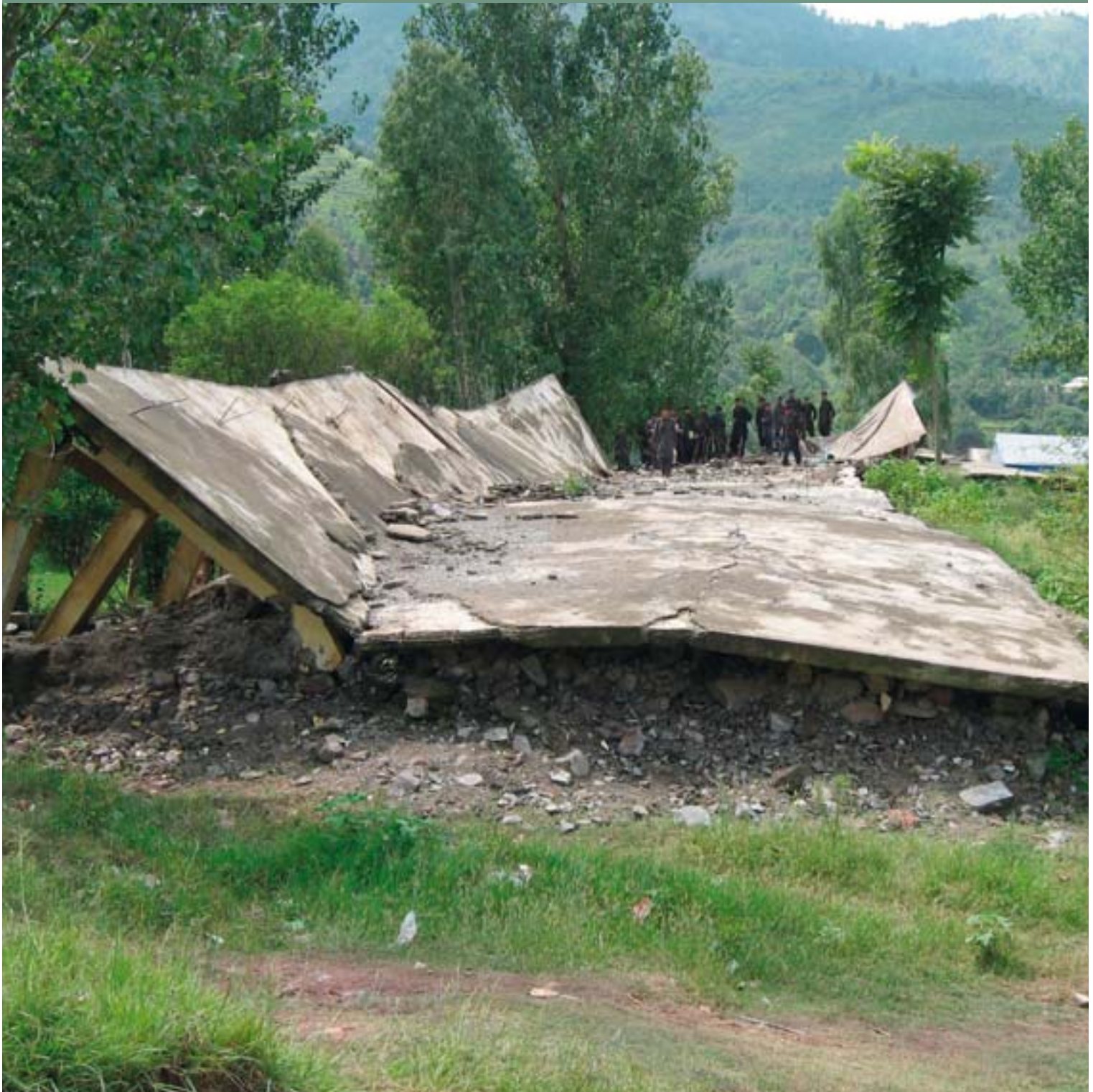


# The UK's Response to the South Asia Earthquake



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# The UK's Response to the South Asia Earthquake

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# Introduction

**1.1** The International Development Committee of the House of Commons requested that the National Audit Office conduct a review of the response of the Department for International Development and others to the South Asia Earthquake of 8 October 2005.

**1.2.** This review was carried out during 2007 with the cooperation of the Department for International Development, the Disasters Emergency Committee (DEC) and the DEC member Agencies. Details of the methodology can be found at Annex A.

**1.3** While making suggestions to the DEC and its members, we recognise that it is for them to decide their relevance and any changes to procedures or practice.

## Summary

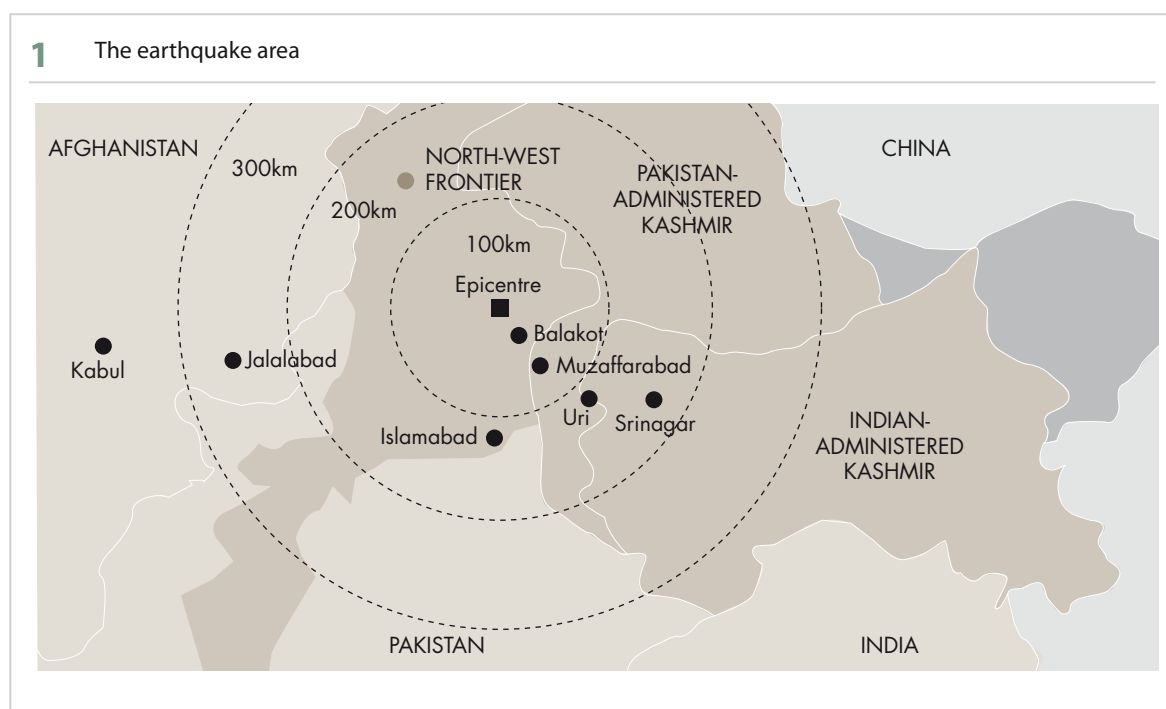
### Introduction

**2.1** On 8 October 2005 an earthquake measuring 7.6 on the Richter scale hit South Asia. With its epicentre in Pakistan-Administered Kashmir (AJK), the earthquake affected an area stretching from Indian-controlled Kashmir to eastern Afghanistan (**Figure 1**), and killed some 75,000 people.<sup>1</sup> The worst hit areas in Pakistan were in Pakistan-Administered Kashmir and North

West Frontier Province (NWFP), covering around 28,000 sq kilometres of primarily mountainous terrain. In this area, 3.5 million were affected including, in addition to the fatalities, 69,000 people who were seriously injured. Key infrastructure was also devastated including 600,000 houses, 585 health facilities, 5,344 schools and 6,480 kilometres of road. The financial cost of the disaster was estimated at US\$5.2 billion.<sup>2</sup>

**1.** The latest estimates give the death toll in Pakistan as 73,300, 1,400 in Indian controlled Kashmir and 3 in Afghanistan.

**2.** ADB/World Bank Preliminary Damage and Needs Assessment (12 November 2005).





**3.** We recognise that both DFID and DEC funded projects in India as well as Pakistan. However, as the majority of aid was to Pakistan the report concentrates on the response there, although many of the points raised are relevant to both.

