



National Audit Office

Report

by the Comptroller
and Auditor General

Department for International Development

Responding to crises

Key facts

32

number of crises the Department has responded to since 2011

14%

proportion of the Department's budget that it spent on humanitarian assistance in 2014-15

£1.1bn

the Department's current commitment to the Syria crisis, the UK's largest ever humanitarian response

59.5 million UN estimate of the number of people in 2014 forcibly displaced worldwide as a result of persecution, conflict, generalised violence, or human rights violations – 37% more than in 2009

20 million number of food rations the Department has funded in response to the Syria crisis

197% growth of the Department's spending on humanitarian assistance in the 4 years to 2014-15, reaching £1,288 million

2nd UK's ranking in the list of the largest providers of humanitarian assistance

164 number of staff from across the Department that worked on its response to the Ebola outbreak, some 5% of its workforce

72 hours time within which the Department commits funding to pre-approved partners on its Rapid Response Facility after a sudden-onset crisis

5 number of crises in the last 2 years where the Department has been assisted by the Ministry of Defence

Summary

1 Responding to humanitarian crises is one of the Department for International Development (the Department)'s main responsibilities. Crises are emergencies – caused by, for example, conflict, natural disaster, disease, or weather events – anywhere around the world which have a humanitarian consequence and which can impact on a country's development. Crises may occur suddenly, or develop over time and become protracted.

2 Since 2011, the Department has responded to over 30 crises. It spent £1,288 million of its 2014-15 budget of £9,519 million on humanitarian assistance – a reasonable proxy for its spending responding to crises. The number and severity of crises which have humanitarian consequences is increasing. The United Nations (UN) has said that the number of people in humanitarian need has more than doubled since 2004 to over 100 million.

3 The Department's response to crises involves it working with a number of different types of organisation – government departments (for example, of the host country, and the Ministry of Defence and Foreign & Commonwealth Office) and partners (such as multilateral organisations, non-governmental organisations and private contractors).

4 As well as responding to individual crises, the Department aims to improve the effectiveness of the international humanitarian system by funding the activities of humanitarian organisations and through advocacy and influencing activities.

Scope of this report

5 In this report we consider the value for money of the Department's response to crises. Specifically, we consider the Department's:

- support for its response to crises – its strategy, funding and performance;
- management of its own resources; and
- work with partners and the wider humanitarian community.

6 We have taken as our starting point the Department's decision to intervene – whether by building resilience to crises or responding once a crisis occurs. We set out our audit approach and evaluative criteria in Appendix One and our evidence base in Appendix Two.

7 The Department's crises interventions are in complex, volatile and often dangerous and unpredictable environments where it can be one of many organisations involved. This has consequences for measuring value for money. For example, it can be difficult in some circumstances for the Department to identify results and attribute them to its spending. Also, expectations of what the Department can achieve will change depending on the nature of the crisis, and how it develops. Our judgements on value for money (paragraphs 20 to 21) reflect these considerations.

8 This report considers the value for money of the Department's overall approach to responding to crises. To make this assessment, we looked at the Department's:

- systems and processes to support its response to crises both centrally and in its country offices; and
- interventions in 5 crises: in **Syria, Yemen, Nepal, the Horn of Africa** and **Sierra Leone**, drawing out lessons from each to help us reach a view about the effectiveness of the Department's overall approach (Appendix Three summarises each case study).

Key findings

The Department's spending and performance

9 **Between 2010-11 and 2014-15, the Department's spending on humanitarian interventions almost trebled to reach £1,288 million.** Its spending on humanitarian assistance as a share of its total budget rose from 6% to 14%. The increase in the Department's spending comes against a background of a growing number of crises. Much of the increase has been accounted for by the Department's recent interventions in the Middle East and other countries where it did not have established development programmes, as well as its response to the Ebola outbreak (paragraphs 1.2, 1.3, and 1.10 to 1.15).

10 **The Department has increased the attention it gives to building resilience to crises.** In 2011, the Department committed to do more to prepare for crises and take early action in response to crises. The Department looked to embed disaster resilience at a country level, where appropriate. Our case studies highlight the practical steps the Department has taken to do this. It has also encouraged UN humanitarian organisations and the wider humanitarian sector to give a greater focus to resilience (paragraphs 2.23, 2.24 and 3.21).

