National Audit Office

Report
by the Comptroller
and Auditor General

Department for International Development

Responding to crises

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National Audit Office

Department for International Development

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Report by the Comptroller and Auditor General

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Comptroller and Auditor General
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This report focuses on the value for money of the Department for International Development's response to crises.

Contents

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.

Part One

Supporting its response to crises

1.1 This part of the report covers:

- how the Department for International Development (the Department) responds to different types of crises;

- its spending on humanitarian assistance;

- its performance; and

- how it moves from an emergency response to longer-term support.

Responding to different types of crises

1.2 The number and severity of crises that have humanitarian consequences and impede the progress of developing countries is increasing. The causes of crises include conflict, natural disaster, weather events (such as droughts) and outbreaks of disease. Crises can threaten people's health, safety, security, wellbeing, and livelihoods, and undermine development. The United Nations (UN) has said that the number of people in humanitarian need has more than doubled since 2004 to over 100 million. It also estimates that the number of people forcibly displaced worldwide as a result of persecution, conflict, generalised violence, or human rights violations rose from 43.3 million in 2009 to 59.5 million in 2014.[1]

1.3 The Department leads the UK government's response to humanitarian emergencies. Responding to humanitarian crises is one of the Department's main responsibilities. In 2013, the Secretary of State for International Development set 'leading on emergencies' as one of the Department's 3 priorities.

1   UN High Commissioner for Refugees, Global Trends Report: World at War, June 2015.

1.4 In November 2015, the Department and HM Treasury published a new strategy for UK aid.[2] The strategy looked to align the government's work addressing poverty and stability. The strategy set out 4 strategic objectives, including strengthening resilience and response to crises. The key components for this objective are set out in **Figure 1**. The Department seeks to build the resilience[3] of developing countries (for example, through programmes which help them to prepare for a disaster, and having good systems in place to respond when they occur) and respond rapidly and decisively to save lives when crises occur.

1.5 The Department provides its crisis response through a range of organisations, including non-governmental organisations and contractors. It often involves other government departments in its response, most frequently the Foreign & Commonwealth Office and the Ministry of Defence. The United Kingdom's response is often part of an international response coordinated by the UN (**Figure 2** overleaf).

1.6 The Department's humanitarian policy was last set out in full in 2011,[4] following on from an independent review of the UK's humanitarian emergency response.[5] The Department's policy included 7 goals for improving the effectiveness of the UK's humanitarian support. For example, building its capacity and strengthening the wider international humanitarian system. The Department's teams told us that the goals remain relevant to their work (**Figure 3** overleaf).

Figure 1
The key elements supporting the new aid strategy's objective to strengthen resilience and respond to crises

Global insecurity is rising and the risk of conflict in previously stable parts of the world is increasing. Natural disasters are also more frequent, and the threat of climate change is growing more acute for developing nations. The government's strategy tackles all forms of crises.

In addition to spending by departments, the government will establish a new £500 million ODA crisis reserve, enabling flexible, quick and effective cross-government responses to crises as they happen.

The government will do more to strengthen the resilience of poor and fragile countries to disasters, shocks and climate change. This will include: a new Global Challenges research fund of £1.5 billion, a £1 billion new fund over the next 5 years for research and development in products for infectious diseases; increasing UK climate finance for developing countries by at least 50%; and building a bigger, better, and faster humanitarian response capability.

Source: *UK Aid: tackling global challenges in the national interest*, November 2015

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2   HM Treasury and the Department for International Development, *UK aid: tackling global challenges in the national interest*, November 2015, Cm 9163.
3   For example, resilience to an earthquake might involve developing infrastructure which might withstand shocks and developing a government's capacity to respond by training its employees. Paragraphs 2.23 to 2.24 explain resilience in greater detail.
4   Department for International Development, *Saving lives, preventing suffering and building resilience: The UK Government's Humanitarian Policy*, 2011.
5   *Humanitarian Emergency Response Review*, Chaired by Lord (Paddy) Ashdown, 2011.

Figure 2

The Department works with a range of organisations when responding to crises

Department for International Development

National and local government of affected country	UN organisations – coordinate response, raise funds, provide services directly and through others	Red Cross and Crescent movement	Non-governmental organisations	Contractors

Recipient
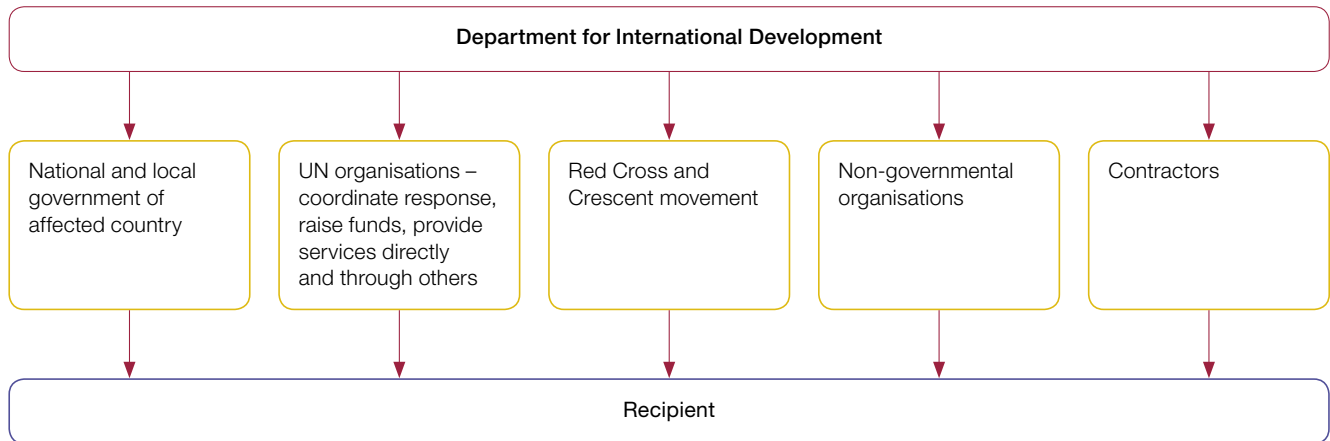
Note

1   This figure focuses on the Department's main relationships. It may also work with other bodies, including other donors.

Source: National Audit Office

Figure 3

Percentage of the Department's country and regional teams rating the Department's 7 goals as fully or mostly relevant to their work[1]

		Percentage
1	Strengthen anticipation and early action in response to disasters and conflict	79
2	Build the resilience of individuals, communities and countries to withstand shocks and recover from them	85
3	Strengthen international leadership and partnerships	72
4	Protect civilians and humanitarian space	61
5	Support improvements in accountability, impact and professionalism of humanitarian action	73
6	Invest in research and find innovations	70
7	Reinforce the British Government's own capacity to respond to humanitarian emergencies	64

Note

1   We surveyed 38 teams in 2015; 36 responded (see Appendix Two).

Source: National Audit Office survey of country and regional teams 2015

1.7 In 2014, the Department refreshed its humanitarian policy. It emphasised aspects of its 7 goals – in particular, the importance of preparing for crises, building resilience and being innovative. It also added requirements to:

- support countries so they could manage natural disasters by themselves;

- make sure the aid it provides is driven by the needs of the most vulnerable; and

- take a long-term approach to predictable and protracted problems by linking humanitarian and development assistance.

The Department has not taken a systematic approach to assessing or reporting its overall progress against its policy. The Department is planning to prepare a new humanitarian policy in 2016.

1.8 Since 2011, the Department had responded in some form to 32 crises of varying lengths (**Figure 4** overleaf). By December 2015, it had exited from 11 of these crises. For the other 21, the Department had designed programmes to support its continuing assistance. For 13 of these crises, its response has lasted 3 or more years. In addition to responding crises, the Department was also assisting countries to prepare for and build resilience to disasters, and recover from crises. Increasingly, the Department is supporting interventions in locations where there is ongoing conflict.

1.9 The Department responds to a wide range of crises, from those caused by sudden-onset natural disasters to more fluid and protracted crises. Fluid and protracted crises are often caused by conflict, and thus the Department's interventions can be in highly volatile environments where those delivering assistance face a wide range of risks to their safety. We examined the Department's interventions in 5 crises that had different causes.

- A sudden-onset crisis caused by a natural disaster – **the 2015 earthquake in Nepal**.

- A protracted crisis caused by conflict and food insecurity – **the Horn of Africa, with a focus on Kenya and Somalia**.

- A protracted crisis characterised by conflict and mass migration – **the Syria crisis, with a focus on Lebanon**.

- A health crisis – **the Ebola outbreak in Sierra Leone**.

- An **ongoing crisis in Yemen** – an emergency caused by conflict in addition to a pre-existing protracted crisis caused by, for example, food insecurity and poor governance.

Across these case studies the Department's interventions covered the different stages of its crisis response from preparation through to recovery (see **Figure 5** on page 17). Appendix Three provides a fuller summary of each case study.

Figure 4

The Department has responded to 32 crises since 2011
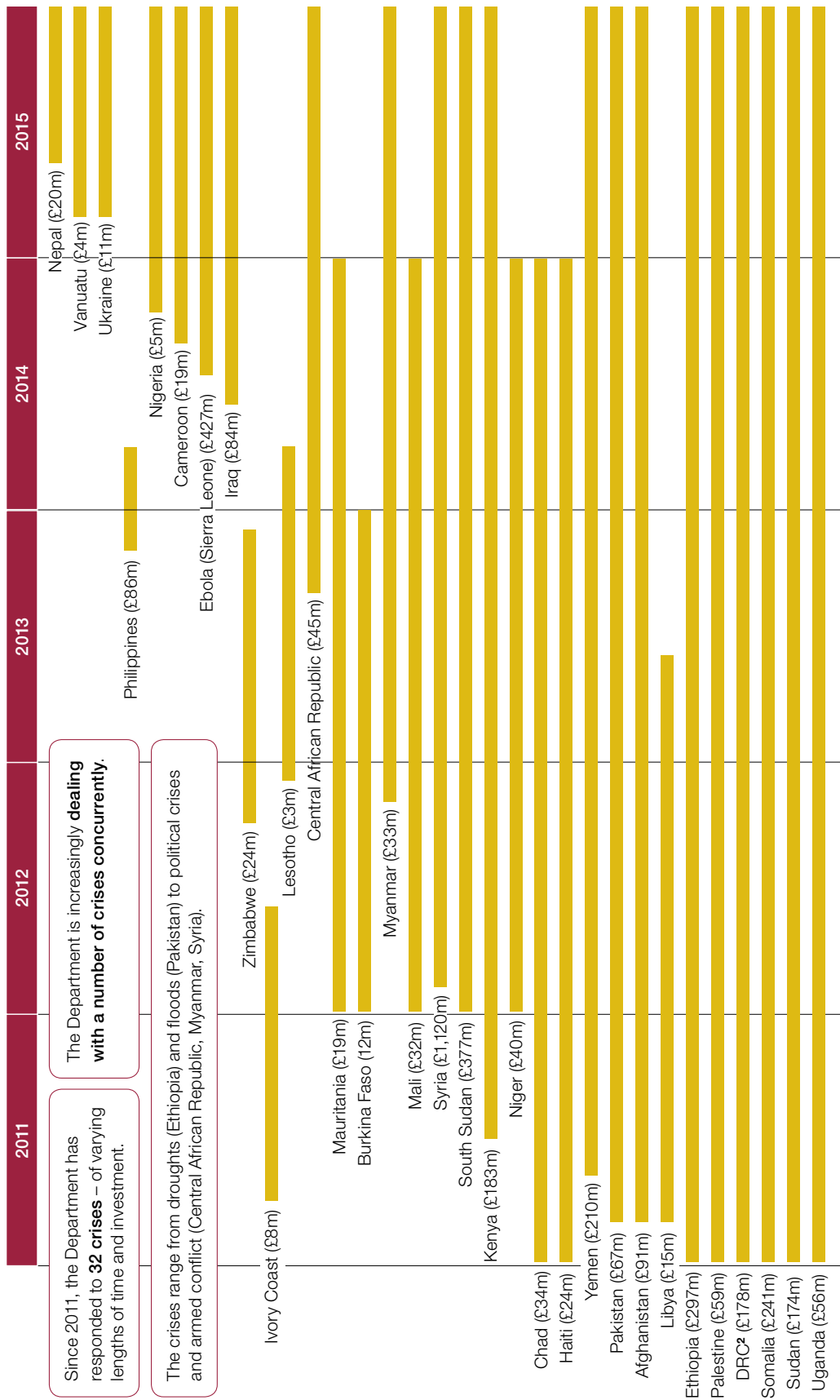
Since 2011, the Department has responded to **32 crises** – of varying lengths of time and investment.

