



## USG Humanitarian Reform Outcomes

Global humanitarian needs have soared in recent years; over 100 million people need assistance—nearly double the number in 2010—and more than 65 million people are displaced globally. Conflict increasingly drives these phenomena, often leaving people displaced for long periods of time and requiring assistance over extended periods to survive. The strain these historic needs have put on the international humanitarian system are significant and require donor governments like the United States to ensure their actions have the greatest impact.

A series of reforms have improved the global humanitarian system over the past decade with the introduction of the cluster system and the Transformative Agenda. The most recent reform, the [Grand Bargain: A Shared Commitment to Better Serve People in Need](#), promises to yield greater efficiency and effectiveness in global humanitarian action. The US Government was directly involved in the Grand Bargain negotiations and signed onto the commitments at the [2016 World Humanitarian Summit \(WHS\)](#). These commitments—if fulfilled by all parties—stand to yield an additional \$1 billion in improved efficiency and effectiveness.

The following recommended outcomes highlight improvements to US humanitarian assistance in terms of efficiency, quality and effectiveness in addressing modern humanitarian challenges. Every effort has been made to focus the recommendations on better outcomes for disaster and conflict-affected people. InterAction\* recognizes that to achieve some of the outcomes noted below, clarifications on functions and alterations of structures may be required. In these cases, InterAction framed the outcomes as options for review.

**Outcome 1: The impact of the US government’s humanitarian assistance is strengthened through greater coherence and adoption of a needs-based approach. Coherence is demonstrated by clarity in coordination on humanitarian programming and policies as well as unity in advocacy.**

### Rationale

The focus of individual US humanitarian offices and bureaus on different populations has, in some cases, led to a fractured response to humanitarian crises. In several places across the world, internally displaced people (IDPs) exist alongside refugees as well as extremely poor people. In these contexts, the US Government should respond with a holistic view that addresses the needs of displaced and vulnerable people regardless of their status (often referred to as an “area-based approach”). This happens to some extent, but consistency and coherence remain challenges, as the mandate for IDPs rests with two separate humanitarian offices: USAID’s Office of Foreign Disaster Assistance (OFDA) and the State Department’s Bureau of Population, Refugees and Migration (PRM), with the former more directly responsible. The problem is further compounded because food assistance – one of the main mechanisms of humanitarian aid—is controlled by yet another office: USAID’s Office of Food for Peace. The result is a posture dictated by the status of individuals or the modality of assistance instead of a holistic view of where and with whom the greatest needs lie.

### Recommendation

A strengthened US humanitarian assistance program that ensures greater coherence in assistance goals and activities should:

- Channel humanitarian resources where the greatest needs lie - regardless of the profile of those impacted by humanitarian crises (refugee, IDP, host community, etc.);
- Increase the use of US diplomatic resources to prevent, respond to, and resolve humanitarian crises;
- Facilitate rapid response to breaking crises;



- Utilize the appropriate modality for response depending on the context (cash, in-kind food assistance, etc.);
- Possess unified policy capacity, leading to the establishment of whole-of-government positions on humanitarian topics;
- Speak in international fora with a united humanitarian voice and utilize key leadership positions on the Executive Boards of United Nations agencies to represent whole-of-government positions;
- Develop common country/crisis strategies to ensure that all US Government humanitarian offices responding in contexts with mixed displaced populations pursue a unified strategy;
- Ensure humanitarian and development programs are linked appropriately to ensure the needs of all vulnerable populations are addressed and efforts are made to strengthen their resilience when facing stresses and shocks.

#### How could this outcome be facilitated?

Option 1: a *unified humanitarian entity* that has authority for all overseas humanitarian assistance would best facilitate this vision to strengthen US humanitarian assistance. Such an entity should:

- Serve as the definitive lead on coordinating whole-of-government responses to humanitarian crises (directing the activities of the Centers for Disease Control, Department of Defense and other agencies or offices when involved);
- Be part of the lead agency overseeing US Government development programs to ensure greater coherence and improved synergies between development and humanitarian programs;
- NOT serve as an excuse to curtail humanitarian budgets. An estimated \$15 billion financing gap exists between humanitarian need and the global financing provided to address it. Any financial gains achieved by unifying all US Government humanitarian assistance programs into a single entity should be channeled back into humanitarian activities. Efforts to do so can be leveraged to increase similar efficiency commitments from other donors.

