

Drivers and Inhibitors of Change in the Humanitarian System

A Political Economy Analysis of Reform Efforts Relating to Cash, Accountability to Affected Populations and Protection

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Summary Report

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Why has it been so difficult to reform the humanitarian system? Simply put, good intentions alone are not enough. This study thinks through three long-standing reform proposals to their respective ends. The analysis shows where the reforms conflict with the self-interests of humanitarian organisations and donors. It recommends to: invest in stronger assessment and analysis capacities of operational organisations; support the consolidation of the humanitarian actor landscape; rely more on diplomatic representations to negotiate with host governments; and, give priority to supporting the cash reform.

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Summary Report

This study analyses the drivers and inhibitors of change in the humanitarian system. It focuses on three reform efforts: cash-based emergency response, accountability to affected populations and protection. For each area, the study explores four questions to help explain why reforms are successful or unsuccessful, and to generate ideas for the more effective promotion of reforms:

- What exactly is the reform proposal?
- What would the humanitarian system look like if the proposal were fully implemented?
- How would these changes affect the self-interests of important stakeholder groups?
- What are the policy implications of these reflections?

The study does not explore factors beyond self-interest that could also help explain why stakeholders support or do not support a reform, and it assumes the proposed reforms are likely to improve humanitarian assistance.

In this summary report, we identify the patterns that cut across all three reform efforts before outlining each area.

1. Common Findings

First, **key reform concepts are unclear**. In what has been described as “organised hypocrisy”,¹ different actors maintain different interpretations of what a reform proposal entails. This makes it easier to reach political consensus on a reform, but harder to subsequently implement it. Cash-based assistance, for example, can mean giving people unrestricted cash or vouchers for restricted use. For accountability to affected populations, there is the question of how much decision-making power should be transferred to aid recipients. In protection, it remains unclear how to effectively execute the responsibility of advocating for a stop to rights violations when that responsibility is shared by multiple actors.

Second, we would expect the reforms to **lead to a consolidation of actors and to a stronger role of assessments and analysis**. In all cases, effective implementation of the reform would require working with fewer organisations (i.e., larger organisations or consortia), a more geographic division of labour and a stronger multi-sector approach. Cash programmes would account for around 40 percent of total humanitarian spending and would be implemented as large, multi-sector programmes. To allow for the effective

1 Brunsson, N. (1989) The Organization of Hypocrisy: Talk, Decisions and Actions in Organizations; Krasner, S. D. (1999) Sovereignty: Organized Hypocrisy; Lipson, M. (2006) Organized Hypocrisy and Global Governance: Implications for UN Reform.

participation of affected people, humanitarian organisations would have to consolidate per area and be able to respond to varied needs. In protection, lead agencies would be appointed for each area to enable effective engagement and advocacy. As a result, multi-sector organisations would gain in prominence compared to organisations with a single-sector mandate, and clusters would lose relevance.

In addition, the reforms all require more data gathering and better analysis of, for example, market conditions, aid recipient feedback and protection concerns. The profiles of humanitarian field staff would have to change accordingly.

Third, the reforms **entail trade-offs for inclusiveness and equity**. If the reform efforts lead to a consolidation of actors, there would be a trade-off between effective reform and the humanitarian system's diversity and inclusiveness. Large cash programmes, consortia with common feedback and participation mechanisms, and designated protection leads would make it more difficult for smaller and local organisations to participate in the response. This contradicts efforts to support a more localised response.

The reforms are also easier to implement in certain environments – for example, localities with functioning markets (cash reform), camps (accountability reform) and areas with low security risk for field workers (protection). If more resources are directed to areas where reforms are successfully implemented, there could be an even greater concentration of aid in these comparatively easy settings.

There are also trade-offs between the different reforms. Using cash as the default option, for example, could make it more difficult for protection organisations to negotiate access, as they can no longer use their assistance programmes as a bargaining chip. The participation of local groups in decisions relating to the allocation of aid could increase local tensions and conflict with humanitarian principles.

Fourth, **those with the greatest power to affect reforms are often not those with the strongest interest in their success**. As the overview in Table 1 shows, donors are consistently one of the most powerful stakeholder groups. But the proposed reforms are only partially in line with their self-interests or, in the case of accountability to affected populations, even run counter to them. Therefore, active donor support for the reforms requires normative or political commitment. Host governments also have strong power and are the most dangerous potential reform spoilers. Whether they consider themselves winners or losers of a reform effort depends on many factors specific to the in-country situation – not least how strongly governments identify with “Western” values and institutions, since the reform areas resonate strongly with the classic canon of market economy, representative democracy and the rule of law. The interests of humanitarian organisations are heterogeneous.