The crises range from droughts (Ethiopia) and floods (Pakistan) to political crises and armed conflict (Central African Republic, Myanmar, Syria).

The Department is increasingly **dealing with a number of crises concurrently.**

2011   2012   2013   2014   2015

Nepal (£20m)
Vanuatu (£4m)
Ukraine (£11m)
Nigeria (£5m)
Cameroon (£19m)
Ebola (Sierra Leone) (£427m)
Iraq (£84m)
Philippines (£86m)
Zimbabwe (£24m)
Lesotho (£3m)
Central African Republic (£45m)
Mauritania (£19m)
Burkina Faso (12m)
Myanmar (£33m)
Mali (£32m)
Syria (£1,120m)
South Sudan (£377m)
Kenya (£183m)
Niger (£40m)
Ivory Coast (£8m)
Chad (£34m)
Haiti (£24m)
Yemen (£210m)
Pakistan (£67m)
Afghanistan (£91m)
Libya (£15m)
Ethiopia (£297m)
Palestine (£59m)
DRC² (£178m)
Somalia (£241m)
Sudan (£174m)
Uganda (£56m)

Notes

1 The values shown have been compiled from a combination of sources. Where possible, public announcements by the Department and official UN data data have been used. These reflect the amounts contributed and committed to each crisis as of December 2015. In the remaining three cases of Ethiopia, Kenya and Uganda, values have been taken from the Department's internal financial system and represent amount spent by December 2015. Where official UN data has been used, sums have been converted from US dollars to GB sterling at the average 2015 exchange rate.

2 DRC = Democratic Republic of the Congo.

Source: National Audit Office summary of the Department for International Development's publicly available documents, internal financial information and official UN data

Figure 5

The stages of a Department's response to a crisis, illustrated through examples from our case studies

	Assisting countries to prepare, prevent and build resilience	Providing emergency response	Assisting countries to recover and develop
Nepal	From 2012: i) supported policy and preparations at both national and community level to increase resilience to earthquakes and other natural disasters; and ii) improved Nepalese capacity to respond to emergencies.	In 2015: i) deployed a search and rescue team and Ministry of Defence aircraft; and ii) funded the UN and non-governmental organisations to provide shelter, water and sanitation, food and nutrition, and medical care.	In 2015, established plans to support rebuilding of health services in the worst affected districts.
Horn of Africa – Kenya		Well-established programme funding the UN to provide access to clean water, sanitation, nutrition, health and protection services to people in Kenyan refugee camps. From 2012, funded nutrition interventions to children under 5 and pregnant and lactating women in the poorest areas of Kenya.	
	From 2014, supported the Kenyan government to provide cash transfers to poor households to reduce poverty, hunger and build resilience to drought. Emergency payments can be made to more households if a drought is likely. This intervention followed on from a pilot programme the Department ran between 2007 and 2013.		
Horn of Africa – Somalia	From 2013, funded UN agencies and non-governmental organisations to improve the availability of basic services and provide livelihood support to build resilience.	From 2013, extended the range of partners it funded to provide core humanitarian assistance including nutritional support, non-food items – such as shelter – and promotion of hygiene.	
Sierra Leone	In 2015, established plans to boost Sierra Leone's capability to respond to future Ebola outbreaks.	In 2014-15, funded the building and operation of treatment facilities for Ebola patients; the training of front-line staff; and the provision of laboratories to test samples.	In 2015, established plans to strengthen local education and health services.
Lebanon	From 2014, supported the education sector in Lebanon, under the leadership of the Lebanese government, to promote stability and strengthen the country's capacity to withstand the continuing threat of an economic or conflict-related shock arising from refugee pressures.	From 2012-13, funded UN and non-governmental organisations to provide: i) support for refugees including food, water, shelter and education; and ii) support to host communities including sanitation and job creation.	
Yemen	From 2013 to 2016, improved communities' resilience to better cope with volatility in the price of food and other commodities and breakdowns in security by providing, for example, food assistance and support to livelihoods.	In 2015: i) funded emergency shelter, healthcare, water and food assistance; and ii) supported the UN's work to coordinate the humanitarian response.	In 2015, established priorities for reconstruction when the conflict ends.

Source: National Audit Office summary of the Department for International Development's documents

Increasing spending on humanitarian assistance

1.10 The Department's spending on humanitarian assistance is the best proxy for the amount it spends on crises. Between 2010-11 and 2014-15, the Department's spending on humanitarian assistance increased by almost 200% to reach £1,288 million (**Figure 6**).[6] The Department did not anticipate this increase in its humanitarian spending in 2011, when it last developed organisation wide plans for its crisis interventions as part of comprehensive reviews of its aid programmes.

1.11 The growth in the Department's humanitarian spending was possible because the Department, unlike some other donors, does not have separate ring-fenced budgets for its humanitarian and development activities. Other organisations told us that the Department's budgetary flexibility and its scope to work across humanitarian and development interventions was a strength.

Figure 6
The Department's spending on humanitarian assistance

The Department's spending on humanitarian assistance increased by almost 200% between 2010-11 and 2014-15

£ million

■ Multilateral aid
■ Bilateral aid
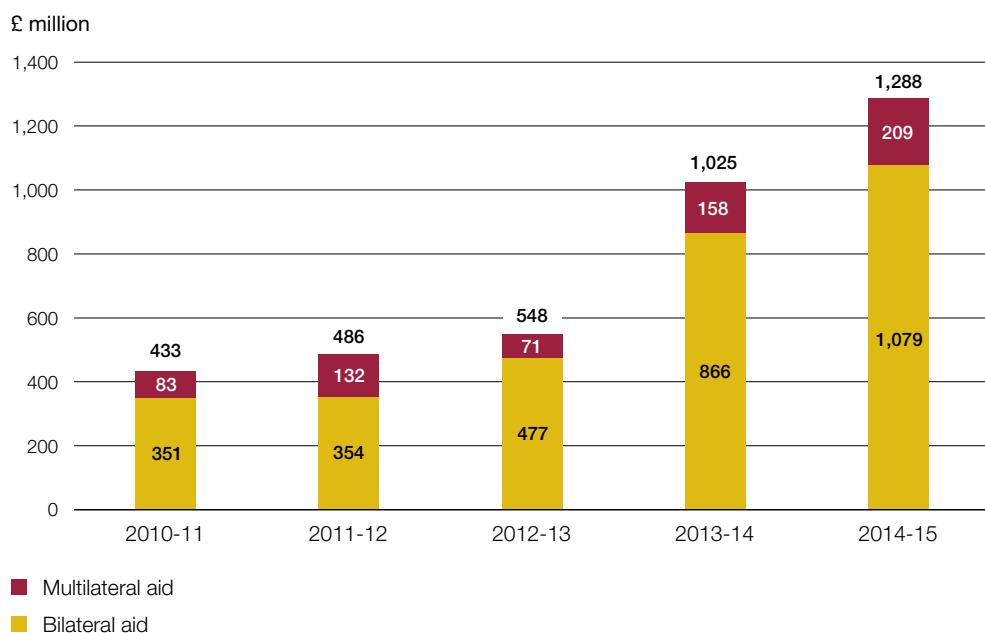
Notes

1   The UK contributes to the costs of the European Commission's humanitarian agency (ECHO) through its contribution to the EU budget. The contribution to ECHO (estimate around £160 million in 2014) is not included in the values above, as the Department has no control over its size, although the contribution is reflected in its budget.

2   Bilateral aid is spending earmarked for a specific country, region or programme and is managed by the Department's teams. Multilateral aid is the core funding the Department gives to humanitarian multilateral organisations such as the World Food Programme. Multilateral organisations decide how core funding is used.

Source: National Audit Office analysis of the Department for International Development's data

6   The Department's spending on humanitarian assistance includes spending on preparedness, resilience, responding to sudden-onset crises and protracted crises, and reconstruction.

1.12 The Department's humanitarian spending increased most rapidly in 2013-14, when it spent £477 million more than in 2012-13. This spending increase was enabled by the growth of the Department's overall budget by a third in 2013-14. The Department's annual budget has now stabilised at around £10 billion. Further growth in its crisis activities is therefore likely to impact on the sums available for its development programme, which focuses on long-term poverty alleviation.

1.13 Most of the growth in the Department's humanitarian assistance between 2010-11 and 2014-15 has been in bilateral aid – spending it has earmarked for a particular country, region, or programme. It has put in place major programmes to respond to the **Syria crisis** (£653 million spent up to March 2015),[7] **Ebola** (£244 million spent in 2014-15), and the **South Sudan crisis** (£249 million spent up to March 2015). Humanitarian assistance accounted for 14% of the Department's budget in 2014-15, up from 6% in 2010-11. Around 85% of the Department's country or region specific humanitarian assistance goes to protracted crises.[8]

1.14 The growth in the Department's spending has seen the UK's share of total donor country humanitarian assistance rise from 9% in 2011 to 13% in 2014.[9] The UK was the second largest humanitarian donor behind the United States of America in 2014. Of the 20 largest humanitarian donors, the UK was seventh when ranked on spending as a percentage of gross national income.

1.15 The Department's bilateral humanitarian programme has broadened. It now needs to establish and manage new programmes in countries where it has not previously operated. In 2011-12, all but £30 million of the Department's humanitarian assistance went to its 28 priority countries where it had an established local presence. Its subsequent responses to the **Syria crisis**, the crisis in **Sahel region of West Africa**, and **Typhoon Haiyan in the Philippines**, has seen its spending in non-priority countries rise to an average of £400 million in 2013-14 and 2014-15.

1.16 The Department is considering the future shape of its crisis response programme as part of wider reviews of its bilateral and multilateral aid programmes. These reviews, which are due to be completed at the start of 2016, will inform how the Department allocates its budget from 2016-17 to 2019-20. The reviews provide a mechanism for the Department to reassess its portfolio of crisis interventions.

1.17 In 2013, the Committee of Public Accounts reported that the Department's 2011 review of its multilateral aid programme was a significant step forward in assessing the performance of multilateral organisations.[10] The Committee recommended that the Department increase its use of the comparisons of bilateral and multilateral aid. The Department's current reviews of its aid programmes, provide an opportunity for it to compare bilateral and humanitarian options for responding to crises.

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7   The Department has committed to spend £1,100 million in responding to the Syria crisis.
8   Most but not all spending is earmarked for responding to crises in specific countries or regions.
9   Based on data reported by Global Humanitarian Assistance accessed 11 December 2015.
    Available at: www.globalhumanitarianassistance.org/data-guides
10 Committee of Public Accounts, *The Department for International Development: The multilateral aid review*, Twenty-sixth Report of Session 2012-13, HC 660, January 2013.

Achieving results

1.18 The Department tracks results at a programme level for its crises, illustrated through our case studies (**Figure 7**). For example:

- In **Sierra Leone**, the Department's main target was beds provided, which it achieved. The Ebola team also reported against a target for the percentage of burials that were safe, which was close to being achieved.

- In the **Horn of Africa**, the Department's targets for **Kenya** included the numbers of malnourished children that its programmes reached, which it exceeded, and the number of people receiving cash transfers, which it was just short of. For **Somalia**, the Department had achieved its 2014 targets for people receiving cash transfers and benefiting from resilience projects.

1.19 In line with its normal practice for sudden onset crises, the Department did not set targets for its initial response to the **Nepal earthquake**. It did monitor progress of its activities supporting its earthquake response. In **Syria**, the Department did not set targets covering its overall response to the Syria crisis but did set targets for individual projects. As the Department moves to long-term interventions for refugees in countries neighbouring Syria, there should be greater scope to set programme level targets.

