



Famine Early Warning and Early Action: The Cost of Delay

Rob Bailey

July 2012



CHATHAM HOUSE

Famine Early Warning and Early Action: The Cost of Delay

Rob Bailey

July 2012



CHATHAM HOUSE

© The Royal Institute of International Affairs, 2012

Chatham House (The Royal Institute of International Affairs) is an independent body which promotes the rigorous study of international questions and does not express opinions of its own. The opinions expressed in this publication are the responsibility of the author.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical including photocopying, recording or any information storage or retrieval system, without the prior written permission of the copyright holder. Please direct all enquiries to the publishers.

Chatham House
10 St James's Square
London SW1Y 4LE
T: +44 (0) 20 7957 5700
F: + 44 (0) 20 7957 5710
www.chathamhouse.org

Charity Registration No. 208223

ISBN 978 1 86203 270 5

A catalogue record for this title is available from the British Library.

Cover image: © istockphoto.com

Designed and typeset by Soapbox Communications Limited
www.soapbox.co.uk

Printed and bound in Great Britain by Latimer Trend and Co Ltd



Contents

| | |
|---|----|
| About the Author | iv |
| Preface and Acknowledgments | v |
| Executive Summary and Recommendations | vi |
| 1 Introduction | 1 |
| 2 Deciding Whether to Respond | 4 |
| 3 Deciding How to Respond | 16 |
| 4 Towards Risk-based Collective Decision-making | 22 |
| 5 Conclusions | 24 |

About the Author

Rob Bailey is a Senior Research Fellow of the Energy, Environment and Resources Department at Chatham House, focusing on food security. He previously held a number of posts at Oxfam GB, including Head of Economic Justice. In 2011, he was named as one of the DEVEX 40-under-40 leading thinkers on International Development.

Preface and Acknowledgments

The challenges of preventing and responding to humanitarian crises, with scarce resources and in often near-impossible conditions, are immense. Although there is always the potential for improvement, this should not detract from the fact that the humanitarian system performs admirably. The purpose of this report is to identify problems and consider opportunities to address them. Inevitably this leads to a focus on things that are not working well, but the tone should be interpreted as constructive rather than critical. Indeed, the report owes much to the input and ideas of the many members of the humanitarian and development communities who have engaged with this research.

For their valuable input to this paper, the author would like to thank Nick Haan, Bernice Lee, Gemma Green, Estelle Rouhaud, Tracy Carty, Claudia Juech and Annie Devonport. Particular thanks go to Daniel Maxwell both for his comments and for sharing forthcoming research. Funding for this report and for the ongoing project *Translating Early Warning into Early Action* has been generously provided by the Rockefeller Foundation and the Disasters Emergency Committee.

Executive Summary and Recommendations

The 2011 Somalia famine should not have come as a surprise. Early warnings of the impending catastrophe accumulated over the course of the preceding year, yet the humanitarian system remained dormant. Had donors and agencies mobilized sooner, early interventions could have been undertaken to protect livelihoods and prevent the downward spiral into destitution and starvation.

The failure to translate early warning into early action is not confined to the case of Somalia in 2011. The same drought that triggered famine there sparked a wider emergency in the Horn of Africa for which early warnings were similarly ignored. More generally, delay is a defining characteristic of food emergencies over the last three decades in both the Horn and the Sahel.

The response of the humanitarian system has been to invest in early-warning systems on the assumption that improving the accuracy and reliability of early-warning information will enable earlier action. Yet while such systems are more sophisticated and reliable than ever before, delay persists. The significant opportunity presented by modern systems to intervene early and prevent crises is being wasted. The scale of this wasted opportunity cannot be understated. The 2011 Somalia famine alone killed tens of thousands of people, most of them children. Since 1980 over half a million people have died in drought-related food crises.

Recent failures to prevent food crises have led to a renewed focus on early warning and early action. This is to be welcomed; however, the stark fact that decades of investment in early-warning systems have not led to early action should caution against a myopic focus on operational and technical improvements alone. Although these may be intuitive and straightforward to implement, they will fail to deliver unless fundamental barriers to early action are removed.

Institutions matter

The incentive and accountability frameworks that shape response decisions are hard-wired for delay. Throughout the humanitarian system, decision-makers do not feel accountable for preventing crises, but *do* feel accountable for other competing priorities. This pervasive lack of accountability means that decisions are passed around or lost within complex bureaucracies.

Perverse incentives mean that decision-makers favour delay over early action: whereas the potential rewards for averting a crisis are ill defined and limited, the downsides to early action should a predicted crisis not materialize are clear and significant. At the organizational level, perverse incentives mean agencies are encouraged to compete for donor funds rather than cooperate to agree joint response plans, resulting in turf wars and delay.

Politics matter most

Ultimately, early action at scale depends upon a political decision to release funds early. However political decision-making prioritizes foreign policy and domestic considerations over humanitarian need. These factors rarely favour early action and often conspire to make inaction expedient. A stark example is that of Somalia in 2011, where delay was an obvious and inevitable consequence of donor anti-terror strategies designed to prevent the capture of humanitarian aid by the Islamist organization al Shabaab, the *de facto* administration in the famine-affected areas.

Recommendations

A new approach to decision-making is needed, designed to manage the risk of food crises on an ongoing basis. Continual engagement and dialogue between agencies, donors, early-warning providers and national governments will build trust and form consensus on decisions of whether and how to respond. Such decisions should be based upon an objective assessment of the risks to which vulnerable populations are exposed, with early interventions designed to reduce crisis risks and mitigate impacts.

Joint plans should be developed that are sensitive to donor risk preferences. Respecting the fact that uncertainty is greatest at the initial stages of a crisis when the first early warnings are triggered, plans should be phased to provide a timeline of appropriate interventions, beginning with ‘no regret’ options and transitioning to mitigation, preparedness and emergency response. As time passes uncertainty will decrease and more robust early warnings and needs assessments will build donor confidence and inform further interventions.

In return, donors could sequence funding commitments to match the phasing of response plans. Future disbursements could be linked to pre-agreed triggers and decision points, and where necessary contingent upon future outcomes. The process could be kick-started by initial early warnings triggering the release of a small amount of funding for joint planning.

This model of collective, risk-based decision-making will only deliver early action if fundamental institutional and political constraints are addressed.

Decision-takers must be identified, and clear processes for triggering, escalating, recording and justifying decisions must be specified. Organizations need to examine the incentives under which decision-making takes place and consider how these can better reward appropriate early action, encourage inter-agency cooperation and penalize inappropriate delay. A system-wide approach is needed, as very often the key to improving incentives in one organization will be held in another. For example, donors could encourage inter-agency cooperation by prioritizing consortium plans over agency plans; early-warning providers could improve the incentives for early action among donors by providing forecasts of mortality and malnutrition.

Funding decisions need to be insulated from political agendas, though attempts to do so are likely to be resisted by donor governments standing to lose power in a depoliticized process. Opportunities include greater devolution of funding powers to national and regional offices, the use of pooled funds to underwrite early action, and innovative financing mechanisms that pay out according to pre-agreed, risk-based triggers.

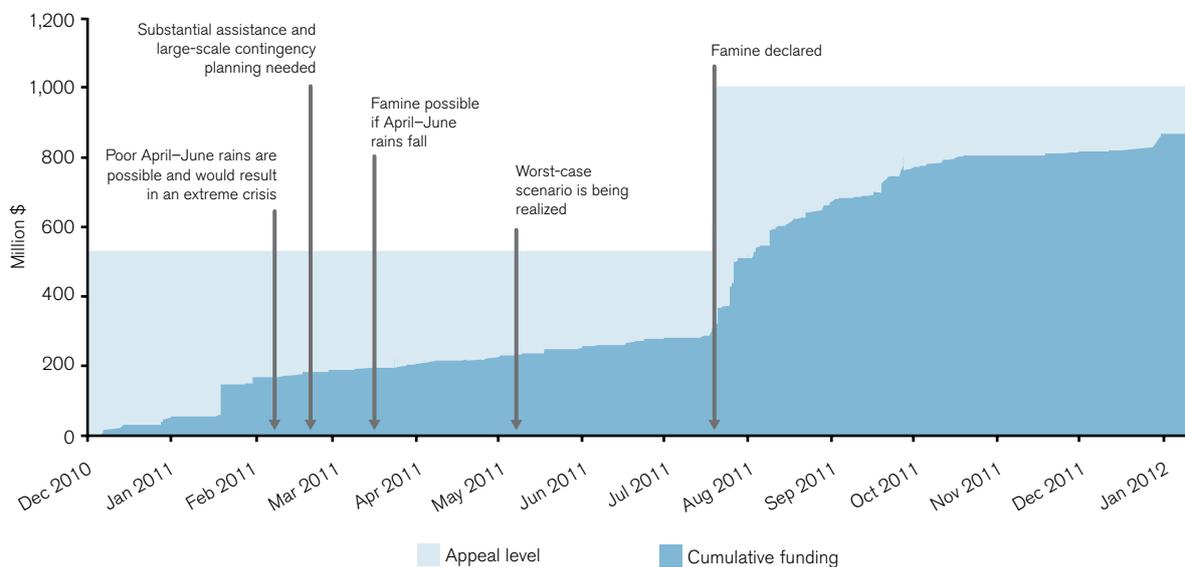
1 Introduction

On 20 July 2011, the UN declared famine in two regions of South Central Somalia. Further declarations followed in four more regions over the course of the next two months. The full costs of this catastrophe are as yet unknown. Tens of thousands of people are estimated to have died before famine was declared, most of them children. Hundreds of thousands have been displaced, many left as refugees in neighbouring Kenya and Ethiopia.¹ Millions of livelihoods have been eroded.

The famine was avoidable. Over the previous year, early-warning systems (EWS) flagged the impending tragedy with increasing urgency. Between August 2010 and the declaration, the Famine Early Warning Systems Network (FEWSNET) and the Somalia-focused Food Security and Nutrition Analysis Unit (FSNAU) produced 78 bulletins and undertook over 50 briefings to agencies and donors.² Had the international community responded, early interventions such as commercial destocking,³ nutrition support and cash transfers could have been undertaken to shore up livelihoods and halt the downward spiral into destitution and starvation.

Funding data for the consolidated appeal for Somalia (Figure 1) capture the absolute failure to translate early warning into early action. Despite escalating warnings, funding remained essentially flat, at a level below that of recent years. The amount requested by agencies also remained flat. Neither the appeal nor donors' funding of it appears to have been influenced by early warning.

Figure 1: 2011 Somalia consolidated appeal and selected early warnings



Sources: OCHA Financial Tracking Service, FEWSNET.

