Multilateral Aid Review: Assessment of ECHO

Summary			
Organisation:	**EC - ECHO**	Date:	February 2011

Description of Organisation

ECHO is the humanitarian arm of the European Commission. Established in 1992, it spent around €900m in 2009 on humanitarian aid through its network of 200 partners such as the Red Cross, NGOs and UN agencies. In channelling funds through others, ECHO acts as a donor on behalf of the EU (it is the second biggest in the world).

ECHO acts independently within the Commission and it has a field presence in fragile states and regions in crisis independent from Delegations. ECHO abides by humanitarian principles of neutrality and impartiality laid down in the Lisbon Treaty and the Consensus on Humanitarian Aid.

As a large funder, ECHO makes a significant contribution to humanitarian outcomes. Country-level information on ECHO is broadly positive and there is consistent praise for its technical expertise. The OECD/DAC praises ECHO's approach to the Framework Partnership Agreements that pre-certify partners.

The EDF and the other Commission budget instruments have been reviewed separately. As the Commission implements the EDF, ECHO and the budget instruments, components 4, 6, 8 and 9 are similar across the three reviews.

Use of acronyms: the review refers to the European Union (EU) where it talks about shared development and humanitarian work and policies with the Member States; the Commission where the context is on its work as donor and implementer, and ECHO where the review specifically refers to humanitarian aid. Even though the budget is formally the 'EU budget implemented by the European Commission', in the MAR review we refer to it as the 'Commission budget'. 'Budget instruments' stands for 'Commission budget development instruments', which for the review exclude the EDF and ECHO.

Contribution to UK Development Objectives	**Score (1-4)**
1a. Critical Role in Meeting International Objectives + ECHO is crucial is disbursing EU funds quickly in emergency situations + Increasing funds for Disaster Risk Reduction (DRR) and advocates strongly for the protection of humanitarian space and other International Humanitarian Law (IHL) issues + Field presence across the world (EU is second largest donor), composed of highly respected technical experts = ECHO's position as the second largest donor and its highly respected field presence across the world justifies a score of 4.	**Strong (4)**

1b. Critical Role in Meeting UK Aid Objectives + ECHO directly contributes to pillars 2, 3 and 4 (as a humanitarian agency its work is not focused on wealth creation) + ECHO's work delivering and continually improving humanitarian aid is highly relevant and congruent with DFID's priorities in terms of the Millennium Development Goals (MDGs). + ECHO also has a strong interest in governance and security issues and climate change adaptation. = ECHO's work is based around similar priorities to the UK and it directly contributes to the majority of DFID's 4 pillars.	**Strong (4)**
2. Attention to Cross-cutting Issues: **2a. Fragile Contexts** + Strong mandate, policy framework and guidelines for dealing with fragile and conflict sensitive situations. + Procedures in place for ensuring fast response and flexibility. - The uneven availability of relevant skills in EU Delegations and conflicting EU policies can sometimes hamper ECHO's ability to work effectively in fragile contexts. = ECHO works in fragile contexts on a regular basis and has strong policies and guidelines in place to guide its actions but it is sometimes hindered by wider EU policies and capacity. **2b. Gender Equality** + European Consensus on Humanitarian Aid has mainstreamed gender dimension as have other emerging policies and guidelines, such as the Humanitarian Food Assistance policy. + ECHO committed to strengthening gender policies and recommendations from 2009 review now being implemented. Strategy to tackle gender based violence a priority for 2011. - Although gender issues are already a key consideration in project design, ECHO could do more to ensure they are fully implemented by partners across all cultural contexts. - 2010-15 Gender Equality Action Plan commits the Commission to ambitious development targets, but impact not yet known. - No systematic disaggregation of data according to gender. = Although ECHO has several policies and strategies with regard to gender equality these are not yet successfully embedded in operational practice and we would want to see more evidence of impact once embedded. **2c. Climate Change and Environmental Sustainability**	 **Satisfactory (3)** **Weak (2)** **Weak (2)**