1.20 The Department has not been able to capture results in a way that gives it a good view of its achievements across the portfolio of its crisis interventions. The diversity of the crises the Department responds to makes it difficult to establish aggregate measures of performance. In 2011, the Department established 22 corporate indicators for its bilateral programme for the period to 2014-15, of which 1 was directly linked to humanitarian assistance. The indicator covers people reached by emergency food assistance which accounts for around a quarter of the Department's bilateral humanitarian assistance. Because of the often unplanned nature of humanitarian responses, it was not appropriate for the Department to set a target for the indicator. The indicator therefore has limits in assessing the Department's performance. The Department now plans to establish 1 or more corporate level indicators to cover its crisis related work for the period from 2016-17.

Figure 7

Examples of the results reported by the Department

Crisis	Indicator	Target where applicable	Outturn
Ebola – Sierra Leone	UK provided and supported beds for treatment and isolation	700 – no date set	700 beds by 8 December 2014
	Percentage of reported deaths buried safely within 24 hours	99% (the World Health Organization target was 70%)	95% between November 2014 and January 2015
Horn of Africa – Kenya	Number of people receiving Department funded cash transfers	830,000 people in 2014-15	818,000 in 2014-15
	Number of malnourished children under 5 treated or benefiting from specific acute malnutrition prevention programmes	35,000 (of which 17,500 girls) each year	65,000 in 2014-15
Horn of Africa – Somalia	Number of households receiving cash transfers	30,000 in 2014	59,715 in 2014
	Number of households benefiting from resilience projects	15,000 in 2014	31,940 in 2014
Syria crisis	Number of rations provided[1]	Not set	20.0 million by June 2015
	Number of instances when people have benefited from sanitation and hygiene activities[2]	Not set	7.3 million by June 2015
	Number of medical consultations for emergency trauma and primary healthcare cases	Not set	2.5 million by June 2015
Nepal	Number of people with increased climate and disaster resilience	4 million by 2014-15	3.3 million by 2013-14
Yemen	Number of people receiving emergency and early recovery assistance	500,000 in 2013-14 and 2014-15 (baseline of 300,000 in 2011-12)	503,000 in 2013-14

Notes

1   A ration provides food for one person for one month. Rations can be provided as in-kind goods, cash or vouchers.

2   Some people may have benefited from more than one activity. A wide range of activities are covered, including distribution of hygiene kits, hygiene awareness campaigns and infrastructure.

Source: National Audit Office summary of the Department for International Development's documents

Moving from an emergency response to longer-term support

1.21 Exit strategies can include stopping support after an immediate emergency has passed. But in many cases the Department's aim is to transition to its own development and resilience programmes which deliver long-term sustained benefits. Strategies may also include encouraging and supporting governments and other actors to build resilience.

1.22 The Department has strategies in place for exiting from its emergency response in some but not all of our case studies. The Department is not currently planning to withdraw its support in any of these cases. The Department therefore has an ongoing financial commitment.

● In 3 of our case studies the Department had strategies for transitioning some or all of its emergency response. These strategies included: securing a safe re-opening of essential education and health services in **Sierra Leone**; enhancing **Nepal's** resilience to future shocks; and building government of Kenya ownership and funding of, and capacity to deliver, a programme designed by the Department which supports poor households in **Kenya**.

● As the crises in **Syria and Yemen** continue to escalate, the Department's main focus has been on developing its humanitarian programmes (in Yemen the Department has also sought to influence the policy agenda, such as political reform). For both crises the Department had undertaken some longer-term planning but had not developed exit strategies. For **Syria**, for example, the Department has undertaken scenario planning. In each case, the actual outcome had matched or exceeded the worst case scenario it had considered. By January 2015, the Department had began planning for the support that it would provide refugees in the region up until 2020. In March 2015, the Department identified the elements it considered needed to be in place for stabilisation and reconstruction, should a political settlement bring conflict to an end in **Yemen**. For example, supporting the return of displaced people, stabilising the currency, providing basic security, and restoring basic services in health and education.

Part Two

Managing its own resources

2.1 This part of the report covers:

- how the Department for International Development (the Department) organises its crisis response;

- how it allocates staff to a crisis intervention;

- how it funds its interventions;

- the systems it has in place to support a quick response;

- how it builds resilience;

- how it monitors its interventions; and

- how it manages fraud and aid diversion risk.

Organising the Department's response

2.2 Decisions on whether and how the UK should respond to a crisis are taken at different levels in the Department, depending on the nature of the crisis. For protracted crises, the responsibility usually rests with the Department's relevant country or regional team to recommend to Ministers whether the Department should respond and how. Support may be provided by a London based central team, known as the Conflict, Humanitarian and Security Department (CHASE). For sudden-onset crises, there will be discussions between CHASE, country offices, and regional departments to decide or recommend to Ministers a response from the Department.

2.3 The Department, through CHASE, provides guidance to its teams on resilience, preparedness, humanitarian response and funding. Responding to our survey, 73% of country and regional teams were fairly or very satisfied with the guidance available. 50% of teams had used the funding guidance, but only 13% have used the preparedness planning kit despite its relevance for all teams.

2.4 The Department has a broad framework for deciding whether the UK should respond to a sudden-onset crisis and the scale of the response. The framework focuses on humanitarian impact (such as the underlying vulnerability of the affected population), the position of the affected country (for example, that it has requested assistance), whether other donors have reacted to the event, and whether there is alignment with the UK government's wider interests.

2.5 Many of the factors which help guide the Department's decisions to intervene in sudden-onset crises are relevant to protracted crises. The Department does not have a similar framework for deciding whether to intervene, or continue to intervene, in such crises. The Department told us that these decisions are often taken by a country or regional office, rather than centrally. It also said that through its professional groups – for example, humanitarian advisers – it learns lessons from previous interventions. As humanitarian needs continue to increase, the Department will need a clear framework to help it prioritise between competing pressures from different crises andtrade-offs between its crises and other activities.

2.6 The Department has been able to respond well to natural disasters in countries where it does not have an office. For example. its response in the Philippines to the impact of Typhoon Haiyan.[11] The Department however has encountered challenges when intervening in such circumstances where it lacks a local presence and a sustained response to a complex crisis has been needed (**Figure 8**).

Figure 8
Intervening in the Syria crisis where the Department did not have a country presence

The Department did not have a local presence to support its response to the Syria crisis. Against the complex context, it faced a number of challenges.

- The Department looked to recruit a deputy head for its new Lebanon country office, where it took 9 months from deciding the post was needed until someone started.

- It needed to work in 4 new environments and develop its understanding of delivery partners, such as organisations new to the region and those based in Damascus. It also had to develop new, positive relationships with 4 governments neighbouring Syria to make its interventions possible and the wider response effective. The initial absence of a thorough understanding of the local context and dynamics, as well as a lack of existing local relationships with delivery partners, increased time spent designing programmes, oversight, and coordination with other organisations responding to the crisis. Since its investment, the Department has established good relations with key partners and stakeholders, such as the Government of Lebanon and the United Nations official responsible for coordinating the international response in Lebanon.

- To respond effectively and with speed, the Department needed physical and technological infrastructure. When the Department's Lebanon team first located in Lebanon, its work was hampered by delays in being able to access equipment such as a printer. It still has to rely on sharing the embassy's video conferencing system.

Source: National Audit Office

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11 *Rapid Review of DFID's Humanitarian Response to Typhoon Haiyan in the Philippines*, Independent Commission for Aid Impact, March 2014.

Allocating staff to a crisis

2.7 The Department employs a range of skills when responding to crises, drawing on staff from CHASE, country teams and advisory cadres, such as:

- core staff – humanitarian advisers and programme managers who support the development of humanitarian policy; design humanitarian and resilience programmes; select, and then manage the relationships with, partners; and monitor progress and budgets;

- support staff – for example, staff who work in finance and human resources; and

- specialist staff – for example, health advisers for **Ebola,** livelihoods advisers in **Kenya** and conflict advisers for **Yemen and Syria**.

It is difficult to map the exact number of staff involved in responding to crises. Some might work within a permanent humanitarian team, supplemented by temporary or part-time appointments.

2.8 The Department has recently increased the number of humanitarian advisors it employs, in line with the rising number and scale of crises to which it is responding. As at November 2015, it employed 35 advisers, up from 14 in 2013, but was 1 adviser below its complement. The Department's partners we spoke to held the Department's advisers in high regard.

2.9 The Department has established a contract with a provider for humanitarian professionals to supplement its internal capacity. The contract was first let in 1992 and was last retendered in 2011. The contract has stayed with the same provider. In the 12 months to August 2015, the Department paid a total of £16 million for staff provided by the contractor.[12] The Department has relied on these flexible contract staff in London and overseas as an integral component of its responses to crises, such as in **Syria, the Ebola outbreak, Yemen and Nepal**. The Department's staff and partners have highlighted the contract as a strength, commending the contracted staffs' humanitarian and field expertise. Contract staff can be deployed at short notice. The costs of contract staff do not count towards the Department's internal operating costs which are limited by HM Treasury.

2.10 We have identified advantages and disadvantages of the Department's use of the contract as set out in **Figure 9** overleaf.

2.11 During its response to the **Syria** crisis, the Department learned that when deploying contract staff a close relationship with the London team – ideally through a posting in London before field deployment – is important to a successful partnership between civil servants across government and contract staff. The Department's Syria team considered it was too reliant on contracted staff in the early stages of the response. As a consequence, it lacked some institutional knowledge and required more management input because of the contracted staff's operating constraints.

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12   The contract is known as CHASE Operations Team, or CHASE OT. Between 2015 and August 2015, the Department was provided with 67 consultants – 55 based overseas and 12 in the UK. The government's Stabilisation Unit also has a contract with the same supplier.

Figure 9

Advantages and disadvantages of the Department's use of the contract for humanitarian staff

Advantages	Disadvantages
Contract staff can be deployed at short notice and without undermining other parts of the Department's business.	Short-term contracts can increase the turnover of advisors working on a response, leading to a loss of contextual and response-specific knowledge, and therefore increase the transaction costs of induction and training. The Department also pays a higher daily rate when contractors are employed on short-term contracts.
Contract staff can have extensive humanitarian and context-specific expertise that can be difficult to attract to the civil service.	
The contract provides a flexible mechanism to scale up and down in line with need.	Rules governing what contractors can work on can limit opportunities to employ a certain type of person such as programme manager or senior responsible officer.
The costs of contract staff do not count towards the Department's internal operating costs which are limited by HM Treasury.	Contract staff can lack institutional knowledge and experience of working within and across government.
	Employment can be delayed due to difficulties with security clearances.

Source: National Audit Office

2.12 The Department is retendering its contract for humanitarian support. It aims to have a new contract in place by February 2017. As part of ensuring value for money in the retendering process, the Department is looking to address specific concerns that contractors are incentivised to sign short-term agreements that represent reduced value for money compared to longer-term agreements.

2.13 The Department has recently increased capacity on one response by using its staff flexibly. It surged 252 staff when responding to the **Ebola outbreak** – 164 volunteered from across the Department; 75 were from the contract for additional staff (paragraph 2.9), and 13 from the UK government's Stabilisation Unit.[13] This approach was necessary in the circumstances and showed how the Department was able to adapt, which was reliant on the goodwill of its staff and the areas from which they were released. Its own lesson learning exercise highlighted some weaknesses in its approach. For example, staff turnover was high and other areas of the Department had to cope with gaps in their provision. The Department's human resource systems were not as flexible as the circumstances demanded.

2.14 Since its response to the **Ebola outbreak**, the Department has reconsidered whether it should establish a pre-agreed roster of staff. The Department told us that it rejected the idea as it considered the administrative cost of maintaining a roster disproportionate to its impact. It also identified a diffculty in predicting the skills necessary to respond to a future crisis.

13 A government agency supporting its efforts to tackle instability overseas.

2.15 The Department's response to the **Ebola outbreak** is likely to have had an impact on its other programmes. Teams from which staff surged had to cover the staff cost themselves. Additional workload was absorbed by other staff or mitigated by reprioritisation. The Department has not assessed the impact of these transfers on teams and their work. The Department is considering its approach to staffing its various parts of the business including its response to crises. For example, it is completing a review of how it organises its staff; how it establishes internal surge capacity; the skills it requires; and the options for reducing its operating costs.