**4.** This aid covers both relief and reconstruction.

**5.** General Nadeem, Earthquake Rehabilitation and Reconstruction Authority.

**2.2** The Pakistan Government, supported by the international community, launched a major relief operation in response to the earthquake. The United Kingdom played a significant role in this response, contributing resources, expertise and operational capability. The UK Government, through the Department for International Development (DFID), was one of the largest foreign donors, providing over £120 million for relief and reconstruction. A large element of this aid was delivered by Non-Governmental Organisations (NGOs) and the Red Cross and Crescent movement, who together also received over £70 million in donations directly from the British public; £41 million of this raised by an appeal mounted by the Disasters Emergency Committee (DEC).

**2.3** This report examines the UK's response to the earthquake, focusing on the support provided to Pakistan,<sup>3</sup> and in particular the role played by DFID, the DEC and the organisations that received funding from them.

## The earthquake relief operation was a success

**2.4** The relief phase of the earthquake response was a success. The earthquake struck only a matter of weeks before the Himalayan winter was due to set in, creating the risk of a second humanitarian disaster for those who had been made homeless. However, no second wave of deaths occurred primarily due to the relief effort reaching those in need quickly and without significant gaps. The Pakistan authorities officially ended the relief phase in March 2006. This facilitated the prompt return of internally displaced people to their villages, meaning that two years after the disaster only a few thousand remain in camps.

**2.5** Many factors contributed to the success of the relief effort. Of particular note was the extent of close co-operation between the Pakistan Government and the International Community. The Pakistan Government, which took the lead in the disaster response, quickly recognised that no one country

could manage such an operation in isolation and embraced support from the UN, donors, and NGOs. This included;

- US\$1.49 billion in aid for the relief phase from the people of Pakistan, 54 bilateral donors, five multilateral donors, the UN and numerous international NGOs;
- Operational assistance from UN agencies, NATO and local and international NGOs; and
- Strategic and intellectual support from the UN and leading donors.

**2.6** The UK's contribution should be seen in the context of this international effort, but by any measure was significant: in the two years following the disaster, the UK was the third largest country contributor of aid<sup>4</sup> (Annex B). DFID, the DEC secretariat and the DEC agencies responded rapidly to news of the earthquake, putting emergency response procedures in action. Within the first few days DFID funded relief goods, search and rescue teams and experts were on the ground; DEC agencies started distributing aid; and the DEC Secretariat launched its fund raising appeal.

**2.7** While the level of financial support was welcomed by the Pakistani Government, they consider that the technical advice and strategic guidance provided by DFID staff was equally as important.<sup>5</sup> DFID is also considered a good donor by the majority of the DEC agencies questioned. However, areas DFID might review for future operations include:

- DFID compares well to other donors in realising pledged funds. But there is scope to speed up the payment of funds to NGOs and to consider the transition of funding between relief and reconstruction phases.
- DFID paid for flights for the DEC agencies to transport relief goods to Pakistan. These flights were effective in coordinating shipments from the UK. However, there is a lack of evidence to show that funding the flights was the best use of DFID funds.



**2.8** Despite the serious challenges presented by the size of the area affected, and the mountainous terrain, the DEC agencies' response was timely, and delivered aid to hundreds of thousands of the affected population. In reflecting on the success of the operation, the DEC and its member Agencies might consider:

- improving the assessments undertaken by individual agencies of their capacity and capability to respond to disasters, and to scale up their operations. In general, the agencies met the majority of their objectives, however, some probably took on larger operations than they could effectively manage;
- looking for more ways to collaborate in order to share expertise and coordinate activities, including the joint procurement of goods. At times in the relief phase, agencies found they were bidding against each other for scarce items such as tents, and were paying higher prices as a result;
- the DEC Secretariat is currently revising its accountability mechanisms. This should ensure that it has clearer processes for monitoring the use of funds and for holding Agencies to account for funds passed to them from DEC appeals.

## Two years after the earthquake, reconstruction work is underway

**2.9** Two years after the earthquake there has been significant progress in planning the reconstruction, and DFID Pakistan considers that progress made compares favourably with that made following other disasters. However, the scale of the task is immense and the Pakistan Government is understandably taking time to realise plans. The key issues have been:

- Central and regional governments have limited capacity to deliver against plans. Only half of all the houses destroyed have been rebuilt or replaced, and a small fraction of health centres and schools.
- Millions of Rupees have been distributed to victims in compensation for their losses. However, there are numerous disputes regarding payments which remain unresolved due to the complexities of land law in Pakistan and cultural ownership. There is also some anecdotal evidence to suggest low level corruption although the authorities do not consider such cases to have been widespread.

**2.10** These issues offer challenges for both DFID and the DEC agencies. DFID is channelling most of its funding for reconstruction through the Government of Pakistan. DFID needs to continue to assess whether the authorities have the capacity to absorb these funds and whether more technical support is needed to build capacity. Where DEC agencies are implementing elements of the reconstruction plans, such as building schools, health centres, or water supplies, they need to consider the sustainability of projects and the ability and financial capacity of local government to assume responsibility for the future maintenance and management of facilities.

## Department for International Development

**3.1** DFID is committed to contributing to the achievement of the United Nations Millennium Development Goals. Humanitarian emergencies pose serious threats to development and thus to the achievement of these goals. DFID, acting under the International Development Act 2002, therefore takes lead responsibility on behalf of the UK Government for responding to disasters such as the Pakistan earthquake. DFID pledged £58 million in immediate humanitarian assistance to the relief effort, and, by the end of 2007, had disbursed funds of £53.3 million. This is the second highest level of funding in response to a disaster; the highest being the response to the Asian Tsunami of 2004, for which DFID gave relief assistance totalling £64.1 million. A further £70 million has been pledged for reconstruction.

**3.2** DFID's aid to Pakistan was primarily given in the form of bilateral funding to NGOs and funding to multilateral organisations such as United Nations agencies. In addition to financial aid, DFID allocated material assistance in the form of relief goods and logistics expertise, and intellectual input both strategically to the Government of Pakistan and through technical assistance in areas such as shelter provision.

### DFID's response was rapid

**3.3** DFID's response to the earthquake was rapid; the first relief supplies arrived in Islamabad within 30 hours of the main tremor. The operation was led by DFID's Conflict, Humanitarian and Security Department (CHASE), which provides support within DFID on conflict and humanitarian issues, and leads relief operations following sudden onset disasters. This role includes the rapid assessment of the disaster and resulting need; formulation of DFID's response strategy; and the allocation of funding. CHASE also has an operations team which was sent out to Pakistan within hours to provide direct humanitarian expertise, and to begin the work of assessment on the ground.

**3.4** On the day of the disaster CHASE arranged the dispatch to Pakistan of two aircraft carrying search and rescue teams, humanitarian experts and emergency supplies. These were followed over the coming days and weeks by additional supplies and personnel. CHASE's visibly prompt action, which included the deployment of the first international search and rescue teams to arrive on the ground, provided a clear signal of support to the Government of Pakistan. This undoubtedly helped strengthen the influence of DFID within the relief effort.

**3.5** Fundamental to CHASE's ability to act rapidly were:

- **Well developed procedures** in place for rapid onset emergencies, including 24 hour response cover. There was no incident-specific contingency plan but a response appropriate to the disaster was developed by experienced staff.
- **Stocks of relief goods** were held in DFID warehouses. Crucially these included winterised tents that were appropriate for the climate of the region. Although goods in kind made up only four per cent of DFID's aid, mobilisation of stocks within hours allowed distribution to begin quickly, before additional supplies could be purchased.
- **Expertise** was on hand both within DFID and through a database of experts held by CHASE.

**3.6** This ability to respond quickly is vital given the need to reach the affected area and to assist survivors rapidly in the wake of a disaster. This was particularly true in Pakistan because of the impending winter: when the earthquake struck, the onset of winter was expected within six weeks.

**3.7** DFID has acknowledged that there is scope to enhance its preparedness for future disasters by developing more focused plans. Accordingly DFID has begun to develop contingency plans for specific countries and scenarios and these plans should improve the ability of DFID to react to disasters. These plans could also be used as part of DFID's disaster risk reduction work<sup>6</sup>, as a basis for encouraging partner governments to enhance their own planning. In Pakistan, although the Government had a National Crisis Management Cell to respond to emergencies, there was no national disaster management plan when the earthquake hit, slowing the Government's ability to react.