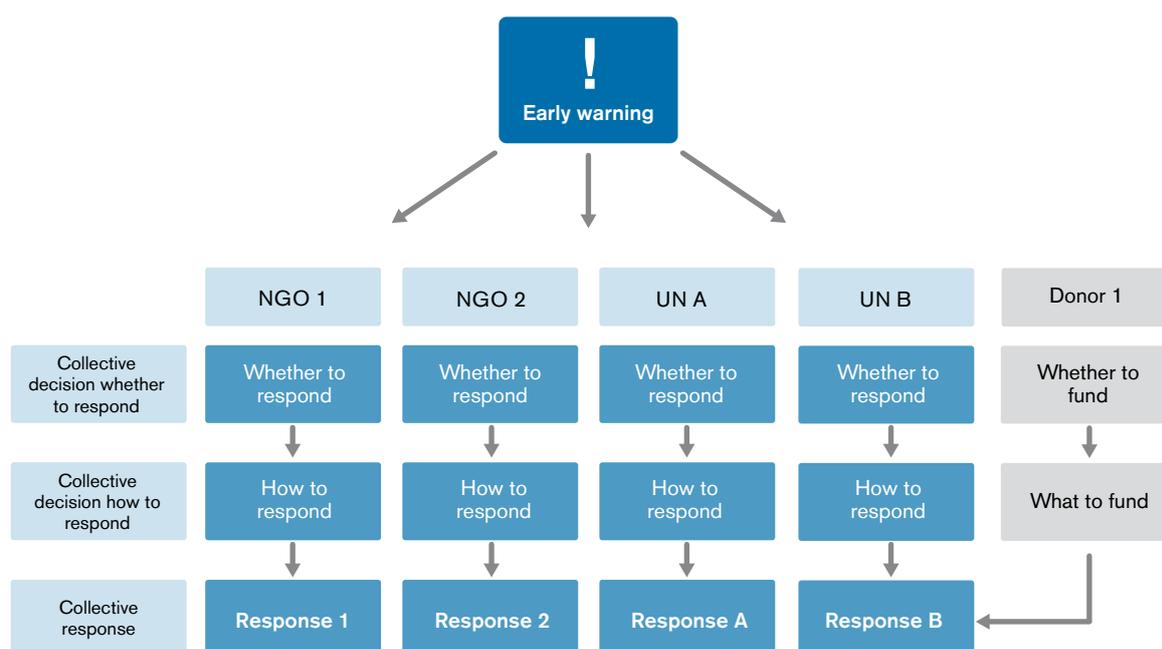
- 1 OCHA (2011), 'Emergency Revision of the Consolidated Appeal for Somalia 2011', http://docs.unocha.org/sites/dms/CAP/ER_2011_Somalia_SCREEN.pdf.
- 2 'How Much Early Warning Does it Take? Lessons Learned from the 2011 Somalia Famine', presentation by Chris Hillbruner, FEWSNET, and Grainne Maloney, FSNAU, at the pre-symposium event, 'The Somalia Famine Declaration and Response – What Went Well, What Did Not, and the Imperative to Improve', FAO, Rome, 16 January 2012.
- 3 Commercial destocking refers to the early purchase of livestock from pastoralist communities before the animals become weakened and the pastoralists' terms of trade deteriorate sharply. This way, households receive a better price than they would at the later stages of a crisis, and are able to use the funds to support the remaining herd.

Figure 1 also shows there was a step change once famine was declared. The appeal was increased and the donor response was significant, with more funds being provided in the following month than had been provided in the previous seven.⁴ Despite major challenges of logistics, humanitarian access and security, agencies mobilized swiftly and effectively, with the result that many lives were saved. But the fact remains that many more could have been saved had early warnings been heeded.

In many respects, the case of Somalia is special. The country is plagued by conflict and civil war. There is no state to speak of and the famine-afflicted areas were under the control of the Islamist group al Shabaab, which had banned most of the major international NGOs and the World Food Programme (WFP). Somalia exists quite literally in a permanent state of emergency, with malnutrition rates in many areas constantly above emergency thresholds, arguably making the humanitarian system less responsive to early warnings. In the words of one humanitarian worker, ‘the map of Somalia is painted red every year’.

Yet the experience of Somalia is far from unique. The same drought that triggered catastrophe in Somalia sparked a wider food crisis in the Horn of Africa, where again accurate early warnings failed to precipitate sufficient early action in Ethiopia and Kenya.⁵ On the other side of the Sahara, predictions of the 2005 crisis in Niger were similarly ignored until it was too late. Nor is it the case that recent crises have only just brought the problem to light: it was documented exhaustively in 1995 by Buchanan-Smith and Davies in relation to food crises in Ethiopia, Sudan, Chad, Mali and Kenya.⁶

Figure 2: Individual and collective decision-making in response to early warnings



Source: Chatham House.

4 Cumulative funding to 20 July was \$309m; this had increased to \$625m by 20 August (Source: OCHA Financial Tracking Service).
 5 See, for example, Oxfam and Save the Children (2012), 'A Dangerous Delay: The Cost of Late Response to Early Warnings in the 2011 Drought in the Horn of Africa', <https://www.oxfam.org/sites/www.oxfam.org/files/bp-dangerous-delay-horn-africa-drought-180112-en.pdf>; and Paul, J. et al. (2012), 'IASC Real-Time Evaluation of the Humanitarian Response to the Horn of Africa Drought Crisis', <http://ochanet.unocha.org/p/Documents/IASC%20Real%20Time%20Evaluation%20Kenya%202012.pdf>.
 6 Buchanan-Smith, M. and S. Davies (1995), *Famine Early Warning and Response: The Missing Link*, (London: ITDG Publishing).

The human cost of these failures is immense. Since 1980, over half a million people have died as a result of drought-related food crises.⁷ Modern, sophisticated EWS such as those of FEWSNET and FSNAU present a significant opportunity for the humanitarian system to anticipate and mitigate slow-onset food crises.⁸ Yet this opportunity is being wasted and the window for early, preventive action is still being missed. The reasons why it is so difficult to take concerted decisions on early action in response to early warning need to be understood if this problem is to be resolved.

For agencies, such as NGOs or those of the UN, that will deliver an international response, two fundamental decisions must be taken in response to early warnings: *whether* to respond and *how* to respond.⁹ And to avoid duplication of efforts, conflicting interventions or gaps in response, *collective* decisions are required. Donors must decide whether to provide funds and if so, what interventions to fund from the plans agencies develop (Figure 2).

This report draws on the results of interviews with 30 donor, agency and early-warning staff, and a two-day expert workshop at Chatham House, to examine why these decisions tend to generate delay rather than early action.

The report begins by examining the initial decision about whether to respond: within agencies, within donor organizations and then collectively. It then considers decision-making about how to respond before finally exploring what a more effective decision-making process might look like.

7 UN (2012), 'Disaster Resilient Societies: Facts and Figures', <http://www.un.org/en/sustainablefuture/disasters.shtml>.

8 For example, one review of early warnings in the run-up to the 2011 Horn emergency concluded that FEWSNET proved to be an 'excellent and timely' tool for humanitarian organizations to identify, plan and respond to the gathering crisis. Ververs, M. (2011), 'The East African Food Crisis: Did Regional Early Warning Systems Function?', *Journal of Nutrition*, Vol. 142, No. 1, pp. 131–33.

9 It is also the case for national governments. These are beyond the scope of this paper but analysis will be included in a later report.

2 Deciding Whether to Respond

The primary purpose of early-warning information (EWI) is to inform a decision about whether to respond. Among agencies, this decision triggers the subsequent processes of designing and preparing for a response, launching appeals and raising the alarm more widely within the humanitarian system, particularly with respect to donors which they must approach for funding. Donors must decide whether to release funds in response to early warnings and the proposals agencies develop.

Agency decision-making

Within agencies, delay results from a lack of accountability for precipitating a decision on whether to respond, and from a lack of accountability for taking the decision itself. Decision-making tends to be highly centralized, with responsibility resting at headquarters level. However, responsibility for *triggering* a decision primarily lies with national staff who monitor relevant EWS, pass on EWI and raise red flags.

Centralized decision-making of this kind becomes highly problematic in agencies where central decision-takers are not clearly identified or formal decision processes are unapparent or lacking. This weak accountability may be exacerbated by an absence of processes for recording decisions: one interviewee noted a lack of 'paper trails', making it impossible to ascertain whether decisions were actually taken and who took or failed to take them.

Furthermore, it can undermine accountability among national staff for precipitating a decision: in the absence of clear processes or known decision-takers, attempts to trigger a corporate decision from a remote country office can appear futile. Staff may rely on email to do so, but this can dilute accountability as responsibility is effectively transferred through the forwarding of an email: once the message is sent, staff may feel their responsibility to pass on EWI has been fulfilled without follow-up. Email is an inappropriate medium for raising red flags, especially in large agencies where potential decision-makers receive significant numbers of emails (possibly in excess of 100 a day), which may result in the crucial message being missed.

An emergency response implies a commitment to reprioritize work, redesign programmes and undertake a series of new activities. So when faced with early warnings and the prospect of significant upheaval, national staff may remain distracted by competing priorities for which they are more clearly accountable. Because these competing priorities often relate to existing programmes, this may manifest as a tendency to concentrate on current commitments and 'hope for the best'. This appears to have been a factor in Kenya in 2011, where one of the principal reasons offered for agencies' failure to mobilize earlier was the hope that future rains would improve the situation.¹⁰

Inertia at the national level may be compounded by a lack of clarity on internal funding arrangements. For example, in one agency national staff were slow to raise the alarm in the run-up to the 2011 Horn crisis because of concerns that an emergency response would commit them to budget overspends. They had been unaware of funding modalities that meant this would not have been the case. More importantly, they felt more accountable for balancing their budget than for triggering a response.

In sum, delay follows from a lack of formal processes and unclear accountability for taking and precipitating decisions. This is compounded by the over-centralization of decision-making, which means that national staff with the best knowledge of EWI are not empowered to take decisions based upon this, and tend to focus instead on other priorities for which they are more clearly accountable.

¹⁰ Paul et al. (2012).

Improving agency decision-making about whether to respond

- Agencies should empower Country Directors to respond early. Devolution of funding could allow national offices autonomy to respond up to a certain deviation from budget, for example. Corporate contingency funds and risk-financing mechanisms could enable local decision-making without fear of budgetary ramifications.
- Agencies should ensure clear decision-making processes linking national, regional and global levels, with clear accountability and clear triggers for how and when decisions should be initiated and escalated. Job descriptions should reflect individuals' responsibilities for taking and precipitating decisions as appropriate.
- Agencies should ensure adequate processes for recording decisions, and justification for decisions, whether these are to respond or not.

