitarian assistance from domestic social services such as health and education.

Whilst donor governments have supported many of the accountability initiatives associated with the 'accountability revolution' within the international humanitarian system, there has been surprisingly little reflection on the implications of these initiatives for donors themselves. Instead, the main influence in strengthening donor accountability seems to have come from the trends and initiatives associated with the 'New Public Sector Management'. However, there are limitations in applying some of these new methods to humanitarian assistance because of the speed and short duration of many humanitarian programmes.

The critical missing ingredient of accountability as applied to donors is the clear definition of roles and responsibilities – of what is expected of a donor government's humanitarian aid programme. The rest flows from this – for example, taking action to fulfil those responsibilities, and reporting on and accounting for these actions. This absence is particularly problematic when a government's humanitarian assistance plays more than one role. For example, a government may expect its aid to support overall military and political strategies and objectives. But this may be at odds with the expectation within the humanitarian system itself that this aid should be given according to humanitarian principles, and to meet basic humanitarian objectives. In these circumstances, domestic political expectations will almost always prevail. Hence, the need to define clearly the strategic objectives of a donor government's humanitarian assistance programme, so as to provide some protection for humanitarian principles. The lack of clearly-defined strategic objectives for governmental humanitarian aid that are linked directly to formal policy, management and performance monitoring systems within donor agencies and the wider government means that accountability at a political and strategic level tends to be weakest of all: rather than specifying their obligations and taking responsibility for humanitarian assistance, ministers tend instead towards a more minimalist interpretation of strategic accountability which is limited to simply providing an account of what they do.

This has a knock-on effect for legal accountability. Internationally, there is little to hold donors to account for their obligations under IHL, which in any case is more relevant to political and military action than humanitarian assistance. These inadequacies at international level mean that it is important to ensure a sound legal basis for humanitarian assistance at national level, where donor governments may be held to account more effectively. But the three case studies reveal the failings of this level of accountability as well. In only rare cases, for example in Switzerland, is the essence of humanitarian assistance enshrined in national law.

Managerial accountability tends to fill the vacuum. It is at this level that most attention and effort have been focused. In part, this is due to general concerns about improving public sector performance across the board, which in turn has resulted in initiatives such as results-based management. But its impact on humanitarian assistance programming has been minimal because of the particular characteristics that differentiate humanitarian from development assistance. Instead, donor government departments have concentrated on contractual accountability, tightening up the ways in which their implementing partners are held to account.

Of all the formal accountability mechanisms reviewed in this chapter, the relative influence of the audit office is striking. Its role is clear, as are the mechanisms by which it operates. However, its responsibility is restricted to largely managerial and financial accountability, although the boundaries are shifting in favour of more strategic issues. However, this is a slow process and to date, the national audit function has concerned itself with issues of efficiency and financial probity, and less with questions regarding whether humanitarian policy adheres to principles of humanitarian action. Unless these principles themselves are incorporated directly into the donor's formal policy commitments and systems of policy implementation and management, they are likely to remain outside the scope of national audit investigations.

In two of the case study countries – Canada and Denmark – parliament has shown very little interest in humanitarian assistance, which is regarded as a small part of the total aid programme. In the UK the structure is stronger, by virtue of the establishment of the IDC. But the committee's limited powers in the executive-dominated Westminster system and the relatively meagre research and other resources that it can call upon make these challenges all

the more difficult to overcome. Over the past five years, the committee has focused on individual, high-profile emergencies, mounting its inquiries usually very soon after the onset of the emergency. This type of inquiry enables relatively detailed consideration of general operational challenges in the midst of the crisis, but it does not easily enable the committee to take a broader look at DFID's higher-level policies and overall performance, or to single out DFID from the wider fray of humanitarian agencies and donors involved. In particular, it makes it very difficult for the committee to draw on independent, qualitative evaluations of donors' and operational agencies' policies and programmes, since these would normally be completed at a later stage. This, in turn, reinforces the committee's reliance on the evidence provided by NGOs and other humanitarian agencies. Even at the managerial level of accountability, the IDC is heavily dependent on proxy stakeholders for analysis.

Thus, while the mechanisms for holding donor governments to account are strongest at national and domestic level, they are heavily dependent on evidence and analysis provided at an international level. In practice, this comes mainly through the informal mechanisms of accountability, namely the media, NGOs and academia. But this is often partial and patchy; links to the 'real' stakeholders – the victims of conflict and disaster – are tenuous.

Finding ways of strengthening accountability should not mean tying up donor agencies in bureaucracy and red tape, nor should it encourage more risk-averse behaviour. The ultimate objective is improved performance, which means better serving those suffering at the heart of a humanitarian crisis. It is also important to note that more monitoring, evaluating and reporting does not necessarily lead to greater accountability, since everything depends on what is monitored, evaluated and reported, how and by whom. There is always a risk that strengthening one form of accountability might overshadow or undermine another. But without effective systems for holding donors to account for their humanitarian policies and activities, it is difficult to identify areas where donor performance might be improved or donor responsibilities strengthened in the interests of victims of humanitarian disaster. Strengthening the accountability of donors can best be achieved by focusing on improved strategic and political accountability, against clearly defined strategic objectives and definitions of humanitarian assistance, which are followed through at the managerial and contractual levels.

Chapter 5

Uncertain power: conclusions and recommendations

5.1 From 'bilateralisation' to good donorship?

The increasing involvement of donors in humanitarian decision-making is both legitimate and appropriate. Donors are custodians of public funds and are accountable, via their parliaments, for their effective use. Furthermore, humanitarian action is not uniquely, or even primarily, the property of humanitarian organisations. Responsibility for upholding humanitarian law, including the responsibility to assist and protect civilians, rests first and foremost with states, not aid agencies.

This report is concerned with a small, but nevertheless significant, aspect of international, particularly governmental, response to crises, namely the provision of public funds to mitigate their effects. Specifically, it has examined whether changes in how such aid is provided are likely to have an impact on the quality of humanitarian operations, and if so, how this might be monitored and assessed. The study is based on a limited number of case studies, and hence is offered as a preliminary, rather than definitive, analysis of what is a complex and rapidly changing sphere of international public policy, and one in which different governments adopt very different approaches. Despite the inevitable limitations of the research, it is possible to draw out a number of themes.

First, the fact that donors influence humanitarian action is not new. Since the inception of official support for relief aid, they have exerted an important and direct influence over its shape and form. This influence derives primarily from decisions over whether to provide funding, and if so in what volume and to whom. These decisions reflect both an international commitment to relieve suffering and distress, and clear political priorities. From Biafra in the 1960s to Cambodia in the 1970s and Ethiopia in the 1980s, these decisions exerted an important influence on populations' access to relief, and indeed also on conflicts themselves (Davies, 1975; Moorehead, 1999). Choices regarding the allocation of resources remain a primary source of donor influence in the humanitarian sphere.