## DFID developed an appropriate strategy once the disaster occurred

**3.8** The scale of resources provided by DFID was significant; the UK was one of the top five largest country donors. The quantification and allocation of this package relied on a clear assessment of the

situation following the disaster, and of requests for funding from the delivery agencies. Vital to the success of this process in Pakistan was DFID's multi-faceted approach to gathering information. This used:

- CHASE operation teams in Pakistan who were able to provide an analysis of critical sectors and the extent of need;
- Staff employed in the DFID country office in Islamabad who had knowledge of the country context including the government and third sector; and
- CHASE staff in London who could provide links with UK-based experts and other contacts, and a broader view of strategy.

**3.9** This approach ensured that there could be a high degree of consultation with the full range of organisations involved in the relief effort, including the UN, the Red Cross and Crescent Movement (RC), NGOs and the Pakistan Government. Equally vital was liaison with other donors; both for sharing analysis of the critical sectors and for providing an overview of funding. Regular meetings of the seven most important donors in Pakistan (known as the G7), provided an important mechanism for this exchange and helped to ensure a coordinated approach to the relief effort.

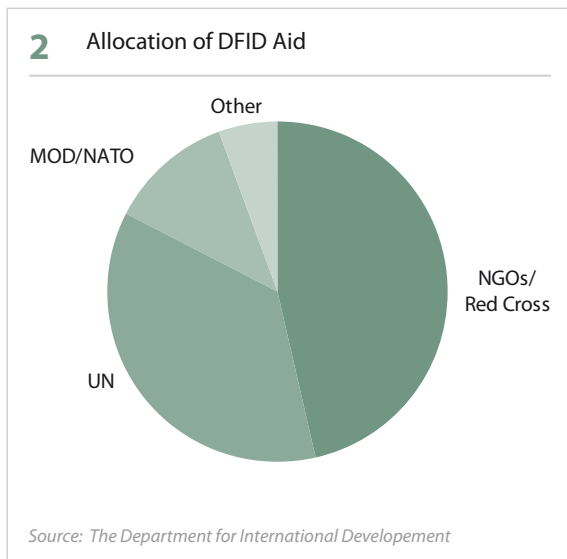
**3.10** DFID adopted a rolling strategy to guide its response and to allow flexibility as events unfolded: the Secretary of State approved an initial £11 million of aid after three days, and this rose to the final total of £53.3 million, as the extent of the disaster emerged. This aid was allocated to four main areas (**Figure 2 overleaf**):

- UN Agencies (£19.5 million): CHASE identified specific activities proposed by UN agencies in their consolidated 'Flash' appeal. Agencies were then funded through a Memorandum of Understanding with each agency.
- The Red Cross Movement, and NGOs (£25 million): CHASE granted funding based on project proposals submitted by the agencies.

<sup>6</sup> DFID allocates 10% of emergency relief resources to disaster risk reduction.

7. All funding to the Red Cross and Crescent movement is through the British Red Cross.

8. The NAO surveyed the DEC Agencies.



- Military logistics support (£6.5 million): CHASE met the cost of assistance provided by the Ministry of Defence, and a share of the cost of relief activities undertaken by NATO.
- A small amount of funding to other parties, including the Pakistan Government (£3 million).

**3.11** The success of the strategy was not only in the scale of the response, but through strategic interventions when these were needed. For example, the destruction of the road network in a largely mountainous area meant that only helicopters could access those worst affected by the disaster. DFID funded UK military helicopters, and plugged a gap in the funding available for UN helicopters when there was a threat that they would be grounded.

## DFID was seen as a good donor by NGOs

**3.12** DFID funded projects by 24 NGOs and both the International Federation of Red Cross and Red Crescent Societies, and the International Committee of the Red Cross.<sup>7</sup> The majority of Agencies questioned considered that DFID was a good donor,<sup>8</sup> both in terms of its processes and the quality of its personnel. CHASE staff were praised for being active in the field, and one NGO stated to us that it was a 'Model DFID response'

**3.13** DFID had clear processes by which funding was allocated to NGOs. Concept papers were put forward by either CHASE or the NGOs, and these were then worked up into formal proposals. The dialogue between DFID and the NGOs ensured that DFID funded projects met DFID's overall strategy. This was also achieved by the appraisal of proposals against defined criteria including:

- how the proposal fitted with agreed priorities;
- the availability of funds;
- the capacity of agencies to deliver against plans; and
- the application of good practice standards.

**3.14** Application of these criteria ensured the coverage of funding, by geographical area and sector, and the quality of aid delivery. DFID staff in Pakistan were crucial to this process, as they had knowledge of the third sector in Pakistan, and therefore which NGOs might be best placed to deliver.

## DFID should look to improve the release of funds to NGOs

**3.15** DFID aims to disburse funds quickly and in Pakistan did so faster than other donors such as the United States (USAID) and the European Union (ECHO) (Annex B). However, there is scope for DFID to further accelerate the release of funding to NGOs. Most NGOs we consulted considered that DFID's funding decisions were made promptly allowing operations to commence. In particular those NGOs who were allocated with goods in kind were able to start work on the ground in Pakistan within days. However, DFID can take as long as four to five weeks to disburse funds to an NGO after funds have been pledged. One DEC member stated that this was too slow in a rapid onset scenario and meant that funding came too late to be used in the early relief phase.

**3.16** Many of the DFID-funded NGOs have contingency funds which allow them to respond immediately to a disaster. Some of these solved the problem of slow funding by spending reserves in anticipation that the expenditure incurred would be 'refunded'. However, not all NGOs, and particularly smaller, national organisations, had the working capital available to do this. These organisations cannot commence operations until funding is received.

**3.17** DFID's delay in releasing funds was due to the time taken to evaluate proposals and carry out administrative processes; set up projects within DFID's accounting system; and complete the payment process through Standard Chartered Bank. Applications for funding in advance must also be appraised and approved by DFID's accounting function. DFID maintains strong internal controls and these should not be compromised even in an emergency. However, slow funding might impact on the ability to deliver aid quickly and therefore to meet DFID's objectives.

**3.18** We believe it would be worthwhile for DFID to review its approval and payment processes for emergencies, in order to ensure that they are both robust and efficient. One consideration should be the adoption of framework agreements with agencies that have delivered successfully in the wake of previous disasters. This would allow some of the formal processes of procurement, including general assessments of capacity, compliance with good practice, approval for funding in advance and the setting up of payment mechanisms, to be undertaken before disasters occur. At the same time, however, DFID should maintain the flexibility to select which partners to work with in individual responses, or to engage with others outside the framework agreement.

## DFID should consider how to optimise funding in the transition between relief and reconstruction

**3.19** Some NGOs commented to us that although funding was initially sufficient, they would have benefited from continued funding to allow them to carry on working with communities in the period before compensation from the Government of Pakistan and reconstruction could provide more permanent solutions. Following the relief phase, which ended in March 2006, responsibility for funding decisions passed from CHASE to the DFID Pakistan country programme. By October 2007 £49 million out of £70 million DFID reconstruction funding had been committed by DFID Pakistan, with £35 million allocated to the Government of Pakistan directly. With some exceptions, such as funding to Merlin for health care, there was little funding to the NGOs who had received grants in the relief phase, although NGOs had received nearly 50 per cent of relief funds.

**3.20** We found that it was understandably taking a significant amount of time to carry out reconstruction work and that the period between relief and reconstruction has therefore been extended. On the ground this meant that temporary facilities have remained very much in use after two years. For example one school we visited in September 2007 was continuing to conduct lessons outside while it waited for its new building to be completed. While DFID did undertake extensive consultation before allocating funding in Pakistan, it should now draw on this experience and the evaluations of other disasters to see if lessons regarding the structuring of funding across relief, recovery and reconstruction phases can be learnt for future disasters.

## DFID flights of DEC goods were popular and well organised

**3.21** The DEC agencies were unanimous in their praise for DFID's organisation and funding of airlifts to Pakistan. Merlin, for example, told us **"The flights were extremely well organised"**. On 10 October, two days after the disaster, the then Secretary of State announced that DFID would meet the costs of transporting any DEC relief supplies to Pakistan, such as water and sanitation equipment. DFID also provided logistical assistance to coordinate flights.

