

EXECUTIVE SUMMARY

Background and Objective of Evaluation

This independent evaluation about the Humanitarian Aid (HA) of the Austrian Development Cooperation (ADC) covers the period 2004–2008. The evaluation was commissioned by the Evaluation Department of the Austrian Development Agency (ADA) with the purpose of drawing conclusions and recommendations for the strategic and institutional programming of ADCs Humanitarian Aid. According to the Terms of Reference the evaluation should focus on:

- the assessment of the relevance of ADC's HA, particularly in relation to Austria's total ODA, Austria's total HA system as well as compared with the HA system in other donor countries;
- the assessment of the effectiveness of ADCs HA, particularly in regard to the current cooperation system with the various stakeholders at national and international level;
- the effects and impact of ADCs Humanitarian Aid, particularly in regard to its intended achievements.

Methodology

The Ministry of Foreign Affairs (MFA) is responsible for ADCs HA whereas the Austrian Development Agency (ADA) is in charge of the implementation of the HA. Hence, ADCs Humanitarian Aid takes place in different systems and at different levels. The evaluators identified and analyzed the Austrian HA within the following systems:

- System 1 with the Ministry of Foreign Affairs (MFA) and Austrian Development Agency (ADA) as the main actors;
- System 2 with the MFA/ADA interacting with the other Austrian ministries or Austrian authorities ;
- System 3 with the MFA/ADA interacting with Austria's non-governmental organisations; and
- System 4 with the MFA/ADA interacting with the multilateral system including the international organisations.

The systems have been assessed on the basis of their strategic direction, the current cooperation approaches, and the established steering mechanisms. Furthermore, the evaluators describe the Austrian delivery mechanism of HA on the basis of available resources, capacities as well as the working approaches. These findings have been compared with the HA practices of Germany, Norway, the Netherlands and Switzerland. The purpose was to find out what are nowadays the challenges of HA and how do other donors overcome them.

Findings

Within the evaluation period 2004–2008, ADA has successfully established the bilateral HA by establishing guidelines and delivery mechanisms like the call-for-proposal procedure for NGOs. However, the limited financial resources do not allow Austria to play a distinctive role among the international humanitarian donor community. The share of HA of Austria's official development aid (ODA) is small with an average of 1% during the period. Even considering Austria's multilateral aid, which adds another 2–3%, the total HA level remains lower than the average of DAC countries (ca. 7%). ADC's bilateral HA covers only 0.3% of the total

ODA. Austria faces the dilemma of a small donor who has to respond to manifold demands at different levels and who therefore easily risks to lose the focus.

Critical areas for the conceptualization of the bilateral HA in Austria are:

- The Fragmentation of funds among various actors due to insufficient criteria's for the aid allocation.
- Ad-hoc coordination, insufficient formal contacts among key stakeholders and missing coherence with other Austrian ministries which are also involved in the HA. The bilateral HA is mainly a reactive funding instrument.
- Tendency to maintain very formalized procedures (e.g. different levels for planning, complex financial flows) which sometimes impede the dynamics between multilateral and bilateral aid. There is no general overview of all funding flow between multilateral and bilateral implementing partners. This widens the trench between the implementing partners and potentially also to other donors.
- The Austrian Ministry of Interior (MoI) is in charge of the urgent Emergency Aid (phase one from zero hour to 2–4 weeks max.). The connectedness of the MoI engagement with the mid-term HA of ADC is not necessarily ensured due to the limited number of priority countries of ADA and due to missing experience.

Despite of the fragmented nature of ADCs HA, the resource allocation is to some extent indirectly focused on the funding of multilateral agencies. However, there is no explicit strategy or policy which stipulates such a corresponding approach.

In the aftermath of Tsunami, Austria has established a special fund (the so-called *Ausland-katastrophenfonds*) which was supposed to make funds available for humanitarian funding initially for Tsunami reconstruction and later to be available for other humanitarian crises world-wide. Unfortunately, this fund has only been furnished with virtual funds without annual budget in the past years. This has changed during 2009 when the fund has been newly remunerated for the fiscal years 2009 and 2010 with an annual budget of 5 Mio Euro. A special particularity is that the fund can only be allocated on the basis of a consensus between all ministries. This puts the Ministry of Foreign Affairs, which is in charge of the administration of the fund and ADA in front of new challenges. Considering the critical areas analyzed within this evaluation this fund does not necessarily contribute towards a more coherent HA strategy of Austria.

