



## Helpdesk Research Report

# Humanitarian response in middle-income countries

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## Question

*What evidence, lessons and best practice have emerged from previous humanitarian responses in middle income countries (MICS) that may be of particular relevance to ongoing responses across MENA?*

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## 1. Overview

In 2015, driven by the conflict in Syria, the largest amount of displaced people are now found in middle income countries (GHA, 2015, p. 11)<sup>1</sup>. The humanitarian system has mainly focused on responding to disasters in low income countries, while middle income countries present a number of different challenges for humanitarian response. This rapid literature review looks at evidence, lessons and best practice that have emerged from previous humanitarian responses in middle income countries that may be of particular relevance to ongoing responses to the Syrian refugee crisis in the Middle East and North Africa (MENA) region. Humanitarian responses in middle income countries have included responding to natural disasters, refugee crises, conflict, and internally displaced persons.

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<sup>1</sup> Middle income countries are defined as those with a gross national income (GNI) per capita of USD 1046-12745 in 2013. This is subdivided into two, with countries with a GNI per capita of USD 1046 - 4125 called lower middle income countries and GNI per capita of USD 4126 - 12745 called upper middle income countries (Scott, 2015, p. 26).

The literature uncovered by this rapid review indicates that there is very little evidence available about the way in which humanitarian response is carried out in middle income countries in comparison to low income contexts (or an amalgamation of the two). Where there have been evaluations of humanitarian response in middle income countries, they have not really focused on transferable lessons or best practice for similar situations. The majority of available literature is grey literature from humanitarian organisations, some of it focusing on the humanitarian sector more generally, and some focusing on specific responses. A number of independent evaluations were carried out but many evaluations are internal. Some of the literature focuses on emerging lessons from the current response to the Syrian refugee crisis. The literature considered in this review was largely gender-blind.

Evidence, best practice and lessons emerging from the available literature for humanitarian response in middle income countries include:

- Middle income countries generally have **national capacity to lead the humanitarian response**, and international humanitarian efforts should collaborate with these national systems and be carried out in partnership with the national government and civil society organisations. However, progress still needs to be made as international actors sometimes struggle to partner effectively with national organisations and have ended up setting up parallel systems.
- Responding to humanitarian crisis in middle income countries has a **higher financial cost** as they are more expensive locations than many low income contexts.
- The **current humanitarian financing system does not provide enough support for middle income countries** and the funds available to them are ill-suited to crisis response. As a result there are calls to make financing for refugees in middle income countries eligible for grants and concessional loans by reclassifying the eligibility criteria of the World Bank's International Development Association (IDA) to follow the people in need and not the income levels per capita of the countries, for instance.
- In middle income countries, the needs of those affected by crisis often intersect with the needs of other vulnerable communities. As a result, **humanitarian response in middle income countries should work together with development efforts**. This will involve responding to the needs of refugees/affected populations and host communities and supporting existing services.
- **Cash-based assistance may be more appropriate** than in-kind assistance, especially in highly monetised economies. In some crises in middle income countries, cash transfer distributions have been linked to existing social protection systems.
- The **private sector could be supported to be more involved** in humanitarian response in order to take advantage of private capital for humanitarian response and potentially help make humanitarian response quicker, bigger and more effective.
- Previous experience suggests avoiding camp based solutions and proactively reaching out to urban refugees.
- Planning and assessment should be flexible and quick to ensure activities remain relevant.

## 2. Middle income countries' capacity for humanitarian response

### Some middle income countries have good capacity to respond to crises<sup>2</sup>

Middle income countries tend to have greater national capacities to respond to humanitarian crises than low income countries and can provide more domestic contributions to crisis response (GHA, 2015, p. 46). The Turkish government leads the management and financing of the Syrian refugee response in the country, for example (GHA, 2015, p. 38). It has been spending considerable sums of money hosting them (USD 1.6 billion in 2013) and as a result the amount of international humanitarian assistance required is much less than it would otherwise have been (in 2013 it received the equivalent to 12 per cent of its domestic contribution) (GHA, 2015, p. 38-39).

Mexico, for instance, has invested at least USD 3.3 billion in disaster response as part of a comprehensive disaster-management approach (GHA, 2015, p. 46). As a result it has required very little international assistance (GHA, 2015, p. 48). In addition it has set up other financing mechanisms to protect against and respond to disaster loss, including additional funding from national budget surpluses from oil revenues; insurance schemes; and reconstructions funds for co-financing (GHA, 2015, p. 48).

As a result of the improvement in middle income countries' capacity to deal with emergencies, the European Commission (2015, p. 7) suggests their increasing role in responding to crisis in their countries needs to be recognised more clearly in the way international responses are designed, coordinated and implemented.