Table 1: Overview of stakeholder power and self-interest per reform area

	Shift to cash	Accountability to affected populations	Protection
Donors	Power ★★★ Self-interest +	Power ★★★ Self-interest -	Power ★★★ Self-interest +
Affected governments	<i>Governments with social safety nets:</i> Power ★★★ Self-interest +	Power ★★★ Self-interest ?	Power ★★★ Self-interest -
	<i>Other governments:</i> Power ★★★ Self-interest -		
Humanitarian organisations	<i>Potential leads:</i> Power ★★☆ Self-interest +	<i>Multi-sector organisations:</i> Power ★★★ Self-interest +	<i>Potential leads:</i> Power ★★☆ Self-interest +
	<i>Non-leads:</i> Power ★☆☆ Self-interest -	<i>Single-sector organisations:</i> Power ★★★ Self-interest -	<i>Non-leads:</i> Power ★☆☆ Self-interest -
Affected population	Power ★☆☆ Self-interest +	Power ★☆☆ Self-interest +	Power ★☆☆ Self-interest +

Finally, **the proposed shift to cash meets the most positive constellation of interests and is thus the most likely of the three reform efforts to succeed.** The cash reform would also strengthen accountability to affected populations, but through means different from those proposed by the reform – that is, through a transfer of purchasing power to aid recipients.

Accountability to affected populations has the least promising constellation of interests, and its implementation would require the serious normative or political commitment of key stakeholders. When implemented, however, the accountability reform would lead to more field presence of humanitarian workers and to greater satisfaction among aid recipients. This would make it easier to gain access and advocate for protection.

Policy Implications

1. Develop a holistic vision of change that defines priorities or mitigation measures where there are trade-offs.
2. Support the consolidation of the international actor-landscape, while at the same time strengthening the localisation of aid. For example, reduce support to small NGOs based in donor countries and invest in pooled funds that support local organisations.
3. Develop credible mechanisms for continuing to provide support in difficult operational contexts.
4. Invest in stronger assessment and analysis capacities of operational organisations and other entities (e.g., market assessments).
5. Give priority to supporting the cash reform as a comparatively low-hanging fruit that has positive synergies with other reform areas.
6. Invest in communicating and expanding the evidence base for reform to rally more supporters around specific proposals.
7. Rely more on diplomatic representations to engage with host governments to ensure their support for the reform efforts.

Policy Implications for the Cash Reform

1. Explicitly commit to making cash the default mode of humanitarian assistance, and conduct a public image campaign for cash programmes.
2. Pilot large, multi-sector cash programmes, award them competitively to the agency or the consortium best placed in each given context, and invest in evaluating their relative cost-efficiency.
3. Invest in gathering and communicating data on the preferences of aid recipients.
4. Make a commitment to continue funding for non-cash components of a response and to accept significantly higher programming costs for these.

Policy Implications for the Accountability Reform

1. Resist a one-size-fits-all approach. Tailor initiatives for stronger accountability to affected populations to specific contexts. Remain wary of imposing even more demands on humanitarian organisations operating in difficult circumstances.
2. Ensure that checks and balances accompany the accountability reform, which mitigate potential conflicts with humanitarian principles and possible negative side effects on community coherence and local power structures
3. Create financial incentives for humanitarian organisations to take accountability to affected populations seriously – for example, by linking funding decisions to beneficiary satisfaction and by offering more-flexible funding arrangements.

Policy Implications for the Protection Reform

1. Promote the idea of designating individual organisations as area-based protection advocacy leads. Support the development of a transparent and competitive mechanism for assigning lead roles.
2. Work with potential advocacy leads to promote the reform. Donors can support them in setting up related capacity mechanisms (e.g., staff rosters) and in their advocacy work to mitigate risks of expulsion and/or the financial consequences of expulsion. Donors should also provide longer-term funding for protection advocacy.
3. Manage a consultative process with UN actors that are mandated with protection to ensure their buy-in to the reform. For example, stress the sustained relevance of the protection cluster in national-level protection advocacy, and clarify the links between area-based leads and the protection cluster.

