

## **Evaluation of Thematic Funding (and the Grant Facility Approach)**

for the European Commission Directorate General for Humanitarian Aid  
(DG ECHO)

Date of the evaluation: January-May 2008

Contract N°: ECHO/ADM/BUD/2007/01217

**Final Report – 20<sup>th</sup> May 2008**

**submitted by Particip GmbH:  
Ms Marie Spaak (TL)  
Mr Michael Atkinson**

Report cost: €131.246,00 - equivalent to 0,11% of the total Budget evaluated



The report has been financed by and produced at the request of the European Commission. The comments contained herein reflect the opinions of the consultants only.

## Table of contents

<b>Executive Summary .....</b>	<b>3</b>
<b>1. Introduction: Objectives and Methodology.....</b>	<b>14</b>
1.1 Objectives of the Evaluation.....	14
1.2 Methodology and Structure of the Report .....	14
1.3 Evaluation Team .....	16
<b>2. Approach .....</b>	<b>16</b>
2.1 Thematic Funding .....	16
2.1.1 Introduction.....	16
2.1.2 Relevance.....	17
2.1.3 Efficiency.....	24
2.1.4 Effectiveness.....	25
2.1.5 Sustainability.....	26
2.1.6 Impact .....	27
2.2 Grant Facility .....	27
2.2.1 Introduction.....	27
2.2.2 Relevance.....	28
2.2.3 Efficiency.....	29
2.2.4 Effectiveness.....	29
2.2.5 Sustainability.....	30
2.2.6 Impact .....	30
<b>3. Accountability of DG ECHO's Partners.....</b>	<b>31</b>
3.1 Thematic Funding .....	31
3.1.1 Efficiency.....	31
3.1.2 Effectiveness.....	33
3.1.3 Sustainability.....	35
3.1.4 Impact .....	36
3.2 Grant Facility .....	38
3.2.1 Efficiency.....	38
3.2.2 Effectiveness.....	38
3.2.3 Sustainability.....	39
3.2.4 Impact .....	39
<b>4. Challenges to be addressed by DG ECHO in a Future Capacity Building Programme .....</b>	<b>40</b>
<b>5. Main Conclusions and Recommendations for a Future Approach (TF and GF).....</b>	<b>41</b>

## Executive Summary

### Introduction: Objectives and Methodology

#### Objectives of the Evaluation

The **purpose** of the Evaluation of Thematic Funding and (the Grant Facility Approach) is to look into the relevance of Thematic Funding and the Grant Facility, their achievements, and lessons-learned, which will feed into DG ECHO's reflection as to how to develop a possible future capacity building approach. The primary intended users of the evaluation are DG ECHO 01 – Policy Affairs, Strategy and Evaluation, DG ECHO in general, DG ECHO partners, and other donors.

The **focus** of the Evaluation can be broken down to three levels:

- Global Level - the contribution of Thematic Funding (TF) and the Grant Facility (GF) to the overall humanitarian response capacity;
- Institutional Level - the way organisations can demonstrate improved capacity to respond and to what extent this is attributable to the funding;
- Field/operational Level - the degree to which specific results have been achieved by each of the projects funded under TF/GF.

The **specific objectives** of the Evaluation are:

- To assess the role and relevance of Thematic Funding and the Grant Facility Approach as humanitarian aid activities especially geared towards the strengthening of response capacity of the humanitarian community (i.e. the **Approach**);
- To assess the efficiency, effectiveness, sustainability and impact of (a selection of) projects and programmes (i.e. their **Accountability**);
- To provide elements for developing a future capacity building approach for DG ECHO's partners (i.e. **Conclusions and Recommendations for a Future Approach**)

The **methodology** applied for this evaluation combined a desk review, briefings, fieldwork and drafting and debriefing sessions at DG ECHO. The fieldwork was conducted over a period of six weeks starting in mid-January 2008. Three weeks were foreseen for consultations with DG ECHO partners and EU donors in Europe and three weeks were dedicated to visits to Uganda, Bangkok (as a regional hub) and Indonesia to evaluate the roll-out of specific components of six projects (case studies). In addition, the Evaluation looked at three of the 2006 Grant Facility projects.

#### Main Conclusion

Thematic Funding (TF) is a highly relevant tool for strengthening the capacities of DG ECHO's UN/Red Cross partners<sup>1</sup> to respond to emergencies in a timely, effective and predictable way. It has enabled DG ECHO to play a more strategic role and build stronger relations with its partners. Thematic Funding has made a difference at global, institutional and operational (regional and country) levels and been particularly useful

---

<sup>1</sup> "DG ECHO partners" refers throughout the report to those organisations which have framework agreements with DG ECHO.

for the strategic pre-positioning of stockpiles, the development of policies, guidelines, procedures, and methodologies, strengthening the skills-set and availability of qualified staff, replicating best practice - in other words, for enabling partners to systematize their approach and to improve standards. Staff members testify to a “culture change” within their organisations over the past few years. Nevertheless, project roll-out and impact at country level has been uneven. This is due to factors such as the time required for capacity building to have an impact, the different nature of the projects - some of which involve institutional change, and in some cases, the dynamics at operational level, and the specific nature of capacity building efforts in general. Even though more modest in scope, the Grant Facility (GF) has also been highly relevant for DG ECHO’s NGO partners and the projects examined have achieved results and impact. Sustainability is a challenge for both Thematic Funding and Grant Facility projects.