Conclusions and Lessons Learnt

The limited resources of the bilateral HA prevent Austria from having a clear profile as a humanitarian donor. Although several Austrian ministries are involved in the resource allocation of their own funds, none of these actors has the formal mandate to coordinate and to steer the humanitarian policy and operations. The HA in Austria is thus very fragmented and formally uncoordinated.

Furthermore, an active participation of Austria in the reform agenda of the international humanitarian system is not only hampered due to the scarce resources but also due to structural barriers: the strict distinction between HA and Development Aid at institutional level constitute an obstacle which is difficult to overcome when a coherent implementation approach of short term assistance combined with middle- to long-term development is demanded. However, the linking of relief and development is nowadays a widely accepted quality standard of international cooperation and is an important element of agreements and initiatives like the Good-Humanitarian-Donor-initiative (GHD). If Austria wants to fulfil its commitment of the GHD-initiative, an improved coordination in Austria is all the more needed. The information flow between the various actors must become more effective and

efficient. Likewise, ADA should adopt its funding instruments, which are more suitable for earmarked project funding and do not correspond to programme-based contributions if the principles of the Paris Declaration are to be followed.

The comparison between the donors reveals a great diversity in donor policies and strategies, coordination mechanisms, funding instruments and financial resources at hand. The linking of relief and development and the implementation of international commitments is a particular challenge for all (e.g. GHD, EU Consensus). Substantial changes in donor policies and strategies dependent more on national dynamics than on international commitments. But it helps a lot when the foreign ministry has elaborated a clear policy, correspondent strategies and coordination mechanisms: this gives leadership, guidance and coherence.

Altogether, ADA manages the bilateral HA successfully and contributes to an improved effectiveness. But it must be also highlighted that the assistance was carried out unsystematically and uncoordinated before 2004. Since ADA took over the operational management, guidelines and procedures have been elaborated and applied within an overall flexible system. Also the MFA/ADA cannot ensure the linking of relief and development, although this is clearly stated in the Austrian international guidelines for bilateral HA. Due to the missing strategic guidance and the weak coordination mechanisms between the various Austrian stakeholders the whole system of HA is inefficient and not transparent. All in all, the MFA/ADA current structures and behaviour is in contradiction with its intentions and objectives as formulated in the HA guidelines of 2007.

The evaluators developed the following strategic options (scenarios) for further discussion on how to organize and shape the bilateral HA of Austria:

Scenario 1: The bilateral HA in close coordination with the development assistant

Bilateral support activities should contribute better to the middle- to long-term engagement of ADC. The role of the HA is that of a 'service provider' in cooperation with the development department of ADA, specifically the priority countries of ADA. The bilateral HA should pursue a niche strategy by focusing on disaster prevention, water & sanitation and/or food security. In several priority countries with chronic crisis situations (e.g. East Africa) the bilateral HA should be integral part of the country programme.

Scenario 2: The bilateral HA with improved visibility

The bilateral HA strengthens its profile while giving priority to bilateral interventions of Austrian NGO's or implementing agencies on the ground which are directly funded by the ADC within a local Call of ADA or a multilateral agency. The niche strategy would contain also prevention activities. Alternatively, the bilateral HA should focus geographically, e.g. in regions with ADC coordination offices which ensure direct presence on the ground. Another component of the niche strategy would be the strengthening of the current reputation of being a small, but flexible donor.

Scenario 3: full harmonisation at international level

The funding for bilateral HA is channelled exclusively via multilateral organisations (UN organisations and/or ICRC/Federation) and is committed unearmarked within *common appeal processes*. There should be a focus on 1–2 organisations as long as the resources are so limited. The direct dialogue with the organisations should be intensified as long as Austria is not member of the relevant Donor Support Group.

Recommendations

KEK-CDC recommends the following:

A) Strategic level

1) Increase of Humanitarian Funding

Austria should increase its humanitarian funding considerable to keep up with the international benchmark. The bilateral HA and all ministries involved in HA should at least double the resources without reducing the funding for the multilateral HA (core contributions) and development assistance.

2) Clarification of Strategic Direction

The MFA replaces the 2007 guidelines for international HA with a binding strategy. This strategy considers Austria's system of HA with the various actors and stakeholders and determines the contribution of the bilateral HA as one part of Austria's total HA. The strategy should be focused on one of the scenarios.

3) Assessment and Formalisation of Criteria for Aid allocation (on basis of GHD and Austria's priorities)

The MFA elaborates binding criteria for the aid allocation according to its strategy focus, including for the AKF and the funding during chronic crisis. This would maintain the transparency within the decision making processes and should enhance the complementarity likewise. When appropriate, the criteria could be integral part of the strategy or service contracts with the HA actors.