Option 2: In *the absence of a unified humanitarian assistance entity*, the following recommendations could ensure greater coordination between existing humanitarian assistance offices within the US Government:

- Create a formal Humanitarian Council (replacing the Humanitarian Policy Working Group), with seats for each of the US Government offices/agencies/bureaus that provide any form of humanitarian assistance. The President should designate a senior, Senate-confirmed government official as a US Humanitarian Coordinator to chair the council, preferably from USAID. The Council would convene to discuss global humanitarian needs, the response to individual crises, make resource and funding decisions, consult with partners, and establish whole-of-government policy positions on humanitarian crises and issues;
- Establish a “unified port of call” for all US Government humanitarian functions operating in countries where the US is responding to a crisis. This could include creating a “Humanitarian Team Leader” at each US Embassy/Mission where humanitarian response is occurring. Organizations implementing US Government assistance as well as other governments and humanitarian actors would then have a clear point of entry to submit proposals for programming and for dialogue regarding US Government and global response efforts. The Humanitarian Team Leader would also ensure better coordination with peacebuilding and development actors on the ground.

## **Outcome 2: The US Government, its partners and aid beneficiaries better understand the costs of humanitarian assistance through increased transparency demonstrated by timely, harmonized and open high-quality data on humanitarian funding.**

### Rationale

Greater transparency will help ensure accountability of donors and responders to both taxpayers and the people who receive humanitarian assistance. Providing open data for retrieval and analysis allows for improvements in decision-making and traceability of the US Government’s humanitarian funding. Greater transparency of humanitarian resources is also a Grand Bargain commitment.



#### Recommendation

- Ensure greater compliance with the International Aid Transparency Initiative (IATI) standard and timely reporting to ForeignAssistance.gov by all US Government agencies.
- Create and fund a system allowing the traceability of humanitarian funds from appropriation through implementation via an improved project-level tracking system.

### **Outcome 3: The US Government reinforces its ability to support national and local actors through greater flexibility and increased institutional and programmatic investments in these responders.**

#### Rationale

Local organizations are often best placed to respond quickly to disasters and have an increasing role and responsibility in humanitarian action. The Grand Bargain as well as the World Humanitarian Summit reinforced the importance of responses that are as ‘local as possible, and as international as necessary.’

#### Recommendation

- Review all programs to identify opportunities to build the capacity of national and local actors, including the extent to which they receive technical assistance to enhance their humanitarian work in addition to core operational functions.
- Assess the impact of US grant compliance and counter-terror regulations on national and local actors, specifically as they relate to their ability to effectively respond to crises.
- Formulate disaster risk reduction “compacts” with disaster-prone country governments. Compacts would be centered on “mutual-accountability;” i.e. predictable funding provided in exchange for clear and completed steps toward strengthening national systems and the ability of local actors—including local NGOs—to respond in times of natural disaster.

### **Outcome 4: The US Government adopts evidence-informed approaches for the use of market-based tools in its efforts to be as effective and responsive as possible to the needs of affected populations.**

#### Rationale

The recipients of humanitarian assistance—those whose lives have been impacted by natural disasters or conflict—have the greatest awareness of their immediate needs. The Grand Bargain commitments reinforce the use of market-based assistance to allow for greater choice and flexibility in meeting these needs. This helps strengthen local markets and may potentially achieve greater efficiencies in humanitarian action. While using market-based assistance is a context-specific decision, it is a modality that the US Government should use in more humanitarian contexts. This includes using multi-sectoral cash programming—i.e. not tying cash assistance to any one specific purpose, but allowing it to be utilized to meet housing, food and other basic service needs like health and education. Along with the other signatories of the Grand Bargain, the US agreed to increase the routine use of cash and to develop markers to measure the outcomes of its use.



### Recommendation

- Use multi-sectoral market-based tools where appropriate and develop a deeper evaluation and evidence base regarding the use of cash and other market-based assistance. This should include building the capacity of grantees to implement such programming.
- Explore ways to partner with the private sector to strengthen the digital infrastructure necessary to create market-based programming and implement rapid and innovative mechanisms for the use of cash in humanitarian crises.