These decisions are informed by a wide range of factors, including geopolitical concerns. As the geopolitical landscape has changed, so donors have adapted their aid strategies, including humanitarian aid strategies. The politics of the Cold War were succeeded by an apparent consensus that liberal values would guide international intervention in crises (Dillon and Reid, 2000; Macrae and Leader, 2000). This consensus was shattered by the events of 11 September.

The war on terrorism has radically altered the international security agenda, with significant, but as yet poorly understood, implications for humanitarian action.

At the same time as the security framework has become more volatile, apparently more banal changes have taken place in the systems that donors are using to manage their aid once it has been allocated to particular organisations and crises. These changes are more recent. They have attracted comment, and sometimes criticism, from humanitarian organisations, and have been described as the 'bilateralisation' of humanitarian response. They include:

- a greater ability to formulate strategies for humanitarian response, rather than delegating this responsibility solely to operational agencies;
- tighter earmarking of funds to multilateral organisations;
- increased bilateral contracting with NGOs, bypassing the UN;
- the formalisation of procedures to appraise applications for project and institutional contributions, and monitor progress against stated objectives. This is reflected in new administrative procedures and in greater field presence; and
- more policy-based approaches to humanitarian grant-making, particularly for international organisations. This is reflected in new forms of contractual relationship, and in donors' greater efforts in coordination.

As noted in Chapter 1, these changes have been driven by a variety of factors, including an increased concern with performance and accountability, and the need to achieve more visible and coherent aid responses in complex political emergencies. In addition, donors have both encouraged and responded to changes in the range of organisations working in complex crises. At least since the mid-1980s, the position of the UN and the ICRC as coordinators and providers of humanitarian 'services' has been steadily eroded by the emergence of a vibrant and expanding NGO sector, and more recently by a new range of paramilitary, military and private actors. At the same time, increasing recognition of the longevity of many crises has seen the appearance of more developmental players, including the World Bank, the UNDP and development-oriented NGOs, in conflict-affected countries.

Given the increasing complexity of the international policy landscape, it is neither surprising nor unwelcome that official donors are seeking to define more carefully how they engage in difficult environments. Indeed, the majority

of agencies welcome increased donor involvement in humanitarian policy, recognising both the unique power of governments as political actors and, more pragmatically, the importance of this engagement in ensuring sustainable and adequate funding. However, as donors assert their role more strongly, it will be important to ensure that the purpose of this engagement is clear; to understand its operational implications; and to identify how donors and their operational partners can reach consensus on what constitutes good practice in official humanitarian donorship.

The findings of this study suggest that the following overarching principles might be used to inform official humanitarian donorship:

- active respect for international law (in particular international humanitarian law and refugee law);
- commitment to needs-based programming; and
- predictable, adequate and flexible funding.

A group of UNHCR's donors has also proposed principles that might be used to guide contributions to that organisation. These include:

- the desirability of full resourcing and implementation of the Annual Programme budget, as approved by ExCom;
- the importance of consultations between UNHCR and ExCom members to establish clear prioritisation;
- the prerogative of donors to maintain general priorities in their support of UNHCR;
- the importance of respecting and supporting the multilateral nature of UNHCR's mandate;
- the importance of predictability, flexibility and the need for unearmarked contributions and/or adequate earmarked contributions for both global operations and HQ;
- the need for equitable sharing among donors to meet these costs;
- the desirability of donors to avoid earmarking below country level and, where they do this, to allow for the administrative costs;
- the need to avoid concentrating their assistance on specific and visible activities, both geographically and in given sectors;
- the usefulness of global reporting and of regular consultations; and
- the need to expand UNHCR's funding base.

It is unclear how far these principles have been applied in practice.

Experience elsewhere in the humanitarian sphere, and in the aid sphere more generally, suggests that, in addition to adopting principles, there need to be mechanisms to monitor adherence to them. The findings of this study suggest that existing mechanisms for scrutinising official humanitarian assistance are limited, both within particular countries and internationally. Reinforcing these is therefore likely to be important.

The following sections map out some of the practical implications of these principles for donor governments and their partners.

5.2 Active respect for international law and humanitarian principles

5.2.1 Defining the distinctive purpose of official humanitarian assistance

Chapter 2 argued that the concept of trust is useful in understanding how donor–recipient relationships work. A key element in this trust is the extent to which partners share a mutual understanding of, and commitment to, the goal to which they are working.

Arguably, the 1990s saw an erosion of the high degree of trust that had previously existed between official donors and their operational humanitarian partners. On the one hand, donors grew increasingly sceptical of their partners' operational competence, both in terms of achieving technical standards, and in terms of their ability to navigate safely a very complex political environment in the field. On the other, many agencies sensed that official donors were using their humanitarian aid for political purposes. This was reflected in uneven funding patterns and, in rare but significant cases, in donors withholding funds, allegedly on political grounds. In rebuilding trust between official donors and their operational partners, there is thus a need to square donors' legitimate concerns with performance and accountability with agencies' concerns to maintain an independent and impartial response.

One way to enhance the trust between donors and recipient organisations is to ensure that the goals of humanitarian assistance are clear. In particular, donors might address head-on the concerns of agencies that humanitarian assistance is being 'politicised' by reaffirming the central purpose of their official aid – namely saving lives and relieving suffering and distress – and underscoring the impartiality of such assistance. This suggests reinforcing the idea of humanitarian assistance as a distinct form of aid, subject to different rules than those that govern conventional development assistance. In other words, humanitarian aid is unconditional and provided proportionate to need.

Many official donors, including DFID, have outlined their commitment to such principles in important policy

statements, and through their support for operational agencies' efforts to develop codes of conduct. However, where the distinctiveness of humanitarian assistance as a particular form of aid is coming under pressure, there are significant arguments in favour of:

- *codifying this commitment to humanitarian principles into a legal framework to govern official humanitarian aid.*

Switzerland has such legislation, the NAO has argued for it in Denmark, and the preamble of the regulation governing ECHO underscores its commitment to principles of impartiality and neutrality (Macrae and Leader, 2000; Swiss Federal Council, 1997; Official Journal of the European Communities, 1996). Incorporating such a commitment into legislation potentially provides all stakeholders – including civil servants in donor governments, politicians and recipient partners – with a clear statement of the objectives of publicly funded humanitarian assistance. It also underscores the emphasis that donors will place on their partners ensuring that their responses adhere to international law and principles, and in establishing mechanisms by which their performance will be monitored.