Different funding routes

2.16 The Department's approach to funding its response to crises encourages its teams to plan ahead for their interventions where practical. The Department also aims to balance the risks of holding a large unallocated contingency against having to fund emerging crises by taking resources from planned programmes. By comparison, the United Nations High Commissioner for Refugees does not hold contingency funds. Instead it reallocates its resources or carries out additional fundraising appeals to fund emerging needs.

2.17 When a crisis is protracted, the Department's teams are expected to follow its normal business planning procedures and budget for their interventions. Some teams have developed innovative approaches by building financial flexibility into budgets which enable them to respond to sudden spikes in need.

- In **Somalia**, the Department has set aside £10 million each year to fund activities ahead of a crisis maturing or fund rapid response in the event of a sudden-onset shock.

- In **Kenya**, the Hunger Safety Net Programme can scale up in response to predictable and monitored weather shocks by delivering an emergency cash transfer to additional beneficiaries when early warning triggers for droughts are activated.

2.18 For a sudden-onset crisis which has not been reflected in the budget approvals process the Department has a number of options.

- Initially, the country or regional team responsible for responding identifies available funding from its existing resources – either from underspends or through reprogramming.

- Where this is not sufficient, the team responsible for the response can draw on the Department's central contingency fund or, in exceptional circumstances, on contingency funding held by CHASE dedicated to supporting sudden-onset crises. The central contingency for 2014-15 was £446 million, of which the Department spent a total of £422 million, 42% of which supported crises. In the same period, the CHASE contingency consisted of £25 million, of which £19 million was spent mainly on emergency needs in Iraq and Gaza.

2.19 The central contingency provided £94 million to the **Ebola response** in 2014-15 but this was not enough to fund the full response so the Department allocated £150 million of funding from other programmes. In November 2015, the government announced that, as part of its plans for strengthening resilience and the UK's response to crisis, a new £500 million crisis reserve would be established. The Department and other public bodies will be able to draw on this reserve.

2.20 The Department has also developed arrangements that enable its delivery partners to respond more quickly to crises. For example, it:

- introduced the Rapid Response Facility for large crises which, when activated by the Secretary of State, enables the Department to commit funding to pre-approved partners within 72 hours;

- supported the establishment of the Start Fund, a multi-donor funded, non-governmental organisation managed fund that provides fast and direct funding to other non-governmental organisations for small scale, typically 'under the radar', crises within 72 hours; and

- is the main contributor to the United Nations Central Emergency Response Fund whose money is set aside for immediate use at the onset of emergencies or rapidly deteriorating situations, and can be released to partners within 48 hours.

Systems to support a quick response

2.21 Overall, the processes supporting a rapid response to sudden-onset disasters appear appropriate. There were no major problems in the **Nepal earthquake response**, and its partners praised the Department for the speed of its response and of its funding. We looked at 4 elements of the support for its interventions.

- **Tracking whether a risk will occur.** The Department has developed early warning systems to track risks. Centrally, CHASE tracks risks across the globe that the Department may have to respond to such as El Niño. The Department's country teams track risks affecting its priority countries. For example, the Department's **Somalia** team has developed a set of early warning indicators.

- **Deciding whether to intervene when a crisis does occur.** The Department uses its early warning indicators to inform its decisions on when to intervene to support communities ahead of an anticipated shock (paragraph 2.17). It has also promoted the use of such indicators among other organisations providing crisis response in **Somalia**.

- **Establishing needs.** The Department has a sound approach to establishing needs in sudden-onset as well as protracted crises. It uses its own people on the ground; deploys experts to assess damage and needs when necessary; takes advantage of the needs assessments carried out by UN agencies; and draws effectively upon its relationships with partners and other agencies that are assessing the situation, as seen in **Nepal** and **Yemen**. It also uses these relationships effectively when designing its response and understanding what role it can play as part of the wider international community.

- **Approving a response.** The Department has approval systems in place that support a rapid response to crises. For an emergency response, standard processes are altered and funding is approved through a submission to Ministers. A business case is then completed and approved over a longer period. Delivery plans and due diligence can also be completed after approval and disbursal of funds. However, a quarter of the Department's teams who had responded to a crisis in the past 3 years told us that they spent too much time seeking approvals. Similarly, during the **Ebola crisis** the team responsible commented that preparing numerous submissions to Ministers amounted to large amounts of staff time that could be reduced if some decisions could be taken at a lower level.

2.22 However, the Department needs to do more to make sure that its processes and funding arrangements for protracted crises are equally supportive. For example, the unit established by the Department to respond to the **Syria crisis** experienced challenges with its financial and information management systems that were not flexible enough to map financial allocations across partners to the sectors they were spent in, such as food security or education. This drove the team to create offline systems to use for programme management. Similarly, prior to the Syria crisis, the Department did not have agreed approaches for monitoring and evaluation and risk management tailored to interventions in protracted, conflict-environments, which could have been used by the team and saved time and effort.

Building resilience

2.23 In 2011, in response to the Humanitarian Emergency Response Review, the Department committed to do more to prepare for crises and take action early by building resilience.[14] Key elements of this commitment has included: carrying out multi-hazard risk assessments, adapting existing programmes to support disaster resilience and creating disaster resilience strategies. As of November 2015, it had made good progress and created strategies and carried out assessments in 22 of its 28 priority countries. The Department considered that the remaining 6 countries did not need such a strategy. In addition, the Department has commissioned research to assess savings which might accrue from investing in preparedness and resilience.

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14 The Department's defines disaster resilience as follows: "Disaster Resilience is the ability of countries, communities and households to manage change, by maintaining or transforming living standards in the face of shocks or stresses – such as earthquakes, drought or violent conflict – without compromising their long-term prospects."

2.24 Our case studies highlight the impact of the Department's resilience programmes.

- The Hunger Safety Net Programme in **Kenya** looks to build resilience through cash transfers that reduce the vulnerability of households to disasters. By providing predictable cash transfers it has, for example, helped families reduce uncertainty around access to food. Scaling up payments when there are weather shocks has helped to reduce short-term responses – such as selling livestock, an asset for families – which might have longer-term consequences. This programme is part of a broader package of support to build resilient livelihoods in Kenya.

- The Department's climate and resilience programmes in **Nepal** are an example of enhancing resilience to disaster through strengthening the institutional architecture. The Department trained staff working for the Nepalese government, volunteers for emergency response, and communities in preparedness. It also built an area at the airport from which its response to an earthquake could be run and stockpiled material that it might need. The Department has completed a lessons learned exercise which concluded that its resilience programme and planning had made a difference in the very early stages of the 2015 earthquake. It also highlighted that more needed to be done by the country team to prepare for the wider response coordinated from London.

Monitoring its interventions

2.25 The Department's approach to reviewing performance is extensive and varies depending on the environment in which it operates. Generally, the Department's oversight focuses on individual programmes within a crisis response. In most circumstances, it will oversee a programme through a continuous cycle of quarterly or six-monthly progress reports and annual reviews. An annual review captures the programme's performance against targets and agreed previous actions. It should also seek feedback from beneficiaries, as the Department requires staff to "ensure that the views and experiences of citizens and beneficiaries inform the design and delivery of our programmes". Where possible, such as in the case study projects in **Kenya**, the review team will meet with beneficiary representatives directly.

2.26 In other cases, where the review team is constrained by access issues, such as in **Somalia and Syria**, the Department will rely on one or more of the following: partners' feedback mechanisms, mobile technology, and third party monitoring. The Department may also carry out a lessons learned exercise, or an evaluation of its response and its different programmes after a certain amount of time has passed. This decision is made on a case-by-case basis.

2.27 As the Department is increasingly responding to crises in fragile and conflict-afflicted states, access to the ground where programmes are being carried out is increasingly constrained by security concerns. In these cases, it is difficult for the Department to oversee its performance directly. It is has therefore developed some innovative approaches to supplementing the assurance it can take from those delivering assistance.

- In **Somalia**, the Department uses third parties to monitor its programmes. The third parties use mobile phones to collect information from people who should be receiving assistance. The location of the data is marked and can be used for real time monitoring of programme delivery and evaluation.

- In **Yemen**, the Department uses third parties to help verify the results from its interventions. The third parties collect information through interviews and observation, and compares it to other data sources, such as geographically specific information.

- In **Syria**, the Department has designed a third party feedback mechanism, building on lessons from Somalia and Yemen.

2.28 We have identified 2 areas where the Department could do more to improve its oversight of performance.

- **Understanding its performance and results across an entire response to a crisis, not just its individual components.** The Department could build on initiatives from its response to the **Ebola outbreak** (a weekly dashboard was produced which drew together performance) and to the **Syria crisis** (a results database has been developed that displays and aggregates performance across partners and sectors geographically).

- **Understanding performance across its portfolio of crisis interventions.** The Department has a structured approach to reviewing the performance of its individual crisis interventions. However, the Department has not had a formal central repository of information on cost and performance across all its crisis interventions to aid comparisons and lesson learning. It has brought together information on its sudden-onset interventions for this purpose. It has yet to do the same for protracted crises.

Managing fraud and aid diversion risk

2.29 The Department has a zero tolerance policy to fraud.[15] Its aim is to do everything it can to prevent, detect and, if found, respond robustly to fraud. The Department recognises that the nature of some humanitarian assistance, such as commodities and cash transfers, as well as the reality of working in conflict zones, can increase the risk of fraud.

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15 The Department defines fraud as an intentional act of dishonesty by one or more individuals internal or external to the Department with the intent of making a gain for themselves or anyone else, or inflicting a loss (or risk of loss) on another. The Department's definition includes aid that is diverted for use by terrorist organisations.

2.30 When the Department's teams and partners identify instances of potential fraud they are required to inform the Department's central fraud investigation team. The small number of instances of potential fraud that we were made aware of during this study had been reported to the investigation team.

2.31 The Department tracks individual cases of, and total losses from, fraud. In 2014-15, the Department completed 123 fraud investigations. The gross level of losses[16] identified on these cases was low: £2.3 million, 0.02% of its annual spending. The Department successfully recovered £1.6 million, two-thirds of gross losses. In the 3 previous years, the gross value of identified losses had ranged from 0.01% to 0.04% of the Department's spending. The Department does not routinely analyse its information on fraud on a sectoral basis, including how much arises from its crises interventions.

2.32 The Department analysed 57 of the fraud cases it closed between April 2014 and January 2015. Of these cases, 17 occurred on humanitarian programmes in countries covered by our 5 case studies, of which 16 occurred on programmes the Department established in response to the Syria crisis. These 16 cases resulted in total unrecovered losses of £0.15 million. The largest loss was on a theft of non-food items from a warehouse in northern Syria. Some items were returned, but the Department had to write-off items worth £0.07 million.

2.33 Our case studies provided examples of the difficult judgements that the Department can face when weighing-up the benefits of intervening in fragile states against the risks of fraud (**Figure 10**).

Figure 10
Examples of the fraud risks the Department seeks to manage

Somalia

In Somalia, the UN's Common Humanitarian Fund – 35% funded by the Department – was subject to fraud. As at December 2015, 4 cases with a total gross value of £3.3 million had been confirmed and 3 others were being investigated. Most of the cases arose when the UN funded local non-governmental organisations responded quickly to the 2011 famine. The UN responded to the frauds by strengthening controls. It enhanced due diligence procedures and, with the Department's support, introduced third party monitoring. The Department also established its own strategy to mitigate the possibility of future losses on its Somalia programme. The Department continues to support the Common Humanitarian Fund because it judges it is now better controlled and is an effective way for donors to provide emergency assistance.

Syria

In Syria, the Department's partners have on occasions experienced aid diversion due to armed groups. The items that are stolen by these groups vary, but food baskets are particularly targeted. The Department and its partners take several precautions to minimise the risk of theft, but these are not always successful in light of changing frontlines. The Department assesses that the losses are well within its risk appetite for Syria, which is high due to the inherent challenges of responding on a large humanitarian scale in a warzone where humanitarian access is not recognised by all parties to the conflict.

Source: National Audit Office summary of the Department for International Development's documentation

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16 The values for gross losses include the Department's estimate of its share of some proven frauds on UN and other pooled funds it contributes to alongside other donors. The Department is not always able to obtain sufficient information to estimate its loss on such frauds.