### Models of humanitarian response in middle income countries

#### *Complementary/collaborative model*

In newly emerging middle and low-middle income countries where there is already some capacity and resources for domestic response, and where national and local actors may be unwilling to hand over leadership wholesale to international actors, humanitarian response is typically complementary/collaborative with the national response (Poole, 2015, p. 17; Ramalingam and Mitchell, 2014, p. 30). Here the role of international response 'should be to support, enhance and work alongside these existing domestic response capacities' (Ramalingam and Mitchell, 2014, p. 30). However there are still major tensions among international agencies about relinquishing control of the humanitarian delivery system (Ramalingam and Mitchell, 2014, p. 31). For example, in the Philippines, local and national NGOs were highly critical of international humanitarian agencies for being unwilling to work as equal partners in the response to Typhoon Haiyan in 2013 despite the strong national disaster management capabilities (Ramalingam and Mitchell, 2014, p. 31).

A suggestion from the OECD *Making Humanitarian Fit For The Future* report for how humanitarian response could be adapted for middle income countries is adopting a phased approach: ensuring critical needs are met through parallel actions to the national system in the early stages of a crisis, and evolving into programmes that work increasingly in line with country priorities, and on strengthening and working through country systems, perhaps starting with social protection schemes (Scott, 2015, p. 14).

#### *Consultative model*

In established middle income countries, where the national government and civil society typically have sufficient capacity to respond to large-scale disasters but where international humanitarian assistance may

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<sup>2</sup> See Colombia, Ukraine, Indonesia, and Philippines case studies below for further examples.

be requested to meet specific gaps and niches, humanitarian response is typically consultative (Poole, 2015, p. 17; Ramalingam and Mitchell, 2014, p. 32). In this case, the international responses must be carefully aligned with domestic requests, systems and capacities (Poole, 2015, p. 17).

An evaluation looking at the consultative model suggested that humanitarian organisations should consider factors such as:

- The availability of technology and skilled populations which offers opportunities to build on community-level capabilities and active facilitation of citizen-led responses that can have considerable benefits in the immediate response phase;
- the role of the private sector, which can be important to immediate response and long-term recovery;
- the typical quality standards such as the Sphere Standards which are often not relevant in these contexts and aligning responses closely with domestic accountability structures, social norms and cultural expectations (Ramalingam and Mitchell, 2014, p. 33).

Based on MSF's experience in Syria, Whittall (2014, p. 4) indicates that humanitarian response in middle income countries can be complicated in relation to how they can navigate in a context where an official humanitarian response remains confined by assertions of sovereignty by the state and where the leverage of humanitarian actors – which exists primarily in the form of what services they can offer – is weakened due to the well-established social service delivery capacities of middle income countries. Nevertheless, these well-established systems can be weakened by the crisis and require external support.

### **Role of civil society: potential partners**

Middle income countries often have strong civil societies, active in responding to emergencies. Ukraine, for instance, has a strong and active civil society, and the majority of humanitarian assistance has been provided by host communities, local civil society organisations and national NGOs (Ukraine Humanitarian Country Team, 2015, p. 7). In Colombia, civil society played an important role in substituting for the state when necessary in humanitarian response and holding the government accountable for its actions (Wong, 2008, p. 27). As a result, the scope for partnership with national NGOs and civil society organisations would appear to be considerable in middle-income countries (Crisp et al, 2009, p. 57).

However, UNHCR found that this scope for partnership was not the case in the Iraqi refugee context (Crisp et al, 2009, p. 57). Jordan had a number of charitable foundations, but at the time of the influx they were preoccupied with national development priorities, and initially did not extend their services to the new arrivals from Iraq (Crisp et al, 2009, p. 47). In Syria, the legal framework placed restrictions on national NGO engagement in refugee protection and assistance activities (Crisp et al, 2009, p. 47).

### **Colombia case study**

Colombia is an upper middle income country with a very large internally displaced population (GHA, 2015, p. 62). The country has relatively strong levels of governance and institutional capacity and several specialised institutions have been set up to respond to emergencies caused by conflict or by natural hazards at the national level, such as the Unit for the Attention and Integral Reparation to Victims and the National Unit for Disasters Risk Management (GHA, 2015, p. 62-63). However, its large-scale humanitarian crisis has required international assistance and the conflict has caused corruption and weakened the state in many parts of the country (Wong, 2008, p. 5). The government's response has been criticised for sometimes being inefficient and inadequate in certain parts of the country (Wong, 2008, p. 23). In addition, the

government is a party to the conflict which raises questions about how non-state actors can uphold the principle of neutrality while working with it (Wong, 2008, p. 5).

Establishing an effective relationship with the affected state of a middle-income country is challenging as traditional packages of humanitarian assistance that substitute for the government were not applicable in Colombia because it has both the operational central institutions and resources to deliver assistance (Wong, 2008, p. 19). In addition to the need to respond to the magnitude of the IDP problem in Colombia, Wong (Wong, 2008) suggests that the fact that the government is a party to the conflict required the presence of independent and neutral humanitarian actors. As a result the international community mainly responded from a human rights and advocacy angle (Wong, 2008, p. 19). This was independently assessed to be important not only in service provision, but also in providing a monitoring function and to promote greater levels of protection for the affected population (Wong, 2008, p. 19). However, the human rights focus sometimes strained the relationship between government and international actors and detracted attention from addressing the underlying issues that contributed to the humanitarian crisis in the first place (Wong, 2008, p. 19). In addition, many actors still delivered standard humanitarian assistance packages intended for fragile states, often circumventing the government system and creating parallel structures (Wong, 2008, p. 26).