Donor decision-making

Donor funding decisions are crucial determinants of the timing and shape of a response. Though there is much that agencies can do to improve decision-making, early action at significant scale inevitably depends upon the availability of sufficient early funding. In the case of Somalia in 2011, donor decision-making appeared unresponsive to early warnings, but highly responsive to the declaration of famine (at which point, by definition, early action was impossible). This is a stark example of a general picture in which funding tends to become available at scale only after an emergency has been declared. One recent study estimated that less than five per cent of all humanitarian funding in 2009 was directed towards preparedness, and that this was typically provided immediately *after* a crisis rather than in anticipation of one.¹¹ Donor delay primarily arises from the institutions that shape decision-making within donor bureaucracies, and the wider political context in which governments take decisions.

Donor bureaucracies

The reluctance of donors to fund early action is an outcome of bureaucratic decision-makers' incentives, their risk preferences and the uncertainty that is an unavoidable component of early warning. Bureaucrats are rightly accountable for spending (taxpayers') funds wisely. This means that the money they spend should have a demonstrable impact in saving lives and protecting livelihoods. This on its own should not prevent early action, indeed it should encourage it, as more lives can be saved and livelihoods protected through early interventions to mitigate a crisis. But this does not happen because of how bureaucratic decision-makers perceive the risks associated with an early-funding decision and an uncertain future. The primary downside risk they perceive is that the crisis does not materialize, and that the funds they release are judged to have been 'wasted.' The alternative downside, that a crisis occurs and funds are released late, is recognized but not accorded comparable weight.

These risk preferences follow from incentives. The accountability of bureaucrats for spending taxpayers' money is keenly felt. Within donor bureaucracies, a decision that 'wasted' taxpayers' money would be easily traceable and attributable. Such a decision could be career-limiting. As one agency interviewee noted on the challenge of convincing donors to release funds for early action, 'We are asking these guys to put their jobs on the line.'

11 Kellett, J. and H. Sweeney (2011), 'Synthesis Report: Analysis of Financing Mechanisms and Funding Streams to Enhance Emergency Preparedness', Development Initiatives, <http://www.devinit.org/wp-content/uploads/Emergency-Preparedness-Study-Final-Synthesis-Report-Development-Initiatives-for-FAO-on-behalf-of-the-IASC.pdf>.

Accountability for saving lives and protecting livelihoods is less keenly felt. Donor officials are not accountable to vulnerable populations in crisis-affected countries. This is exacerbated by the fact that decision-making tends to be highly centralized, typically in home capitals, far from the unfolding crisis and where other considerations may dominate. During the 2011 crisis in the Horn, regionally based donor staff struggled to unlock significant funding from their capitals until domestic media coverage highlighted the situation.¹² And while donor bureaucrats can be solely accountable for spending taxpayers' money, they cannot be solely accountable for preventing a crisis: this would require other donors to release sufficient funds sufficiently early too. Thus there is a collective action problem, and accountability is diluted.

The risks bureaucratic decision-makers perceive in funding early action are not counterbalanced by an opportunity for reward if a crisis is mitigated. Indeed, it may not be straightforward to prove that a crisis was mitigated, as opposed to simply being overstated in the first place. Demonstrating the benefit of funds spent early, in terms of lives saved and livelihoods protected, is difficult as it requires comparison with a hypothetical scenario in which no early action occurs.

In sum, for bureaucratic decision-makers, the risks associated with funding early action are clear and significant, whereas the benefits are ill defined and limited. The result is a tendency to delay decisions and wait for certainty.

The challenges involved in reorienting donor decision-making towards greater support for early action are significant. Steps to indirectly increase staff accountability to vulnerable populations could help – for example by decentralizing decision-making so that regional or national staff have greater autonomy in funding decisions.¹³ However, the current climate of fiscal austerity and declining aid budgets makes it difficult for home ministries to devolve spending.

More needs to be done to build the economic case for early action. In particular, cost-benefit analyses demonstrating that a dollar spent on early action achieves more than a dollar spent on emergency response are needed. Such studies exist, but they are few and highly context-specific, with little specifically on slow-onset food crises.¹⁴

A recent study for the UK Department for International Development examining the relative costs of early and late action for drought in Kenya and Ethiopia suggests the economic case for early action is compelling.¹⁵ Over a 20-year period of droughts on a five-year cycle, it was estimated that early procurement by agencies and early interventions to support pastoralist livelihoods such as commercial destocking, supplementary animal feeding and veterinary services could generate significant savings relative to an emergency response. In the Wajir district of Kenya these were estimated to be \$392 million, and in the more populous region of Southern Ethiopia \$3,066 million: over \$1,000 per beneficiary in each case (see Table 1).¹⁶

Table 1: Cost estimates for drought responses in the Horn of Africa, discounted over 20 years

| | Beneficiaries | Emergency | Early action | Saving | Saving per capita |
|--------------------------|---------------|-----------|--------------|----------|-------------------|
| Wajir, Kenya | 367,000 | \$606m | \$214m | \$392m | \$1,068 |
| Southern Ethiopia | 2,800,000 | \$3,800m | \$734m | \$3,066m | \$1,095 |

Source: Cabot Venton et al. (2012); author's own analysis.

12 Oxfam and Save the Children (2012).

13 For example, Buchanan Smith and Davies (1995).

14 Oxfam and Save the Children (2012).

15 Cabot Venton, C., C. Fitzgibbon, T. Shiterek, L. Coulter and L. Dooley (2012), 'The Economics of Early Response and Disaster Resilience: Lessons from Kenya and Ethiopia', paper produced for the UK Department of International Development.

16 Ibid.

Though only estimates, these results indicate that the perverse incentives that skew donor decision-making towards emergency response rather than early action carry significant economic, as well as human, costs.

Fundamentally, donor decision-making needs to move from risk aversion to risk reduction. Donors should take decisions based upon assessments of the risks a crisis presents – how likely is the crisis, and how severe could it become in the absence of action? Funding would then support interventions to reduce risks, mitigate impacts and prepare for a response. Potential crises of high likelihood and high severity should generally unlock early funding at scale. Under this approach, money spent to mitigate and prepare for a potentially serious food crisis that ultimately did not materialize would not be viewed as ‘wasted,’ but as a prudent use of funds given the risks faced at the time.

The economic analysis above suggests the risk of a crisis not materializing and an early-funding decision being wrong are probably acceptable, given the reliability of EWS and the more favourable economics of early action: donors could afford to mistakenly fund early action three times in Wajir, and eight times in Southern Ethiopia before the cost reaches that of a single emergency response in each case.¹⁷

Agencies and early-warning providers need to better understand the risk preferences of donors and try to meet their particular needs. For the reasons discussed above, in making funding decisions donors are more responsive to outcome indicators such as mortality rates and malnutrition prevalence than risk factors such as failed rains or food prices, or vaguely defined concepts such as ‘numbers at risk’. An early-warning provider reflecting on the 2011 Somalia famine observed that ‘all donors were interested in was total mortality’. Similarly, one donor interviewee commented that FEWSNET’s February warning that poor April–June rains could result in a severe crisis was ‘not useful to unlock resources’.

The challenge facing early-warning providers is therefore to forecast outcome indicators, specifically mortality rates and malnutrition prevalence, so that donors can assess the risks in terms of the indicators to which they are responsive. This is by no means straightforward, which is why, despite significant progress in scenario modelling from FEWSNET in particular, early-warning forecasts tend not to include this level of specificity. Nevertheless projections of how malnutrition and mortality numbers might evolve in the absence of early action will help enable early funding. Moreover, these forecasts would provide a benchmark against which to measure the impact of early action, so donors could be more easily rewarded for the appropriate release of early funds.

The challenge facing agencies is to better tailor their response plans to the risk preferences of donors. Uncertainty is greatest at the initial stages of a crisis, when the first early warnings are triggered. It is unrealistic to expect donors to commit significant funds at this stage; requests should focus on ‘no regret’ options: interventions that deliver a return whether or not the crisis eventually materializes. These might include measures to build resilience among vulnerable populations, helping them to ride out if not this crisis, then the next. As time passes uncertainty will decrease; more robust early warnings and needs assessments will build donor confidence and inform further interventions. Specific trigger-points could be identified from contingency plans when step changes in funding and programming will follow, for example in response to a conflict or failed rains.

¹⁷ In Wajir, the cost of a single emergency response was estimated to be \$257 million, and the cost of early action \$85 million. In Southern Ethiopia, a single emergency response was estimated to cost \$1,614 million compared to \$209 million for early action. Cabot Venton et al. (2012).

Improving decision-making in donor bureaucracies

- Donors should decentralize decision-making and devolve budgets so that staff closest to the situation have more influence over funding decisions.
- Agencies and donors should improve data collection for early action and emergency response to build the economic and humanitarian case for earlier interventions.
- Early-warning providers should develop methodologies to forecast malnutrition and mortality outcomes.
- Donors should adopt a crisis risk management approach to funding, so that early interventions follow from strategies to reduce risks, mitigate impacts and prepare for response.
- Agencies should develop phased response plans for donors to fund, starting with no regret and least regret options, specifying triggers and future decision-points, and demonstrating how interventions can reduce risks, mitigate impacts and build preparedness.

Donor politics

Donor decision-making does not occur in a political vacuum. Politicians evaluate decisions to fund, or not fund, according to domestic and foreign policy factors and the political costs and benefits they expect to follow. Depending on what this political calculus dictates, donor politics may either reinforce bureaucratic risk aversion or, less frequently, override it. As such, the broader political context in which decision-making occurs is the most important factor in shaping donor decisions.

Domestically, declining aid budgets and declining public support for international transfers may inhibit funding of early action. Shrinking budgets may make politicians wary of overspending early on in a crisis or financial year, resulting in a ‘wait and see’ approach. Analysis of US emergency assistance found larger budget deficits made it less likely that a decision to provide assistance would be granted, with the authors concluding that ‘it appears ... decision-makers take cues from Congress, especially in high deficit years when taxpayers may react negatively to big ticket foreign aid allocations, even for disasters.’¹⁸

Declining public support for aid is also likely to increase perceived political costs associated with funding early action if sceptical publics are unable to see a crisis that justifies the transfers. The role of the media, in particular television news, in raising public awareness – the so-called ‘CNN effect’ – is therefore important. By creating public demand for action it rapidly increases the political costs of delay and simultaneously presents an opportunity for reward where politicians can be seen to act. One interviewee recounted how media coverage of a particular emergency had precipitated a call from the minister’s office with instructions to find ‘something to spend 10 million on by the afternoon’.