2. Cash Transfers as the Default Mode of Humanitarian Assistance

If cash-based programmes were the default delivery modality:²

- **Between 37 and 42 percent of the total humanitarian budget would be allocated to cash-based programmes.** Cash programmes would be delivered in 70 to 80 percent of all humanitarian contexts. There, they would account for different shares per sector, ranging from food (~90 percent) and shelter and non-food items (~70 percent), to education (~30 percent) and sectors where cash would not be used at all (e.g., protection).
- **The actor-landscape would consolidate.** Cash programmes would be implemented as large, multi-sector programmes, leaving one or a very small number of competitively selected organisations or consortia responsible for the implementation of the cash programme in any given area (“cash lead”). This would also decrease the relevance of sectors as an organising principle for humanitarian assistance.
- **The ability to implement non-cash programmes would reduce.** With fewer economies of scale for in-kind programming, this type of assistance would become more expensive. Organisations might also find it more difficult to gain access to deliver normative components of their work, including protection and those related to gender.

2 Reform proposal based on High Level Panel on Humanitarian Cash Transfers (2015) Doing Cash Differently; High Level Panel on Humanitarian Financing (2015) Too Important to Fail – Addressing the Humanitarian Financing Gap; World Humanitarian Summit Synthesis Report (2015) Restoring Humanity; guidance documents of several organisations.

Stakeholder Self-Interests and Power to Affect the Reform

Power	★★★
Self-interest	+

Donors have strong power to affect the reform. Alone, even an important donor could dedicate its funding in specific contexts to large, multi-sector cash programmes. On balance, we expect donors to win from the reform.

Illustration 1: Key wins and losses for donors

Wins

- The evidence for the benefits of cash is strong. By supporting cash, donors can demonstrate that they act on evidence.
- Cash has proven to be more cost-efficient to deliver than in-kind aid.

Losses

- Cash contradicts the classic image of charity held by tax payers and other relevant stakeholders.
- Should something go wrong with new, large-scale cash programmes, there could be negative publicity and public backlash against the donor.

Governments with social safety nets:

Power	★★★
Self-interest	+

Other governments:

Power	★★★
Self-interest	-

Affected governments also have strong power to promote or spoil the reform, as they can request the use of cash transfers, or prohibit or delay them through regulation. We expect affected governments to retain heterogeneous positions on the shift to cash, depending on their level of concern for legitimacy and the existence of social protection programmes.

Illustration 2: Key wins and losses for affected governments

Wins

- Stronger legitimacy where cash programmes link to existing social safety protection programmes.
- Cash programmes benefit the local economy.

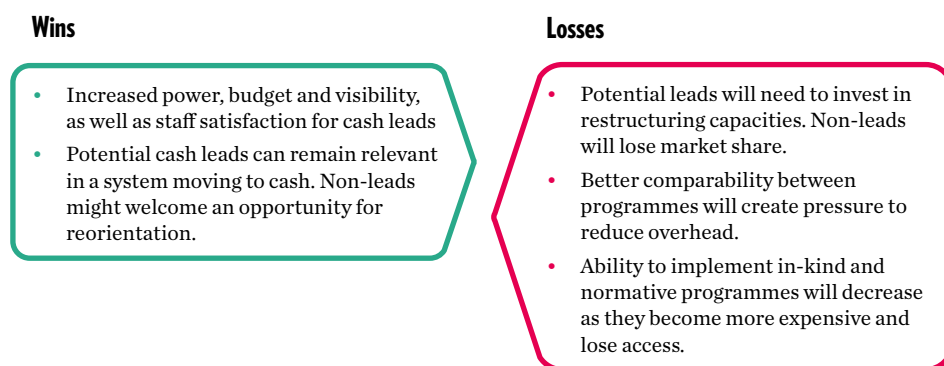
Losses

- Cash might create dependency and the pressure to introduce social protection programmes.
- Cash programmes might increase tensions with host communities if they do not receive similar benefits. They might also create incentives for displaced people to stay.

<i>Potential leads:</i>	
Power	★★☆
Self-interest	+
<hr/>	
<i>Non-leads:</i>	
Power	★☆☆
Self-interest	-

Humanitarian organisations have a medium (potential cash leads) to low (non-leads) degree of power over the reform. If the shift to cash seems inevitable, the expected wins outweigh losses for potential cash leads. Non-lead organisations will lose from the implementation of the reform.

Illustration 3: Key wins and losses for humanitarian organisations



Overall, the constellation of interests is favourable for the implementation of the cash reform. Donors, well-intentioned host governments and operational organisations hoping to lead large-scale cash programmes have an interest in promoting the reform. Among the likely opponents, only host governments have the power to prevent the shift. Non-leads would lose, but they can do little to stop the reform.