Donors needed to perform a careful balancing act between putting enough pressure on the Colombian government to adequately respond to human rights abuses, while also allowing it to make its own decisions on how to solve its problem (Wong, 2008, p. 19). Donors have tended towards supporting the government in responding to IDPs, with international initiatives being supplemental and complementary to government action and avoiding direct criticism of the government (Wong, 2008, p. 19). The significant financial and military support from the United States gave them significant influence on Colombia's internal politics and as a result there was a focus on security as a prerequisite to development (Wong, 2008, p. 19). The planning horizons of donors also led them to focus on short-term activities (Wong, 2008, p. 19). International humanitarian organisations tended to focus their efforts on areas where the government was not focused or was considered to be weak – rural areas and at the local level (Wong, 2008, p.19-20). However, the programmes only reached a small proportion of those affected (Wong, 2008, p. 20). In order to maintain their ability to provide services, humanitarian agencies avoided direct confrontation with the government (Wong, 2008, p. 20). The international community has had a mixed relationship with the Government of Colombia, and early efforts to unify humanitarian efforts were assessed to be ineffective and non-inclusive, not looking at coordinating with the government (Wong, 2008, p. 20). However, over time coordination improved (Wong, 2008, p. 22). However, an assessment carried out in 2008, found that the international community's uneven approach resulted in many gaps in the humanitarian response, especially in relation to IDPs (Wong, 2008, p. 26).

Wong (2008, p. 26) suggested that these gaps needed to be overcome through sustained and concerted response by both the Colombian government and international humanitarian actors. A focus on strengthening regional and local government capacity and focusing on long term solutions were also flagged (Wong, 2008, p. 27).

## **Ukraine case study**

Ukraine is a lower middle income country which has recently experienced conflict which led to the internal displacement of more than 1.4 million people and which contributed to the contraction of the economy and strain on its public finances (Truhlarova, 2015, p. 3). As Ukraine has national and local capacity for emergency response in place, the humanitarian community decided to prioritise only the most vulnerable populations living mainly in eastern Ukraine whose safety nets and coping mechanisms have eroded,

complementing local response in areas where capacities may be insufficient (Ukraine Humanitarian Country Team, 2015, p. 7). Government capacity has been limited by bureaucratic challenges, economic crisis and the political and military turmoil of the conflict itself; while in areas outside government control, the capacity of the de facto authorities is weak (Ukraine Humanitarian Country Team, 2015, p. 7).

The response is being coordinated by seven technical sectors, with high-level support and engagement from the Government of Ukraine and positive relationships with key line ministries and their representatives and a potential network of partnership opportunities for international organisations in the multitude of civil society organisations and NGOs responding to the crisis (Ukraine Humanitarian Country Team, 2014, p. 7). The fact that Ukraine is a middle income country with sufficient resources to address some of the needs of affected people should be factored in when identifying strategic objectives (Ukraine Humanitarian Country Team, 2015, p. 38). Some activities planned include community based rehabilitation of critical sectoral infrastructure facilities (water, electricity), which the Ukraine Humanitarian Country Team (2014, p. 34-35) feels holds the promise of improving the lives of a significant number of people, as well as the engagement of the affected population and sustainable results over time.

## **Indonesia case study**

Analysis of Indonesia's experience with international humanitarian response in the wake of the Indian Ocean tsunami, was critical of how some international actors ignored local capacities and structures of authority (Harvey, 2009, p. 28). The Indonesian government has the capacity to play an effective coordinating and operational role, both at national and local level (Harvey, 2009, p. 34). However, because this capacity was neither consistent nor reliable, Harvey (2009, p. 34) suggests that in middle income countries, agencies should carefully assess government capacity in advance of crises and develop strategies to build government capacity to coordinate and respond; work in line with government priorities and approaches; and substitute or complement government capacity where there are gaps or weaknesses.

## **The Philippines case study**

The Philippines, a middle income country with strong national capacities and a well-developed disaster management system, was struck by Typhoon Haiyan in 2013 (Carden and Clements, 2015, p. 3). The government led-humanitarian clusters led and oversaw coordination of the response, with the support of international actors, and long-standing relationships meant that coordination was felt to be strong from the outset (Carden and Clements, 2015, p. 3). However, communication between the international humanitarian system and the national Philippines response framework was a challenge, particularly around strategic planning and how long humanitarian action should be pursued before giving way to recovery (Carden and Clements, 2015, p. 3). In addition, despite existing capacity, local and national humanitarian actors were undermined by the international response which had far greater access to funding and better logistics capacity, enabling them to work at significant scale (Street, 2015, p. 25-26; Walter et al, 2015, p. 7). In some cases, local and national humanitarian actors were also hard hit by Haiyan, losing staff, family members, assets and infrastructure (Street, 2015, p. 26). As a result, the response was largely internationally led, coordinated and implemented and in many cases, international NGOs de-prioritised partnerships with local humanitarian organisations (Street, 2015, p. 26).