The CNN effect is well recognized among NGOs which use the media as a key tool to influence donors. Save the Children’s media work from the Dadaab refugee camps on the Kenya–Somalia border is widely seen to have been instrumental in mobilizing donors to respond to the catastrophe in Somalia. The CNN effect cannot be relied on to trigger a response, however, as it depends upon the news cycle: there is no guarantee the crisis will make the headlines. Research in the US found disasters attract different levels of coverage depending on their ‘newsworthiness’ as determined by the media, with significant implications for the funding they receive.¹⁹ The CNN effect also presents an obvious challenge to NGOs wishing to trigger early action, as it is dependent upon images of suffering that are unavailable before an emergency. One NGO informant recalled significant difficulties in convincing a reporter to travel to Niger during the

18 Drury, A., R. Olson and D. Van Belle (2005), ‘The Politics of Humanitarian Aid: US Foreign Disaster Assistance, 1964–1995’, *Journal of Politics*, Vol. 67, No. 2, pp. 454–73.

19 Eisensee, T. and D. Strömberg (2007), ‘News Droughts, News Floods, and US Disaster Relief’, *Quarterly Journal of Economics*, Vol. 122, No. 2, pp. 693–728.

run-up to the 2010 food crisis in the absence of any ‘dead cattle and cracked earth’. More recently, NGO attempts to mobilize public opinion in donor countries about the deteriorating situation in the Sahel have been largely unsuccessful in the absence of media coverage.²⁰

In this context, political decisions about whether to fund early action are unlikely to be straightforward. Politicians may consider whether the crisis is likely to make the news, and if so, whether political costs may follow if they can be blamed for not having acted earlier. If they cannot be blamed, delay may be a more attractive option, as it avoids the potential cost of public anger over transfers in the absence of a visible crisis, while providing an opportunity for future political reward should the crisis materialize and they can be seen to act.

Foreign policy considerations are also crucial. Statistical analyses have identified a number of strategic factors that influence donor decisions on whether to provide emergency assistance and if so, how much. Donors are more likely to favour countries with which they share a common language or colonial history,²¹ but they are also more likely to favour countries that are close to home, those that are oil exporters (this is particularly important for the US and UK), and those that are less politically aligned – which suggests that emergency relief is used as a diplomatic tool to help build geopolitical bridges.²²

Such strategic considerations appear to be at least as significant as the CNN effect in determining donor response. Research examining emergencies from the 1990s and early 2000s found the media were rarely a decisive influence on donors, whereas the ‘security interests of Western donors’ were usually more important.²³ Analysis of US emergency assistance between 1964 and 1995 found the CNN effect played only a marginal role in shaping decisions about whether to respond. Foreign policy factors were most important: in particular, whether or not affected countries were US allies, and whether or not disasters occurred during the Cold War.²⁴

The Cold War was replaced by the ‘Global War on Terror’ as a key foreign policy influence on donor decision-making. For example, after 9/11 there was a complete transformation in donor attitudes to the food crisis in Afghanistan. Estimates of ‘numbers affected’ increased from 3.5 million in September to 9 million in November 2001, with a significant increase in food assistance leading the head of USAID to announce that ‘famine had been averted’.²⁵ It remains unclear whether famine was in fact ever a possibility, or whether food assistance was the appropriate response; the important point is that a major shift in US policy towards Afghanistan saw a dramatic change in how the administration viewed and responded to a pre-existing food crisis.

A similar pattern is discernible in Ethiopia. The 2000 food crisis saw a slow and reluctant response from donors frustrated by the ongoing border war with Eritrea and the lack of priority afforded by the government to the growing humanitarian crisis. In contrast, the 2003 crisis saw a much swifter and larger donor response.²⁶ Ethiopia had become a critical partner in the Global War on Terror, and its history of famine-related regime change meant a swift and concerted response was warranted to ensure the government’s continuity. Before 9/11, political stability in Ethiopia was not a foreign policy priority.

In the case of Ethiopia, the Global War on Terror appears to have helped trigger early action. More recently in Somalia it undoubtedly prevented it. Put simply, counter-terrorism, or more specifically preventing humanitarian assistance from falling into the hands of al Shabaab, was a greater donor priority than preventing famine. Since 9/11, counter-terrorism laws and related measures have

20 See ‘Millions of People Across the Sahel Will be Left Hungry in the Coming Months Unless Multi-Million Dollar Funding Shortage for Crisis Response is Filled’, Oxfam Press Release, 23 April 2012, <http://www.oxfam.org.uk/media-centre/press-releases/2012/04/millions-of-people-across-the-sahel>.

21 Strömberg, D. (2007), ‘Natural Disasters, Economic Development and Humanitarian Aid’, *Journal of Economic Perspectives*, Vol. 21, No. 3, pp. 199–222.

22 Fink, G. and S. Redaelli (2009), ‘Determinants of International Emergency Aid: Humanitarian Need Only?’, World Bank Policy Research Working Paper 4839, http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2009/02/18/000158349_20090218082527/Rendered/PDF/WPS4839.pdf.

23 Olsen, G. R., N. Carstenesen and K. Høyen (2003), ‘Humanitarian Crises: What Determines the Level of Emergency Assistance? Media Coverage, Donor Interests and Aid Business’, *Disasters*, Vol. 27, No. 2, pp. 109–26.

24 Drury et al. (2005).

25 Darcy and Hofmann (2003).

26 Maxwell, D. and S. Lautze (2006), ‘Why Do Famines Persist in the Horn of Africa? Ethiopia 1999–2003’, in Stephen Devereux (ed.), *The ‘New Famines’: Why Famines Persist in an Era of Globalization* (London: Routledge).

proliferated. Resolution 1373 of the UN Security Council requires states to refrain from the provision of any support to terrorist organizations. Donors such as the EU, the UK, Canada and the US have individually adopted legislation to make illegal the provision of resources (which could include food, money or knowledge) to terrorist groups.²⁷ Those of the US in particular were instrumental in slowing the Somalia response. Executive orders under the International Emergency Economic Powers Act made it a crime to enter into a financial transaction with al Shabaab. In addition, the Material Support Statute criminalized the provision of materials and services to designated 'Foreign Terrorist Organizations', leaving humanitarian workers liable to prosecution in the US and potential prison sentences of up to 15 years should aid be diverted to al Shabaab.

These laws, and others like them, hindered an early response in South Central Somalia and contributed to a contraction in humanitarian access. Agencies were understandably concerned about placing staff at risk of prosecution. More fundamentally, agencies struggled to access donor funding in the first place. Funding for the region fell by half between 2008 and 2011, primarily owing to a decline in US aid.²⁸ This disinvestment would have increased vulnerability in the area and made the subsequent emergency more likely. Even when the gravity of the situation became clear in 2011, agencies still struggled to access donor resources for early action.²⁹ And when funding was granted, it was subject to extensive checks and balances to minimize the risks of diversion. The result was increased operating costs, administrative burdens and lead times, and a slower overall response.³⁰

The partial relaxation of US restrictions following the declaration of famine suggests that at this point the political calculus shifted. While Somalia was out of the news, the strategic priority of preventing aid capture by al Shabaab took precedence over response, and the US actually disinvested. An alternative interpretation, that assistance to South Central Somalia was deliberately withheld as part of a strategy to weaken the *de facto* al Shabaab administration, is more troubling but unproven. Whatever the rationale, once the story broke, the political costs of inaction increased, tipping the US and the wider donor community towards response.

In sum, while stories stay out of the news, donor governments are likely to base their response decisions on foreign policy considerations, evaluating the political costs and benefits of both early action and inaction for their strategic interests. The CNN effect has the potential to flip this political calculus by introducing new domestic political costs and benefits into the equation, associated with public perceptions of the crisis and the role of donor governments in addressing it. For this reason, assessments of the likelihood that a potential crisis will make headlines in the future may shape donor governments' decisions on whether to respond early.

The challenge facing agencies, and in particular NGOs, is to tilt this political calculus towards early action by increasing the costs of delay and increasing the rewards for early action. Opportunities include initiatives to rank donor governments according to their willingness and capacity to fund early action, based for example on criteria that evaluate their funding flexibility, responsiveness to early warnings, and support for preparedness and Disaster Risk Reduction. In particular, NGOs must be prepared to reward donor governments that fund early action with public praise, recognizing that these governments are forgoing the potential domestic political benefits of responding to an emergency in the future while risking criticism from their publics for spending aid on an invisible crisis.

More generally, approaches to insulate donor decision-making from political agendas should be explored, though these are likely to be resisted by governments that would lose power in a depoliticized process. Pooled funding mechanisms, which devolve responsibility for funding decisions to agencies, offer opportunities in this regard. And though none exist specifically for early action, the UN-administered

27 Bruderlein C., E. Holland, D. Lewis and N. Modirzadeh (2011), 'Humanitarian Action under Scrutiny: Criminalizing Humanitarian Engagement', HPCR Working Paper, Harvard University, <http://c0186748.cdn1.cloudfiles.rackspacecloud.com/HPCR%20CHE%202011.pdf>.

28 Pantuliano S., K. Mackintosh, S. Elhawary and V. Metcalfe (2011), 'Counter-terrorism and Humanitarian Action: Tensions, Impact and Ways Forward', Humanitarian Policy Group Policy Brief 43, <http://www.odi.org.uk/resources/docs/7347.pdf>.

29 Oxfam and Save the Children (2012).

30 Bruderlein et al. (2011).

Central Emergency Response Fund (CERF) has provided some limited funding in the past.³¹ A new window for early action and preparedness could in theory be introduced to the CERF, though previous initiatives to this end have made little progress. Placing humanitarian affairs within dedicated development ministries, rather than foreign ministries as is often the case, could help isolate funding decisions from foreign policy considerations and also provide greater opportunities for integrating development and emergency programming.

Innovative funding approaches (see Box 1) can simplify decision-making. Mechanisms such as crisis modifiers and risk financing not only allow programmes to be flexible and adapt to early warnings, but also automate, or at least greatly simplify, funding decisions by setting triggers and modalities for the release of money. Insurance mechanisms that pay out on the basis of a parametric trigger, such as a drought determined in relation to an accepted rainfall index, can mobilize financial resources in advance of a crisis. By paying a regular premium, rather than an unpredictable emergency disbursement, a donor's costs are smoothed. And by ensuring that resources are mobilized early, when the rains fail and the opportunity for early action is available, the donor's return on investment, in terms of lives saved and livelihoods protected, should increase. Donor premiums could be reduced further by pooling drought insurance across meteorologically distinct regions – such as the Horn and the Sahel – in order to diversify risk.