Part Three

Working with partners and the wider humanitarian sector

3.1 This part of the report covers how the Department for International Development (the Department):

- establishes and manages delivery chains;

- manages its portfolio of interventions with partners;

- understands the costs incurred by non-governmental organisations;

- uses multi-year funding;

- works with other government departments; and

- influences the international humanitarian system.

3.2 In 2014-15, the Department provided over £1,000 million to its partners for crisis interventions. The Department routes most of its bilateral humanitarian assistance through UN bodies and other multilateral organisations involved in crisis response – some £578 million in 2014-15 (**Figure 11** overleaf).

Establishing and managing delivery chains

3.3 The Department's approach to selecting partners differs depending on the nature of a crisis. In a sudden-onset natural disaster the Department usually selects from a standard set of partners, such as the Rapid Response Facility (paragraph 2.20). For other crises, the relevant country and regional team will be responsible for identifying and assessing partners.

Figure 11

The Department's bilateral humanitarian assistance by type of partner

The Department routes most of its bilateral humanitarian assistance through multilateral organisations

£ million

	2010-11	2011-12	2012-13	2013-14	2014-15
Multilateral organisations (£m)[1]	260	263	395	636	578
Non-governmental organisations (£m)	73	76	71	143	284
Other (£m)[2]	21	22	16	105	217
Total (£m)	**354**	**361**	**482**	**884**	**1,079**
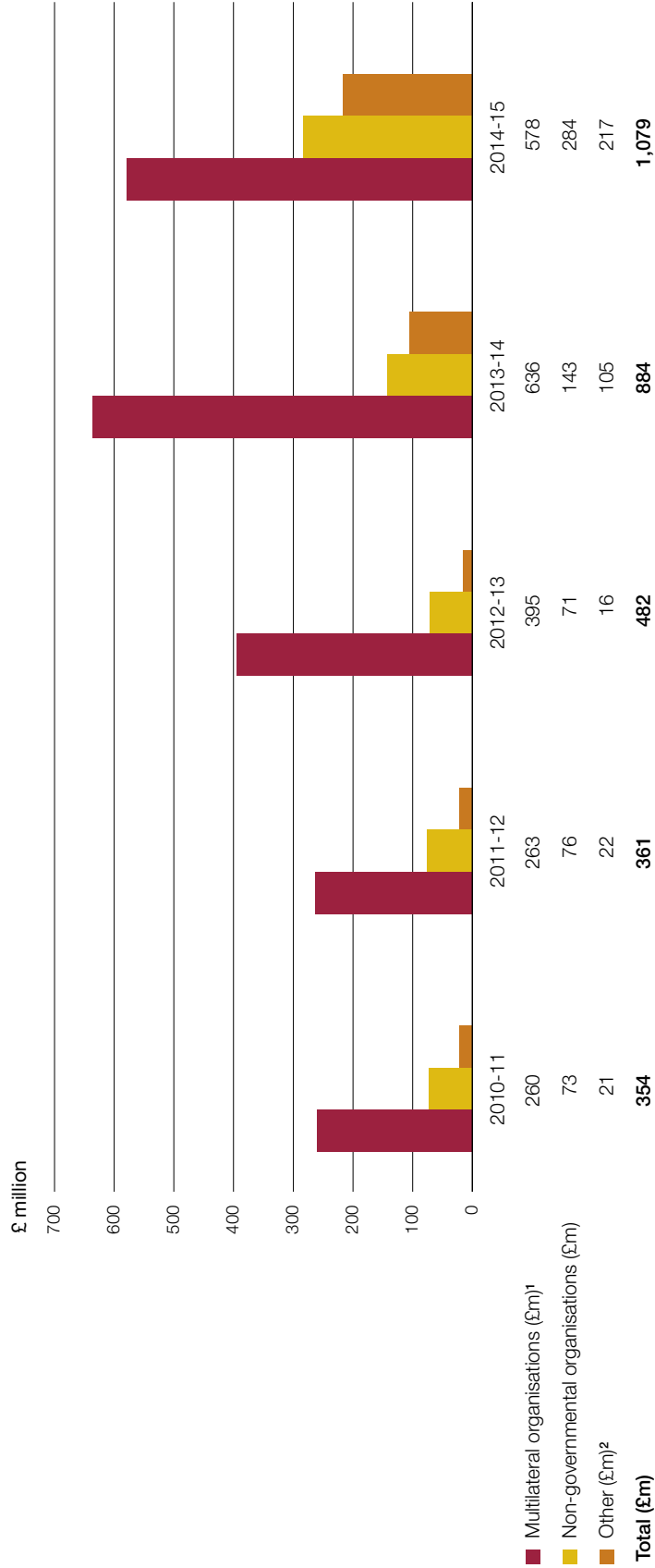
Notes

1   In 2014-15, 4 UN bodies received £453 million, 78% of the total funding going to multilateral organisations. The 4 UN bodies were: the United Nations Development Programme (£137 million); the World Food Programme (£137 million); the United Nations Children's Fund (£97 million); and the United Nations High Commissioner for Refugees (£82 million). The Department funds the United Nations Development Programme as it is the managing agent for UN Common Humanitarian Funds which are pooled donor funds.

2   Other includes contractors, and other government departments.

Source: National Audit Office presentation of the Department for International Development's data

3.4 The Department can face challenges selecting partners when establishing new programmes in complex and challenging environments.

- For its response to the **Ebola outbreak** the Department looked to work with one partner with experience of treating people with Ebola but was unable to do so. The Department then contracted with Save the Children which did not have experience of dealing with this type of crisis, but was willing to work with the Department.

- Using multiple partners can spread the risks to successful delivery and improve the Department's ability to reach communities in locations where access is limited, but can make programme management more difficult. In its initial response to the **Syria crisis**, the Department found that it did not have enough staff to oversee its partners to the level the Department's teams normally achieve, increasing risks of non-delivery and to value for money. The Department's Syria team responded to these risks. They reduced the complexity of their programme by cutting the number of separate grant agreements from around 78 to 25 which has made the Syria programme easier to manage.

3.5 The Department should be able to identify all the organisations in a delivery chain and the funding that each receives. Its humanitarian programmes often involve the partners it directly funds and oversees – 'first tier partners' – using their own partners to deliver assistance (**Figure 12** overleaf). Our case studies provided examples of the Department mapping where and how its money had been used. However, the Department had not always done so.

3.6 The Department's internal auditors found that the delivery chains for the Somalia and Syria programmes could not be mapped due to the Department delivering through a large number of partners. In such complex programmes, the Department may lose sight of where funding is going, which brings oversight risks. Long, complex delivery chains can also increase the costs of delivering humanitarian assistance.

Improving management of a portfolio of interventions with partners

3.7 Over the last 5 years, 4 UN bodies have accounted for half of all the Department's bilateral spending on humanitarian assistance. In total these 4 organisations received £453 million of bilateral funding in 2014-15 to respond to specific crises (Figure 11).

3.8 The Department has not managed its full range of interventions with the 4 UN bodies on a portfolio basis, which brings risks to lesson learning. The Department's country teams decide whether to support the country-specific activities of UN bodies. The Department has central policies which inform local decision-making. But it does not systematically look across its portfolio of interventions to identify whether there are particular types of interventions where a UN organisation performs well, or whether there are approaches to the Department's funding and engagement with organisations that are more successful. The Department is changing its oversight of humanitarian multilateral organisations to consider both the coherence of the range of activities it is supporting and the performance of the organisations across those activities.

Figure 12

Overview of the delivery chain for the Department's humanitarian programme in Somalia

A large number of multilateral organisations and non-governmental organisations distribute, manage and use the Department's humanitarian funding to Somalia

Summary of programme	Four-year £145 million programme with 11 elements. The programme involves multiple partners reflecting: ● the programme's breadth and innovation – the Department is for the first time seeking to build resilience in Somalia as well as provide humanitarian assistance; and ● aid organisations' access to Somalia is restricted.		
First tier partners	The programme has 7 first tier partners managing or funding the provision of assistance. The partners comprise: 3 UN bodies working together on resilience; 1 other UN body; 1 other multilateral organisation; 2 non-government organisations.	The programme funds the UN's Common Humanitarian Fund.	The programme provides funding to support the operations of 3 UN bodies including UN air services and a food security and analysis unit.
Organisations indirectly receiving funds from the Department through its first tier partners	First tier partners manage and/or fund a range of second tier partners to provide assistance. For example: ● Save the Children leads a consortium including 3 other non-governmental organisations providing a nutrition programme. Two of these implement programmes directly, the other 2 use local partners; ● the UN Children's Fund works through international and local non-governmental organisations to provide integrated nutrition, social protection and sanitation services; and ● the World Food Programme provides nutrition support through 10 partners.	The Common Humanitarian Fund funds around 70 non-governmental organisations to provide assistance.	None.

Source: National Audit Office summary of the Department for International Development's documents

3.9 The Department's mechanisms for influencing the cost of bilateral programmes delivered through UN bodies are limited, despite the scale of its funding. UN bodies do not usually compete for work and they have standard organisation-wide policies on cost recovery rates and reporting procedures which are applied by their local offices.

3.10 UN bodies told us that the Department was a well-regarded but demanding donor. They said there could be high transaction costs in working with the Department as it sought detailed reporting on projects and undertook a range of assessments of their performance and systems, including their approach to managing supply chains. Despite exercising this challenge, the Department has not usually been able to identify how much of its funding benefits recipients, and how much goes to meet the support costs of UN bodies and their partners. The Department has plans in place to encourage UN bodies to improve their reporting of costs.

3.11 There is evidence that UN agencies can do more to manage costs. For example, the UN Board of Auditors has reported that the United Nations High Commissioner for Refugees can improve its understanding, control and external reporting of its internal costs and the costs of its implementing partners.[17]

Improving its understanding of the costs incurred by non-governmental organisations

3.12 Non-governmental organisations are important partners for the Department. In the 2 years to 2014-15, the Department's humanitarian funding of non-governmental organisations quadrupled to £284 million (Figure 11 on page 34), mostly as a result of its responses to the **Syria and Ebola crises**.

3.13 The Department is developing a new approach to budgeting to improve its understanding of the costs of delivering humanitarian assistance via non-governmental organisations. If successful, this approach would help it understand costs and set benchmarks to inform its selection and management of partners.

3.14 The Department's teams in **Kenya and Somalia** have made progress in adopting the new approach to budgeting for protracted crises. The initial data they have obtained indicate that around 65% to 78% of the Department's funding goes to meet the direct costs of providing assistance, such as staff (for example, doctors and nurses) and commodities. The remainder goes on costs incurred by partners in supporting the provision of assistance – such as security, support staff, and monitoring and evaluation – and a contribution to partners' central administration costs, such as IT infrastructure and facilities.

17 General Assembly Official Records Seventieth Session Supplement No. 5F, Voluntary funds administered by the United Nations High Commissioner for Refugees Financial report and audited financial statements for the year ended 31 December 2014, Report of the Board of Auditors.

Securing the benefits of multi-year funding

3.15 The Department is moving from annual to multi-year agreements with many organisations responding to protracted crises. The Department's partners told us multi-year agreements help them to invest in relationships, staff and the type of programming needed to deliver longer-term goals such as resilience and capability. The agreements also have the potential to allow for experimentation and cut transaction costs.

3.16 To secure more of the potential benefits of a multi-year approach to funding, the Department must address 2 issues.

- The Department and its partners must be able to adapt programmes, for example, in response to changes to the risks faced by the communities the Department is seeking to assist. The Department has made progress on adaptability by, for example, building in contingency within project budgets (paragraph 2.17).

- The Department does not have a strategy for encouraging 'first tier' providers to fund their own partners on a multi-year basis. The Department must decide how to respond when 'first tier' partners do not pass on the benefits of multi-year funding to their downstream partners. Country-based staff from 2 UN bodies told us, for example, that their organisations' procedures do not allow them to enter into multi-year agreements with their partners.

Working with other departments

3.17 The Department often obtains assistance from other departments in responding to humanitarian crises. Across our case studies the Department worked with the Foreign & Commonwealth Office, the Ministry of Defence and several other departments.