In a middle-income context such as the Philippines, humanitarian response needs to engage actively with local government systems in order to ensure accountability is sustained throughout, and after the response has closed down activities (Walter et al, 2015, p. 37).

It was felt that greater investments are needed to support Filipino civil society and national and local government systems to build their capacity and increase preparedness for future emergencies (Street, 2015, p. 26). Street (2015, p. 26) also recommends that donors need to ensure that timely funds are available directly to national organisations, both government and non-government, to enable them to respond at greater scale. An evaluation by Walter et al (2015, p. 29) also found that it was inappropriate to send personnel used to working in failed states to middle-income disaster contexts such as the Philippines, as sometimes these international surge personnel did not seek to understand local systems or capacity and instead simply bypassed them (Walter et al, 2015, p. 29). The evaluation also pointed out that resilient recovery, especially in a middle-income context, requires time, local knowledge and relationships (Walter et al, 2015, p. 40).

### **3. Cost and financing of humanitarian response in middle income countries**

#### **Responding to humanitarian crisis in middle income countries has a higher financial cost**

The cost of responding to humanitarian crises in middle income countries, such as Jordan and Lebanon, is higher than in low income countries (Poole, 2015, p. 14). This has contributed to a growing international humanitarian response funding gap between what is needed and what is given (Poole, 2015, p. 14). However, there is little evidence or analysis to explain or justify the rising cost of humanitarian response (Poole, 2015, p. 14).

UNHCR has provided a number of lessons from its previous experience in supporting Iraqi refugees in neighbouring middle income countries in the Middle East (Crisp et al, 2009, p. 9). Many of the cities they moved to were relatively prosperous and expensive when compared to other cities where UNHCR previously worked with urban refugee populations (Crisp et al, 2009, p. 9). The vast majority of Iraqi refugees has no access to the formal labour market, yet were obliged to rent accommodation and meet the cost of other essential items, such as food, clothing and transport in the capital cities of these middle income countries (Crisp et al, 2009, p. 35). This required UNHCR to assist the Iraqis more generously than is normally the case in urban contexts but the relatively sophisticated and reliable infrastructure in these countries enabled UNHCR to take initiatives (such as the distribution of cash assistance by means of ATM cards) that might not be viable elsewhere (Crisp et al, 2009, p. 9).

#### **Humanitarian financing: inadequate for middle income countries**

Crises in middle income countries pose a special financing challenge (Scott, 2015, p. v). The governments of middle income countries are much more capable of dealing with shocks and disasters than low income countries but they often have limited access to funding (Solheim, 2015). In the case of Jordan, Lebanon and Turkey this has resulted in them diverting considerable domestic resources to financially support Syrian refugees (Solheim, 2015). Scott (2015, p. 15) argues that middle income countries should not be expected to shoulder the burden of dealing with these crises on their own, and simply providing them with loans in the existing financing structure available to middle income countries, which they then use to deal with the crisis, is not enough.

As the current middle income country toolbox is 'rather ill-suited to crisis response' most crisis funding comes from humanitarian budgets (Scott, 2015, p. v). Investment in middle income countries is rarely

concerned with crisis response or recovery, which means that OECD DAC development co-operation tools and programmes in middle income countries are not designed to support or respond to humanitarian disasters (Scott, 2015, p. 12). Working outside the affected state's processes and systems, as humanitarian organisations often do, makes it harder to attract development funding to support humanitarian response (Scott, 2015, p. 14). This is because development funding is set up to finance with, and through, government systems and structures, and not to provide funds to UN agencies, the Red Cross movement, and NGOs who tend to work on the humanitarian response (Scott, 2015, p. 14).

As middle income countries, the countries affected by the Syria crisis are not eligible for the World Bank's fund for low income countries, the International Development Association (IDA) (Scott, 2015, p. 13). They can get non-concessional loans and other support through its International Bank for Reconstruction and Development (IBRD), and in some special cases may receive trust funded grants administered by the World Bank (Poole, 2015, p. 13). In addition, the World Bank may set up specific trust funds to mobilise funding and channel support to countries in crisis,<sup>3</sup> but anecdotal evidence suggests that in middle income countries these trust funds often do not attract sufficient funds, as they rely on the same OECD DAC members who are sometimes constrained to their priority countries and themes (Scott, 2015, p. 13). In addition, loans provided by the IBRD come with higher interest rates (High-Level Panel on Humanitarian Financing, 2015, p. 8).