Stating a commitment to upholding the principles of humanity and the impartiality of assistance, and reaffirming the value of independent humanitarian action, would make explicit how, and whether, donor governments see humanitarian assistance fitting into their wider foreign policy goals. At present, the near-absence of such a legislative base means that it is difficult to interpret consistently donors' understanding of the relationship between the humanitarian goal of alleviating suffering, and goals of conflict reduction. While there may be complementarities, these two objectives are analytically and operationally distinct (Macrae and Leader, 2000).

The presence of a legally-binding statement of the purpose of humanitarian assistance would also support the development of more managerial tools by which donor performance could be measured. For example, the UK's PSAs serve as a contract between spending departments and the Treasury, setting out departmental objectives and indicators of performance. The British government's commitment to poverty eradication is established in law, and is reflected in the PSA which uses the Millennium Development Goals to set specific targets by which DFID's performance can be measured. The absence of specific legislation governing the use of humanitarian assistance, and of MDGs that relate directly to humanitarian affairs, means that there is no unified indicator of DFID's performance in this sphere. A legal statement would also act as the starting-point for donor-agency discussion in situations where donors are concerned that poor security may undermine the scope for the effective and principled delivery of assistance.

5.2.2 Linking aid and politics: the role of donor agencies in humanitarian diplomacy and protection

A striking finding of the research, particularly with regard to donor coordination, was that there is only a weak linkage with wider political efforts to enhance the quality and quantity of humanitarian space. In Afghanistan and Somalia, initiatives by donors to coordinate humanitarian assistance remained disconnected from wider political efforts, in which many of the same donor governments were involved. With the partial exception of the Framework Agreement between the Swedish government and UNHCR, partnership agreements rarely refer to donor governments' commitments to act as advocates on matters such as protection and the negotiation of humanitarian access. Equally, within donor coordination bodies, such as 'friends of' groups, attention appears to focus primarily on issues of assistance, rather than protection (see for example, Wiles (2002b)).

Clearly, donors intervene bilaterally and collectively through diplomatic channels in order to enhance the quality of humanitarian space. It was outside the scope of this study to review these interactions; indeed, this area of humanitarian policy is likely to be particularly difficult to examine given its sensitive and confidential character. However, while there has been much dialogue regarding donors' expectations of their partners, there appears to have been much less formal discussion of the potential of partnership in strengthening donors' contribution to humanitarian diplomacy. Given the clear comparative advantage of donor governments in mobilising diplomatic assets, and the commitment of many to a more coherent approach to such issues, there appears to be scope for further discussion around how donor governments envisage the relationship between their assistance programmes and other forms of intervention.

Such analysis has become more common in the development sphere, where cross-departmental working is seen as a *sine qua non* for achieving the MDGs. In the humanitarian sphere, examples of such a commitment from donor governments could include supporting key multilateral initiatives to enhance asylum, the protection of internally displaced people, the deployment of human rights monitors and efforts to ensure that peacekeeping forces adhere to international humanitarian law. There are a number of mechanisms through which donors might seek to link their efforts in these areas with their assistance work, including framework agreements. These can identify key points where donors might work with operational partners to enhance respect for international humanitarian and refugee law. This suggests that donors, in partnership with relevant agencies, might usefully:

- *examine how and whether their assistance policies contribute to government-wide strategies to enhance the protection of civilians in wartime.*

This is a sensitive and difficult area, for donors and operational agencies alike. It is here that the humanitarian assistance agenda confronts the fraught and highly political agendas of foreign and defence policy, as well as issues around domestic immigration. Yet it is precisely how this interface is managed that has proved a key point of tension between humanitarian organisations and donor governments. Agencies have complained of an absence of political engagement in some crises, and of donor governments using humanitarian assistance as part of a political strategy in others. At the same time, donors are concerned to ensure the effectiveness of humanitarian response, which in part means agencies being better able to navigate and respond to very difficult security environments, and so ensure that assistance bolsters, rather than undermines, the protection of civilians. There will be no quick or easy answers to how different forms of intervention – aid, military and political – relate to each other in this area. What will be important, however, is ensuring that, in the dialogue between donors and their partners, protection issues and humanitarian access rank alongside issues of effective assistance.

5.3 Commitment to needs-based programming

5.3.1 Linking resources with need

Ensuring that resources are allocated proportionate to need (i.e. impartially) is a key expression of a commitment to international humanitarian law and principles. At present, the international humanitarian system as a whole is weak at defining and prioritising humanitarian need, both in specific countries and comparatively worldwide. The audit trail that traces the flow of funds from donors to recipients is also extremely weak. It is therefore impossible to prove definitively the extent to which official humanitarian aid resources do or do not match humanitarian need. The major proxy indicator – donors' contributions to the CAP – is unreliable in that donors channel sizeable amounts of funding in other ways, including through contributions to global appeals.

The Humanitarian Financing Working Group (HFWG) is an important initiative in this respect. The HFWG seeks to establish more firmly the process by which needs are assessed and prioritised and how they inform appeals, and to analyse the factors influencing donors' allocation of resources. The implications of this work are clearly system-wide.

Operational agencies have been slow to develop needs-based approaches to budgeting, and to collect and analyse data regarding the human costs of the under-financing of specific humanitarian operations. Donor presence at field level, through field offices, coordination mechanisms and *ad hoc* visits, can strengthen needs assessment. However,

this presence can also compromise this process through undue political interference, for example in relation to security issues. It is therefore recommended that:

- *in line with the essential purpose of humanitarian relief, donors commit themselves in principle to adopting a needs-based approach to resource allocation;*
- *donors and operational agencies continue to invest in the process started by the HFWG, and agree on a strategy to take forward its recommendations;*
- *donors reaffirm the importance of an independent process of needs assessment, and provide adequate financial support for the development of effective and accessible humanitarian information systems;*
- *donor efforts to ensure that this process is robust, through field visits as well as through field offices, are likely to remain important, and it would be useful to identify best practice in this regard;*
- *operational agencies, in particular UNHCR, WFP and OCHA, strengthen their capacity to analyse humanitarian need and the impact of assistance, and identify mechanisms for more robust and formalised reporting of the impact of resource constraints and insecurity on affected populations; and*
- *efforts continue to strengthen the CAP not only as a fund-raising tool, but also as a mechanism for developing a shared understanding of need, and to prioritise interventions.*

5.3.2 Responding to need: the role of donor coordination

There is also a case for enhanced donor coordination in specific crises. Evidence from Somalia and Afghanistan suggests that inter-donor coordination mechanisms were not sufficiently effective in reaching consensus on need, nor in informing humanitarian response. One of the most striking findings of this study in terms of donor coordination is that, while donors have been active in supporting mechanisms to ensure coherent, policy-based approaches in relatively stable environments (such as Comprehensive Development Frameworks, Consultative Groups and Round Tables), there are few examples of similar mechanisms in the much more complex and difficult circumstances of 'crisis'-affected countries.