4) Reduction of Fragmentation

The MFA should discuss with the relevant Ministry whether the food assistance should be operationally integrated within the bilateral HA system. In case the focus will be on scenario 1 or 2, the MFA should strengthen the aid allocation via the AKF and the call-for-proposal procedure.

B) Operational Recommendations for MFA/ADA

5) Establishment of a HA platform

The MFA initiates and formalizes the coordination meetings with the representatives of other ministries and actors in Austria. The following meetings should be held:

- a) at the level of ministries/authorities quarterly meetings (or more frequently if required by circumstances)
- b) at the level of NGOs and other actors yearly meetings.

The MFA should have in mind that these meetings can be used for additional public relation.

6. Improvement of internal working procedures

ADA should improve its internal procedures in case of emergencies within priority country (cp. Scenario 1): the decision about humanitarian interventions which complement Austria's development activities is taken by ADA Headquarters with prior consultation and agreement by the ADC Coordination Office (CoOf). In this case, the CoOf should be mandated with the lead management of the interventions. The HA programme desk should support and complement the CoOf, ensures the appropriate funding of the interventions and organize additional personal capacities on the ground for monitoring and administrative tasks if required (e.g. 5% of the HA Budget). Additional activities which ensure continuation (e.g. prevention, interventions of the transitional phase) should be integrated within the Country Programme/Country Strategy.

To improve the visibility of Austria's bilateral HA interventions ADA has to strengthen the mandate for Austrian NGOs e.g. channelling more funds through Austrian NGOs instead of the multilateral system (cp Scenario 2). The call-for-proposal procedure has to be adopted in a way that the NGOs can work more efficiently with their partner organisations. This could be done by the publication of English versions. It is also recommended to participate in local calls (through the UN-cluster system) when a priority country of ADC is affected.

If the MFA and ADA decide for a better harmonized approach within the international Humanitarian System it is recommended to ADA, particularly the CoOfs, to intensify the dialogue on operational level. The MFA and ADA should have more regular briefings and information exchange regarding Austria's support if allocation is done exclusively through the multilateral system (cp Scenario 3). It is recommended to the MFA to provide a full overview about the funds to multilateral organisations. Furthermore, the MFA and ADA should consider further secondments of Austrian Experts to UN-Organisations as another common support tool.

7) Strengthening of the call-for-proposal procedure

The support instrument call-for-proposal has to be strengthened if the MFA and ADA put more focus on scenario 2 (increase of visibility). It is recommended to the MFA and ADA to determine a minimum budget for launching a call which should not go below € 1–1.5 Mio. in total. Similar to the development sector, the financial support in the single project contracting should not go below 0.2 Mio Euro.

8) Adaptation of Terminology

The German term ‚humanitäre Sofortmaßnahmen‘ is already being used by the Ministry of Interior which funds interventions in phase one within a crisis or acute emergency situation. The bilateral HA which starts at a later stage of a crisis should indicate the sequencing of the intervention. It is recommended to use the term ‚Übergangshilfe‘ as this indicates the transitional character of the intervention between the outbreak of a crisis (with its emergency interventions as a consequence) and middle to long-term rehabilitation interventions.

9) Adjustment of capacities within the Coordination Offices

a) The current capacities at Headquarters of ADA would allow an enlarged aid allocation; the current number of staff would definitely do. This looks different within the Coordination Offices where a flexible recruitment of additional staff would be necessary with increased HA activities. It is important to allow a quick implementation strategy.

b) The resources at ADA's operational level should be strengthened (and those of the MFA rather reduced), especially because ADA is in charge of an appropriate implementation of the bilateral HA which should include coordination with other actors. This recommendation is only an option if the focus is on scenario 1 or 2.

10) Improvement of the Impact Orientation

To ensure sustainability and better impact the approach of result based management of the bilateral HA should be enhanced by ADA. For this, ADA has to elaborate methodological guidelines. ADA staff – especially those being involved in the planning and monitoring of HA interventions – should be trained accordingly. This capacity development should ensure that the monitoring integrates also the impact issues (scenario 1 and 2). When focusing on scenario 3, the MFA and ADA has to intensify the dialogue on outcomes and impacts with its multilateral implementing partners. It is highly recommended to participate actively in ‚joint missions‘ and/or ‚joint evaluations‘ of HA operations.