### ***Possible solutions to the problems with humanitarian financing for middle income countries***

The High-Level Panel on Humanitarian Financing (2015, p. 7) suggests making financing for refugees in middle income countries eligible for grants and concessional loans. A practical way to do this may be by reclassifying the eligibility criteria of the World Bank's International Development Association (IDA), which sets international standards for other financial institutions, to follow the people in need and not the income levels per capita of the countries (High-Level Panel on Humanitarian Financing, 2015, p. 7). This would allow refugee-hosting countries to benefit from IDA (High-Level Panel on Humanitarian Financing, 2015 p. 8). The High-Level Panel on Humanitarian Financing (p. 8) also recommends tripling IDA's crisis response window to meet sharply increased need.

Scott (2015, p. v), who carried out a review of humanitarian financing for the OECD, also suggests that the solution to the problem of accessing humanitarian financing for middle income countries requires a paradigm shift in how to approach crises in middle income countries. This shift would involve: i) encouraging the use of development finance by focusing on building resilience in all parts of society, rather than pure crisis response; ii) closer alignment with country priorities and using country systems, rather than assuming that the response should be conducted solely by humanitarian operational agencies; and iii) helping development actors see crises as unique opportunities to shore up economic and social progress, allowing the full range of development instruments to come into play (Scott, 2015, p. v).

Possible examples of how this could work in practice include: the use of concessional loans for improving infrastructure that deal with refugee inflows but also with future population growth; debt swaps to allow governments to reallocate planned debt repayments to social protection systems; a focus on building the capacity and systems of local authorities that are dealing directly with the crisis; stimulating private sector

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<sup>3</sup> E.g. the Lebanon Syrian Crisis Trust Fund (LSCTF): three projects have been approved as of April 2015 (Emergency Municipal Services, Emergency Education System Stabilization, and Emergency Primary Healthcare Restoration). The LSCTF has received about USD 74 million in contributions, from Norway, Finland, France, the Netherlands, Sweden, Switzerland, the United Kingdom and the Bank's State and Peace Building Fund (Scott, 2015, p. 14).



investments that will promote growth and trade but also support the livelihoods of vulnerable groups (Scott, 2015, p. v-vi, 15).

Based on over 15 years of experience in the humanitarian and development sectors, Matheou (2014) suggested that to deal with long-term humanitarian crises in middle-income countries, humanitarian aid should strengthen local systems and evolving opportunities of domestic funding. While negotiating cost-sharing can be awkward and slow, it is an essential component of sustainability strategies (Matheou, 2014). Domestic financing will come from effective taxation and redistribution, but also cultures and mechanisms of private and corporate giving and supporting the income-generation schemes of local community networks, civil society organisations and National Red Cross and Red Crescent Societies (Matheou, 2014).

The High-Level Panel on Humanitarian Financing (2015, p. 14) points out that demand for technical assistance to develop risk financing strategies and tailored financing products is growing rapidly among middle income countries. Various direct and indirect insurance tools are available in order to be prepared financially for natural disasters, ranging from sovereign risk financing (helping governments develop financial resilience), to agricultural insurance (helping to protect the livelihoods of farmers and pastoralists) and social protection (building safety net programmes that are adaptable to disaster scenarios) (High-Level Panel on Humanitarian Financing, 2015, p. 14).

## 4. Humanitarian response programming in middle income countries

### **Humanitarian response should work together with development efforts: responding to the needs of the host communities and supporting existing services**

The Syrian refugee crisis in the Middle East has prompted a rethink over the viability and appropriateness of using current humanitarian mechanisms and instruments in middle-income settings (Bayat-Renoux in Poole, 2015, p. 10). As middle income countries, Jordan, Lebanon, Turkey, and Egypt have significant government capacities and growing civil societies, but the crisis is severely straining the coping abilities of millions of vulnerable people in impacted communities in these countries (3RP, 2014, p. 12). Humanitarian response in middle income countries often intersects with the needs of the urban poor (3RP, 2014, p. 4). Lebanon has the highest per capita ratio of refugees in the world and the speed and scale at which it has been affected by the crisis in Syria has meant that basic public services and infrastructure have been unable to cope (GHA, 2015, p. 125). Hosting Syrian refugees depressed the Lebanese government's revenue collection by USD 1.5 billion between 2012 and 2014, while simultaneously increasing government expenditure by USD 1.1 billion due to the surge in demand for public services (GHA, 2015, p. 102).

After assessing the impact of the conflict on Lebanon and elsewhere, it was recognised that the response needed to focus more on a holistic picture of the macro-impact on host countries nationally, in which every sector of society and/or the economy was affected, which would include development investments as well as humanitarian assistance (GHA, 2015, p. 125). The Regional Refugee and Resilience Plan (3RP) for the Syria regional crisis is an attempt to 'find alternatives to a humanitarian approach and to move towards more appropriate and sustainable financial solutions for what is expected to be a protracted displacement crisis for Syrian refugees' (Poole, 2016, p. 25). The Plan includes actions to 'address the protection and humanitarian needs of refugees, while also building the resilience of vulnerable people and communities in the refugee hosting countries' (Scott, 2015, p. 14). Broadening the scope of programming, recognising the centrality of national ownership and highlighting the need to strengthen national delivery systems are suggested to be steps in the right direction by Scott (2015, p. 14). The Plan requires longer-term and scaled-

up assistance by development actors, bilateral partners, international financial institutions and the private sector, not just humanitarian organisations, to address the massive structural impact of the crisis (Poole, 2015, p. 25; GHA, 2015, p. 102).