**3.22** DFID's coordination of flights helped to save money. Before DFID stepped in to organise the flights, the individual DEC agencies were commissioning their own flights and, unavoidably, bidding against each other. DFID stopped this waste and secured the transportation of goods when there was limited international air cargo space.

**3.23** While DFID achieved value for money in its role as the organiser of DEC flights, it did not demonstrate that funding the flights delivered the best use of £4 million of DFID expenditure. There were two main problems with offering the DEC agencies unlimited, fully funded flights: inappropriate cargo and uneconomic procurement.

**3.24** Some items of cargo for the flights were not suitable for the relief effort in Pakistan. For example, some agencies wished single person summer tents to be transported, when what was needed was fully wintered tents. CHASE logistics experts wasted time negotiating with certain DEC agencies over the transport of cargo which was deemed inappropriate, but as they were unable to physically check the cargo on all the flights, they had little control over what was sent. Transport of inappropriate items represented a waste of money and a misuse of cargo space, and placed cost burdens on the NGOs which had to warehouse goods, pay tax and provide transport in country. Although discussions with DFID staff suggest that there was less inappropriate aid shipped to Pakistan than had occurred following the Asian Tsunami disaster, it remained a problem; the full extent of which cannot be verified due to the lack of detailed documentation on what was actually

transported. If flights are offered for future responses, DFID should consider how it might have greater visibility over cargos.

**3.25** The funding of flights may also have encouraged the shipping of goods that could have been better procured locally. Separation of the cost of goods from transport costs made it more difficult to appraise the full cost of acquiring and moving goods to their final destination, and may therefore have distorted procurement decisions. DFID therefore needs to consider the impact of offering free flights on the procurement of goods by DEC agencies.

## DFID's most important contribution was expertise

**3.26** The contribution made by DFID to strategy and technical issues has been recognised by Government of Pakistan and the UN. Andrew McLeod of UN Office for Coordination of Humanitarian Assistance (UNOCHA) told us that DFID's role was **"Vital; the money was good but the intellectual input was great"**.

**3.27** The Government of Pakistan, without a disaster response plan, was open to strategic support from the UN and key donors. Two weeks after the earthquake the Government mandated the Federal Relief Commission (FRC) to manage the response. The leadership of the FRC was supported by a Strategic Leaders Forum; a group chaired by the Federal Relief Commissioner and consisting of representatives from UNOCHA, USAID, ECHO and the Head of DFID Pakistan. The Forum proved to be a key mechanism for coordination of the relief effort, and facilitated the link between strategy and funding, ensuring the commitment of donors including DFID. This high level input from DFID was supported at lower levels by CHASE and DFID Pakistan staff who worked with the UN and NGOs.

**3.28** DFID also seconded or facilitated the recruitment of experts to fill posts in UN organisations, including UNOCHA, the World Health Organisation and the UN Joint Logistics Centre. This helped bypass slow UN recruitment procedures.

## The Disasters Emergency Committee

**4.1** The Disasters Emergency Committee is a charity which acts as a single point for receiving donations from the public when disasters occur. The DEC is a joint venture of 13 UK based agencies<sup>9</sup> which come together to raise funds through coordinated public appeals. The DEC provides the public with a simple mechanism for contributing to disaster responses, and avoids member charities competing with each other for funds at times of humanitarian disaster. The DEC earthquake appeal was launched on 10 October 2005, within just two days of the earthquake, and raised £44 million, with a further £19 million being raised by the member agencies directly.

**4.2** All the DEC agencies surveyed stated that the DEC funds were not only significant and sufficient, but allowed flexibility. Most other funding sources received by agencies were tied to proposals or particular activities. The DEC funds, although linked to plans, were not tied to proposals and could therefore be used to fill gaps and be reallocated to respond to changing circumstances. This enhanced the flexibility of agencies' whole operations and undoubtedly led to a better response.

### DEC funds are allocated in proportion to capacity

**4.3** The DEC is a fund raising mechanism, and as such it does not have a coordinating or operational role. Money raised from an appeal is divided between the agencies on an agreed formula, based on the size of the NGO. This indicator of capacity does not take into account the disaster specific circumstances such as whether the NGO is operational in the affected country. It is therefore for the NGOs to make their own assessment of capacity to respond to a given disaster and whether to take the allocation from the DEC. All 13 DEC agencies took their initial allocation of funds from the earthquake appeal (**Figure 3 overleaf**).<sup>10</sup>

### DEC allocation of funds was timely

**4.4** All the agencies were satisfied with the speed of the DEC mechanism for releasing funds.<sup>11</sup> While the DEC Secretariat does not approve the use of funds, as part of meeting the objective of ensuring the accountability of funds, the Secretariat requires Agencies to submit plans and budgets before funds are released. This process was completed in around four weeks after which NGOs started to draw down against their allocation. The DEC does have a pre-financing mechanism which would have allowed

**9.** Included within the 13 is the British Red Cross which, as a member of the International Red Cross and Red Crescent Movement is not NGO.

**10.** NGOs have nine months to utilise the first phase of funds; and further funds raised, returned or received through gift aid will be disbursed in subsequent allocations.

**11.** NAO survey.



12. All members must be signatories to the *Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief* and comply with standards such as SPHERE standards.

the NGOs to utilise funds earlier but no agencies used this facility, suggesting that there were no cash flow shortages.

**The DEC Secretariat Monitored the Compliance of Agencies with International Standards for Relief Operations**

4.5 The DEC ensured the quality of delivery through its membership criteria and guidelines which require members to comply with internationally recognised codes of conduct for NGOs and standards for relief operations.<sup>12</sup> Agencies reported the extent of their compliance with these standards in narrative reports on the progress made on projects. There were no significant issues.

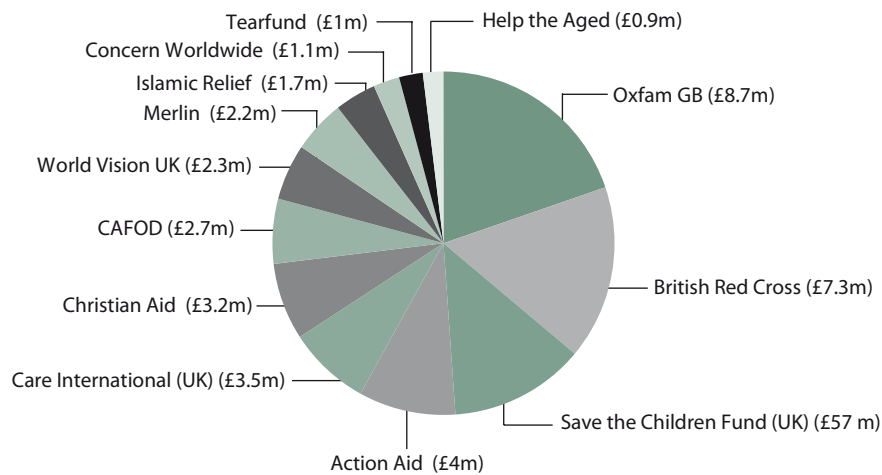
4.6 In addition, the DEC Secretariat undertook a monitoring mission of the agencies' activities in Pakistan in February 2006. This mission was aimed at monitoring the use of funds. However, it also provided useful data to agencies on the progress of programmes and key issues to be resolved.

**Accountability for funds**

4.7 At the time of the earthquake operation DEC had two main sources of assurance that funds were spent and accounted for appropriately:

- Membership criteria: Membership of the DEC requires that all agencies submit annual audited accounts under either Company or Charity law. However, the DEC does not currently monitor compliance with this requirement, or ensure that accounts have received an unqualified audit opinion. This simple check would provide the Secretariat with a good level of assurance that Agencies are operating good financial systems.
- Financial Reports on programmes: Agencies must report against plans at three month intervals. All agencies complied with this requirement for the Pakistan response.

**3 Allocation of DEC Funds by Agency**



Source: The Disasters Emergency Committee

**4.8** The information included in narrational and financial reports was extensive and provided some assurance that funds were spent appropriately. However, the format and content of reports, including the level of detail, was not consistent between Agencies. It was also not clear how the DEC used or analysed the information it received in the reports, or the consequences of variations made by the agencies from their agreed plans.