### **Outcome 5: The US Government and its partners benefit from efficiencies gained through decreased reliance on pass-through mechanisms and improved partnership agreements.**

#### Rationale

There is an estimated \$15 billion gap between humanitarian needs and available humanitarian financing. No amount of efficiency will bridge that gap, but donor states should identify where resources are lost along the “humanitarian value chain” to frontline responders, particularly using pass-through mechanisms. The US agreed in the Grand Bargain to reduce management costs throughout the humanitarian system.

#### Recommendation

- Conduct a review of the humanitarian system, concentrating on how US humanitarian funding moves down the “value chain.” Attention should be focused on how resources are utilized and where greater value for money could be achieved, possibly by more direct granting to frontline responders. The review should be transparent, multi-stakeholder and meaningfully involve national and local humanitarian actors in the process, including affected people and civil society organizations.
- If US humanitarian offices remain in their current form, increase the ability of the Bureau of Population, Refugees and Migration to directly grant resources to non-governmental organizations, including national organizations. Directly providing resources to frontline responders will increase efficiency by reducing the amount of assistance lost via pass-through mechanisms.
- Channel savings achieved by these altered granting modalities back into humanitarian assistance programming and ensure there are adequate staffing levels for quality grant management.

### **Outcome 6: US Government agencies should complete multi-year planning and issue multi-year awards that provide predictable funding for humanitarian partners operating in protracted crises.**

#### Rationale

Most displaced people are unable to return home for long periods of time; World Bank estimates show the average length of displacement for refugees is 10.3 years and data from countries experiencing conflict-related displacement indicates IDP caseloads lasting for 23 years on average. Despite this evidence, and its commitment to multi-year planning and funding within the Grand Bargain, the US Government provides most of its humanitarian assistance through grants with a duration of one year or less. In the cases where multi-year agreements are made, the approach too often consists of back-to-back annual tranches, meaning that funding for future years can be delayed and is sometimes never disbursed. This approach also requires partners engage in time-consuming resubmission of proposals and reporting each grant year.

To effectively address the challenge of long-term crises and assist displaced people to survive and become self-reliant, donor states and implementing partners must approach programming with an extended time horizon. This



requires moving beyond a “care and maintenance” approach to one that allows for multi-year planning and programming with predictable funding.

#### Recommendation

- Conduct multi-year planning and budgeting pilots in select protracted crises where the US Government is responding to better understand the benefits and impact of such an approach.
- Request that UN humanitarian agencies conduct a review to determine the percentage of their grants that are multi-year. Include language in “Framework for Cooperation” agreements with UN agencies, strongly encouraging them to provide multi-year grants to implementing partners, including national organizations.

**Outcome 7: The US provides more timely response and gets better value per dollar in sudden onset emergencies by pre-approving partners and establishing vehicles for streamlined distribution of unearmarked funds.**

#### Rationale

When crises or refugee influxes develop over short time frames, the speed of humanitarian response is critical. The US Government does manage in some cases to mobilize resources quickly, but doing so in the critical first 24-36 hours of a response remains a challenge. Establishing a mechanism to pre-approve potential responders and allow them to opt into a rapid response-granting mechanism will ensure that organizations—particularly those that do not have the resources to front the initial response to rapid-onset crises—can act without delay.

#### Recommendation

- Establish a rapid-granting system in US humanitarian offices with pre-approved agencies. Each office should also examine its procurement mechanism to ensure it is able to deploy resources within a rapid time frame (24-36 hours for natural disasters, one week for population movements—IDP and refugee—due to complex emergencies).
- Institute a requirement for US government humanitarian offices to report to the appropriate committees (e.g., authorizing and appropriations) within two weeks of a new disaster or population movement on the steps they have taken to address the crisis, agreements they have made with grantees, and the time taken for funds to reach ultimate frontline responders.
- Make the Emergency Refugee Migration Account into a larger, single-contingency fund for humanitarian emergencies, which can be better accessed and utilized for any humanitarian emergency.