However, financial support has not been very forthcoming and there are concerns that the development community may not currently have the right tools or approaches to support this type of model (Poole, 2015, p. 25). For example, the World Bank can only offer loans or manage trust funds in middle-income countries (Poole, 2015, p. 25). In addition, 3RP 'remains an appeal for funding to operating agencies, not to and through affected states' which is problematic in the context of recommendations that humanitarian responses in middle income countries should be working with national country systems (Scott, 2015, p. 14).

The Lebanese government has been working with UNDP to build an information management system which would support this joint approach to crisis response, allowing the government to work alongside international actors to plan and coordinate the response to the refugee crisis as part of wider work to maintain basic public services across the country (GHA, 2015, p. 125).

The international response in the Ukraine aims to meet the immediate humanitarian needs, while also facilitating a smooth transition to post-conflict recovery, restoring coping mechanisms and cultivating resilience (Ukraine Humanitarian Country Team, 2014, p. 7). As a middle-income developing country, longer-term recovery, reconstruction and development programming is considered essential by the Ukraine Humanitarian Country Team (2015, p. 12). The third aim of the Strategic Response Plan aims to bridge humanitarian and development activities within the overall strategy and at a sectoral level (Ukraine Humanitarian Country Team, 2014, p. 11).

#### ***Support for host community services***

A lesson from UNHCR's experience with the Iraqi refugee response is that providing support to public services can help to win host state and society acceptance for refugee populations (Crisp et al, 2009, p. 46). Future efforts were recommended to be based in strengthened understanding and commitment to community development (Crisp et al, 2009, p. 29). This community development needs to be closely integrated with the organisation's protection and programme activities (Crisp et al, 2009, p. 29).

Van der Wal (2015) also suggests that in order to respond to the high non-communicable disease<sup>4</sup> health needs of the Syrian refugee population, humanitarian actors need to look into supporting national health systems and collaborating with, or being coordinated by national governments. Doocy et al (2015, p. 9) argue that investing in access to non-communicable disease services will both benefit refugees and reduce the long-term burden and costs of non-communicable disease care for the Jordanian health system.

However, the evaluation for UNHCR warned that working through state structures can make it harder to monitor the delivery of services and to assess their impact on beneficiaries than when support is provided through NGOs (Crisp et al, 2009, p. 46).

#### ***Expectations of service delivery may be higher in middle income countries***

It should be noted that in middle income countries there is often the expectation for more quality than just the basic needs humanitarian aid is designed to provide (Whittall, 2014, p. 4). Based in MSF's experience

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<sup>4</sup> Such as hypertension, arthritis, diabetes, chronic respiratory diseases for example. Non-communicable diseases tend to be higher in refugee populations from middle income countries as a result of lifestyles in these countries (van der Wal, 2015). Treatment of these high rates has been a struggle for their middle-income country hosts (van der Wal, 2015). Management of non-communicable diseases is also costly to donor agencies, depleting the limited resources available for refugee health care (Doocy et al, 2015, p. 7).

in Syria, Whittall (2014, p. 4) suggests that this can undermine the ability of humanitarians to demonstrate their added value, especially if the basic services are still functioning.

## **Cash-based assistance may be more appropriate than in-kind assistance**

Chatty (2015) argues that assistance in kind is not appropriate for populations from middle-income countries, who would benefit more from cash transfers. Cash, when provided without restrictions, offers increased choice for affected populations to meet their cross-sectoral needs according to their priorities (Smith, 2015, p. 8). Cash transfers could also reduce lost funds due to excessive overhead charges and local corruption (Chatty, 2015). In Colombia, a review of humanitarian response in the country suggested that cash-based assistance was possibly a more appropriate response than standard emergency kits (Wong, 2008, p. 26).

Credit schemes have also been used in middle income countries. In 2014, the World Food Programme provided most of its food assistance to Syrian refugees through food vouchers in the form of a pre-paid electronic card rather than a fixed basket of food rations (GHA, 2015, p. 91). These electronic cards are akin to pre-paid credit cards and loaded with a specified amount of credit (GHA, 2015, p. 91). While vouchers do offer less choice than cash and risks reducing competition and increasing prices, the vouchers do offer people more choice than in-kind assistance and can stimulate local economies (GHA, 2015, p. 91). In Jordan, the credit scheme has boosted investment in physical infrastructure, employment and government tax receipts, with the overall economic value estimated at 0.7 per cent of Jordan's gross domestic product (GDP) in 2014 (GHA, 2015, p. 91).