The weakness of donor coordination mechanisms in specific crises is echoed at the global level. The past five years have seen donors investing increasingly in collective discussion regarding the policies and performance of key international humanitarian organisations. 'Friends' groups, and their equivalents, are thus an important expression of the increased seriousness with which donors view the humanitarian sector. With rare exceptions, these have served primarily as forums for information exchange, rather than places where norms and strategies are discussed and agreed. In parallel

with these inter-donor groupings, individual donors are also seeking to strengthen their bilateral engagement with key international organisations, for example through framework agreements and more formal and programmed ‘strategic dialogue’. The implications for the independence and accountability of international organisations remain to be fully examined. It will be important to ensure that such interventions enhance the ability of these international bodies to develop a robust view of the needs of their constituents, and to prioritise their interventions accordingly.

Overall, the fragmented and diverse approaches of different donors to humanitarian policy may protect the operational and institutional independence of their partners.¹ However, given the concentration of humanitarian funding in the hands of relatively few donors and the complexity and high risks of the environments in which humanitarian aid funds are disbursed, enhanced donor coordination could improve the effectiveness of humanitarian action, globally and in specific crises. It may therefore be appropriate for donors to:

- *review comprehensively the mechanisms available to facilitate inter-donor coordination in contexts where conventional development aid coordination mechanisms are not in place. The objective of such mechanisms should be to support, not duplicate or undermine, other coordination efforts, in particular of the UN; and*
- *establish mechanisms by which bilateral agreements between donor governments and their international partners can be reviewed multilaterally or through a more discrete peer review mechanism in order to ensure that they support agencies’ overall strategies, as agreed by their formal governance bodies.*

5.4 Adequate, predictable and flexible funding

Humanitarian assistance is peculiar in the aid sphere in that it relies almost entirely on voluntary contributions. This, combined with the heavy concentration of donors, makes the humanitarian sector particularly insecure and dependent upon the decisions of relatively few countries. It is unlikely that donor governments would accept any move towards introducing assessed contributions to humanitarian organisations (not least because it would privilege the UN system). However, given the depressing predictability of the core humanitarian caseload, and the need to diversify the range of donors supporting humanitarian action, there is a case for:

- *considering the introduction of a target for donors’ contributions, either as a proportion of their GDP or as a percentage of their total ODA.*

This would increase the predictability of overall humanitarian funding.

¹ See Robinson (1998) for a discussion of the potential costs and benefits of donor coherence.

Tight earmarking of contributions and shifts in earmarking in the middle of a year, particularly in the wake of major visible crises, further undermine the prospects of achieving the stable and predictable funding base necessary for effective and equitable humanitarian response. In line with the UN Economic and Social Council (ECOSOC) resolution of 2002 (UNECOSOC, 2002), this study confirms the importance of:

- *official donors committing additional funds to responding to major emergencies, rather than reallocating existing contributions from crises elsewhere.*

Framework agreements provide a potential means of achieving more predictable and timely contributions and encouraging a policy-based approach to giving, while also enhancing agency accountability. Potentially, they might also provide a basis for multi-year contributions, as is the case with DFID’s ISPs. There are a number of concerns within agencies regarding the costs of such processes, particularly in senior management time, as well as a perception that they may undermine multilateral processes of governance. It is therefore recommended that:

- *donors and recipient organisations with experience of framework agreements undertake a joint review of these mechanisms, identifying their costs and benefits and highlighting examples of good practice that might be used in the future.*

The bilateralisation of disbursement channels, in particular the stagnation of the UN’s market share, is a clear policy trend. Implicit in this is a rethinking of the ‘business model’ currently in place in relation to the UN. Donors are increasingly opting to contract NGOs directly, cutting out the UN ‘middleman’. In part, this should be welcomed because it releases UN agencies from the administrative burden of direct contracting, allows for a more rapid and flexible response and gives them greater opportunity to focus on issues at the core of their mandates, including protection. However, this shift also reduces the UN’s leverage in shaping the overall humanitarian response. This in turn suggests a need to:

- *reexamine the basis upon which the UN’s role in coordination is maintained, both financially and institutionally. This might include reviewing the basis on which its coordination work is funded, as well as the inclusion of provisions in donor contracts and monitoring frameworks with other partners that outline expectations of participation/adherence to coordination frameworks.*

Generally, more bilateral contracting of NGOs implies shifting the costs of defining and managing these contracts from the multilaterals to donor agencies themselves. It is notable that, in two of the case studies reviewed, donors relied significantly on private contractors to increase their capacity in this area. The implications of this type of management arrangement are important, both in terms of costs, and in terms of the supervision of such contractors. Donors might thus:

- *review their capacity to manage humanitarian assistance contracts cost-effectively, strategically and accountably.*

5.5 Checks and balances

The unease around the apparent move towards increased donor involvement arises because agencies are concerned that they will become little more than executing bodies for donor states, which have multiple and complex agendas, particularly in conflict-related countries.

The international literature concerning the funding relationship between governments and non-governmental actors (in the broadest sense) suggests that the provision of funding of itself does not necessarily undermine the autonomy and independence of the recipient body. The organisational culture governing donor-partner relations, a shared understanding of the rules of that relationship and access to mechanisms to regulate it are equally important.

Few would argue that donors do not have a legitimate role in ensuring the effective and accountable use of public funds. What is at issue is how their financial power is translated into a set of operational relationships in a contentious sphere, particularly given the contested legitimacy and weak capacity of governments in recipient countries. There is no mechanism of global governance regulating humanitarian assistance. While donors have been vocal advocates of enhancing the accountability of operational agencies, much less attention has been paid to the mechanisms by which they are held accountable for the impact of their decisions as funders and policy players.

Chapters 2 and 3 noted both the opportunities and the risks associated with increased donor engagement in humanitarian decision-making. Chapter 4 also described the current mechanisms in place for holding selected donors to account. This section analyses ways in which the checks and balances that govern donor behaviour might be strengthened.

5.5.1 Strengthening existing mechanisms of public scrutiny

With the partial exception of the UK, humanitarian assistance has received relatively little attention from national audit offices or parliamentary committees. This speaks both to the relatively low levels of public expenditure devoted to humanitarian assistance, and to the fact that, in broad terms, such assistance enjoys high levels of public support. Where such formal mechanisms of parliamentary scrutiny have been invoked, they have tended to focus on specific crises, and have not reviewed donor performance over time or in relation to strategic objectives. Furthermore, parliamentary committees in particular often have limited resources and access to independent expertise, and are thus

especially dependent upon NGOs and government officials for their evidence.