3.18 The Department has used military assistance on 8 occasions since 2010, including 5 times in the last 2 years. The use of military assets is governed by a memorandum of understanding which requires the Department to reimburse the Ministry of Defence for the marginal costs it incurs in assisting the Department. The marginal cost of the 8 interventions to the Ministry of Defence was around £44 million; with support provided during the **Ebola outbreak** currently estimated at around £24 million.

3.19 Our case studies highlight how the Department uses military assistance and diplomatic channels as part of a cross government response to achieving humanitarian and wider policy goals (**Figure 13**).

Figure 13

Using military assistance and diplomatic channels to support interventions

Military assistance

In **Sierra Leone**, the Ministry of Defence played a crucial part in ensuring an effective response to the Ebola outbreak. Its personnel were involved in: constructing a treatment centre; managing that centre and 5 others built with UK funding; and training healthcare workers. It also provided military transport to move people and materials. The Department told us that the Ministry of Defence's experience with planning was vital, and that this expertise remains useful in the response to date. The Department believes that the positive working relationship was because of the unity of purpose, clarity of objectives and physical co-location.

In **Nepal**, the Department asked for and used 2 military aircraft from the Ministry of Defence. Ministers decided that 3 military helicopters should also be deployed to provide additional support given their assessment of need and the importance they placed on getting support to Nepal quickly. The government was unable to get the necessary clearances for the military helicopters to land in Nepal and they were diverted to India, where they could not aid the relief effort. The total marginal cost to the Ministry of Defence for its support was £3.9 million, of which £3 million was for the military helicopters. The Department's budget will be decreased by £3.9 million and the Ministry of Defence's increased by the same amount.

Diplomatic channels

Since 2013, the Department has worked alongside the Foreign & Commonwealth Office to encourage the **Lebanese government** to assist Syrian refugees. As at November 2015, the Department had allocated around £300 million to support both refugees in Lebanon and the host community. The Department's staff have worked closely with Foreign & Commonwealth Office colleagues to understand the pressures facing the Lebanese government in dealing with Syrian refugees and provide a consistent and coordinated set of messages in support of the UK's humanitarian and diplomatic objectives.

The Department has worked with the Foreign & Commonwealth Office and the Ministry of Defence to influence the various parties involved in responding to the **Yemen crisis**. The Department's response included deploying from April 2015 its staff, including a series of humanitarian advisers, to the British Embassy in Saudi Arabia, who became part of a wider UK government team seeking to influence the various parties involved in the crisis. Together with other officials, the Department's advisers successfully influenced the international community's approach to fund raising for the crisis and maritime access – a crucial issue for both humanitarian relief and trade. As at November 2015, the UK government team had also contributed to some of the parties to the conflict temporarily pausing their military activities so that humanitarian support could be provided.

Source: National Audit Office

Influencing the international humanitarian system

3.20 The Department's 2011 humanitarian policy set a goal for it to strengthen international leadership and partnerships (Figure 3 on page 14). It has sought to champion reform of the international humanitarian system so it is fast, effective, accountable and offers value for money.

3.21 Multilateral organisations and non-governmental organisations involved in crisis response told us that, in their view, the Department was either very or fairly effective in contributing to the development of international humanitarian policy and the humanitarian system. They told us the Department was active in key policy debates – including increasing the attention given to building resilience – supported innovation and was a leader among donors.

3.22 The Department does not itself have a structured approach for assessing its impact on the humanitarian system. The Department provided us with examples of where it had encouraged and supported change, such as the increasing focus on resilience. But it did not have well-defined measures for capturing progress against its objectives for the humanitarian system.

3.23 In its 2013 report on the Department's 2011 multilateral aid review, the Committee of Public Accounts recommended that the Department map out roles of multilateral organisations, highlighting gaps, overlaps and linkages, to help the Department to make informed decisions on who can best deliver its objectives (paragraph 1.17).[18] The Department has 3 streams of work underway which give greater focus to humanitarian system-wide issues.

● In 2015-16, the Department is piloting a new funding approach which provides UN organisations and funds with incentives to collaborate on system-wide reforms, as well as their own results. This new funding approach is innovative and is one of the Department's main policy priorities.

● The Department is developing its understanding of the humanitarian system. As part of its 2015-16 multilateral aid review it is mapping the system's strengths and weaknesses. The Department is also commissioning an independent review of the functioning, financing and incentives, internal relationships and accountability of the humanitarian system. The Department expects the review's findings to inform both its multilateral and bilateral aid reviews.

● The Department is supporting the 4 largest UN humanitarian agencies to coordinate and cooperate in making preparations for emergencies in 29 high-risk countries.

3.24 The Department sees the first World Humanitarian Summit in May 2016 as an important opportunity for it to influence wider humanitarian policy and practice. The Department is developing a strategy to support the 4 policy priorities it has for the Summit:

● increasing the international community's commitment to protection of civilians and international humanitarian law;

● shifting the focus of the international community from responding to the aftermath of natural disasters to building resilience and preparedness;

● developing new ways of financing crisis response which reflects that people are often displaced for many years; and

● increasing the focus on girls and women.

The Department plans to establish measures to assess what it achieves at the Summit.

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18 HC Committee of Public Accounts, The Department for International Development: *The multilateral aid review*, Twenty-sixth Report of Session 2012-13, HC 660, January 2013.

Appendix One

Our audit approach

1   This study focuses on the value for money of the Department for International Development (the Department)'s response to crises. It examines the Department's:

- support for its response to crises;

- control of its internal resources; and

- work with partners and the wider humanitarian community.

2   We applied an analytical framework with evaluative criteria to determine whether the Department had put in place effective systems for managing its response to crises. This included examining the range of the Department's interventions from preparing for crises, providing an emergency response and aiding countries and communities to recover. We covered the Department's processes for resourcing its crisis response, managing partners and assessing results.

3   Our audit approach is summarised in **Figure 14** overleaf. Our evidence base is described in Appendix Two.

Figure 14
Our audit approach

The objective of government	The Department for International Development (the Department) leads the UK government's response to humanitarian emergencies. It aims to build the resilience of developing countries and respond rapidly and decisively to save lives when crises occur.
How this will be achieved	Responding to crises is one of the Department's main responsibilities. It spends over £1 billion each year on humanitarian assistance – a reasonable proxy for its spending responding to crises. The Department's response to crises involves it working with a number of different types of organisation – government departments, and partners such as multilateral organisations and non-governmental organisations.
Our study	This report examines whether the Department has put in place effective systems for managing its response to crises, thus helping it to secure value for money.

Our evaluative criteria	The Department makes effective preparations for responding to crises.	The Department has appropriate internal systems and capacity to manage its response to crises.	The Department has appropriate arrangements in place to manage its partners.	The Department assesses performance to identify improvement.

Our evidence
(see Appendix Two for details)

- We analysed Departmental data on humanitarian spending.
- We conducted semi-structured interviews with Departmental officials.
- We reviewed key Departmental documents.
- We conducted an online survey of the Department's country and regional teams.
- We consulted experts in crises response.
- We obtained the views of large humanitarian donors, and the views of multilateral organisations and non-governmental organisations involved in crisis response.
- We undertook case studies of how the Department had responded to 5 crises.

Our conclusions

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. 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.

Source: National Audit Office

Appendix Two

Our evidence base

1 We reached our independent conclusions on the Department for International Development (the Department)'s response to crises following our analysis of evidence collected between April and October 2015.

2 Our audit approach is outlined in Appendix One. Our main evidence sources were:

● **Quantitative analysis** of key data supplied by the Department on humanitarian spending.

● **Semi-structured interviews** with:

  ● Senior Conflict, Humanitarian, Security (CHASE) staff, the Department's central team responsible for responding to crises;

  ● Staff with responsibility for: the development of humanitarian policy; the design and implementation of programmes; and the management of the Department's relationship with its partners; and

  ● Relevant central teams, including those responsible for procurement; finance and corporate performance; internal audit; evaluation; relationships with multilateral and non-governmental organisations; as well as staff specialised in economics and aid diversion.

● **A review of the Department's key documents**, including internal papers relating to decisions about, and guidance on, responding to crises; business plans and performance reviews.

● **An online survey of all the Department's country and regional teams** to request their views on the Department's humanitarian policy goals, guidance and support, as well as both their own and central capacity to respond to crises. This survey was conducted from 29 June to 17 July 2015, although we accepted some later responses. We sent the survey to 38 teams, including those responsible for the 28 countries the Department has identified as priorities for its bilateral programmes. We received 36 responses (95%), including 26 from teams covering the priority countries.

- **A consultation with stakeholders**, including the Overseas Development Institute, UK Aid Network, Disasters Emergency Committee, Oxford Brookes University's, Centre for Development and Emergency Practice, and the Active Learning Network for Accountability and Performance.

- **A written consultation, or discussions with, other large humanitarian donors** including Canada, Denmark, the European Commission's Humanitarian Aid and Civil Protection department (known as ECHO), Norway, Sweden, Turkey, and the United States of America and.

- **A written consultation with multilateral and non-governmental organisations,** including the Food and Agricultural Organization of the United Nations (FAO); the United Nations Development Programme (UNDP); the United Nation's Office for the Coordination of Humanitarian Affairs (OCHA), the United Nations World Food Programme (WFP), the International Committee of the Red Cross (ICRC), Care International; and Oxfam.

3   We completed **5 case studies** to examine the Department's response to crises that had different causes.

- A sudden-onset crisis caused by a natural disaster – **the 2015 earthquake in Nepal.**

- A protracted crisis caused by conflict and food insecurity – **the Horn of Africa, with a focus on Kenya and Somalia.**

- A protracted crisis characterised by conflict and mass migration – **the Syria crisis, with a focus on Lebanon.**

- A health crisis – **the Ebola outbreak in Sierra Leone.**

- An **ongoing crisis in Yemen** – an emergency caused by conflict in addition to a pre-existing protracted crisis caused by, for example, food insecurity and poor governance.

4   We selected these case studies to make sure we covered a range of different types of crises, a range of different types of response from the Department; and materiality. For each case study, we: reviewed relevant programme documents; interviewed programme staff from the Department and collected funding information.

5   Our case study approach included **field visits to Kenya and Lebanon**. We selected these countries to visit based on project suitability, materiality and security considerations. In addition to interviewing the Department's staff in-country, we also interviewed multilateral and non-governmental delivery partners, other donors, domestic national and local-level government officials and beneficiaries.
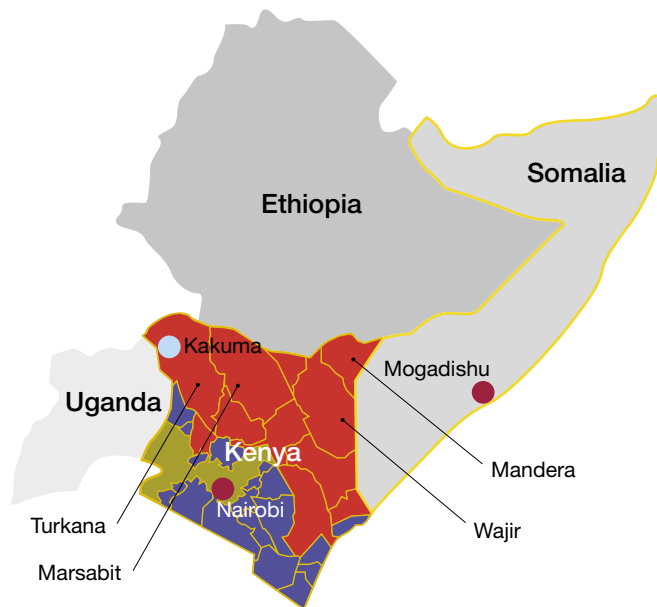
Appendix Three

Case studies of the Department's interventions in crises

Each case study includes a map. The country borders on these maps do not necessarily reflect the UK Government's official position.

Case study 1
Horn of Africa – Kenya and Somalia

- ● Capital cities
- ● Kakuma refugee camp
- ● Arid lands in Kenya
- ● Semi-arid lands in Kenya
- ● Other parts of Kenya

Kenya

Nature of crisis

Protracted and complex

10 million Kenyans – over a fifth of Kenya's total population – live in Arid and Semi-Arid Lands. The Arid and Semi-Arid Lands were badly affected by the 2010–2012 Horn of Africa crisis. They remain chronically poor, routinely food insecure, drought prone and marginalised. Malnutrition is one of the main causes of child morbidity and mortality.