11 The Department last developed organisation-wide plans for its portfolio of interventions in protracted crises in 2011. While the Department has criteria which helps it decide how to respond to sudden-onset crises, it does not have an overall policy framework for prioritising its interventions on protracted crises. Since 2011, the Department has made major additions to planned activity as it has responded to new and developing crises. The Department's current reviews of its aid programmes present an opportunity for it to formalise its approach to its current crisis interventions and determine future priorities (paragraphs 1.15 to 1.16 and 2.4 to 2.5).

12 The Department does not have a comprehensive set of criteria which underpin whether, and then when and how, to exit from crises. Of the 32 crises that the Department has responded to since 2011, it has designed programmes to support continuing involvement in 21. On an individual basis the Department's teams have plans for moving from a crisis response on to the next phase of its interventions. But the Department does not have a view of how its involvement across all of its crises might impact on the availability of funding for other purposes (paragraph 1.8, Figure 4, paragraphs 1.12, 1.21 and 1.22).

13 The Department's approach to measuring performance needs to be updated given the growth of its portfolio of crisis interventions. The Department responds using a range of interventions, each of which will have different results. The diversity of crises to which the Department responds makes it difficult for it to establish aggregate measures of performance across its interventions. As a result, only 1 of its 22 performance measures for its bilateral programme relates to humanitarian spending, and is focused on people reached by emergency food assistance. The Department has plans to establish new indicators for its crises related work from 2016-17 (paragraphs 1.18 to 1.20).

Managing its own resources

14 The Department has faced challenges putting in place a sustained response to complex crises where it did not have a local presence. The Department has an effective model for responding to crises which is generally based around its country and regional offices, with support from a central team. Where it does not have such a local presence, it has to dedicate resources at pace to make sure it understands local contexts, nurture relationships with delivery partners and deploy appropriate infrastructure so its staff can work effectively (paragraphs 2.2 and 2.6, Figure 8, and paragraphs 3.3 to 3.4).

15 The Department has scaled up its capacity so that it can respond to an increasing number of crises. It has yet to identify whether it is deploying the most cost-effective combination of internal and external resources and skills.

Since 2013, the Department has increased the number of its humanitarian experts. The Department needs to focus on 3 areas to make sure it has the right staff mix.

- **Achieving the right mix between its own staff and contractors.** The Department has a contract with a provider for humanitarian professionals to supplement its internal capacity. The Department spent £16 million in the 12 months to August 2015 on contract staff who have been invaluable in supporting its response in **Syria, Nepal, Yemen, and Sierra Leone**. Contractors provide the Department with access to expertise that its own staff do not have, which can be used flexibly. Contractors can be expensive when deployed for long periods, and may lack experience of working within the Department and across government. Limits on the Department's internal costs may be an incentive for its teams to use contractors (paragraphs 2.8 to 2.9).
- **Making use of its internal capacity.** It used its staff flexibly to support its successful response to the **Ebola outbreak**, moving 164 people who volunteered to assist from other parts of the Department to increase capacity. This approach was necessary in the circumstances, but highlighted some areas on which it might wish to focus when it considers its future staff mix (paragraph 2.13).
- **Identifying the range of skills it needs to respond to emergency situations and established crises.** For example, as the Department responds to more complex crises caused by conflict, it needs to deploy individuals who have diplomatic and influencing skills as well humanitarian and conflict expertise (paragraph 3.19 and Figure 13).

16 While the Department has a well developed approach to monitoring the progress of its interventions, there are gaps in its knowledge.

The Department monitors its partners' performance, and reviews the progress of individual interventions and assesses them once completed. In autumn 2015, the Department started to bring together cost and performance information for each of its crises. However, whilst it has established an approach for looking at performance across its portfolio of sudden-onset interventions to identify lessons, it does not have such a structured approach for its protracted interventions. The Department's response to the Ebola outbreak highlighted the need to assess the impact on its planned programmes of redirecting its financial and human resources to emerging crises (paragraphs 2.14 and 2.25 to 2.28).

Working with partners and the wider humanitarian sector

17 The Department has forged good working relationships with other government departments. Our case studies show the importance of the Department working well with the Ministry of Defence and the Foreign & Commonwealth Office. This includes making use of military assets and personnel when responding to the **Ebola** outbreak and making use of diplomatic and military skills alongside the Department's humanitarian expertise to influence the Lebanese government (paragraphs 3.17 to 3.19, and Figure 13).

18 The Department could do more to manage the risks to value for money of working through partners. The Department has mechanisms that focus on both the cost and benefits of working with its partners: for example, its increasing use of multi-year rather than single year funding. We have identified 3 areas which present risks to value for money.