**4.9** The DEC has recognised these issues and is currently reviewing its processes. Changes will include a new, standardised format for financial and narrative reports and procedures for reviewing and analysing information. These changes should enhance the Secretariat's scrutiny of information.

## The Disasters Emergency Committee Member Agencies

### The DEC Agencies' efforts were successful

**5.1** The Red Cross and International NGOs played a key role in the earthquake relief effort. The DEC members, 10 of whom were also recipients of DFID funding, reached hundreds of thousands of the affected population in NWFP and Pakistan-Administered Kashmir, and evidence from the ground suggests that most survivors in the areas serviced by DEC agencies received key relief items within the critical time period to prevent significant additional loss of life.

**5.2** The primary focus of the relief operation was to meet the basic needs of the 3.5 million survivors through provision of food, water, shelter and medical treatment. Two populations were targeted; the estimated 200,000 people in official and unofficial camps, and those who remained in their villages. With a few exceptions, such as Oxfam's water and sanitation work in camps and Merlin's provision of health care, most of the DEC agencies concentrated on populations who had remained in their villages, many of which were isolated and high up in the mountains.

**5.3** Once the initial needs of the population were met, the focus of operations evolved to supporting the return to normal life through interventions such as livelihood programmes, cash grants and the restoration of infrastructure including water supplies, schools and health facilities.

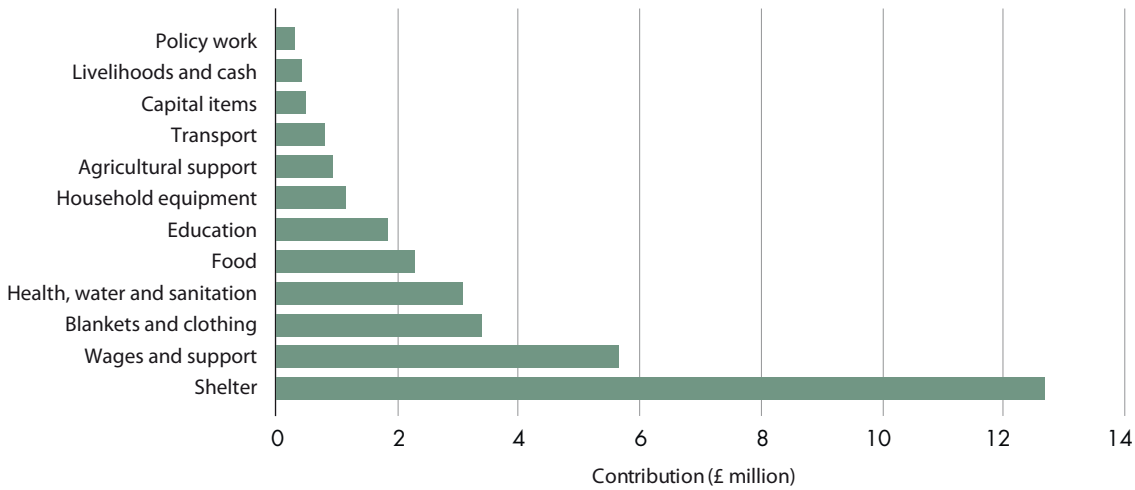
**5.4** **Figure 4** shows how the DEC money was spent by sector.

### Cooperation was the key to success

#### NGOs were willing to cooperate with the Pakistan Government

**5.5** The active cooperation of the military authorities in Pakistan, UN Agencies, donors and NGOs was crucial to the success of the relief effort. The Government of Pakistan recognised early on that it had not anticipated a disaster of this scale or nature and that it did not have the structures or plans in place to respond adequately. Following an initially slow response in the days following the earthquake, the Government created the Federal Relief Commission on 16 October which produced a National Plan of Action and assumed responsibility for coordination of the overall operation. The Government accepted assistance from the international community which was significant in both resource and operational terms.

#### 4 Expenditure by Sector



Source: National Audit Office analysis of NGO returns

**5.6** The situation necessitated NGOs' cooperation with the Government of Pakistan and their willingness to do so was vital. A co-ordinated response with the country authorities was required and NGOs also recognised that military logistics and equipment were vital to reach victims, given the size and terrain of disaster area. A number of the DEC agencies have cited the important role of the military and how well coordination with the authorities worked.

#### The cluster system

**5.7** The influence of the UN led the Federal Relief Commission to adopt the "Cluster system" as a framework for operational planning and for coordination of activities. The use of forums for coordination by sector first emerged in Iraq and the Humanitarian Response Review, commissioned by the UN, recommended clusters as a way of overcoming coordination failures in disaster responses. The system had not been fully developed at the time of the earthquake, but was adopted informally by both the UN and FRC. Nine clusters met throughout the relief period, each led by a nominated agency.

**5.8** The DEC agencies we spoke to cited the cluster system as one of the main methods by which they coordinated their response with others. Most agencies considered that the cluster system improved geographical coordination and one described it as "instrumental in improving external coordination and co-operation amongst various actors". However, there were weaknesses in the system; mainly resulting from the fact that it was not formalised and did not, for example, have terms of reference or established procedures. The strength of each cluster relied heavily on the effectiveness of its leadership and there was a perception amongst

#### 5 Clusters

- 1 Health
- 2 Food and nutrition
- 3 Water and Sanitation
- 4 Logistics
- 5 Camp Management
- 6 Emergency Shelter
- 7 Emergency Telecommunications
- 8 Protection of vulnerable groups
- 9 Early Recovery

**13.** For the initial allocation, one agency was 14% below budget, two agencies were 30% below and one 68%. The remainder were within 5%. All funds that weren't spent in the initial response were utilised in later phases or reallocated to other agencies.

a number of the DEC agencies that some leads tended not to separate the interest of their own organisation from the wider interests of the cluster. The leadership and mechanics of operations also meant that some clusters were less effective in producing joined up strategies for the approach in each sector; for example it took at least eight weeks for the Shelter Cluster to recommend a standard for temporary shelters, by which time many NGOs had already started distributing materials based on their own designs.

**5.9** UNOCHA recognised that the primary benefit of clusters was in joining up government and the UN, and that there was less benefit for NGOs. One of the main reasons for this was the inability of some NGOs to interact successfully with clusters. With nine sector meetings in Islamabad, and these replicated at numerous locations in the field, it was impossible for NGOs with a multi-sector approach to attend all clusters, all the time. This situation was worse for small and local NGOs who were almost completely excluded from the process, particularly with meetings being conducted only in English.

**5.10** In addition, the number of NGOs operating in Pakistan and similar disasters makes it difficult for them to utilise the cluster system to make their contribution to the development of the overall relief strategy. In Pakistan the main strategic forum was the Strategic Leaders Group which consisted of representatives of the Government and donors but not NGOs. Andrew McLeod, (UNOCHA) told us that 'the challenge remains for non-UN NGOs to find for themselves an effective coordination mechanism so that they can more effectively 'plug into' government and UN coordination mechanisms'. The challenge is equally for the UN and Donors to assist in this process and facilitate engagement with NGOs.

**5.11** Overall, the cluster system did represent a step forward and one which was generally embraced by DEC agencies, although they supplemented the cluster meetings with other communication with other NGOs, the government and communities.

The cluster system has continued to develop since the earthquake and offers a potential advance in the area of emergency coordination.

## Good planning was necessary

**5.12** The DEC agencies met the majority of the objectives laid out in the DEC plans and DFID proposals. However, the DEC monitoring mission in February 2006 considered that some agencies had 'taken on larger programmes than they could supply and monitor effectively'. This statement is supported by the fact that some agencies spent less than their initial DEC allocation.<sup>13</sup> Partly this was a result of the constraints of the terrain and working environment in the area affected by the earthquake, which were very difficult. However, it was also a result of the quality of planning; both in terms of contingency plans and developing specific responses.

### Good contingency plans and emergency procedures are essential

**5.13** Most DEC agencies had plans in place for responding to a rapid onset emergency, but no organisation had specific plans for a disaster of this nature in Pakistan. Most therefore relied upon generalised procedures or upon flexing operations that they were already undertaking in country. The scale of the disaster challenged these processes and strained the ability of agencies to scale up their operations. Agencies considered that there were lessons to be learnt from the earthquake in terms of the need to be better prepared, and some have developed their response procedures in key areas. These include:

- Establishing dedicated response teams to provide important specialist expertise and knowledge. Many NGOs already had specialist humanitarian response teams at the time of the earthquake.
- Human Resource strategies – the development of registers and rosters of staff to enable staff from across the organisation to be sent to the affected area quickly, thereby providing a mechanism for quickly scaling up operations.