+ Strong Commission policy framework for addressing and prioritising climate change and sustainable development. A strategy to set and monitor specific objectives will be developed in 2011, although this is beyond the scope of ECHO + Leading programme on Disaster Risk Reduction, and growing success in mainstreaming this across humanitarian response. - No systematic environmental impact assessments for humanitarian interventions, though there is work ongoing on the humanitarian impact of climate change, and projects are increasingly incorporating do no harm perspectives that cover environmental impact. - No thematic evaluation of environmental impact, nor environmental element of country level evaluations = Although there is an EC policy framework for addressing climate change and ECHO is expanding its work on DRR, there is no formal system in place for assessing the environmental impact of ECHO's activities.	
3. Focus on Poor Countries[1] + ECHO is active in all those countries with the greatest humanitarian need and spends a sizable proportion of its budget in these contexts.	**Strong (4)**
4. Contribution to Results + ECHO has been praised by NGOs and countries alike for the wealth of expertise and advice provided by its technical experts + Clear strategy through the European Consensus on Humanitarian Aid and subsequent annual action plans and strategies + Strong evaluation programme – mainly fixed in advance, but does allow for changes - Duplication and lack of coherence in some aspects of management and planning when operating on the ground, such as decision-making authority. = A clear strategy, strong evaluation programme and consistently high praise for ECHO's work on the ground merits a 4 for this area.	**Strong (4)**
Organisational Strengths	**Score (1-4)**
5. Strategic & Performance Management + Clearly articulated mandate, annual strategy and reporting system on outcome/impact in place and transparent HR policies, based on merit	**Weak (2)**

[1] Humanitarian agencies have been assessed according to their focus on countries with the greatest humanitarian need

+ Strong evaluation programme – mainly fixed in advance, but does allow for changes - Continued weak link between humanitarian interventions and longer-term development - The External Action Service (EAS) is likely to make LRRD (Linking Relief, Recovery and Development) work even more difficult by introducing an additional organisation with independent management and leadership. = Although ECHO has a clearly articulated mandate with strong reporting and evaluation, it is not doing enough to improve the link between humanitarian aid and development, and it is not yet certain what impact the EAS will have on ECHO's work.	
6. Financial Resources Management + Funding allocations validated by transparent Global Needs Assessments. New tools for more disaggregated needs-based resource allocation under development in some sectors. + Procedures in place to react quickly to new emergencies (72 hours) + Established and strong financial accountability - Full range of mechanisms to respond quickly to crises, but slower approval processes for regular budget instruments and EDF can result in a disconnect between humanitarian aid and longer-term reconstruction (this issue lies mainly on the Development side) = ECHO manages its finances well and can allocate funding quickly, based on needs assessments. However, the process for regular budget instruments is very slow and is preventing ECHO from making a stronger connection between humanitarian aid and reconstruction/ development.	**Satisfactory (3)**
7. Cost and Value Consciousness + Sweeping reforms ten years ago make the Commission work as one organisation: programming, peer reviews, planning, procurement, independent implementation monitoring and evaluation are the same across the board. + Special conditions for ECHO ensure quick delivery. + ECHO administration costs are lower than the Commission average at 3% - High level push for VfM but not yet an overarching narrative - Strict financial management procedures can delay swift action by partners because over-burdensome practices push partners in wrong direction of bureaucracy instead of focus on swift action = ECHO is cost effective, with low admin costs and joint working with the rest of the EU to ensure efficiency. VfM is not yet an overarching narrative however, and some	**Satisfactory (3)**

financial management procedures can push partners towards greater bureaucracy.	
8. Partnership Behaviour + ECHO works to try and improve the coordination of donors and partners on the ground + Relations between ECHO and its partners governed by Framework Partnership Agreements (FPA), which define roles and responsibilities for both parties + Strong investments in partner training - Current reporting system is detailed and burdensome for partners, but ECHO is considering a lighter process = As a donor, ECHO works with a wide range of partners and the FPA clearly defines this relationship. ECHO have been criticised for a burdensome reporting process, but they are working on reducing this.	**Satisfactory (3)**
9. Transparency and Accountability + Full disclosure policy based on justifiable list of exemptions + The QuODA (Quality of Official Development Assistance) report ranks the Commission as the second highest on transparency of 32 donors + Full disclosure policy based on justifiable list of exemptions + Commission signed up to IATI (International Aid Transparency Initiative) - Limited partner country involvement in ECHO governance = ECHO is highly transparent and accountable to donors but there is very little partner country involvement in its governance.	**Satisfactory (3)**
Likelihood of Positive Change	**Score (1-4)**
10. Likelihood of Positive Change + The Commission has a track-record of capacity for change. + The Commission scores well against most DAC Paris aid effectiveness indicators + Lisbon Treaty, External Action Service and Commission Budget negotiations (2014-2020) offer scope for reforms. + ECHO and EU civil protection have recently been put under the management of a single Commissioner. This may improve coherence - The impact of the EAS and Lisbon Treaty on day-to-day management of ECHO and how ECHO operations will interact with DG Development and the EAS is as yet unclear = ECHO is a learning organisation and has a track record on delivering reforms. The Lisbon Treaty, EAS and the merger of ECHO with EU civil protection all offer opportunities for reform, but may also provide some challenges.	**Likely (3)**