While official donors have funded evaluations of humanitarian assistance, these have rarely examined the particular role of individual donors or of collective donor behaviour. The multi-donor evaluation of the international response to the genocide in Rwanda and the evaluations of Danida and ECHO's humanitarian assistance are important exceptions. More such evaluations would complement techniques such as results-based management, adopted by many donor organisations and their operational partners, which rely on the self-assessment of performance against specific indicators.

The frequent absence of clear goals for humanitarian assistance makes it more difficult to define entry points for such mechanisms of public scrutiny. This extends to the use of new public management tools, such as results-based monitoring, and the establishment of robust indicators of departmental performance. It is therefore recommended that:

- *parliamentary committees and members of parliament ensure a systematic approach to their scrutiny of humanitarian assistance, which focuses on both specific operations and more generic policy approaches; and*
- *donors should be encouraged to participate in system-wide evaluations that include donors' contribution to the overall response, as well as occasional evaluations of their humanitarian aid portfolio, including a review of their own policies and procedures.*

5.5.2 The role of the Development Assistance Committee

The Development Assistance Committee of the OECD is a key focal-point for global debates around trends in official development assistance and for establishing norms of donor behaviour. The DAC has, however, undertaken only very limited work on humanitarian assistance specifically. While it has been active in debates regarding the role of development aid in conflict management, this has rarely included analysis of the particular role of humanitarian assistance. Thus, there are no commonly accepted norms by which donor behaviour in the humanitarian system can be monitored, nor documented best practice that might inform the evolution of official aid policy in this area. Such analysis might be used individually by donors, as well as contributing to the DAC peer-review process.

In addition, the DAC's role in collecting and analysing data regarding humanitarian aid spending merits review. Precisely what constitutes emergency and relief aid is not clearly defined, with different donors reporting such spending differently and inconsistently. There is over- and under-reporting of emergency aid spending. Over-reporting results from the inclusion of domestic spending

on refugees, and from the inclusion of spending on infrastructure rehabilitation in post-conflict environments, which does not sit easily with commonly understood objectives of humanitarian action. Under-reporting often stems from donors effectively using development aid funds for humanitarian purposes. While the DAC can work only with the data it receives, there is a case for more rigorous definitions against which donors report.

The inclusion of spending incurred to support refugees in donor countries is at best untransparent and at worst disingenuous, masking as it does the fact that these funds never leave the shores of donor countries. At the very least, these figures should not be included in aggregated emergency spending. At best, they should be excluded from ODA. As noted in the ECOSOC resolution, there is a need to strengthen global financial tracking systems. Specifically, enabling DAC data to 'speak' to data collated by OCHA is important if patterns in humanitarian spending by country or disbursement channel are to be analysed, and to improve the proxy correlation of spending with need. It is therefore recommended that:

- *the DAC establish a Task Force to identify good practice in respect of official humanitarian donorship;*
- *this work should inform members' annual reporting and peer review exercises; and*
- *as part of its review of financial reporting in this area, the DAC reporting requirements should be adjusted to exclude donors' domestic spending on refugees from consolidated reporting on emergency assistance.*

5.5.3 Measuring success

There is an absence of commonly accepted measures of humanitarian performance, and many donors, including Danida, DFID and ECHO, are allowing their partners to set their own indicators. While this may capture the diverse ways in which different organisations work, it will make any meaningful aggregation of performance indicators difficult.

Performance reporting within donor organisations – 'accounting for results' – typically centres on the annual resource-allocation round. Linking performance reporting and reviews to resourcing decisions raises the question of the reliability of self-assessment, since this system inevitably creates incentives for units and departments to cast their performance in a positive light (DFID, 2001: 11). As DFID's evaluation department has noted, external audiences 'will be concerned with the degree to which self-assessment is complemented by genuinely independent checks'. It notes also the importance of being clear about what is meant by 'external review', since there is a difference between reviews conducted by external consultants managed by the

department whose programmes are under review, and 'arm's-length' reviews conducted by a unit not responding to the same manager as the one under review (DFID, 2001). This suggests that:

- *it will be important for agencies to establish performance indicators that reflect their own objectives, and that there is mutual understanding between donors and their partners regarding how and whether such data feed into overall assessments of donors' and other humanitarian actors' performance.*

'Perverse incentives' are often associated with results-based approaches, and it will be important to ensure that performance indicators do not compromise operational effectiveness. This implies that:

- *donors should review comparatively their experience of using results-based management in the humanitarian sector in order to identify good practice in the definition and monitoring of key indicators of performance.*

5.5.4 Multiple accountabilities: enhancing the beneficiary voice

Chapter 4 noted that, in contrast to other issues of public policy, the links between the subjects of aid policy and existing mechanisms of accountability in donor countries are weak. The ultimate 'users' of services funded through aid are physically and politically distant from, and poorly connected to, parliamentary and other bodies in donor countries. With development aid, this weakness is partially offset by the fact that the recipient government acts as the interlocutor between the donor country and the recipient population, and as such is accountable to its people for the deployment of aid funds. Where governance is contested, and where international actors circumvent state institutions in allocating their aid, the accountability of humanitarian actors to recipient populations is particularly precarious.

The difficulty of measuring and attributing impacts and outcomes on the ground, coupled with the lack of an authentic 'customer voice' in the accountability cycle, has almost certainly reinforced the overall focus on process and outputs in donors' formal corporate-level commitments relating to humanitarian assistance. This suggests that:

- *donors, agencies and institutions concerned with improving performance and achieving results or scrutinising humanitarian assistance (including evaluation departments and consultants, parliaments, audit offices, NGOs, academics and the media) should step up their efforts and invest resources in ensuring that the actual and potential beneficiaries of humanitarian assistance can play a more direct role in holding humanitarian actors to account. These efforts should include direct consultation with beneficiaries for purposes of evaluations, audits and parliamentary inquiries.*

5.5.5 Donors as ‘pushers and prodders’

The donors looked at for this study have adopted a variety of approaches in establishing a field presence. Given the issues raised, it would be timely to analyse how establishing such a presence best contributes to enhancing the effectiveness of aid, and how a balance can best be struck between ensuring accountability and respecting programmatic independence. Issues of interest here are likely to include the mandates of field staff relative to headquarters; the professional profile of staff, in particular the need for adequate technical expertise; and the ways in which field staff contribute to other coordination mechanisms.

5.5.6 The role of humanitarian organisations

Agencies vary in their capacity to analyse critically and manage their changing relations with official donors. Many of the organisations contacted in the course of this research had considerably expanded their organisational capacity to respond to donors’ increasing reporting demands, often at considerable cost. However, there has been less uniform investment in dialogue among agencies, and between agencies and their donor partners, regarding their expectations of donor behaviour.