Box 1: Innovative funding

At the programme level, governments, donors and agencies continue to experiment with funding mechanisms to help scale up or modify interventions in anticipation of crises. Though promising, these remain outside mainstream practices and therefore offer only marginal benefits at present.

The Productive Safety Net Programme (PSNP) of the Ethiopian government provides ongoing cash and food transfers to vulnerable households, reaching about 7.6 million beneficiaries. In times of crisis, the PSNP can be scaled up via two additional funding mechanisms that extend its reach to additional households experiencing 'transitory' needs: a contingency fund up to 20 per cent of the budget; and beyond this a larger risk-financing mechanism. Evaluations indicate that the PSNP played an important role in ensuring that vulnerable households did not fall into destitution during the 2011 crisis, though the risk-financing mechanism was slow to trigger.

USAID uses crisis modifiers to increase the flexibility of its funding of the Pastoralist Livelihoods Initiative programme in the Horn. Once triggered, these mechanisms release funds to allow agencies to adjust their interventions and undertake early action as required, potentially avoiding the delays that would otherwise follow from agencies having to revise their strategies and submit new funding requests.

Agencies are also increasingly experimenting with insurance. In 2006, WFP partnered with Axa Re to pilot a derivative designed to pay out in the event of drought (defined in relation to a rainfall index) in Ethiopia. Since then WFP has continued to innovate on community-level insurance with Oxfam America and Swiss Re in the 'R4 Rural Resilience Initiative'. This scheme offers weather-indexed insurance to rural communities that are able to pay their premiums by undertaking work on climate change adaptation measures.

31 Chatham House (2012), 'Translating Early Warning into Early Action: Workshop Summary', 11–12 April, <http://www.chathamhouse.org/sites/default/files/public/Research/Energy,%20Environment%20and%20Development/110412summary.pdf>.

Minimizing delay arising from donor politics

- NGOs should include donor mobilization strategies as a core element of their response to early warnings. Elements could include benchmarking donors against one another, and targeted advocacy towards key political decision-makers beyond development ministries (e.g. in foreign ministries or in press offices).
- Donors should develop early-action funding modalities that clarify when certain preventive interventions are warranted and on what basis they will fund them.
- Humanitarian affairs should be managed from within dedicated development ministries rather than foreign ministries.
- Opportunities to develop pooled funding mechanisms for early action should be explored.
- Innovative financing mechanisms such as crisis modifiers, risk financing and contingency funds, which allow programmes to adapt to early warnings without recourse to political decision-making, should be developed and extended.

Collective decision-making

A system-wide response requires multiple decisions to respond within agencies and donors. In reality, these decisions are not taken in isolation. For example, donor decisions to respond depend not only on information provided by EWS, but also on the advocacy of agencies, in particular NGOs, and on the actions of other donors.³²

A collective decision to respond clearly requires consensus on the severity of the situation. When EWS are in disagreement delay is more likely;³³ indeed it is justifiable. In 2012, the humanitarian system has struggled to reach consensus regarding the situation in West Africa where NGOs, UN agencies, early-warning providers and donors have taken differing views, following a poor harvest in regions of the Sahel, of how serious things are likely to become. These disagreements have worried donors and caused general frustration, with NGO and donor interviewees expressing concern that things have moved too slowly as a result.

Consensus is more easily reached with a common framework for classifying severity. Important progress in this regard has been made with the Integrated Food Security Phase Classification (IPC) – an analytical framework for classifying the severity of food insecurity into five phases ranging from 1 (None/Minimal) to 5 (Famine) (see Figure 3). The IPC is supported by a group of UN agencies, international NGOs, donors and early-warning providers and has wide institutional buy-in. It helped achieve consensus around the Somalia famine declaration in 2011, with one early-warning specialist noting that there were no arguments about whether or not there was famine, as had happened in previous emergencies. More recently, the IPC has provided a common framework for discussions regarding the severity of the situation in the Sahel.

Consensus among EWS is a necessary but not sufficient condition for a collective decision to respond. Even though FEWSNET and FSNAU cooperated before the 2011 Somalia famine to ensure consensus, neither agencies nor donors were able to take an early collective decision to act. At the national level, agencies failed to increase their consolidated appeal (see Figure 1). Nor did they launch a flash appeal, which would have been another way for them to raise their funding demands quickly and to escalate the signal they were sending to donors.

32 Olsen et al. (2003) found agency advocacy towards donors to be a key determinant of funding decisions. Humanitarian funding also exhibits herding behaviours among donors; see Fink and Redaelli (2009).

33 Buchanan Smith, M. (2000), 'Role of Early Warning Systems in Decision-Making', paper presented at Expert Group Meeting on Early Warning Systems for Drought Preparedness and Drought Management, 5–7 September 2000, Lisbon, <http://www.odi.org.uk/resources/docs/4943.pdf>.

Figure 3: The Integrated Food Security Phase Classification (IPC)

Purpose: To guide short-term strategic objectives linked to medium- and long-term objectives that address underlying causes and chronic food insecurity.

Usage: Classification is based on convergence of evidence of current or projected most likely conditions, including effects of humanitarian assistance.

| | | Phase 1 Minimal | Phase 2 Stressed | Phase 3 Crisis | Phase 4 Emergency | Phase 5 Famine |
|--|---|---|---|--|---|---|
| Phase name and description | | More than four in five HHs are able to meet essential food and non-food needs without engaging in atypical, unsustainable strategies to access food and income, including any reliance on humanitarian assistance | At least one in five HHs in the area have the following or worse: Minimally adequate food consumption but are unable to afford some essential non-food expenditures without engaging in irreversible coping strategies | At least one in five HHs in the area have the following or worse: Food consumption gaps with high or above usual acute malnutrition; OR Are marginally able to meet minimum food needs only with accelerated depletion of livelihood assets that will lead to food consumption gaps | At least one in five HHs in the area have the following or worse: Large food consumption gaps resulting in very high acute malnutrition and excess mortality; OR Extreme loss of livelihood assets that will lead to food consumption gaps in the short term | At least one in five HHs in the area have an extreme lack of food and other basic needs where starvation, death, and destitution are evident. (Evidence for all three criteria of food consumption, wasting, and CDR is required to classify Famine) |
| | Priority response objective | Build resilience, Disaster Risk Reduction | Disaster Risk Reduction, protect livelihoods | Urgent action required Protect livelihoods, reduce food consumption gaps, and reduce acute malnutrition | Save lives and livelihoods | Prevent widespread death and total collapse of livelihoods |
| Area outcomes (directly measured or inferred) | Food consumption and livelihood change | More than 80% of households in the area are able to meet basic food needs without engaging in atypical strategies to access food and income and livelihoods are sustainable | Based on the IPC Household Group Reference Table, at least 20% of the households in the area are in Phase 2 or worse | Based on the IPC Household Group Reference Table, at least 20% of the households in the area are in Phase 3 or worse | Based on the IPC Household Group Reference Table, at least 20% of the households in the area are in Phase 4 or worse | Based on the IPC Household Group Reference Table, at least 20% of the households in the area are in Phase 5 |
| | Nutritional status | Acute Malnutrition: <5% BMI: <18.5 Prevalence: <10% | Acute Malnutrition: 5–10%, BMI: <18.5 Prevalence: 10–20% | Acute Malnutrition: 10–15% OR > usual and increasing BMI: <18.5 Prevalence: 20–40%, 1.5 x greater than reference | Acute Malnutrition: 15–30%; OR > usual and increasing BMI: <18.5 Prevalence: >40% | Acute Malnutrition: >30% BMI: <18.5 Prevalence: far > 40% |
| | Mortality | CDR: <0.5/10,000/day U5DR: ≤1/10,000/day | CDR: <0.5/10,000/day U5DR: ≤1/10,000/day | CDR: 0.5–1/10,000/day U5DR: 1–2/10,000/day | CDR: 1–2/10,000/day OR >2x reference U5DR: 2–4/10,000/day | CDR: >2/10,000/day U5DR: >4/10,000/day |

Note: BMI is Body Mass Index. CDR is Crude Death Rate. U5DR is Under 5 Death Rate. HH is household.
Source: IPC (2012).

Likewise donors failed to increase their funding (Figure 1): as noted above, this was a direct outcome of foreign policy objectives. It is also likely that despite the consensus among early-warning providers, donors discounted early warnings because of the 'normalization of crisis' in Somalia.³⁴

From this apparent donor apathy followed an assessment among agencies that it was politically unfeasible to raise the level of the consolidated appeal: one interviewee argued that launching a new appeal when the existing one 'was only 35 per cent funded would have looked ridiculous'. Although no explicit collective decision was taken among donors and agencies to underestimate humanitarian needs and raise the alarm late, a tacit collective understanding that it would be inappropriate to increase the appeal had the same result.

More generally, collective decision-making on funding needs between donors and agencies suffers from a deficit of trust: donors are suspicious that agencies overstate needs and may apply an implicit discount accordingly; agencies are conscious of this and so have an incentive to overstate appeals, reinforcing the dynamic.

The rigid process by which agencies agree a consolidated appeal known as the CAP (Consolidated Appeal Process) also appears to have contributed to the collective inertia of agencies in Somalia during 2011. The CAP is anchored to internal UN annual planning timelines rather than the timeline of a particular crisis, and there was a marked reluctance among agencies to reopen the process, which had only just been completed when early warnings began to escalate at the start of 2011. Reopening the CAP would have entailed revisions and reprioritization of existing plans, and a new round of discussion and negotiation between agencies. Faced with this, agencies chose to continue with the previous appeal and hope for the best (decent March–May rains).

At the global level, collective decisions to respond are hampered by a lack of formal decision-making processes. Despite the global circulation of early warnings by FEWSNET and FSNAU about the deteriorating situation in Somalia in 2011, there appear to have been no collective decisions among donor or agency head offices to respond early. Nor did head offices intervene in national joint decision-making processes to address the problems described above.

Agencies are attempting to address the gap in global decision-making. The most concerted effort comes from the Inter-Agency Standing Committee (IASC) – a coordination mechanism for the major international agencies – which has developed both a twice-yearly early-warning report and a global risk register that identifies countries where crises are most likely. These are both nascent initiatives, and need to be linked to joint decision-making processes not yet in place. However, they offer significant potential to achieve consensus around future risks, trigger collective action, and align preparedness and joint planning activities.