### ***Ukraine case study***

As Ukraine is a highly monetised economy, cash-based interventions were found to be the best way to respond to the humanitarian crisis (Truhlarova, 2015, p. 3). In the first year of the conflict cash-based interventions were implemented in areas away from the "contact line", where markets were not affected at all and a wide choice of systems was available for delivery (Truhlarova, 2015, p. 3). In the second year of the crisis, it became apparent that it was possible to use cash along the contact line as well, although market access is somewhat limited (Truhlarova, 2015, p. 3). However, no realistic delivery option existed in the zone outside the control of government forces (Truhlarova, 2015, p. 3).

While sectorial cash-based interventions (e.g. food) were coordinated mostly under their respective clusters, multi-purpose cash posed a challenge to the humanitarian coordination system from the very beginning, including the coordination/harmonisation of multi-purpose cash and sectorial cash interventions, with their multiple aspects such as value of transfer, avoiding duplication, and using an efficient delivery platform, at a time when guidance was not available (Truhlarova, 2015, p. 3). Since 2014 delivery of these services has improved, although issues remain with the capacity of various organisations to implement cash-base interventions (Truhlarova, 2015, p. 3).

In April 2015, a technical Cash Working Group (CWG) was set up which supported the different clusters using cash based interventions (Truhlarova, 2015, p. 4). Prior to this, an ad hoc group existed, under the leadership of international NGOs with substantial experience in cash-based interventions (Truhlarova, 2015, p. 4). These international NGOs took on co-leadership responsibilities with the new OCHA coordinator, which freed them up to focus more on strategic and bigger picture issues, such as collaboration with the clusters (Truhlarova, 2015, p. 5). Having OCHA lead the Cash Working Group ensured a very close link with the Inter-Cluster Group and with clusters which supported the emergency response, although there was space for even more collaboration with these structures (Truhlarova, 2015, p. 5). However, the uncertainty over funding and continued deployment of the coordinator is an issue for future

durability (Truhlarova, 2015, p. 5). In addition, the group would have benefited from government participation and more regular participation of the local NGOs who deliver many of the cash transfer programmes (Truhlarova, 2015, p. 5).

The experience in Ukraine shows that it is best to consider possible scenarios for cash coordination depending on the type of crisis, rather than sticking to a single model (Truhlarova, 2015, p. 4). The internal conflict coupled with the existence of an administration functioning reasonably well in the given conditions created a unique context (Truhlarova, 2015, p. 4). In Ukraine internally displaced persons are citizens with full rights entitled to assistance under regular social protection programmes, although there are important delays from the side of the government institutions delivering such assistance, coupled with inaccurate targeting (Truhlarova, 2015, p. 4).

In addition, experience showed that the coordination structure should be adapted to the phase of the emergency and to the objective of the cash-based intervention (Truhlarova, 2015, p. 4). Further good practice has been to set up a dedicated task force in the CWG to consider linkages of emergency cash response to early recovery and social protection (Truhlarova, 2015, p. 4).

Deciding on the amount needed to meet the needs of beneficiary households was challenging, especially as there are important seasonal variations between summer and winter expenses (Truhlarova, 2015, p. 5). There was also some initial misunderstanding, particularly among some donors, about the different modalities of cash, and a push to harmonise all cash transfer values as the same, when there were in fact different modalities at play, including sectorial cash for specific objectives, as well as multi-purpose cash (Truhlarova, 2015, p. 5). A positive result was the acknowledgement that individual agencies should have a certain flexibility in determining the transfer value, depending on targeting and programme objectives (Truhlarova, 2015, p. 5). It is important to make sure that the targeting reaches all vulnerable groups (Truhlarova, 2015, p. 6).

A timely mapping of the different cash-based interventions could have helped effectively avoid overlaps, especially as access to the government-owned IDP registration database has been problematic (Truhlarova, 2015, p. 6). A common post-distribution monitoring core questionnaire is used by all humanitarian cash actors in Ukraine (Truhlarova, 2015, p. 6).

### ***Philippines case study***

Cash transfers made up 40 per cent of the entire relief response in the Philippines and totalled approximately USD 845 million (Smith, 2015, p. 8). At least 45 international humanitarian agencies implemented cash transfers, while other actors, including government agencies, private companies, civil society organisations and individuals, including the Filipino diaspora, also distributed cash to affected communities (Smith, 2015, p. 8). The different inter-agency coordination mechanisms for cash transfer programming included a dedicated OCHA cash coordinator, the cash working group and cash coordination within and between the clusters (Smith, 2015, p. 8). The full potential of these coordination mechanisms was limited by lack of resources, preparedness, attitudes, exclusion of 'non-traditional actors', and lack of clarity on the structure and functions of these mechanisms (Smith, 2015, p. 10). There are barriers for agencies to overcome before they can move towards more flexible cash grants that bridge sector divides, including internal structures and mind-sets (Smith, 2015, p. 10).