ICRC is perhaps most rigorous in the defence of its independence, evidenced, for example, in its careful negotiation of its framework agreement with DFID and its management of the Donor Support Group. ICRC’s ability to link discussions of contractual arrangements with issues of doctrine is buttressed both by its mandate, and by the wide knowledge of its principles and working practices at all levels of the international community. ICRC’s independence has an established value for donors, as well as for the organisation and its constituents.

NGOs too have proved adept both at anticipating and pre-empting donors’ agendas, with initiatives such as Sphere and the Codes of Conduct seeking to translate a commitment to particular values into operational guidance and performance-monitoring criteria. However, donors’ confidence in such mechanisms is not assured, not least because they are contested within the NGO community, while adherence to the Codes of Conduct at field level remains patchy at best (Leader, 2000). In relation to these initiatives, the establishment and strengthening of inter-agency mechanisms for dialogue, including the Steering Committee for Humanitarian Response (SCHR) and Interaction, have been important. These groups, which also sit in the IASC, have been important lobbyists in policy issues such as civil–military relations. Yet there is a sense among some NGOs, particularly after 11 September and

particularly, though not exclusively, in the US, that the space for critical lobbying on donor policy is being reduced. Given competition for resources, many NGOs continue to operate a policy of self-censorship in relation to official donor policy.

The UN has perhaps been least able to balance responsiveness to donors’ legitimate demands for tougher accountability with a capacity to engage critically with the new donor agenda. While routinely reasserting the need to respect the values of multilateralism, the UN has been more sluggish and reactive than its NGO and Red Cross counterparts in establishing mechanisms for dialogue with donors, and for refining mechanisms of governance and reporting. This, combined with the particular challenges of operational effectiveness, has made the UN a weak critic of donor policy.

It is therefore recommended that:

- *operational agencies invest, individually and collectively, in discussion and debate regarding trends in official donorship, and work to identify good practice in developing effective partnerships with official donors in the humanitarian sphere.*

5.6 Conclusion

This study has been concerned with one small aspect of the humanitarian equation: how donors’ changing management of humanitarian assistance is playing out. It suggests that describing these processes as ‘bilateralisation’ is misleading. Historically, individual donors have *always* exerted influence over the shape of humanitarian action. Bilateralisation’s pejorative ring also distracts from the fact that donor governments have an important and legitimate role in ensuring effective and accountable humanitarian response. That said, there have been important shifts in donors’ objectives in this field, and in the systems by which they are seeking to achieve them. It is therefore timely to initiate an inclusive and comprehensive debate regarding good donorship in the humanitarian arena.

In taking forward this agenda, it will be important to recognise both its modesty and its significance. It is modest in that it is concerned with a relatively tiny proportion of global wealth, which is seeking to counter the effects of much more powerful military, political and economic interests in affected countries. It is significant in that defining the purpose of such funds and the manner in which they are managed says much about the relationship between the most powerful nations and some of the most marginalised people on the planet. The issue is thus not whether donors should be involved in humanitarian action, but why and how they choose to use their influence.

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 Debbie Duncan, DFID
 Dolph Everts, Deputy Head, DRRM, UNHCR
 Kathleen Fahy, former Programme Manager, Somalia, Trócaire
 Scott Faia, CARE, Somalia
 Tony Faint, DFID
 Lehnart Falk, Red Barnet
 Kate Farnsworth, OFDA
 Kevin Farrell, Representative/Country Director, WFP, Somalia
 Anne Folkvord, DRRM, UNHCR
 Manuel Fontaine, Programme Officer/Coordinator, UNICEF, Somalia
 Ann Freckleton, DFID, British High Commission, Islamabad
 Mike Gaouette, Head of Emergencies, SCF-UK
 Abeba Ghebremedhin, DRRM, UNHCR
 Marcello Girodani, COSV
 Karri Goeldner, USAID, Somalia
 Elissa Golberg, Department of Foreign Affairs
 Gianluca Gondolini, COOPI
 Jonathan Goodhand, SOAS, London
 Nancy Gordon, Vice-President, CARE Canada
 Greg Gottlieb, Acting Director, Office of Transition Initiatives
 Yves Gounin, French Embassy, Somalia
 Philippe Gourdin, UNESCO, Somalia
 Sebastian Groth, German Embassy, Somalia
 Daniel Gustafson, FAO, Somalia
 Ruedi Hager, Swiss Development Corporation, Islamabad
 Fahim Hakim, CPAU, Peshawar
 Birthe Hald, Head of Relief Section, Danish Red Cross
 Salah Halima, Egyptian Embassy, Somalia
 Lisa Hansen, S. Hum, Danida
 Bernard Harbourne, OCHA, Somalia
 Paul Harvey, British High Commission, Somalia
 Susan Hay, Head, ECHO IV
 John Hayward, ECHO Afghanistan (1997–99); ECHO Moscow
 Lisa Henry, Dan Church Aid, Danida
 Gunilla Hesselmark, Director and Controller of Department of Resource Management, UNHCR
 John Hitchinson, Office of the Auditor-General of Canada
 Sue Hogwood, British Ambassador to Kigali
 Kristian Hojersholt, S. Hum, Danida
 Peter Holdsworth, ECHO, Somalia
 Kristian Holmsbach, Danida
 John Horekens, former Head, Communications and Fundraising, UNHCR
 Tom Hushek, BPRM, US Embassy, Islamabad
 Moe Hussein, UNCU, Somalia
 Pablo Ibañez, ECHOV
 Sigurd Illing, EC
 Henrik Jespersen, Royal Danish Embassy, Somalia
 Fatuma Jibril, Horn Relief for Somalia
 Eva Johansson, Swedish Embassy, Somalia
 Eddie Johns, UNCTAD/UNDP former focal point for