- Emergency response strategies and manuals – to provide guidance on the processes to be followed in the aftermath of a disaster.
- Greater preparedness for country operations – including planning for specific disasters through training of staff already in country, of partner organisations and partners and communities, and building stocks of relief goods which can be accessed quickly following an emergency.

**5.14** There has been a growing acceptance amongst NGOs since the Asian Tsunami and the Pakistan Earthquake that good preparation is essential to secure improvements in the quality of humanitarian response. But, as the NGOs recognise, this strategy can only be successful if donors are prepared to support this move with funding.

#### Developing plans on clear assessments

**5.15** Previous studies have recognised the difficulty of undertaking needs assessments following humanitarian disasters and this remained a challenge in Pakistan.<sup>14</sup> In general, NGOs had effective processes for information gathering, and successfully linked these into the overall operation; drawing on assessments undertaken by their own teams, the UN, donors and the Government of Pakistan.

**5.16** Undoubtedly, NGOs with existing operations in Pakistan were better placed to assess the situation immediately following the earthquake. They were able to utilise locally-based staff immediately and to take advantage of existing contacts. For example, Oxfam was telephoned by a partner NGO in Pakistan-Administered Kashmir within minutes of the earthquake occurring. A second example is the Pakistan Humanitarian Forum (PHF); a forum of international NGOs, including a number of DEC agencies<sup>15</sup>, which was already meeting in Islamabad before the earthquake. The PHF launched a joint assessment mission within two days of the earthquake. This sharing of information and resources speeded up the assessment process, gave greater coverage of the disaster area and reduced the burden on the agencies and the affected population.

**5.17** Despite these efforts, at first there was a lack of data on the extent of damage and the scale of the humanitarian cost, particularly in respect of remote areas. This led some agencies to admit that they had had to rely on 'rough estimates' in some aspects of planning. One estimate that proved problematic was that for average family size; this is used by most agencies as the base unit for quantifying the population in need. NGOs used different average family sizes in their plans; with the estimate varying between five and seven members per family.

NGOs narrative reports to DFID and DEC show that the lower figures were an underestimate of the true position, and this impacted on delivery. For example, one NGO found that it had to distribute more tents per family and thus could not provide tents for all families in the area. Elsewhere too few materials were distributed to families for them to be able to construct shelters that complied with international standards regarding the desirable space per person.<sup>15</sup>

#### Ensuring that plans are linked to the capacity to respond

**5.18** Effective planning also relied upon the accurate assessment of NGOs' ability and capacity to respond. Agencies primarily defined the size and scale of their operations by estimating the number of beneficiaries they aimed to reach; frequently coupled with geographical areas of operation. The methodology behind these estimates was rarely clear; especially with respect to considerations of capacity. While DEC funding is linked to capacity, this does not take into account the circumstances of the specific disaster, and DEC funding is only one source of funding for agencies, often accounting for less than 50 per cent of their income.

**5.19** Oxfam had a rating system that classified the disaster on the basis of the size of the response to be launched. This was assessed against defined criteria and an aim to reach at least a set proportion of the population. Other agencies had checklists of factors for consideration such as existing operations in country and relations with partners. We consider that, in general, it would be helpful if agencies were

**14.** National Audit Office, "Department for International Development: Responding to Humanitarian Emergencies."

**15.** Action Aid, Care International, Concern Worldwide, Islamic Relief, Merlin, Oxfam, Save The Children and World Vision. CRS Pakistan, a partner of CAFOD was also a member.

**16.** SPHERE standards

to improve their processes for determining the level of funding they could manage in a disaster. These estimates should take into account:

- existing resources;
- staffing;
- other commitments;
- the extent of operations in country; and
- the constraints of the specific disaster.

**5.20** A failure to deliver against objectives could mean that sections of the target population are not reached or that funds might have been more efficiently and effectively utilised by others. NGOs should therefore undertake honest and realistic appraisals of the contribution that they can deliver.

**5.21** DEC Agencies might also consider whether a deeper level of cooperation between themselves in the delivery of aid would yield more effective results. In particular, where agencies do not have existing operations in country they might find it valuable to share in assessments made by others, and to contribute expertise through secondments rather than setting up operations themselves. There were some examples of this happening in Pakistan. For example, Help The Aged's (HTA) earthquake operation was initially hampered by its inability to find the right partner in Pakistan. However HTA is now seconding staff to Merlin Pakistan in order to contribute expertise on care of the elderly to medical projects. CAFOD also seconded five staff to a non-DEC agency, Caritas Pakistan.

## DEC Agencies delivered the aid that was needed

### Shelter was the primary need

**5.22** The design, distribution and construction of suitable shelters was of paramount importance following the earthquake, given the short time available before winter set in. The DEC agencies were among those who took innovative measures to meet the need. The initial aim for most actors on

the ground was to supply winterised tents. However, the demand for winterised tents outstripped supply and agencies struggled to obtain suitable items.

Thus many non-winterised tents were supplied with 'winterisation' kits, including additional tarpaulins. One agency had to reduce its plans to deliver 30,000 winterised tents to 24,000 tents; and only 5,500 of those supplied were winterised. While winterization kits provided an interim solution there were limitations to this strategy. For example tents could not be heated, and there was a least one incident of families attempting to do so resulting in the tents catching fire.

**5.23** DEC agencies were amongst the first to make the switch from tents to the alternative approach of constructing temporary shelters based around a wooden frame and Corrugated Galvanized Iron (CGI) sheets. Reusing parts of collapsed buildings, supported by distribution of CGI sheets, led to better temporary shelter and harnessed the communities' attempts to start rebuilding themselves. In addition, tools and materials distributed by the agencies to aid construction could subsequently be used for the construction of permanent homes.

**5.24** The temporary shelter approach was a success, though as noted, some NGOs did not distribute sufficient materials to build adequate shelters as they had estimated the size of households incorrectly. In addition, a small number were distributed without adequate technical advice on construction. Given that traditional building methods in the affected area involved mud and stone construction, guidance on building using wood and CGI sheets was essential. Although none of the DEC agencies was involved, there were incidents reported of roofs being blown off shelters in the high winds that affect the area in winter. In some cases, the iron sheeting hit people, causing severe injury or death. The most successful model was the demonstration by NGOs of the construction of one unit that could be replicated by communities themselves.



**5.25** Shelter is an element of almost all rapid onset disasters and thus consideration of a series of standardised designs for different environments should be an important aspect of disaster preparedness planning going forward.

#### Generally other aid was appropriate

**5.26** Although there were some examples of agencies attempting to transport inappropriate items to Pakistan, (paragraph 3.21) in general we identified no evidence to suggest that distribution of inappropriate goods was a significant issue for the operation. This is likely to have been partly due to NGOs engaging with communities and beneficiaries to ensure that interventions were in line with their needs. As agencies became active in camps and villages, initial assessments were followed by participatory appraisal. This was used to:

- Ensure that interventions were culturally compatible – for example latrines in camps were adapted for women to provide extra privacy. Without such modifications, the facilities would not be used.
- Direct funding to projects that met community needs – for example, the provision of education facilities and water supply projects.
- Identify the most vulnerable individuals affected by the disaster (such as widows and the elderly) in order to target assistance such as livelihoods projects.

**5.27** The principle of being accountable to beneficiaries as well as to donors is an important element of DEC membership; NGOs established mechanisms to secure accountability such as consultation with community groups, and also complaints boxes. Engaging with communities was an important part of ensuring their ownership of projects and assisting with their recovery following the trauma of the earthquake.

#### Targeting aid can be problematic after a disaster

**5.28** Ordinarily agencies will generally target the most vulnerable individuals in society. In the first phase of the earthquake operation though most NGOs adopted a blanket coverage approach, distributing shelter to all families whose homes had been damaged, some targeted the assistance they provided, giving relief items only to the most vulnerable or those whose homes had been totally destroyed. This approach created tension amongst non-recipients and ran the risk of stopping families being reached by other organisations that had the capacity to deliver to all.