In addition to drought, Kenya remains vulnerable to other disaster risks, including floods and localised conflict. Kenya hosts around 600,000 refugees displaced by conflicts in neighbouring countries including Somalia.

Nature of the Department's response

All the Department's Kenyan programmes are managed by its country team which had a total budget of £96 million in 2014-15. Of this:

i) 20 million went as humanitarian assistance, with £14 million of this used to assist refugees in camps and £6 million used to improve the nutrition status of Kenyan women and children. Humanitarian spending was £26 million in 2013-14; and

ii) £15 million was used to address poverty, hunger and vulnerability, with most of this going through social protection programmes to support the poorest groups and vulnerable children.

What we looked at

We focused on 3 programmes.

- ● The Hunger Safety Net Programme is the Department's largest social protection programme in Kenya and aims to reduce poverty and build resilience. The Department helps the Kenyan Government to manage the programme, which the Government also co-funds. The programme provides predictable, unconditional electronic cash transfers to the bank accounts of up to 100,000 chronically poor households in the Arid and Semi-Arid Lands. Emergency payments can be made to around another 270,000 households when agreed indicators show that they may suffer from drought.

- ● The Department's 4-year £59 million programme to support UN agencies to provide food, health and other support to refugees in camps in Kenya.

- ● The Department's 4-year £17 million programme to fund UNICEF and a consortium of non-governmental organisations to strengthen and supplement government health systems' in the Arid and Semi-Arid Lands so they are better able to monitor, treat and prevent malnutrition in children under 5 and pregnant and breastfeeding women.

Case study 1 *continued*
Kenya and Somalia

Key issues for this report

The Department had developed early warning systems to help it to anticipate food shocks and trigger an early response.

UN bodies welcomed the certainty and flexibility provided by the Department's move to multi-year funding, but the bodies had not been able to fund their downstream partners in the same way, limiting benefits.

The Department had reduced its share of the costs of its Hunger Safety Net Programme by building country ownership and financial contributions. Its long-term plan is for the Kenyan government to increasingly fund routine payments.

The Department had promoted the use of technology, including biometrics, and thus reduced the risk of financial loss in its Hunger Safety Net Programme.

The Department has a small programme that seeks to strengthen Kenya's domestic emergency preparedness and response capacity with the aim of reducing the country's need for external assistance. The programme involves improving the capacity of Kenyan non-governmental organisations.

Somalia

Nature of crisis

Protracted and complex

Somalia is one of the poorest and most vulnerable countries in the world. 20 years of chaos, including drought, conflict and state failure have left many Somalis highly vulnerable. Somalia was the country worst affected by the famine that hit the Horn of Africa in 2010 to 2012. Around a quarter of a million of Somalis died.

In 2013, the UN estimated that 1 million Somalis were in need of urgent humanitarian assistance and a further 1.7 million were one poor harvest away from requiring such assistance. There were also thought to be 1 million internally displaced people and a similar number of refugees who had fled Somalia.

Nature of the Department's response

All of the Department's Somalia programmes are managed by its country team which, for security reasons, is based in Kenya. In 2014-15, £36 million (35%) of the Somalia country team's total spending was on humanitarian assistance, down from its 2011-12 peak of £81 million.

In 2013, the Somalia country team designed its first multi-year humanitarian programme which now accounts for almost all its humanitarian assistance. The programme has a total budget of £145 million over 4 years. It provides a range of support which seeks both to address the immediate humanitarian needs of up to 200,000 people each year, and build the resilience of up to 300,000 vulnerable people to future shocks by providing livelihood assistance.

What we looked at

Key elements of the Department's multi-year programme, include:

- providing of core humanitarian assistance through the Department providing non-ring-fenced funding to the UN's multi-donor Common Humanitarian Fund and the International Committee of the Red Cross;

- building resilience by funding UN agencies and non-governmental organisations to improve the availability of basic services and provide livelihood support;

- a response fund that the Department's partners can access to fund additional early action to address emerging needs; and

- monitoring delivery which is undertaken by contractors on the Department's behalf.

Key issues for this report

The Department has learned from the experience of the 2010–2012 famine. It has redesigned its humanitarian programme so, for example, it now seeks to build resilience as well as address immediate humanitarian needs.

Within its multi-year programme the Department has set aside funds which enable it and its partners to respond quickly to emerging needs and take early action.

The Department has developed an early warning system which:

i) informs its own interventions, including the allocation of its response fund; and

ii) it is promoting amongst the wider humanitarian community operating in Somalia.

The Department has broadened its delivery options by seeking to work more with non-governmental organisations.

The Department's humanitarian programme is complex, involving a large number of partners. This makes it more difficult for the Department to manage.

The Department's programme is making use of technology to aid third party monitoring and thus gain assurance about what is being delivered in areas where access is restricted.

Case study 2
Syria and Lebanon

● Capital cities
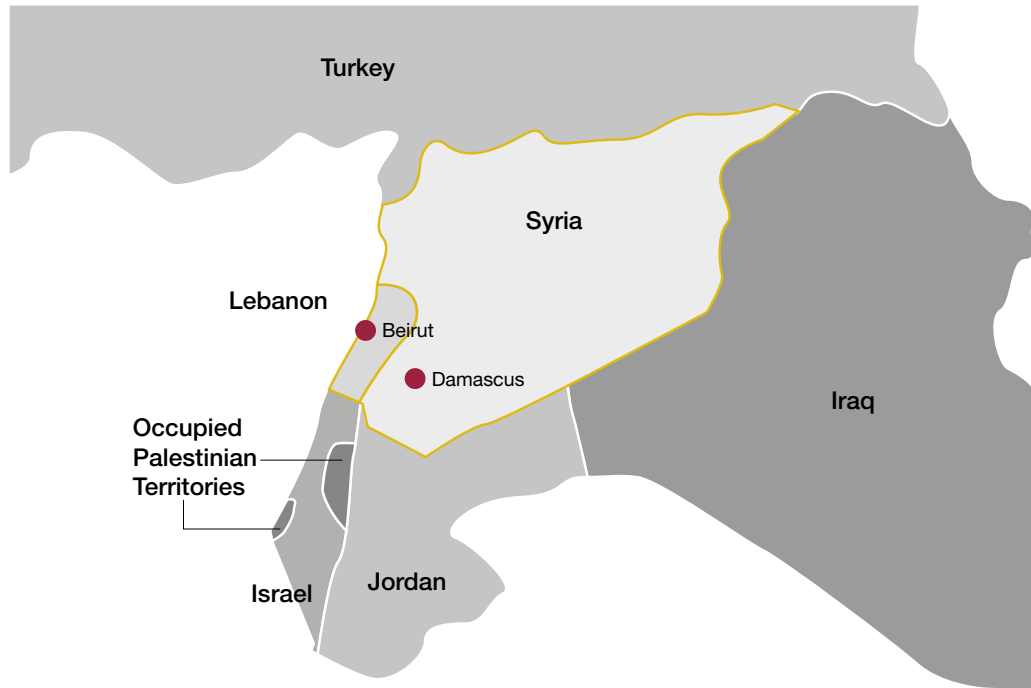
Syria

Nature of crisis

Protracted and complex

Since March 2011, Syria has been subject to a state of armed conflict, when pro-democratic uprisings against President Assad's government turned violent. The country has descended into a civil war and the actors in the armed rebellion have evolved from secular moderates to include a plethora of extremist groups of Islamists and Jihadists. For example, the extremist group Islamic State has taken control of large parts of northern and eastern Syria. The UN has reported 250,000 killed in conflict thus far.

Syria has become known as the world's worst humanitarian crisis. Best available UN data suggest that overall 13.5 million people are in need of humanitarian assistance inside Syria, of which 6.5 million are internally displaced. Additionally, 4.2 million people have fled Syria, making it one of the largest refugee exoduses in recent history. The neighbouring countries Lebanon, Jordan, Turkey, and to a lesser extent Egypt and Iraq, have borne the brunt of the refugee crisis, and struggled to accommodate and meet the needs of the refugees.

Nature of the Department's response

The Department's main response to the Syria crisis – its humanitarian programmes – is managed by the 'Syria Programme Hub'. Over the course of the crisis, the Department has committed £1,120 million to these humanitarian programmes which cover both Syria and the surrounding region. The response has grown from £2 million allocated in 2011-12 and £75 million in 2013-14, to a further £250 million to £300 million allocated each year since. Just under half of this funding has been allocated to meet needs within Syria.

The Syria Programme Hub has prioritised a multi-sectoral package of assistance that seeks to reduce the suffering of vulnerable people affected by the conflict and to build an environment that enables an effective response. Access to Syria itself is severely curtailed and the team manages its programming remotely from Lebanon, Jordan and London.

The Department also has a team that manages the non-humanitarian side of the Syria crisis, focusing on policy and strategy, and managing cross-governmental Conflict, Stability and Security Fund programmes.

What we looked at

Key elements of the Department's humanitarian programming include:

● delivering its programme through a range of its established partners, for example, UN agencies, international non-governmental organisations and the Red Cross movement. Within Syria, the Department supports partners that work both from Damascus and cross-border. Cross-border operations have been scaled up as the crisis has persisted and the security situation deteriorated. They now represent over half of the support within Syria;

● prioritising its programmes aimed at protecting and assisting the most vulnerable, including children and victims of violence. The Department has provided significant food, shelter, protection and health support, delivering 20 million food rations alone; and

Case study 2 *continued*
Syria and Lebanon

- supporting the building of the resilience of the population by improving the availability of basic services and by providing livelihood support.

Key issues for this report

The Department initially funded over 30 delivery partners through 2 umbrella business cases that covered all of the partners it was funding to respond to the crisis. Doing so brought efficiencies early on in the crisis when the Department had limited resources to manage the large programme. But as the response grew, this meant 78 individual grants that had to be managed across 5 countries. The Department has now moved to 25 individual agency business cases to provide stronger accountability and transparency, and ease the management burden on both the partner and the Department.

The Department uses its quarterly reporting to identify poor performing partners and then puts them on a Project Improvement Plan as a pre-emptive measure. Results compacts have been used for 2 non-governmental organisations and support was discontinued for two non-performing partners.

Lebanon

Nature of crisis

Refugee crisis – Protracted and complex

Lebanon has received over 1.2 million refugees from Syria. This is the second highest refugee caseload in the world and highest relative to the host country's population (Lebanon had a population of 4.3 million people before the crises). In a country half the size of Wales, the economic and social implications of a large refugee caseload are significant. In addition, 1.5 million Lebanese are estimated by the UN to be vulnerable and in need of international humanitarian assistance.

The security environment is increasingly challenging with large areas prone to the spill-over of conflict from Syria and targeting by extremist groups. Additionally, the tension between the government and Lebanese population, and the refugees, remains high. It has yet to turn violent.

Nature of the Department's response

As at November 2015, the Department had allocated around £300 million to Lebanon as part of its response to the Syria crisis. This funding covers a broad country plan that, in addition to the principal humanitarian component, aims to promote stability through reinforcing and strengthening government services and programmes and restoring livelihoods.

The management of the response in Lebanon has evolved as the pressures and programme have increased. Initially, it was managed by the Syria teams in London. The Department's country footprint, however, has grown with first a Lebanon team based in London supported by advisers deployed in-country in 2012, to a full Departmental team in Lebanon since 2014 which manages the humanitarian programming, alongside the Syria Programme Hub in London.

The Department has developed and formalised its risk management system.

- It has a high appetite for operational risk, but has put a number of controls in place to mitigate the risk from its inability to review programmes within Syria. For example, it has produced a results database collating results from across all its partners; carried out an independent assessment of cross border partners' monitoring and evaluation systems; and begun to contract for third party monitoring.

- It has a low appetite for fiduciary risk, particularly fraud and corruption. Mitigating controls include: developing context-specific guidance on aid diversion that requires partners to report all suspicions and instances of fraud and corruption; and carrying out due diligence on all partners, including developing an additional section on cash transfers, and reviewing partners due diligence process for their downstream partners.