- Somaliland
 Chris Johnson, former Head, Strategic Monitoring Unit, Afghanistan
 Pat Johnson, UNDP, Somalia
 Gary Jones, Norwegian People's Aid/NGO Consortium Focal Point
 Jack Jones, DFID
 Anne Juepner, UNDP, Somalia
 Allan Jury, former Director, Policy and Resource Planning, BPRM
 Mukesh Kapila, formerly Head, CHAD
 Barbara Kelly, formerly DFID
 Tom Kelly, DFID
 Randolph Kent, Resident Coordinator, UNDP, Somalia
 Gaim Kibreab, Norwegian Church Aid
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 Pirrko Korula, Head, Action 2004
 Elspeth Krogh, Dan Church Aid, member of Danida's Board for International Development Cooperation
 Manfred Kuhnappel, Office of the Auditor-General of Canada
 Anders Laderkarl, Danish Refugee Council
 Dominic Langbaker
 Cristophe Langenkamp, Technical Assistance Rural Development, EU Delegation, Somalia
 Johanna Langenkamp, UNHCR Office, Brussels
 Jim Lee, Library of Parliament, Canada
 Lai-Ling Lee, Programme Manager, Médecins Sans Frontières, Ottawa
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 Mario Maritano, EU, Somalia
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 Dick McCall
 Susan McCoy, CIDA
 Hunter McGill, Director-General of the International Humanitarian Assistance Unit, CIDA
 Margaret McKelvey, Director, Office of Assistance to Africa, BPRM
 Siri Melchior Tellier, Head of International Development, Danish Red Cross
 Nicole Mendenhall, former Director-General of Performance Review, CIDA
 Robert Miller, Director, The Parliamentary Centre, Ottawa
 David Mephram, Special Adviser to UK Development Secretary Clare Short
 Juerg Montani, ICRC, Somalia
 Michael Mosselmans, DFID
 Peninah Munoru, DRRM, UNHCR
 David Murphy, IRC
 Walid Musa, EU, Somalia
 Nigel Nicholson, Save the Children, Somalia
 Norah Niland, UNCO Islamabad
 Zahra Osmane, DRRM, UNHCR
 Chris Print, FAO, Somalia
 David Querol, MSF Spain, Somalia
 Hazel Reitz, BPRM
 Sarah Richards, DFID
 Gianfranco Rotigliano, UNICEF, Somalia
 Annika Sandlund, DRRM, UNHCR
 Nureldin Satti, UNESCO
 Kathrin Schick, Director, VOICE
 Gerald Schmitz, Senior Researcher, Library of Parliament, Canada
 Adrian ('Buz') Sharp, FSAU
 Leo Shcelekens, EC, Somalia
 Zainab Sheikh-Ali, Fund Raising Officer, DRRM, UNHCR
 Abdulkadir Shirwa, USAID/FEWS
 Susie Smith, Oxfam
 Steffen Stenberg-Jensen, Head, ECHO I
 David Stephens, Special Representative of the Secretary General, Somalia
 Arne Strand, consultant/researcher, PRDU, York
 Johan Svensson, Life and Peace Institute
 Maja Sverdrup, S. Hum, Danida
 Andrea Tamagnini, UNDP Senior Deputy Res/Rep, Nairobi
 Jennifer Tangney, VOICE
 Richard Teuten, Aid Policy Department, DFID
 Linda Thomas Greenfield, US Mission, UNHCR
 Thomas Thomsen, DACAAR
 Mette Thygesen, ECHO IV
 Brian Tomlinson, Policy Director, Canadian Council for International Cooperation
 Jan Top Christensen, Head, S. Hum, Danida
 Roy Trivedy, DFID
 Solly Tshivula, South African High Commission
 Carol Ungaro, Italian Special Envoy for Somalia
 Jean-Pierre van der Straeten, ECHO VI
 Anita Vester, National Audit Office, Denmark
 Emma Visman, SaferWorld
 Govert Visser, Royal Netherlands Embassy, Islamabad (1997-2000)
 Karen von Hippel
 Harold Wackman, World Bank, Somalia
 Mark Walkup, BPRM
 Carly Wand, DRRM, UNHCR
 Glenn Warren, US Embassy
 Dahir Wasrame, World Bank, Somalia
 Jean-Noel Wettervald, Head, DRRM, UNHCR
 Andrew Wilder, SCF, Islamabad
 Kelly Williams, MSF-Holland, Somalia
 Roy Williams, former Director, OFDA

Elizabeth Winter, British Agencies Afghanistan Group (BAAG), London
Bart Witteveen, Danish Refugee Council
Erik Wonge, National Audit Office, Denmark
Mary Ann Wrysch, Deputy High Commissioner, UNHCR
Alexandros Yannis
Sheldon Yett, UNICEF, Somalia
Haroun Yusuf, ActionAid, Somalia
Alexadro Zanotta, Terra Nuova

Interviews were also conducted in mid-2002 with NGO staff in one large and one small agency, as part of the research into NGOs' contractual relations with donors. To allow for more open discussion of the findings of the study, the researcher undertook not to disclose the names of the NGOs, nor of the staff interviewed.

Small NGO

Operations Manager, Sierra Leone
Operations Manager, DRC
Senior Health Adviser, Sierra Leone and Afghanistan
Operations Manager, Afghanistan
Operations Assistant, Afghanistan

Large NGO

Head of International Funding Unit
Emergency Funding Manager
Emergency Funding/ECHO Coordinator
Regional Funding Manager
Emergency Funding Coordinator, Sierra Leone
Emergency Funding Coordinator, Afghanistan

Annex 1

Outputs of the research project

In addition to this report, this research project has produced the following outputs:

Briefing Papers

Joanna Macrae, *The Changing Role of Official Donors in Humanitarian Action: A Review of Trends and Issues*

Sarah Collinson, *International Humanitarian Action and the Accountability of Official Donors: Uncertain Power, Uncertain Responsibility*

Anna Schmidt, *Coordinating Humanitarian Action: The Changing Role of Official Donors*

Background Papers

Margie Buchanan-Smith and Ulrik Sørensen Rohde, *Danida's International Humanitarian Assistance Programme: A Case Study of Accountability Mechanisms*

Sarah Collinson, *Donor Accountability in the UK*

Natalie Folster, *Canada's International Humanitarian Aid Programme: Policy Oversight Mechanisms*

Chris Johnson and Jolyon Leslie, *Coordination Structures in Afghanistan*

Tasneem Mowjee and Joanna Macrae, *Accountability and Influence in the European Community Humanitarian Aid Office*

Abby Stoddard, *The US and the 'Bilateralisation' of Humanitarian Response*

These papers are available on the ODI website (www.odi.org.uk/hpg/publications.html), and in hard copy free on request from the ODI.

Annex 2

Main articles of the general conditions of the ECHO Framework Partnership Agreement