It remains unclear whether these analyses will be available outside the IASC owing to concerns that the process might become politicized – for example, some national governments might be displeased with their categorization in the risk register if it is at odds with the image they wish to present to the international community. But transparency is crucial if the early warnings are to be subject to scrutiny. It is also crucial to achieve consensus beyond the IASC, particularly with donor organizations that will ultimately be asked to fund any resulting early action. Transparency would also help improve accountability: once the early-warning reporting is in the public domain, then the agencies can be held accountable for how they decide to respond.

In sum, collective decisions about whether to respond can be hampered by a number of factors. Disagreement between different EWS means that consensus on whether to respond can be hard to achieve, resulting in uncertainty and delay. A lack of trust between donors and agencies when setting appeal levels can result in donors withholding funds. Joint agency decisions relating to the scale and urgency of humanitarian need can be unduly influenced by perceptions of donor appetite, resulting in

34 The 'normalization of crisis' was first identified by Mark Bradbury to refer to the way in which ongoing emergencies tend to be persistently underfunded as donors become increasingly accepting of the humanitarian situation. In the case of Somalia in 2011, it appears that malnutrition indicators permanently above crisis thresholds made it difficult for donor decision-makers to differentiate between 'good' and 'bad' years, resulting in scepticism that 2011 would be significantly worse from any other 'dry' year. See Bradbury, M. (1998), 'Normalising the Crisis in Africa', *Journal of Humanitarian Assistance*, <http://sites.tufts.edu/jha/archives/125>.

an implicit consensus that is uninformed by early warnings or other objective situation analyses. At the national level, the inflexible process by which agencies agree a consolidated appeal may prohibit agencies from collectively raising the alarm in response to EWI. At the global level, recognized mechanisms or forums for collective decision-making in response to EWI are largely absent, meaning opportunities for consensus-building, joint strategizing and oversight may be lost.

Improving collective decision-making about whether to respond

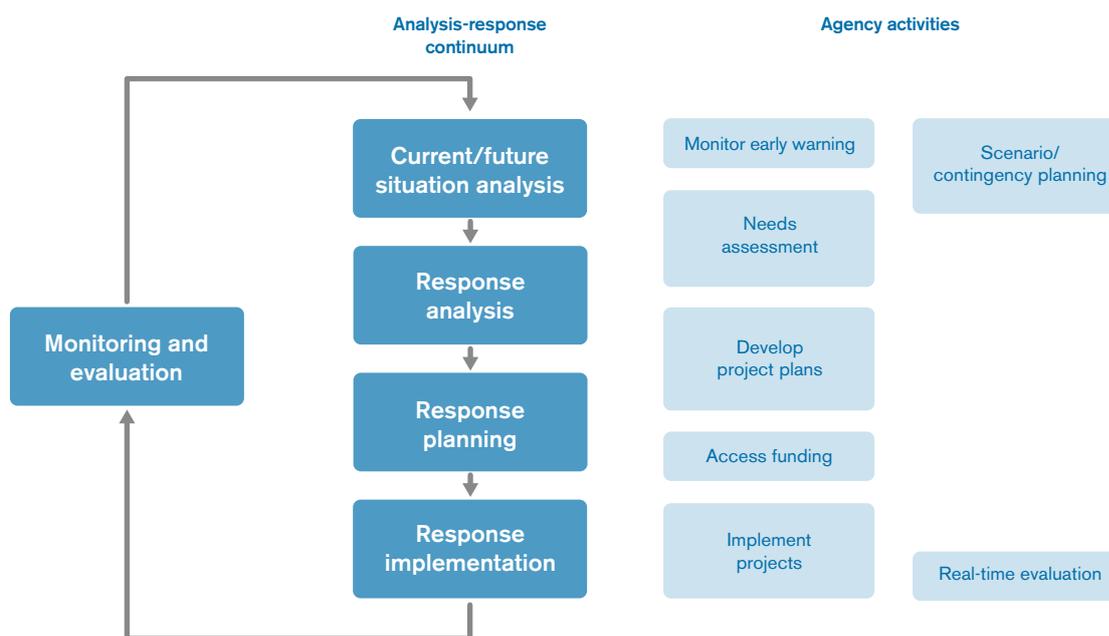
- A more flexible CAP process, untied from internal funding timelines and anchored instead to relevant local factors such as rainy seasons or a crisis timeline, would help structure joint decision-making and make joint agency appeals more responsive.
- Means to insulate funding decisions from political factors, such as pooled funding mechanisms, should be explored.
- A swift formal process for reconciling differences between EWS could help achieve consensus more quickly. This could be triggered, for example, when assessments differ by one phase or more on the IPC scale and could be hosted by the IASC.
- Collective decision-making processes at the global level should be developed to build upon existing inter-agency early-warning reporting. Decisions could focus on strategic issues such as risk assessments, preparedness and joint contingency planning.
- Making global-level inter-agency EWI publicly available would help subject it to scrutiny and improve accountability.

3 Deciding How to Respond

Once the decision to respond has been taken, the response itself must be designed and agreed before operations can begin. To do so, agencies undertake response analysis to identify the most appropriate interventions (e.g. food distributions, cash transfers, infant feeding, commercial destocking). From this analysis, plans are developed and presented to donors for funding. The overall process follows the analysis-response continuum set out in Figure 4, with some generic agency activities shown alongside.

Monitoring EWS and the decision *whether* to respond form part of the initial situation analysis phase. The decision on how to respond follows from the subsequent phases of response analysis and response planning. It is crucial to get this right as poorly designed responses may not only fail to deliver, but may have wider negative consequences for livelihoods.³⁵ It is also crucial to get this right as soon as possible, as more lives will be saved and more livelihoods protected the sooner response begins.

Figure 4: Mapping agency activities to the analysis-response continuum



Source: Adapted from IPC (2008).

Agency decision-making

Late responses often result from agencies failing to evaluate properly whether they can deliver interventions in time for them to be appropriate. A number of evaluations of previous responses in the Horn have revealed agencies responding so late as to appear ‘ridiculous’: delivering fodder when

35 For example, where local food markets are functioning, food distributions can undermine local food producers’ and traders’ livelihoods.

pastures were recovering, or distributing seeds after rains have passed.³⁶ This is in part a result of agencies taking decisions late: had they moved earlier, then it might have been possible to deliver fodder or seeds in time for them to be useful. But it is primarily a result of agencies taking bad decisions about how to respond, and specifically designing responses without referring to a crisis calendar. This approach, developed by Levine et al.,³⁷ sets out the expected timeline of a crisis and identifies windows of opportunity when particular interventions will be effective. For example, seeds must be distributed so that they can be sown in time for rain; fodder should be distributed when pasture is scarce.

Comparing the window of opportunity for a particular intervention with its lead time makes it possible to identify whether or not the intervention can be delivered in time. Long lead times often mean that by the time a decision to respond has been taken, it is already too late. There may often be considerable scope for agencies to shorten lead times and increase their levels of preparedness. Agencies working with pastoralists in the Horn found that lead times could potentially be reduced from periods of three to five months to a few days or weeks simply by analysing the tasks involved in starting up a response and identifying those that can be done in advance. The agencies found that most of these tasks could be done in the absence of funding, bypassing the need for a contract to be in place before starting up.³⁸

In other cases preparedness does require funding. Agencies are increasingly using EWI at the global level to inform strategic decisions about where to pre-position stocks of food, equipment and medicine in anticipation of crises. But sourcing, transporting and storing these items costs money, and agencies may struggle to secure funding for these activities when it is still uncertain how serious the situation will become. In response, some agencies have chosen to underwrite this risk themselves: WFP, for example, has begun pre-positioning food stocks and seeking donor funding retrospectively.

Contingency plans form another important component of preparedness. Their purpose is to aid future decision-making by identifying how an agency will respond in the event of particular scenarios for which it should be prepared. By having contingency plans in place, agencies should be able to mobilize faster in response to early warnings or changes in circumstances. Yet often contingency plans are ignored. One interviewee referred to documents that ‘sit on a shelf somewhere and gather dust’. In one evaluation of the 2011 Kenya response, agencies conceded that though they had contingency plans, the implementation of these had been ‘patchy’.³⁹

In other cases, contingency planning may not happen at all. This appears to have been the case in Somalia in 2011. Despite the fact that a major drought-related emergency was an ongoing risk, and that early warnings in 2010 were indicating the need to plan for a *La Niña*-related drought, it appears many agencies failed to do so. WFP’s exit from South Central Somalia and subsequent ban by al Shabaab in early 2010 should also have triggered fresh contingency planning: it led to a major contraction in humanitarian distribution capacity and a significant decline in local food availability, and raised the prospect of further agency expulsions (which duly followed). Yet the overall picture indicates that agencies failed to adapt their planning adequately, and though a number of contingency plans were prepared, agencies could not collectively develop an overarching plan (see next sub-section). As a result, planning for a massive joint response only began in earnest once famine was declared. The lead times involved meant this needed to have happened months earlier.⁴⁰

36 Levine S., A. Crosskey and M. Abdinoor (2011), ‘System Failure? Revisiting the Problems of Timely Response to Crises in the Horn of Africa’, Humanitarian Practice Network Paper No. 71, <http://www.odihpn.org/download/networkpaper071.pdf>.

37 Levine et al. (2011).

38 Ibid.

39 Darcy, J., C. Chazally, D. Clifton, P. Kamungi and M. Kamau (2012), ‘Disasters Emergency Committee – East Africa Crisis Appeal: Kenya Real Time Evaluation Report’, http://www.dec.org.uk/sites/default/files/files/Evaluations/East%20Africa/DEC%20RTE_KENYA%20Final_Feb12.pdf.

40 This paragraph draws on Darcy, J., P. Bonard and S. Dini (2012), ‘IASC Real Time Evaluation of the Humanitarian Response to the Horn of Africa Drought Crisis: Somalia 2011–2012’, <http://ochanet.unocha.org/p/Documents/IASC-RTE%20Somalia%202012.pdf>.

Dysfunctional planning processes explain the reluctance of agency staff to undertake contingency planning and the tendency for plans to be ignored. Typically, contingency planning is an annual process, employing generic scenarios such as ‘drought’, ‘flood’ or ‘conflict’.⁴¹ Their annual nature means plans are unable to incorporate real-time effects, while their generic scenarios produce generic responses. The result is documents that are often of little relevance and processes that staff consider a waste of time and resources.