The World Food Programme (WFP), UNICEF and the Department for Social Welfare and Development implemented a programme which linked emergency cash transfers with the national social protection programme (Smith, 2015, p. 10). This was the first time such an approach had been used in a rapid onset emergency (Smith, 2015, p. 10). The programme's existing targeting system (i.e. existing social protection programme beneficiaries) enabled WFP to identify a large number of disaster-affected households very

rapidly (Smith, 2015, p. 10). Using the existing distribution system prevented the need to set up a parallel delivery system in the affected areas which would have been time consuming and costly (Smith, 2015, p. 10). However, as the social protection programme was not designed to meet humanitarian objectives it excluded the new 'transient poor' created by the disaster (Smith, 2015, p. 10). Nevertheless, evidence gathered by a review of the programme suggests that 'the 'piggy backing' of emergency aid onto the national social protection programme has the potential to provide financial assistance to a large cohort of the disaster-affected efficiently and effectively' (Smith, 2015, p. 11).

Some aid agencies also coordinated with some private sector actors – financial service providers, for the delivery of cash transfers to affected populations, with the support of the cash coordinator and the cash working group (CWG) (Smith, 2015, p. 13). Through raising awareness of available services and of the humanitarian communities' requirements, this contributed to improved coordination of cash delivery (Smith, 2015, p. 13). Building formal linkages between the government and the private sector for coordination of humanitarian interventions, and coordination between OCHA or the CWG and business membership bodies such as the Chamber of Commerce, to inform response analysis, were lessons identified to support future cash transfer programming (Smith, 2015, p. 13).

## **The private sector could be supported to be more involved in humanitarian response**

The private sector has been involved in responding to crises in middle income countries. In Ukraine for instance, there are a number of strong, private Ukrainian foundations active in the east who are providing humanitarian support in both government and armed group-controlled areas (Ukraine Humanitarian Country Team, 2015, p. 7).

The private sector response to Typhoon Haiyan was more sophisticated than for any previous natural disaster (Brown, 2015, p. 34). It responded at scale, with a wide array of resources and expertise, mainly in close collaboration with the government and traditional humanitarian actors (Brown, 2015, p. 34). Brown (2015, p. 34) suggests its involvement made the humanitarian response quicker, bigger and more effective. The success factors for the private sectors involvement were assessed to be that it was locally led by Filipino companies, together with the Philippines arms of international businesses, who understood the context and had established relationships with local government and civil society (Brown, 2015, p. 34-35). In addition, the local private sector has plenty of practice in responding and collaborating with NGOs, as natural disasters are frequent (Brown, 2015, p. 35). The private sector response was also generally well-coordinated with the government and other humanitarian actors (Brown, 2015, p. 35). Coordination mechanisms included bilateral relationships between companies and government ministries at national, provincial and local levels; private sector platforms; and the humanitarian cluster system (Typhoon Haiyan was the first disaster where OCHA and the UN Global Compact deployed private sector focal points to help inform and coordinate the private sector response) (Brown, 2015, p. 35). However, a different evaluation found little coordination with private sector or non-traditional actors occurred (Walter et al, 2015, p. 29).

A case study from Jordan suggests that in middle income contexts scarce public resources could be used to catalyse the much larger levels of private capital to finance sustainable investments, which could then reduce humanitarian pressures and promote resilience (Bayat-Renoux in Poole, 2015, p. 10). This could be done by 'removing key structural barriers to private investment, improving the policy environment and reducing investment risk' (Bayat-Renoux in Poole, 2015, p. 10). The case study uses the example of the Jordan Resilience Plan measures to accelerate energy efficiency and renewable energy measures which will benefit both Syrian refugees and host communities in the form of 'lower electricity bills, promoting private investment and job creation in clean energy, reducing fiscal expenditures and putting Jordan on a green

development trajectory' (Bayat-Renoux in Poole, 2015, p. 10). In this case, limited public resources are used to leverage the private sector through donations (Swedish furniture retailer Ikea will contribute towards the energy-efficient bulbs needed) and through investment (in bulbs and safe disposal) Bayat-Renoux in Poole, 2015, p. 10). Humanitarian actors need to partner with other actors to ensure that the programme choices made by humanitarian finance join together with national resilience plans Bayat-Renoux in Poole, 2015, p. 10).

## Avoid camp based solutions

UNHCR has encouraged the Government of Ukraine to avoid camps and take steps to avoid a protracted situation in its collective centres, based on lessons learnt from other IDP situations in Europe (UNHCR, 2014, p. 5).

## Proactively reach out to urban refugees

In middle income countries many refugees settle in urban areas. UNHCR learned that it had to reach out proactively to refugees in urban areas to ensure that the needs of refugees are identified, understood and met in its experience responding to the Iraqi refugee crisis (Crisp et al, 2009, p. 28). Mobile registration was found to be very useful in these urban settings (Crisp et al, 2009, p. 23).

## Planning and assessment should be flexible and quick

In an evaluation of its recent humanitarian work, World Vision found that in middle income countries such as the Philippines, 'the rapid pace of self-recovery means that assessment and planning for activities needs to be light, flexible and quick – or it will risk becoming obsolete' (World Vision UK, 2014, p. 50).

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