3. Making Accountability to Affected Populations a Reality

If affected populations meaningfully participated in decision-making across the entire programme cycle:³

- **Agencies would grant accountability to affected populations voluntarily**, and compliance with humanitarian principles would take precedence over the will of affected populations where those are incompatible.
- **Inclusive communication, participation and feedback/complaints mechanisms** would be put into practice and recognised by all relevant staff, across all humanitarian organisations and crises, and across the entire programming cycle.
- In well-served crises, **actors would consolidate at the local level** to link effectively to different representative structures. As a result, there would be more

³ Reform proposal based on Inter-Agency Standing Committee (2011) Five Commitments on Accountability to Affected People/Populations; CHS Alliance (2014) Humanitarian Accountability Report.

consortia or larger, multi-sector organisations, and clusters would diminish in importance.

- **Donors would use satisfaction data** from the affected population as a criterion for funding decisions and agree to **more-flexible funding schemes** so that humanitarian organisations can react to community feedback.

Stakeholder Self-Interests and Power to Affect the Reform

Power	★★★
Self-interest	—

Donors have strong power to implement or spoil the accountability reform effort. They could use aid-recipient satisfaction data as a criterion for funding and provide more-flexible funding. From a perspective of self-interest, however, they stand to lose from the reform.

Illustration 4: Key wins and losses for donors

Wins

- Direct feedback from affected people to donors increases donors' ability to monitor implementing agencies.
- More information from aid recipients about priorities facilitates decision-making.
- More locally-led response leads to increased legitimacy with host countries.

Losses

- Reduced ability to align with organisational and political priorities
- Reduced control over humanitarian budgets might reduce legitimacy in view of parliaments and tax payers.
- Potential challenges in providing multi-year funding are necessary for participation.

Power	★★★
Self-interest	?

Affected governments have strong power to promote or hinder the reform. Whether they stand to win or lose from the accountability reform is context-specific. It is likely that most authorities will adopt an ambivalent strategy, trying to maximise gains, while minimising losses.

Illustration 5: Key wins and losses for affected governments

Wins

- Increased legitimacy as a result of local perceptions of governments as steering the international response; greater ability to use humanitarian aid for local political campaigns
- Better communication with the humanitarian community as a result of actor consolidation

Losses

- Local governments will likely oppose the introduction of representative systems by outsiders and may feel sidelined.
- As affected communities become empowered, they may demand their local governments to be more accountable and inclusive.

Multi-sector organisations:

Power ★★★

Self-interest +

Single-sector organisations:

Power ★★★

Self-interest -

Humanitarian organisations have strong power to promote or hinder reform because its implementation hinges on them. Single-sector and single-mandated organisations in particular, as well as cluster lead organisations, are expected to lose from the reform.

Illustration 6: Key wins and losses for humanitarian organisations



The constellation of interests shows why real (as opposed to rhetorical) commitment to the accountability reform remains patchy. All powerful stakeholders would have to accept important losses related to their interests, while those with a strong interest in implementation – the affected population, local NGOs, humanitarian workers and global accountability initiatives – have limited power to do so. Nevertheless, individual actors may be more driven by their normative or political commitment, and push for the implementation of the reform. Importantly, the interests and incentives of important stakeholders related to accountability can vary strongly between contexts. Accordingly, any effort to promote the accountability reform needs to be context-specific.

4. Protection Advocacy as a Collective Humanitarian Responsibility

If humanitarian actors prioritised advocating for a stop to rights violations:⁴

- The protection cluster and the office of the humanitarian coordinator would need **additional analytical capacity** to draft and implement the protection strategy.
- Protection cluster members would be **appointed to lead advocacy in a geographic area** to ensure more consistent messaging and efficiency. The lead would be selected in a context-specific way, i.e., in each case, appointing the organisation that has the best operational presence and network. International

4 Reform proposal based on IASC (2013) Statement on the Centrality of Protection in Humanitarian Action; OHCHR and UNHCR (2013) The Protection of Human Rights in Humanitarian Crises; UN (2014) “Rights Up Front” Detailed Action Plan; UNGA (2016) One humanity: shared responsibility. Report of the Secretary-General for the World Humanitarian Summit. The model focuses only on country-based mechanisms.

NGOs are more likely to become local protection advocacy leads in insecure areas, but every lead will face additional risk to staff and of expulsion.