The challenge agencies face is to transform contingency planning from a rigid, generic process to a dynamic, risk-based one. Contingency plans need to be live documents that are continually revised in response to early warnings and other situation analyses such as needs assessments and nutrition surveys. They should be anchored to crisis calendars rather than internal annual planning processes. Scenarios would be developed through a process of risk analysis that identifies idiosyncratic as well as generic risk factors. Plans would be hard-wired to deliver early action: specifying triggers for action, and detailing actions to be undertaken in advance of an emergency as well as in response to one, clearly identifying who is responsible for doing what. Such plans would draw on the knowledge and expertise of all relevant staff, but individuals would be accountable for ensuring they are maintained.

Improving agency decision-making about how to respond

- Agencies should base response analyses on crisis calendars; response plans should demonstrate that interventions can be delivered in time.
- Agencies could assign responsibility for auditing preparedness, and assess preparedness as part of response evaluations.^a
- Donors could develop new budget lines and funding mechanisms for preparedness, or clarify guidance where funding is already available.
- Agencies should reform contingency planning into a dynamic, risk-based process that specifies triggers for preventive and emergency interventions, and clarifies who is responsible for doing what.

a See, for example, Levine et al. (2011).

Collective decision-making

An effective response requires agencies to work together in a coherent fashion, to avoid duplication and minimize gaps. But the challenges that agencies face individually when deciding how to respond are compounded when they try to do so collectively. The fundamental problem is not one of coordination, however, but of incentives: there is an incentive for agencies to compete against one another for scarce funds, leading to conflict and delay.

Evaluations of the 2011 responses in Kenya and Ethiopia found evidence of ‘turf wars’ between agencies,⁴² but these are by no means isolated cases: inter-agency conflict during response analysis and planning has been a recurrent theme of the interviews and workshop discussions underpinning this research and was a particular problem in Somalia during 2011 (Box 2). A clue as to why this happens is provided in Figure 5: as agencies move along the analysis-response continuum, decisions become increasingly linked to activities and resourcing, or who does what and who gets what.

41 Levine et al. (2011).

42 Darcy, Bonard and Dini (2012); and Darcy, J., E. Asmara, T. Banda and D. Clifton (2012), ‘Disasters Emergency Committee – East Africa Crisis Appeal: Ethiopia Real Time Evaluation Report’, available at http://www.dec.org.uk/sites/default/files/files/Evaluations/East%20Africa/DEC%20ORTE_ETHIOPIA%20Final_Feb12.pdf.

At the same time that decisions become increasingly linked to resources, they also become increasingly removed from objective, shared situation analyses and increasingly informed by a collection of extraneous factors. Foremost among these are perceptions of donor preferences, but other factors include agency ethos and capacity, marketing considerations and the need to demonstrate 'profile'.⁴³ Scarce resources and a lack of shared, objective analyses about how to respond make conflict inevitable.

Box 2: Agency incentives and decisions about how to respond in Somalia 2011

Interviews indicate that inter-agency conflict about how to respond was stark in Somalia during 2011. Not only was the decision to respond late, but the response was then further delayed by protracted debates between agencies about whether cash or food distributions were appropriate. Eventually agreement was reached to proceed with cash-based programmes, but not until the declaration of famine had effectively forced the issue.^a

The question here is not whether cash was the right intervention, though evaluations indicate that it was effective;^b it is whether system incentives made disagreement, and therefore delay, more likely. Response plans are in large part developed according to what agencies think donors want to fund.^c Because the US (the world's biggest food aid donor) has a preference for in-kind donations, agencies with US-funding relationships have strong incentives to propose food distributions. In other cases, the incentives are starker. WFP country offices receive a relatively small base income, plus a margin on the value of food aid delivered through their pipelines. Though WFP is increasing its corporate capacity for cash programming, the incentives remain for offices to favour in-kind food aid over cash because the former delivers greater resources, staff and scale.

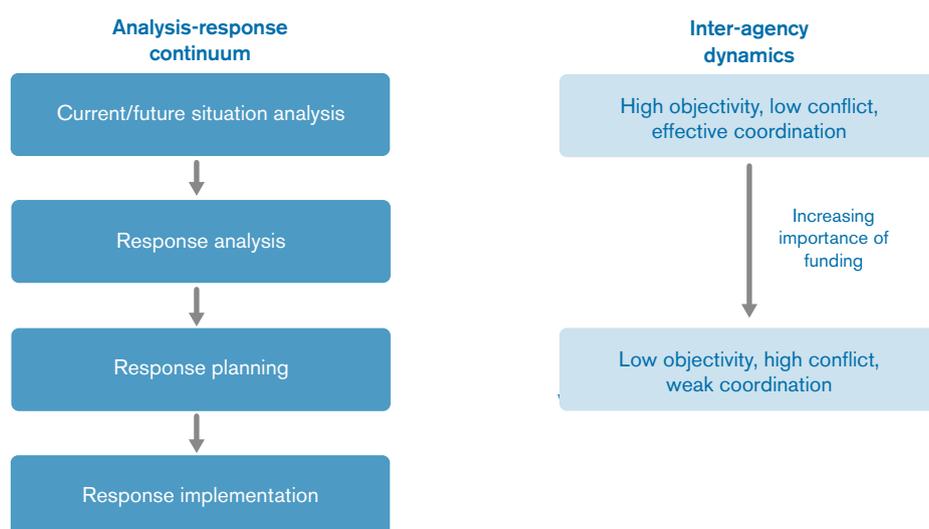
There are therefore plausible explanations for the inclination of some agencies to have argued against cash and in favour of food in South Central Somalia.

a Darcy, Bonard and Dini (2012).

b Ibid.

c Maxwell, D., J. Parker and H. Stobaugh, 'What Drives Program Choice in Food Security Crises? Examining the "Response Analysis" Question' (forthcoming).

Figure 5: Inter-agency dynamics along the analysis-response continuum

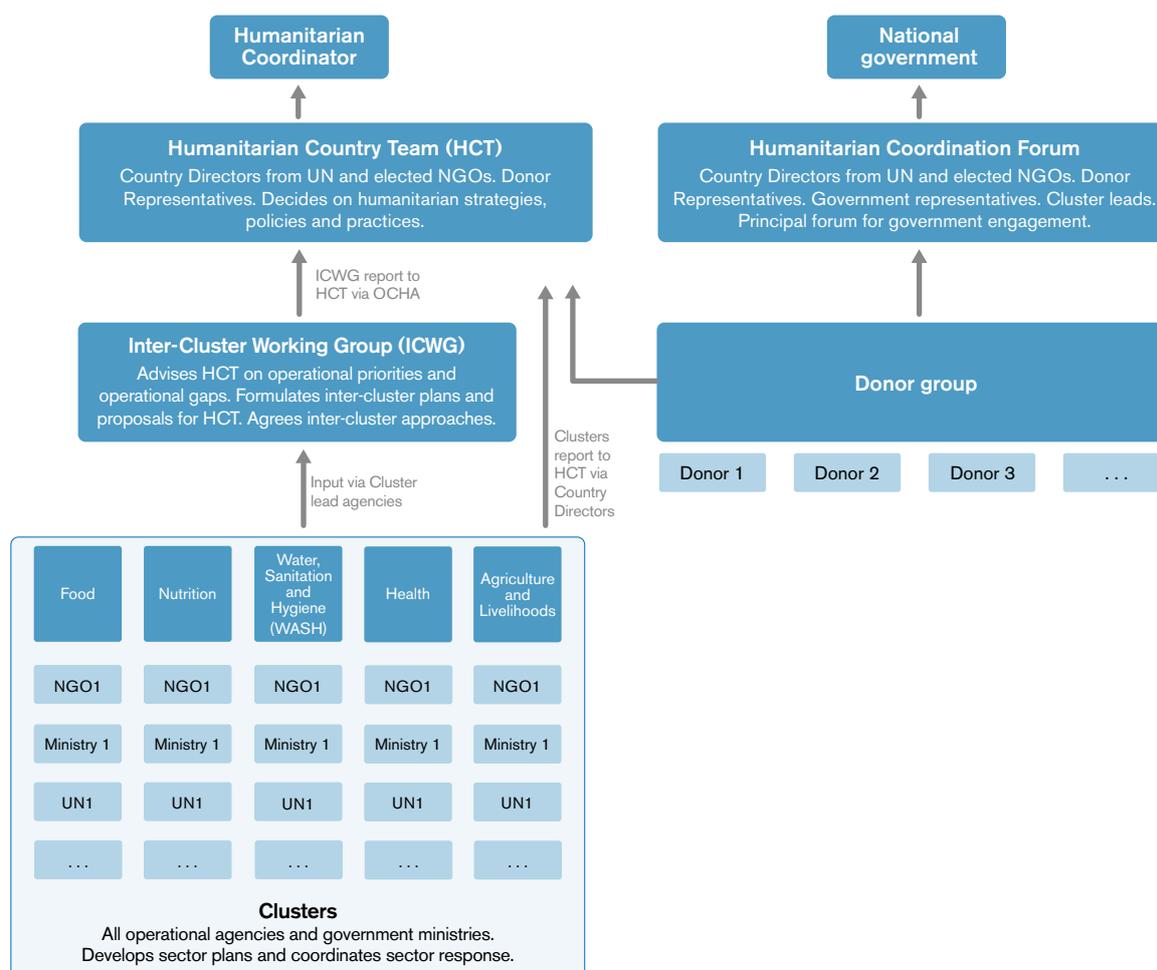


Source: Adapted from IPC (2008).

43 See, for example, Maxwell, D., J. Parker and H. Stobaugh, 'What Drives Program Choice in Food Security Crises? Examining the "Response Analysis" Question' (forthcoming); and Darcy, J. and C. Hofmann (2003), 'According to Need? Needs Assessment and Decision-making in the Humanitarian Sector', Humanitarian Policy Group Report 15, <http://www.odi.org.uk/resources/docs/285.pdf>.

The humanitarian system has generally sought to address this issue through improved coordination mechanisms, in particular the cluster system, through which agencies organize into sectoral clusters (health, nutrition, food security, water and sanitation etc.) at national level. Interviewees generally felt the cluster system had improved coordination, but not significantly beyond information-sharing. And while coordination has improved within clusters, between clusters it remains weak despite additional mechanisms to address this (see Figure 6).

Figure 6: Simplified illustrative country-level humanitarian coordination



Source: Chatham House.