- Article 3 points out that EC funding can represent partial or total financing for a project.
 - Article 4 stipulates that requests for financing must be submitted on the standard forms provided. Once ECHO has studied the proposal, it undertakes to 'notify the Partner as soon as possible of its acceptance or refusal, taking into account the degree of urgency of the operation'.
 - Under Article 6, the duration of a project is limited to six months, except for special circumstances when ECHO may grant an extension and which would require a written amendment to the Operation Contract.
 - Article 7 on the eligibility of expenditure states that the Commission's decision sets the date from which expenditure is eligible. This may be the date on which ECHO received the proposal.
 - Article 8 on the budget lists the items for which funding can be provided (staff, relief supplies, transport and monthly flat rates for vehicles and other equipment for the project).
 - Article 10 consists of 11 points which deal with changes to project budgets.
 - Article 12 on the coordination of operations states that, in the case of large-scale operations financed by ECHO, it may ask Partners to participate in a working group for the exchange of views and for consultation to improve coordination between different Partners engaged in the operation.
 - Article 15 comprises seven points which deal with various aspects of the purchase of goods.
 - Articles 22 and 23 cover reporting requirements. Partners are required to submit monthly, quarterly or one final financial report, as stipulated in the contract. ECHO undertakes to acknowledge receipt of financial reports. Financial reports are to be submitted on standard forms, whilst operation reports need to be based on the guidelines provided by ECHO.
 - Article 27 on visibility commits a Partner to participate in any action or activity designed to ensure the visibility of humanitarian actions undertaken by ECHO, which is consistent with its mandate and 'provided that it does not compromise the Partner's security or the security of its staff'. It also requires Partners to ensure that supplies financed by ECHO and all transport display the ECHO logo, 'which should be of an adequate size'.
 - Article 33 states that the FPA, General Conditions and the Operational Contract are governed by Belgian law. Disputes which cannot be settled amicably will be brought before the competent courts in Brussels. But the parties may also agree to settle the dispute by arbitration, 'in accordance with the UNCITRAL [UN Commission on International Trade Law] arbitration rules'.
- Changes to the Articles made in the revised FPA introduced in 1999 include:
- The extension of Article 3 to state that, in the case of large-scale humanitarian operations which are funded by a number of donors, the humanitarian organisation undertakes to inform ECHO of the identity of the other donors.
 - The amendment of Article 6 so that projects can be extended beyond six months by the Commission in writing (this removes any mention of amendments to the operation contract).
 - The expansion of Article 7 from a brief statement that the date of eligibility of expenditure is set by the Commission. This includes exceptional emergency cases when ECHO may consider eligible expenditure by the humanitarian agency before it receives a proposal.
 - The revision of Article 8 so that items which can be funded are listed in a separate annex (which becomes a fourth part of the FPA). The rest of the Article is more detailed about initial changes to the budget by ECHO, and provides for ECHO to consider the budget jointly with the partner when ECHO is suggesting substantial modifications to it (thus avoiding problems of apparently arbitrary changes by ECHO desk officers).
 - The updating of Article 10 to give Partners more flexibility to adapt budgets.
 - The extension of Article 11, which covers operational implementation by the humanitarian organisation, to enable agencies to 'assign implementation of the operation, in full or in part, to a local Partner'. This allows Partners to work through local partner organisations whereas, previously, they were only able to entrust part of the implementation to these organisations.
 - The simplification of Article 13 (previously 12) on general coordination to one paragraph stating that, in

the case of operations financed by the Community, ECHO may suggest that humanitarian agencies and/or donors participate in a working group to exchange information to improve coordination between the humanitarian actors involved. Article 14 then provides for funded organisations to keep in regular contact with the ECHO office or Commission Delegation in the field.

- The substantial lengthening of Article 16 (previously 15) on Procurement.
- The amendment of Articles 23 and 24 on reporting to enable humanitarian organisations to modify the

standard forms on which narrative and financial reports are to be submitted. But ECHO added the stipulation that final financial reports must include the full names of expatriate staff, their functions and the duration of their services.

- The inclusion in Article 30 (previously 27) on visibility of a requirement that the funded organisation present a visibility plan where appropriate, and that evidence of visibility activities be provided in final reports.
- An alteration to Article 33 to provide for an arbitration panel for contract-related disputes which cannot be settled amicably.

HPG Briefing Papers

HPG Briefing Papers present the key findings of HPG research in a four- or six-page summary.

HPG Briefing Paper 7 *Coordinating Humanitarian Action: The Changing Role of Official Donors* by Anna Schmidt and Nicola Reindorp (December 2002)

HPG Briefing Paper 6 *International Humanitarian Action and the Accountability of Official Donors: Uncertain Power, Uncertain Responsibility* by Sarah Collinson (December 2002)

HPG Briefing Paper 5 *The Changing Role of Official Donors in Humanitarian Action: A Review of Trends and Issues* by Joanna Macrae (December 2002)

HPG Briefing Paper 4 *Financing International Humanitarian Action: A Review of Key Trends* by Margie Buchanan-Smith (November 2002)

HPG Briefing Paper 3 *Trends in US Humanitarian Policy* by Abby Stoddard (April 2002)

HPG Briefing Paper 2 *Mainstreaming Safety and Security Management in Aid Agencies* by Koenraad Van Brabant (March 2001)

HPG Briefing Paper 1 *The Politics of Coherence: Humanitarianism and Foreign Policy in the Post-Cold War Era* by Joanna Macrae and Nicholas Leader (July 2000)

An ODI Briefing Paper is also available, entitled *International Humanitarian Action: A Review of Key Trends*, by Joanna Macrae (April 2002)

HPG Reports

HPG Reports present the detailed findings of the Group's research. They are HPG's major contribution to the development of humanitarian policy.

HPG Report 11 *The New Humanitarianisms: A Review of Trends in Global Humanitarian Action* edited by Joanna Macrae (April 2002)

HPG Report 10 *Politics and Humanitarian Aid: Debates, Dilemmas and Dissension – A Conference Report* by Devon Curtis (April 2001)

HPG Report 9 *Mainstreaming the Organisational Management of Safety and Security: A Review of Aid Agency Practices and a Guide for Management* by Koenraad Van Brabant (March 2001)

HPG Report 8 *Shifting Sands: The Search for 'Coherence' between Political and Humanitarian Responses to Complex Emergencies* by Joanna Macrae and Nicholas Leader (August 2000)

HPG Report 7 *Solidarity and Soup Kitchens: A Review of Principles and Practice for Food Distribution in Conflict* by Susanne Jaspars (August 2000)

HPG Report 6 *Terms of Engagement: Conditions and Conditionality in Humanitarian Action – A Conference Report* edited by Nicholas Leader and Joanna Macrae (July 2000)

HPG Report 5 *The Principles of Humanitarian Action in International Humanitarian Law* by Kate Mackintosh (March 2000)

HPG Report 4 *The 'Agreement on Ground Rules' in South Sudan* by Mark Bradbury, Nicholas Leader and Kate Mackintosh (March 2000)

HPG Report 3 *The 'Joint Policy of Operation' and the 'Principles and Protocols of Humanitarian Operation' in Liberia* by Philippa Atkinson and Nicholas Leader (March 2000)

HPG Report 2 *The Politics of Principle: The Principles of Humanitarian Action in Practice* by Nicholas Leader (March 2000)

HPG Report 1 *The Political Economy of War: An Annotated Bibliography* by Philippe Le Billon (March 2000)

Reports and Briefing Papers are available on request from the ODI, and on the ODI website at www.odi.org.uk/hpg/publications.html.

HPG also publishes the Humanitarian Practice Network, an informal forum where fieldworkers, managers and policy-makers in the humanitarian sector share information, analysis and experience. For more information on the HPN, visit www.odihpn.org.

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