- Once appointed, protection advocacy leads will be well-positioned to further increase the size of their assistance and specialised protection programmes, as this would strengthen their position to negotiate and advocate. Together with the high upfront investments required to establish deployment mechanisms, this will lead to **a consolidation of protection actors**.
- **Joint operating principles with a regular monitoring and enforcement mechanism** would be adopted by the humanitarian country team to ensure that all actors support and do not undermine the collective advocacy effort.

Stakeholder Self-Interests and Power to Affect the Reform

Power	★★★
Self-interest	+

Donors have strong power to implement this reform. They could influence the ongoing drafting process of the IASC policy on protection, and once a mechanism is established to appoint leads, donors can support the full implementation of the reform by financing the capacity expansion of potential leads. We expect donors to win from the protection reform.

Illustration 7: Key wins and losses for donors

Wins

- Improved protection outcomes decrease pressure on governments to act with other means.
- Clearer responsibilities make it easier to hold humanitarian actors responsible for protection.

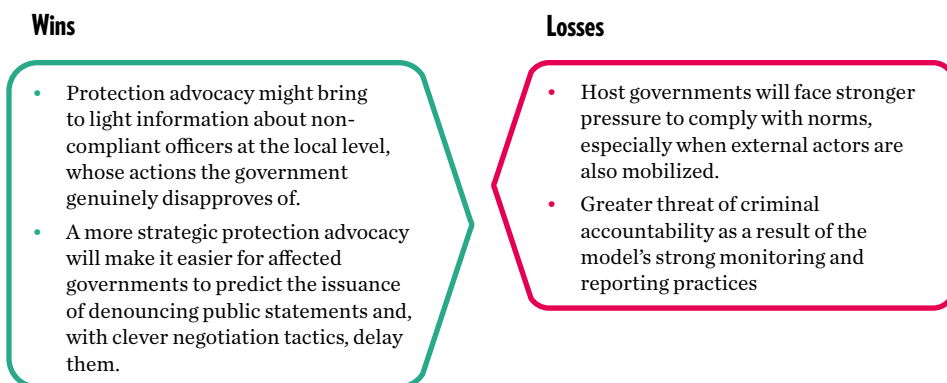
Losses

- Risk of pushback from host governments and G77 donors, which might view stronger protection advocacy as undermining state sovereignty
- Increased funding needed for protection, despite the usual difficulties of measuring outcomes and justifying funding decisions

Power	★★★
Self-interest	-

Affected governments have great power to block the reform, as they can deny entry to individuals, retract operating licenses and, in extreme cases, intimidate or expel individuals or entire organisations. Governments in conflict-affected countries will lose from the reform.

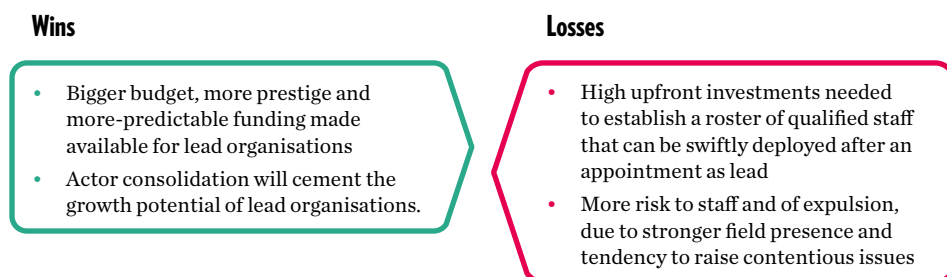
Illustration 8: Key wins and losses for affected governments



<i>Potential leads:</i>	
Power	★★☆
Self-interest	+
<hr/>	
<i>Non-leads:</i>	
Power	★★☆
Self-interest	-

Humanitarian organisations hold medium power to promote the reform – for example, by investing in their protection advocacy capacity. Protection cluster and sub-cluster lead agencies hold strong power to obstruct the reform. Potential leads will win from the reform. On balance, we expect non-leads to be indifferent to the reform, as there is no significant change in their budgets.

Table 9: Key wins and losses for humanitarian organisations



The overall chances of the reform's full implementation are moderate. Donors and potential advocacy leads stand to win from the implementation of the reform and are thus likely to support it. They will, however, face strong opposition from host governments in conflict-affected countries. Opposition from non-lead agencies will be modest. Protection cluster and sub-cluster lead agencies have great power to obstruct the reform, but their positions are unclear.

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