A joint Lebanon-Jordan team remains based in London and engages on cross-Whitehall policy and strategy, and Conflict, Security and Stability Fund programmes.

What we looked at

The Department's humanitarian programming is delivered through 15 humanitarian organisations in Lebanon: 6 UN agencies, 8 international non-governmental organisations and the Red Cross movement. The humanitarian programmes that seek to meet the immediate needs of refugees and vulnerable Lebanese focus in the first instance on food assistance and shelter, followed by education, livelihoods, protection, health and water and sanitation.

In light of the international community's funding shortages and the Department's aspiration to respond more effectively, it has been working with partners such as CARE and Save the Children to move some of its funding from in-kind assistance to cash transfers. Cash transfers allow households to determine themselves how resources are best allocated across their needs.

The Department's portfolio also includes:

- the Lebanon Municipal Service Programme which focuses on supporting host municipalities in the poorer parts of Lebanon to manage the impact of hosting Syrian refugees to provide basic services to their communities. It is delivered through the United Nations Development Programme in partnership with the Lebanese government, and has been extended from its initial £5 million funding from 2014-15 to £9 million in 2015-16; and

- an £80 million education package spanning 5 years, which supports the Government of Lebanon's provision of education to Syrian and vulnerable Lebanese children.

Case study 2 *continued*
Syria and Lebanon

Key issues for this report

The Department has looked to work closely with the Foreign & Commonwealth Office and capitalise on existing diplomatic relationships in discussions with the Government of Lebanon on humanitarian and stabilisation issues. UN agencies have commended the Department's ability to combine its humanitarian work with the political side of the UK embassy.

When setting up a country presence in Lebanon, the Department experienced some difficulties in ensuring the necessary practical items were available to support an effective response, such as printers. It also experienced the difficulties of staffing the team with the necessary experience at a rapid speed. It took 9 months from agreeing to appoint a deputy head of office to the right person being in place.

The Department is considering how it can move away from the traditional response model of multi-sectoral support to refugees. Due to operating in a middle-income country, the cost of intervention is greater than that incurred in previous crises, and food packages cannot be sustained. Cash transfers are an important component of the transformative agenda.

UN agencies in Lebanon have welcomed the Department's recent move to providing un-earmarked funding which allows them to plan for the future and respond flexibly to sudden spikes or gaps across their response portfolio.

Case study 3
Ebola crisis in Sierra Leone

- Capital city
- Ebola treatment centre

Sierra Leone

Nature of crisis

Complex health emergency

Sierra Leone has been one of the worst affected countries of the 5-country wide West African Ebola virus epidemic. While the Ebola epidemic dates back to December 2013 in Guinea, it spread to Sierra Leone in spring 2014. The number of cases grew exponentially over the summer and peaked late in 2014. The World Health Organization reports that there have been 3,955 deaths and 14,122 cases as of January 2016.

During the second half of 2014 when the epidemic's transmission rate was continuing to increase, there were serious concerns about the risk of spread both inside and outside the region, including to the UK.

Case study 3 *continued*
Ebola crisis in Sierra Leone

Nature of the Department's response

The UK has led the international response in Sierra Leone through committing a £427 million package of direct support to help contain, control, treat and ultimately defeat Ebola. This package also covers a range of short-term activities to help rebuild society following the social and economic damage caused by Ebola.

The first tranche of funding to fight Ebola was £5 million in July 2014, followed by £100 million in September 2014. Since then, funding has been announced at frequent intervals.

The Department's Ebola funding package is jointly managed by the Ebola Crisis Unit. This Unit was based primarily in London, and also with the existing country team, DFID Sierra Leone.

What we looked at

Key aspects of the Department's UK response package include:

● setting up a Joint Inter-Agency Task Force comprised of the Department, the Ministry of Defence, and Foreign & Commonwealth Office to provide the logistical platform needed for the large response. The task force worked with the Government of Sierra Leone;

● constructing and staffing 6 treatment centres, including Kerry Town, which supported 700 treatment beds;

● establishing the equivalent of 220 Community Care Centres;

● designing and building a country-wide laboratory and supply chain network to sustain all UK health facilities throughout the response;

● building, running and staffing 3 new laboratories to speed up diagnosis of the disease;

● supporting prevention and infection control services such as social mobilisation, contract tracing and safe burial services to reduce the number of people needing treatment; and

● preparing the wider region, focusing on Ghana and Nigeria, for any potential spread of the epidemic.

The department used a wide mix of modalities and partners to deliver its priority initiatives: the Ministry of Defence's personnel and assets; the Department's own staff and direct procurement of goods and services such as constructors; NHS personnel; UN agencies; the Red Cross movement; non-governmental organisations, such as Save the Children; and the Government of Sierra Leone.

Key issues for this report

The Department worked closely across other government departments, and in particular with the Ministry of Defence. Both the Department and the Ministry of Defence told us it was a successful military-civilian relationship. This was in part due to the commitment of both Secretaries of State; the strong existing presence of the military in Sierra Leone; and the hard work on the ground of the military commander and the Department's staff.

The international system had limited capacity to respond to the epidemic. The Department's response was unique in that it was involved in direct delivery on a large scale.

The Department surged over 252 personnel to support its response. It experienced difficulties getting all the right skills available at high speed. Although likely to be significant, the Department has not assessed the impact on other parts of its business from moving staff from their teams at short notice.

The Department completed an extensive and collaborative lesson learning exercise, from which it is taking forward a number of key actions to improve its ability to respond to a complex crisis at scale and speed.

Case study 4
Earthquake in Nepal

● Capital city
● Earthquake epicentre
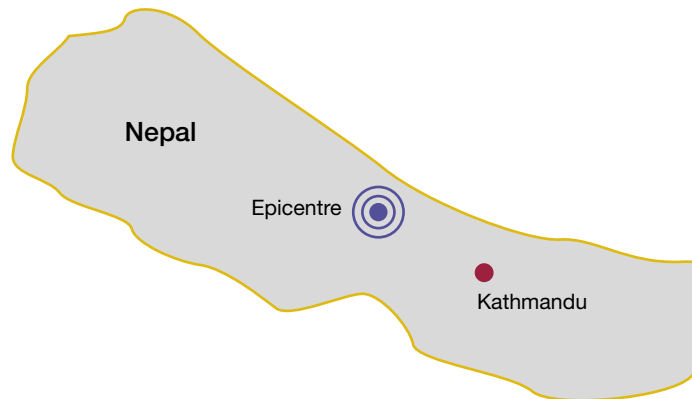
Nepal

Nature of crisis

Sudden-onset emergency

On 25 April 2015, Nepal was hit by an earthquake measuring 7.8 on the Richter Scale, around 80 kilometres to the northwest of Kathmandu. A second earthquake hit in May 2015 (Richter Scale 7.3). Together, these have led to over 9,000 deaths and 17,000 injuries.

The Department has a country office in Nepal, with responsibilities for a range of interventions such as support to the Nepalese health sector and to its local government structures. It also managed a project that looked to build resilience to earthquakes by, for example, training government and other workers and communities in how to prepare for an earthquake.

Nature of the Department's response

The threat of an earthquake in Nepal was well known in the country as well as across government departments in the United Kingdom. The Department funded a project in Nepal that looked to build resilience to an earthquake. It also carried out scenario planning exercises with the Nepalese government and other UK government departments to test its response.

Following the first earthquake, the United Kingdom launched an immediate response, led by the Department and involving the Foreign and Commonwealth Office and the Ministry of Defence. The Department in London was notified of the earthquake within 20 minutes of it occurring and activated its protocols to establish an operations room in London.

On the same day as the earthquake, the Department received approval for initial spending of up to £10 million, which the Department allocated as needs on the ground became apparent.

A field team was deployed to assist with the assessment of need. On 29 April 2015, a further funding package of £30 million was approved as the Department's assessment of need on the ground became more certain. In May 2015, the Department announced funding of £40 million to extend the Department's existing programmes in Nepal to areas affected by the earthquake.

The Department used its Rapid Response Facility to commit funding to pre-approved partners within 72 hours of the first earthquake to enable them to take action.

The Department asked for and used 2 military aircraft from the Ministry of Defence. Ministers decided that 3 military helicopters should also be deployed to provide additional support given their assessment of need and the importance they placed on getting support to Nepal quickly. The government was unable to get the necessary clearances for the military helicopters to land in Nepal and they were diverted to India, where they could not aid the relief effort. The total marginal cost to the Ministry of Defence for its support was £3.9 million, of which £3 million was for the military helicopters. The Department's budget will be decreased by £3.9 million and the Ministry of Defence's increased by the same amount.

The Foreign & Commonwealth Office coordinated support to affected British nationals and other eligible individuals.

The Department worked with a number of partners in responding to the earthquake. For example, Mercy Corps, CARE International, Save the Children, Oxfam, and the International Organisation for Migration.

What we looked at

We looked at key elements of the Department's response including:

● its plans for responding to an earthquake;

● its procedures for supporting a rapid response; and

● its work with other government departments.

Key issues for this report

The Department had a project in place that looked to strengthen Nepal's resilience to earthquakes.

The Department, along with others, used scenario planning to test its response to an earthquake.

The Department's systems supported a rapid response to the earthquake.

The UK government was not able to secure the clearances needed to land military helicopters in Nepal.

Case study 5
Yemen

● Capital city

Yemen

Nature of crisis

Protracted and complex

Even before the current crisis, Yemen had the highest poverty levels in the Middle East. Of its population of approximately 26 million, almost 50% live on less than $2 a day. Its economy is poorly managed and dependent on declining oil reserves, with high levels of unemployment. It also faces food and water insecurity. The UN estimates that 21 million Yemenis – 81% of the population – need humanitarian assistance in some form.

Government forces had been in conflict with the Houthi movement for many years. In September 2014, the Houthis staged a takeover of Sana'a, Yemen's capital. In early 2015, the Houthis consolidated their control of the north. In March 2015, at the request of the Government of Yemen, a Saudi-led coalition started military action against the Houthis. The ongoing conflict has impacted on the ability to distribute food, fuel and humanitarian relief. In July 2015, the United Nations declared the crisis in Yemen a level 3 emergency – the most severe, large scale and complex crisis.

Nature of the Department's response

The Department has been working in Yemen for over 15 years. The Department's programmes in Yemen have been managed from multiple locations: in the period from September 2010 to February 2015, from the capital Sana'a and London; and since April 2015, from London, Saudi Arabia and Jordan.[1]

Between April 2011 and March 2015, the Department planned to spend £250 million across 12 programmes covering: humanitarian interventions, assistance focused on poverty, hunger and vulnerability; support for economic growth and wealth creation; and improvements to governance. The Department has targets for a number of its programmes – for example, increasing the number of people in receipt of emergency food assistance and basic health care; and increasing the number of people who vote in elections, and the numbers who have access to finance. The Department tracks progress using an independent monitoring programme, reflecting the difficult operating environment in the Yemen.

Against the backdrop of the operating environment, the Department reviewed its objectives and programme for Yemen. The review led the Department to maintain its existing humanitarian and jobs programmes but to halt its programmes to support institutions, governance and economic reform. The Department also decided to put on hold new programmes (supporting adolescent girls and increasing tax revenues). The Department considered a number of risks such as legitimising the Houthis; the chances of the Department's funds being mis-appropriated; and the security of its local staff.

Case study 5 *continued*
Yemen

The Department works with a range of partners. For example, Oxfam, Save The Children, the International Organization for Migration, CARE and OCHA implement the Department's programme to improve food security and increase community resilience to shocks by providing food assistance, safe water, emergency livelihoods support, shelter, and protections services. UNICEF is responsible for the Department's programme to treat severe malnutrition. The British Council runs the Department's independent monitoring programme.

Key issues for this report

The Department was looking to deliver a range of impacts in Yemen, which was a high risk environment before the current conflict occurred.

The Department has adapted its programmes to take account of changing circumstances in Yemen. Its decisions were informed by a consideration of risk.

The Department uses third party monitoring to support its assessment of progress.

The Department worked with the Foreign & Commonwealth Office to help influence the international community.

Note

1   In February 2015, the Department left Sana'a (the United Kingdom embassy was also closed) as the conflict had worsened. In March 2015, it considered what new arrangements it would need to run its programmes.