#### Good Financial Management was in place

**5.29** All agencies in receipt of funding from DFID and the DEC are subject to charity or companies' corporate governance and financial reporting regimes and have clear audit opinions for their latest annual accounts. A high level review of a sample of Agency systems indicated that good financial systems were generally in place.<sup>17</sup> These systems allow contributions made by both DFID and DEC to be traced through to the items distributed in Pakistan. However, the evidence available does not allow a clear view of what the impact of those contributions was on the ground, for example in terms of individuals reached.

#### Core financial management systems are good

**5.30** The majority of agencies operate standard, computerised accounting packages which allowed them to budget for operations and record expenditure by donor. **Figure 6 overleaf** provides an overview of the typical financial process.

**17.** This study did not include an audit of DEC member financial systems and no testing on systems was undertaken. However, a high level review of financial systems of a sample of five DEC agencies was undertaken.

## 6 Typical Financial Processes

- 1 Master plans of resource needs are created based on needs assessments and secured funding.
- 2 Budgets are input to the accounting system. Project and donor specific codes separately identify income and expenditure for each donor.
- 3 Country offices submit 4–6 weekly forecasts of cash requirements as the basis for drawing cash down from headquarters and also DEC and DFID.
- 4 Monthly reports of outturn are produced and reported upwards to monitor actual spend against budgets.
- 5 Project completion reports are submitted to DFID, DEC and other donors detailing final expenditure.

**5.31** These systems provide assurance that earthquake funds were appropriately recorded.

### Emergencies create risks to the internal control framework

**5.32** The earthquake challenged the maintenance of financial controls within the DEC agencies' Pakistan operations. Small country operations were expanded with staff numbers increasing by up to ten times, new field offices established, and new partners engaged. Pressures were also placed on procurement, with supplies needing to be obtained quickly from a market with increased competition. In this environment there was a risk that controls would be bypassed. The results that became available of internal and external audits subsequently undertaken on agencies' operations indicate that there may have been a loosening of controls, particularly with respect to procurement, but do not indicate significant control failures. Only one agency reported suspected fraud which concerned 'inappropriate procurement' activity in a field office.

**5.33** A small number of Agencies adopted emergency financial procedures during the early relief operation. These included increasing delegations of authority and streamlined procurement processes. These procedures recognised that in an emergency a greater degree of risk was tolerable, given the operational need. This approach allowed agencies to identify controls

that it was reasonable to downgrade, given the context, and reduced the risk that essential controls would be bypassed.

### Agencies must ensure that there is adequate financial and procurement support for operations

**5.34** The maintenance of systems relied on agencies scaling up support functions to match the increase in operational activity. Expanding accounting and financial expertise was particularly important to support the flow of supplies and ensure continued accountability. While most agencies also had good procurement and logistics expertise, a majority identified the need for more expertise in this area as a key lesson learnt. The competition to secure relief supplies meant that agencies bid against each other for goods such as tents, and facilities in country such as office accommodation; creating price inflation and increased the incidence of poor quality goods being released into the market. Additional procurement expertise would have helped to secure quality goods at the best available price. In addition, a number of Agencies observed in their narrational reports that distribution was sometimes led by supply rather than demand and this might have been solved by better logistical planning.

**5.35** DEC Agencies should consider whether there are opportunities to collaborate on future operations with respect to procurement and logistics. Shared expertise and intelligence concerning suppliers would help to improve the supply of goods, and cooperation in procurement could combat the effects of price inflation through reducing competition and increasing purchasing power.

**5.36** Agencies also competed for the same staff. This led to incidents of larger agencies recruiting staff from smaller NGOs; including other DEC members. Additional specialist Human Resources support for recruitment and employee issues might therefore have been of benefit.

### The impact of interventions have not been reliably quantified

**5.37** While financial reporting systems enable accurate reporting of inputs and costs, it is more difficult to assess impact. Reports submitted to donors did not always show clearly what had been achieved specifically with the donors' funds as opposed to other sources of funding. It was also difficult to determine where beneficiaries had received more than one type of assistance. As such it cannot be stated, for example, how many beneficiaries were reached by DFID and DEC funds.

**5.38** The problem was exacerbated by apparent inaccuracies in reports to DFID and DEC. For example:

- With £300,000 of funding, one NGO claimed to have produced 15,000 temporary shelters and a second NGO 3,300.
- 3,750 blankets cost one NGO £78,000 while another purchased 19,800 with £54,000.

**5.39** In addition, above it was stated that some NGOs had underestimated family size in planning. At least two increased the average used when reporting against objectives; thereby appearing to increase the numbers reached. For example; one NGO stated that it had met its objective for beneficiaries reached. However, as it had had to distribute more tents per family, while it distributed the planned number of tents, it achieved only 82 per cent coverage for provision of winterised shelter in the target area.

**5.40** Without assurance that reported figures for purchases and beneficiaries are accurate it is not possible to determine where there are errors in reporting and where there are actual variations in performance. Robust analysis of what agencies have achieved with funding is vital for DFID to be able to assess the performance of the agencies it is funding and could also provide an opportunity for agencies to identify areas for improvement in their systems. Agencies should ensure that they have good systems to record outputs and outcomes by donor, and DFID and DEC should review reports for inconsistencies and undertake analysis of the figures.

### There is room to improve evaluation mechanisms

**5.41** Agencies generally had good systems to monitor the implementation of plans. Monitoring centred on monthly reporting from the field against budgets and objectives, with these reports consolidated for headquarters' review. Agencies also undertook post-distribution monitoring; for example examining the progress of construction of temporary shelters. Of particular value to agencies was the monitoring mission undertaken by the DEC Secretariat in January 2006. This gave agencies a useful analysis of the response at a stage where changes could still be made. And should continue to be an important part of the Secretariat's function.

**5.42** The majority of agencies, although not all, have undertaken lessons learnt exercises. There has been variation in the extent of evaluation, with some having completed such exercises, some planning to do so and some not at all. Given that this operation was one of the largest of its kind, it might have been expected that evaluations would have been undertaken by all agencies as a key part of accountability and improving future operations. NGOs should ensure that evaluations are built into the project process.

**5.43** The DEC Secretariat carries out joint review activities following all appeals. In respect of the earthquake, the DEC intends to first draw on the findings of this report.

## Two Years On

**6.1** The relief operation officially ended on 31 March 2006. The Government of Pakistan took the decision that at that date all camps would close and people would be required to return to their homes. While many NGOs objected to this action, it proved to be crucial in ensuring that the earthquake victims did not remain permanently displaced. Most of the affected population did make the transition back to their villages within weeks. Two years after the earthquake, only a few thousand remained in tents.

**6.2** On 1 April 2006 the Earthquake Rehabilitation and Reconstruction Agency (ERRA) took over from the FRC as the agency with responsibility for the Government of Pakistan's earthquake response. Led by the former Deputy to the Federal Relief Commission, ERRA is coordinating the reconstruction work which has been funded primarily through loans from the World and Asian Development Banks, supplemented with bilateral aid. The functions of ERRA are:

- To undertake comprehensive assessment of damages and needs in the earthquake affected areas.
- To rebuild the environment and ecosystem including resettlements; housing; government buildings; utilities and services; social infrastructure; irrigation; agriculture; livestock livelihood; defence facilities; watershed management and reforestation.
- To develop building codes, architectural design and specifications that are earthquake resistant for the reconstruction of building infrastructure.
- To facilitate the establishment of reconstruction- related industries in affected zones.
- To rehabilitate the affected population in a manner that will improve their quality of life in the future.

ERRA has also been responsible for the distribution of compensation payments to victims.

## Compensation Payments have been affected by corruption

**6.3** Victims have been entitled to a number of forms of compensation following the earthquake, including for the death of relatives, livelihood cash grants, additional hardship grants and funds in three stages for the rebuilding of houses. The Audit Office of Pakistan has given ERRA a clear opinion for its most recently published accounts and considered systems for distributing compensation were strong. These systems rely on multiple officers (usually a teacher, member of the military and local official) to approve payments with the aim of reducing the possibility of bribery.

**6.4** On the ground we found anecdotal stories of low level corruption affecting the payment of compensation. These stories mainly concerned the requirement to pay 'commission' to officials to qualify for their money. It is not possible within the scope of this report to substantiate these claims or determine the scale of the problems. ERRA recognises that there may have been some issues of this nature but do not consider that the problem was widespread.