Agencies appear to be cooperating more on situation analysis, by undertaking joint needs assessments within clusters and sometimes across them. But crucially, decision-making about how to respond still tends to occur within agencies, which separately undertake response analysis and planning and use clusters as forums to inform one another about what they plan to do. This is of course useful, but it results in a fragmented, project-based response as plans are aggregated rather than integrated, and where response analyses diverge, the potential for conflict and delay remains. A lack of inter-agency decision-making despite existing coordination structures was a problem in the 2011 Kenya response.⁴⁴ In Somalia, no joint contingency plan was developed despite the need being identified on various occasions within inter-agency coordination structures. Even after famine was declared, no overall response strategy emerged.⁴⁵

44 Paul et al. (2012).

45 Darcy, Bonard and Dini (2012).

There is a clear need for inter-agency coordination to move beyond sectoral needs assessments and information-sharing, towards multi-sectoral response analysis and contingency planning. This indicates the need for a new process (ideally through existing coordination structures) to agree jointly owned plans. To assist, independent experts could be dispatched by the UN Office for the Coordination of Humanitarian Affairs (OCHA) in response to early warnings, to work with agencies and help produce the plans. But without reform of underlying incentive and accountability structures, new processes are unlikely to deliver. The fundamental problem is that there is an incentive for agencies to plan separately and compete for funding. And while in theory the Humanitarian Coordinators (HCs) are responsible for ensuring joint planning, it is unclear exactly what is expected, what their mandate is, and precisely how they are accountable for this task.

While making HCs more clearly accountable for developing joint plans would be helpful, the signal must come from donors, which, as the providers of resources, have the power to make agencies cooperate more effectively. Donors could create demand for jointly owned plans by making joint ownership a funding criteria or favouring consortium proposals over agency ones. They could release seed funds for joint planning in response to early warnings, potentially with further funding contingent upon the production of satisfactorily integrated plans.

Agency incentives to prioritize extraneous factors over humanitarian needs when conducting response analyses must be addressed. Doing so would ensure objective analyses more closely aligned to the needs of affected populations, and reduce the likelihood of conflict and delay. Greater transparency and consistency among donors in their criteria for funding would be an important first step in this regard.

Likewise, agencies should be more transparent and consistent in their criteria for undertaking different interventions. For example, there is no clarity among donors or agencies on the circumstances under which food assistance is warranted. Some shared principles for when food distributions should be undertaken would provide a framework for aligning plans and reaching consensus. Moreover, objective, transparent decision-making criteria are a prerequisite for impartial decisions. Greater accountability would also follow, as donors and agencies would need to demonstrate that any significant deviations from these criteria were justified on the basis of context-analysis, and not the result of extraneous factors.

Improving collective decision-making about how to respond

- Increase accountability for developing joint plans by making them priority deliverables for Humanitarian Coordinators and agency Country Directors.
- OCHA could dispatch independent experts to assist with joint planning processes in response to early-warning triggers.
- Donors could encourage joint planning by providing funding for inter-agency planning in response to early warnings, by favouring consortium proposals over individual agency proposals, or by making joint ownership a funding criterion.
- Donors and agencies should agree common baselines specifying when particular interventions are warranted.

4 Towards Risk-based Collective Decision-making

An optimal humanitarian response requires joint decision-making along the analysis-response continuum shown in Figure 4. A joint decision to respond should follow from a shared understanding of the situation among agencies and donors. This should inform a shared response analysis and shared response plan, leading to joint implementation of an overall response strategy. Based upon the preceding discussion, for such a process to be effective it should incorporate the following elements:

Decentralization

There is an accountability gap within donor organizations and agencies, resulting from the fact that national staff, closest to the situation on the ground and with the best understanding of EWI, are not sufficiently accountable for deciding whether to respond.

Making national agency staff more accountable for decisions about whether to respond would help guard against early action being crowded out by competing priorities for which staff feel more accountable.

Making national donor staff more accountable for decisions about whether to fund could increase accountability to vulnerable populations and help insulate decision-making from non-humanitarian concerns in home capitals. This would necessitate some devolution of funding powers in both agencies and donors.

Formal decision processes

Devolution of funding powers would in turn necessitate formal processes by which decisions are escalated to regional and international levels as risks and funding needs increase. These are needed anyway, alongside related processes to formalize how decisions are triggered, taken and recorded.

Agencies and donors should develop objective and shared criteria for undertaking and funding interventions respectively, to help structure joint decisions on response analysis and reduce the likelihood of inter-agency conflict.

Swift, formal processes are also required to achieve consensus among agencies, donors and early warning providers where necessary.

From coordination to collective, risk-based decision-making

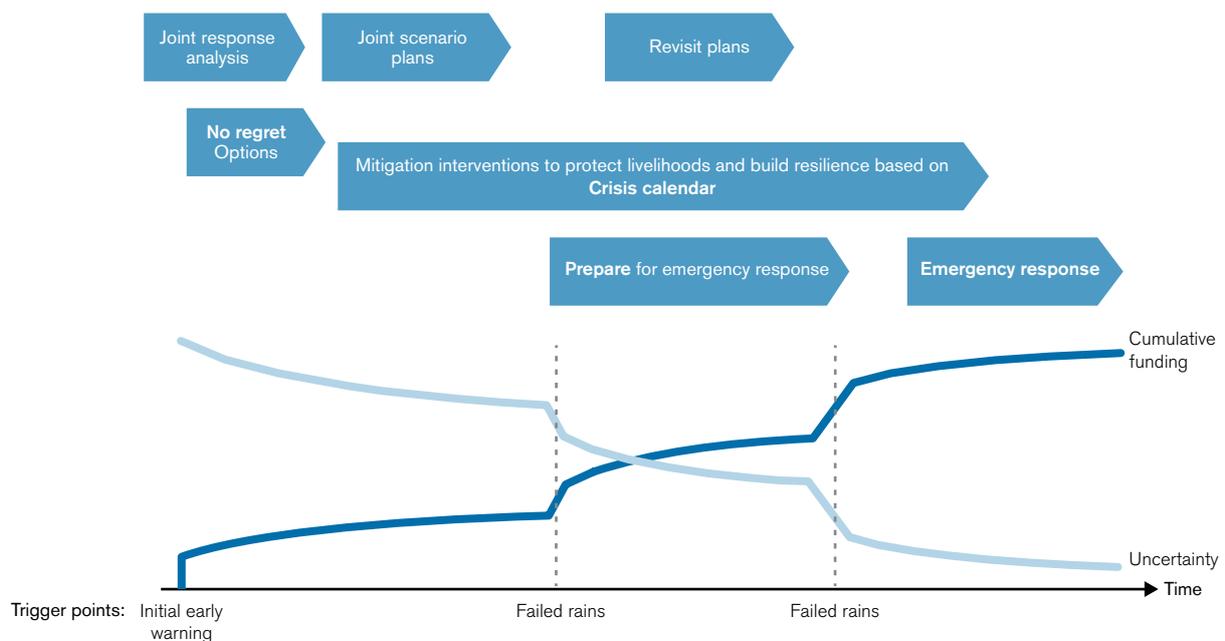
A continual process of engagement and dialogue between agencies, donors, early-warning providers and national governments is needed to build trust and form consensus along the analysis-response continuum, facilitating the production of jointly owned plans.

Decisions should be based upon an objective assessment of the risks to which vulnerable populations are exposed, with interventions designed to reduce crisis risks and mitigate impacts. Respecting the fact that uncertainty is greatest at the initial stages of a crisis when the first early warnings are triggered, plans should be phased to provide a timeline of appropriate interventions, beginning with 'no regret' options and transitioning to mitigation, preparedness and emergency response. As time passes uncertainty will decrease and more robust early warnings and needs assessments will build donor confidence and inform further interventions. These would be based on crisis calendars and specify which agencies were responsible for doing what, when. Other elements could include:

- Funding for joint-response analysis triggered by initial early warnings.
- Sequenced funding commitments from donors that match the phasing of responses. Future disbursements could be linked to pre-agreed triggers and decision points, and where necessary be contingent upon future outcomes.
- Live scenario plans identifying key risk factors and specifying how programming and funding will be adapted and scaled up should these risks materialize.
- Continual adaptation and flexibility of programming in response to early warnings and needs assessments.

Figure 7 provides an illustration. Initial early warnings trigger a small release of funds for joint-response analysis and planning. Plans are developed based on the crisis calendar and allow for donor funding to increase as early warnings become more confident and uncertainty decreases. Initial funding requests are for 'no regret' options, which phase into mitigation interventions to protect livelihoods. Failed rains, identified as risk factors from scenario planning, provide decision-points for scaling up programmes and funding, the second failure switching the system to full emergency response.

Figure 7: Early warnings leading to early action



Source: Chatham House.

5 Conclusions

The 2011 famine in Somalia has placed early warning and early action high on the agenda of senior decision-makers in donors and agencies alike. This is to be welcomed, but there is a risk that attention will be directed towards addressing superficial issues without resolving more fundamental problems as has been the case until now: decades of investment in EWS have improved early-warning information but delay persists. At the organizational level, there is much that can be done: processes for triggering, taking and escalating decisions in response to EWI should be specified; decisions (whether to respond or not) should be recorded and scrutinized; decision-making should be decentralized; contingency planning should be remodelled. Agencies, donors and early-warning providers should develop joint decision-making processes to continually manage how programmes respond and adapt to early warnings. These reforms are worth pursuing, but do not address the fundamental institutional and political constraints on decision-making.

Institutions matter. The incentive and accountability frameworks under which decision-makers operate are geared towards lateness. Decision-makers are not accountable for averting crises. Perverse incentives mean that donor bureaucrats favour delay over action and agencies favour competition over cooperation. Organizations need to examine the incentives under which decision-making takes place and consider how these can better reward appropriate early action, encourage inter-agency cooperation and penalize inappropriate delay. A system-wide approach is needed, as very often the key to improving incentives in one organization will be held in another. For example, donors could encourage inter-agency cooperation by prioritizing consortium plans over agency plans; early-warning providers could improve the incentives for early action among donors by providing forecasts of mortality and malnutrition.

Politics matter most. Ultimately early action depends upon a political decision to fund. Such decisions are subject to a dynamic political calculus that considers domestic and foreign policy-related costs and benefits, and marginalizes humanitarian need. These political factors rarely favour early action, but often conspire to make inaction expedient. In the case of Somalia in 2011, delay was an obvious and inevitable consequence of anti-terror strategies. A more troubling interpretation is that delay was a political strategy in and of itself. The challenge facing agencies, and in particular NGOs, is to tilt the political calculus towards early action, by increasing the costs of delay and the rewards for early action. Innovative approaches to simplify funding decisions and insulate them from political agendas should be explored, developed and extended, though these are likely to be resisted by donor governments which stand to lose power in a depoliticized process.



CHATHAM HOUSE

Chatham House, 10 St James Square, London SW1Y 4LE
T: +44 (0)20 7957 5700 E: contact@chathamhouse.org
F: +44 (0)20 7957 5710 www.chathamhouse.org
Charity Registration Number: 208223