**Outcome 8: US Government humanitarian application and reporting mechanisms are reviewed, harmonized and simplified across offices and funding mechanisms.**

#### Rationale

Humanitarian actors spend an excessive amount of their time and resources on reporting to donors, diverting attention from program implementation. This excess is caused by each donor maintaining their own specific reporting requirements, leading to a fragmented – and often duplicative – patchwork of reporting systems. In the Grand Bargain, the US Government committed with other donors to “simplify and harmonize reporting requirements by the end of 2018 by reducing its volume, jointly deciding on common terminology (and) identifying core requirements and developing a common report structure.”



In addition to pursuing this critical global format, the US Government should harmonize reporting requirements between its own humanitarian offices and bureaus. Given that the US contributes between a quarter to a third of global humanitarian funding, a common intra-government reporting framework would dramatically reduce the reporting burden on humanitarian partners and would set a strong precedent for other donors to follow. Furthermore, such a framework would allow for more unified tracking and a better understanding of the collective humanitarian outcomes being achieved with US Government resources.

#### Recommendation

- Develop a common humanitarian application and reporting template between US Government humanitarian offices within one year. The format should be simple to ensure that information provided is not duplicative and allows for comparability across programs and humanitarian functions. Once proposed, there should be a pilot period to identify and resolve related technical, programmatic and/or financial issues.

**Outcome 9: The solutions for people affected by protracted crises and/or state fragility are better-calibrated to both the underlying root causes and the long-term nature of their displacement. Emphasis is placed on ensuring people and critical service delivery systems are resilient in the face of shocks.**

#### Rationale

Humanitarian crises are often the result of poor state governance and vulnerabilities created by under-development. Roughly, 80% of refugees are hosted by countries that are poor and have challenges providing basic services to their own citizens, while internally displaced people are among those least likely to reach the 2030 Sustainable Development Goals. These are just some of the reasons why the critical “nexus” between humanitarian and development programming is recognized as an important commitment in the Grand Bargain. Humanitarian programming alone will not adequately address the longer-term needs of countries and communities hosting displaced people; ignoring the interlinkages with development will lead to programming which neglects the underlying challenges that lead to costly humanitarian crises.

While there is some level of coordination between US Government humanitarian and development offices, it is often ad-hoc and does not focus on setting joint goals to pursue in a context where the US provides a variety of assistance modalities. US Government offices must make a concentrated and consistent effort to not only coordinate assistance streams, but to jointly analyze data and set collective outcomes that meet both the short and long-term needs of conflict and disaster-affected individuals, communities and countries. This could be achieved through a Country Development Cooperation Strategy (CDCS) process better-g geared toward reducing the vulnerabilities that give rise to humanitarian crises and assisting countries where displaced people are located.

Furthermore, this approach will provide greater connectivity to the diplomatic and peacebuilding centers of power within the US government, with the potential of developing programming that mainstreams peace-building, conflict mitigation and good governance with the goals of breaking cycles of conflict and fragility and building the resilience of affected populations.



## Recommendation

- Place a special focus in Country Development Cooperation Strategies (CDCS) and Integrated Country Strategies on reducing the vulnerabilities that give rise to conflict and humanitarian need. These strategies should identify key risk factors where significant negative change would suggest a change in fragility levels and therefore require an adjustment in programming.
- CDCS' should also focus on meeting the needs of displaced populations in a country (IDPs or refugees) and strengthening country economies and infrastructure to better serve those impacted by humanitarian crisis.
- Revise CDCS' on a shorter time frame than five years in countries affected by protracted crises, recognizing the need to adapt to the dynamic nature of the context.
- Institute annual conflict risk assessments at the regional level to ensure CDCS' have not overlooked the impact of events in neighboring countries.
- Establish a "trigger mechanism" in which the US Government assistance strategy for an emergency is reviewed after six months of initial response. The mechanism—which would determine whether the response posture shifts to "protracted" crisis mode—would involve joint analysis with US Government development actors to review the country assistance portfolio and determine strategies to alter the response in the event the crisis is deemed mid-to-long term.
- Subject to congressional notification, grant the USAID Administrator the authority to waive spending directives for unobligated pipeline funding in a country experiencing a new emergency, where an emergency has become protracted in nature, or where post-emergency transition has begun.
- Authorize development assistance, in addition to existing disaster assistance, for use in disaster risk reduction and other activities that increase the resilience of vulnerable populations.

*\*Note: This paper is the result of an InterAction membership input and review process and, as such, incorporates a diversity of perspectives.*