- Two of our case studies show that where the Department works with a large number of partners it has not always been able to map the relationships between them to understand where and how its money is spent (paragraph 3.5).
- For many of its interventions, the Department does not have a good understanding of how much of its funding benefits recipients and how much goes to meet costs partners incur in supporting the delivery of assistance, such as security and monitoring (paragraphs 3.10 and 3.14).
- The Department has been innovative, introducing multi-year humanitarian funding agreements with many of its 'first tier' partners. The agreements help them invest in, for example, interventions which support longer-term goals such as building resilience and programming. However, many of its 'first tier' partners do not adopt a similar approach to funding 'second tier' partners, which limits the benefits (paragraphs 3.15 to 3.16).

19 The Department does not systematically assess the impact of its efforts to improve the global humanitarian system. The Department seeks to influence the global humanitarian system to make it fast, effective, accountable and offer value for money. Multilateral organisations with a role in responding to crises told us that the Department's contribution to the development of humanitarian policy and the system was either fairly or very effective. However, the Department has not established measures to capture its influence. It does plan to measure progress against its 4 priorities for the World Humanitarian Summit in 2016 (paragraphs 3.20 to 3.24).

Conclusion on value for money

20 The Department now spends over £1 billion each year responding to crises in complex and dynamic environments. Securing value for money in this context is inherently challenging for the Department. It is well positioned to identify and then respond quickly to sudden-onset crises, and has established longer-term interventions for the more stable protracted crises, making it well placed to achieve value for money in those cases. However, the Department's management of its more fluid and protracted crises has yet to reach a similar level of maturity.

21 Faced with multiple crises, the Department is choosing to respond to an increasing number of them. At the same time, its budget is no longer increasing at the same rate. If the Department is to secure value for money across this growing portfolio of crisis interventions, it needs to make sure its approach to allocating resources, monitoring performance, and planning for effective exit or transition keeps pace with these changes. It also needs to understand in greater detail what impact its crisis interventions have on other areas of its business.

Recommendations

22 Our recommendations are designed to strengthen the Department's approach to intervening in crises, complementing its existing lesson learning processes and internal reviews.

- a** **The Department should have a stronger portfolio approach to managing and monitoring its increasing range of crisis interventions.** The Department is spending more – in absolute and relative terms – on crisis interventions. It needs to:
- build on its existing decision-making tools to establish frameworks that both guide the nature and length of its interventions on protracted crises and help it prioritise between different crises;
 - bring together data on the costs and performance of its crisis interventions, to help it identify cost-effective responses and demonstrate what it has achieved; and
 - take account of opportunity costs when it decides on whether and how to intervene in new or developing crises.
- b** **The Department should make sure it can establish a basic operating capability quickly when it needs to sustain a response to a complex crisis in a location where it does not have a presence.** The Department has been able to respond well to natural disasters in countries where it does not have an office. However, it has faced delays in setting up a more sustainable local presence to support its interventions in more complex crises.

- c The Department should, in the context of an increasing number and range of crises, take stock of its workforce planning needs and the systems that support them.** In particular, it should look to the lessons arising from its staffing of its response to the Ebola outbreak, including addressing weaknesses it has identified. And it should use the retendering of its contract for staff to complement its own to address some of the limitations in that contract.
- d The Department should assess the impact that a major crisis has on those parts of its business that release resources to support the response.** When the Department reallocates staff and funding to a major crisis, this impacts on the progress of planned programmes. Tracking and, where possible, quantifying this impact will help the Department to prioritise between future crises and ongoing development programmes.
- e The Department should map the delivery chain for its interventions in crises,** showing which organisations in complex delivery chains are in receipt of the Department's money and how much they receive. Such information will help the Department to assess risk and monitor performance.
- f Whenever the Department provides multi-year funding to 'first tier' delivery partners, it should put pressure on them to adopt a similar approach to funding 'second tier' partners.** As a first step, the Department should collect information on the extent to which 'first tier' partners are not passing on the benefits of multi-year funding. It should then include change in this area in its wider influencing strategies for the relevant multilateral organisations.
- g The Department should assess its impact on the global humanitarian system more rigorously.** The Department's humanitarian policy has a clear focus on improving the way the global humanitarian system operates. Recognising the sometimes intangible nature of the changes that could result from this ambition, the Department could do more to assess its impact on the system. Its piloting of a results framework, which includes indicators which several humanitarian multilateral organisations are encouraged to achieve, should help it make this assessment. It also needs to capture its progress against the 4 policy priorities which it aims to advance during, and following, the World Humanitarian Summit in 2016.