**6.5** Local land custom and lack of legal title has also meant that there are large numbers of payments still in dispute. DFID has recently begun providing support to a project which will provide a transparent 'fast track' procedure for the acquisition of land for those who lost theirs in the earthquake. This and other projects in the area of land reform should be of value in tackling the underlying issues.

## Reconstruction work has been understandably slow and is progressing

**6.6** ERRA has also been criticised for the slow reconstruction efforts. But the task has been immense and the first full 18 months of operation have been heavily concentrated on planning. By September 2007 ERRA had:

- Distributed payments of 45.5 billion Rupees for the construction of 349,806 homes.
- Produced plans for rebuilding the four main cities in the disaster area.
- Completed 95 schools with 329 under construction.
- Rebuilt 305 health facilities, and 166 more planned.
- 2393 km of roads had been constructed or underway.

**6.7** DFID Pakistan considers that ERRA has made good progress and its efforts to date have been impressive in relation to other, similar disasters. Although we found some discontent on the ground with respect to progress made, ERRA has an immense task that inevitably requires significant planning before new facilities can be delivered.

## DFID has focused initial reconstruction funding on ERRA

**6.8** The ability of ERRA to deliver is important to DFID since DFID Pakistan, who assumed responsibility for the rehabilitation phase of the earthquake, has committed the majority of the £70 million recovery and reconstruction funding to ERRA, as follows:

- £14 million technical assistance and other projects (including to ERRA, NGOs and UN Agencies).
- £35 million ERRA Budget Support.
- £21 million – to be allocated.

**6.9** Support to ERRA was initially in the form of technical assistance in developing the organisational structure, terms of operation and processes and was vital to establishing an effective agency. This support was followed by budget support; DFID is the only bi-lateral donor to use full sector budget support; funding which becomes part of the overall budget of the organisation. Other donors have tied aid to specific projects or outputs within ERRA. The budget support approach has been strongly welcomed by the Pakistan Government. There are however risks including that the corruption allegations outlined above mean that payments are not reaching the intended ultimate recipients.

### DFID and DEC Agencies must consider the capacity of Government when undertaking reconstruction projects

**6.10** In addition there is a risk that ERRA does not have the capacity to deliver against objectives. While ERRA has made progress in planning, it is behind on its ambitious timetable for reconstruction. This has meant a significant underutilisation of its budget with only half of its allocation spent in 2006-07. In this context DFID must consider whether ERRA has the capacity to utilise the additional funding that it is providing. This is particularly the case with respect to the Pakistan-Administered Kashmir branch of the ERRA; the State Earthquake and Reconstruction Agency (SERRA). From our discussions with staff from SERRA it was found that the entity was working with limited staff and expertise. Technical support to SERRA has been limited and without further support there is a risk that budget support funds will not be effectively managed. DFID have stated that they are working with other donors to identify further opportunities to provide support.

**6.11** The capacity of government is also an issue for DEC Agencies' undertaking reconstruction activities. The construction of schools and hospitals is required to be within the National Plan overseen by ERRA, which aims for facilities to be handed over to local government on completion. A number of agencies have already built facilities which are desperately required by communities relying on tented schools and temporary health units. However, there is a risk that local government will not have the capacity to take on these units when completed. A key water supply project which restored water supplies to a number of villages which were lost when springs moved in the earthquake was handed over to the government only for it now to be left un-maintained and in danger of disrepair. Agencies face a significant challenge in making reconstruction projects sustainable.

# Methodology

## DEC Interviews and Documentation Review

We conducted interviews and reviewed documentation relating to the earthquake response for a sample of DEC Members. These were selected to ensure coverage of different sizes of organisations and were also visited in Pakistan. The main areas covered by interviews were planning, operations (including procurement, logistics and DFID funded flights), financial management and evaluation. The sample consisted of:

- Oxfam,
- Save the Children
- Islamic Relief
- The British Red Cross
- Action Aid

Interviews were also conducted with staff from the DEC Secretariat and review and analysis undertaken of all financial and narrative reports submitted to the Secretariat in support of member expenditure on the earthquake response.

## Survey

All DEC Members who were not interviewed directly were asked to contribute to a survey covering the areas of planning, operations (including procurement, logistics and DFID funded flights), financial management and evaluation.

- CAFOD
- CARE
- Christian Aid
- Concern
- Help the Aged
- Merlin
- Tearfund
- World vision



## DFID Interviews and Documentation Review

We conducted interviews with staff from DFID's Conflict, Humanitarian and Security Department and reviewed relevant documentation including policy guidelines and evaluations of the earthquake response.

Review and analysis was undertaken of all financial and narrative reports submitted to DFID by DEC members who also received DFID funding.

## Field Visit

We conducted a field visit to Islamabad and Pakistan Administered Kashmir in September 2007. This included site visits to areas affected by the earthquake including the city of Muzaffarabad and a number of villages. Interviews were held with representatives from:

### **Department for International Development Pakistan**

#### **DEC Members**

Action Aid

Islamic Relief

Merlin

Save the Children

Oxfam

International Federation of Red Cross and Red Crescent Societies

International Committee of the Red Cross

Pakistan Red Crescent

### **The Government of Pakistan**

Earthquake Reconstruction and Rehabilitation Authority

National Disaster Management Authority

Office of the Auditor General

The State Earthquake Reconstruction and Rehabilitation Authority (Pakistan Administered Kashmir)

### **United Nations**

Andrew McLeod – Former Chief of Operations of the UN Emergency Coordination Centre, Head of Office of UN Office for the Coordination of Humanitarian Affairs and now seconded to the Earthquake Reconstruction and Rehabilitation Authority

## Top Ten Funding Agencies by Commitment

| <b>Funding Agency</b>          | <b>Disbursed (USD)</b> | <b>Committed (USD)</b> | <b>Percentage dispersed<br/>%</b> |
|--------------------------------|------------------------|------------------------|-----------------------------------|
| WB (World Bank)                | 747,959,696            | 998,000,000            | 74                                |
| ADB (Asian Development Bank)   | 372,297,434            | 945,280,805            | 39                                |
| Saudi Fund for Development     | 120,000,000            | 573,000,000            | 20                                |
| IDB (Islamic Development Bank) | 53,121,068             | 501,600,000            | 10                                |
| China Gov                      | 33,000,000             | 343,000,000            | 9                                 |
| US Gov                         | 237,427,233            | 304,020,660            | 77                                |
| Japan Gov                      | 203,548,539            | 203,548,539            | 100                               |
| UK Gov                         | 165,364,733            | 202,442,825            | 81                                |
| UAE (United Arab Emirates) Gov | 100,000,000            | 200,000,000            | 50                                |
| Turkey Gov                     | 130,500,000            | 172,350,000            | 75                                |

*Source: Development Assistance Database Pakistan*

## DEC Appeal Allocation

|                   | January 2006      | July 2006        | December 2006    | July 2007      | Total             |
|-------------------|-------------------|------------------|------------------|----------------|-------------------|
| ACTIONAID         | 2,293,452         | 1,100,000        | 605,000          |                | 3,998,452         |
| BRITISH RED CROSS | 6,716,939         | -                | 551,057          |                | 7,267,996         |
| CAFOD             | 1,751,659         | 545,375          | 281,000          | 179,318        | 2,757,352         |
| CARE              | 3,219,885         | 300,294          | -                |                | 3,520,179         |
| CHRISTIAN AID     | 2,386,991         | 400,000          | 271,972          | 184,000        | 3,242,963         |
| CONCERN           | 1,082,158         |                  | -                |                | 1,082,158         |
| HELP THE AGED     | 481,548           | 313,990          | 75,558           | 71,949         | 943,045           |
| ISLAMIC RELIEF    | 981,236           | 734,157          | -                |                | 1,715,393         |
| MERLIN            | 1,076,734         | 467,318          | 500,000          | 184,000        | 2,228,052         |
| OXFAM             | 6,783,801         | 875,000          | 1,000,000        |                | 8,658,801         |
| SAVE THE CHILDREN | 4,261,652         | 684,010          | 580,860          | 184,000        | 5,710,522         |
| TEARFUND          | 768,776           | 207,000          | -                |                | 975,776           |
| WORLD VISION      | 1,429,765         | 808,314          | -                | 100,000        | 2,338,079         |
|                   | <b>33,234,596</b> | <b>6,435,458</b> | <b>3,865,447</b> | <b>903,267</b> | <b>44,438,768</b> |

Source: DEC Secretariat





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