The main findings on the Thematic Funding (and Grant Facility) Approach and the Accountability of partners, as well as the challenges for a future capacity building approach can be found below, followed by Conclusions and Recommendations.

## **Approach**

The evaluation aims to assess the role and relevance of Thematic Funding and Grant Facility instruments as humanitarian aid activities especially geared towards the strengthening of response capacity of the humanitarian community, i.e. the Approach. Consequently, “Approach” in the context of this evaluation refers to the relevance of Thematic Funding and the Grant Facility for the strengthening of the response capacity of the humanitarian community at the global, institutional and operational (regional and country) level.

## **Thematic Funding**

**Background:** In 2002, DG ECHO established Thematic Funding in order to strengthen the capacity of its main United Nations (UN) and its Red Cross partners to improve their response to emergencies. Since 2002, 32 projects of seven partners (ICRC, IFRC, OCHA, UNHCR, UNICEF, WFP, WHO) have been supported for a total of about €119m. At its highest level in 2003, TF represented around 4% of DG ECHO’s budget. Whereas TF initially was a mix of capacity building and operational activities, DG ECHO refined its strategy in 2004 by establishing seven criteria for the appraisal and selection of activities, which were generally applied.

**Relevance:** TF is a unique capacity building mechanism which establishes coherence and synergy between the global, institutional and operational level. The contribution of other donors to capacity building is usually included in mainstream/un-earmarked funding, and is as such difficult to monitor.

TF has become increasingly relevant due to its evolution from an input-based to a results-oriented and capacity building instrument and due to the linkages between TF objectives and those of the Good Humanitarian Donorship (GHD) and the Humanitarian Reform.

TF has targeted strategic priorities of its partners, but not always those put forward for TF support in the first instance. This is related to DG ECHO’s interpretation of its role

as an 'active' donor intervening in all aspects of the project cycle apart from implementation. The involvement of DG ECHO in project identification, design and management is valued by some partners, but for others it raises issues of ownership, sovereignty, micro-management and partnership. In contrast however, individual staff members of these organisations (WFP, WHO, and UNHCR) highlighted the key role of the earmarked nature of TF in terms of generating and sustaining institutional change within their organisation and preventing a shift of focus to other priorities.

Besides capacity building, TF has provided DG ECHO and its main UN and Red Cross partners the opportunity to engage in strategic dialogue; other DG ECHO partners wish to establish a similar partnership.

The complementarity of TF with the capacity building policies of other donors and EU Member States has been strengthened when donors supporting the same project understood the advantages of **coordination and common monitoring**, but it needs to be reinforced. Joint Monitoring Missions (JMM) by DG ECHO and its partners have frequently involved other donors (e.g. DFID, SIDA). Improving coordination with other donors at the project design phase would facilitate a more efficient use of resources and provide better guarantees of sustainability. This would imply the recognition of the contribution that earmarked funding can make to capacity building.

EU-level coherence would be further increased if the objectives of a future humanitarian capacity building mechanism supported those of the European Consensus on Humanitarian Aid. In this connection, the Evaluation Team recommends enhancing support to Disaster Risk Reduction and information/data collection, management, analysis and dissemination; and as far as possible, including a local capacity building component in every project in view of the increasing frequency of small to medium scale natural disasters.

**Efficiency:** The Sectoral Support Team (SST) based in Nairobi provides invaluable support to DG ECHO 01 in respect of global level issues and project cycle management, but a greater involvement of DG ECHO's geographical Units and field offices is required. DG ECHO's extensive field network represents an advantage that should be fully exploited. Likewise, coordination and complementarity of DG ECHO's financial instruments need to be improved. In this respect, TF should only cover global capacity building programmes for which geographical funding is less appropriate.

**Effectiveness:** DG ECHO's decision to support the Humanitarian Reform has increased the chances that the expected changes would take place.

TF supports innovative activities, which besides involving a certain degree of risk inherent to capacity building actions also incur important costs, require time to be mainstreamed into practice, and involve sustainability challenges. This has been complicated by the short timeframe of TF projects until 2007.

**Sustainability:** The sustainability of TF depends on political support within DG ECHO, which is directly related to its relevance for its partners and other EU donors, its impact, and its visibility. The Evaluation cannot judge whether TF has secured

such support. Sustainability will require a critical mass of funding for TF to achieve impact.

**Impact:** The impact of TF partly depends on its ability to contribute to the enhancement of trust, partnership and synergies based on the recognition by the different organisations of their comparative advantage, as well as local capacity building. In this respect, the selection criterion that projects should have a ‘multiplier effect’ is adequate.

### **Grant Facility**

Background: DG ECHO established the Grant Facility in 2000 in order to improve knowledge and expertise within humanitarian agencies and the quality and delivery of humanitarian aid. The approach consists of making small non-renewable grants for training initiatives or studies, networks and seminars in priority areas identified on an annual basis through a ‘Call for Proposal’ around a specific theme. The GF has become the capacity building mechanism for DG ECHO’s NGO partners and other NGOs whose work is relevant for the former. Until today the GF has supported 50 projects of 36 organisations for around €5.4m.

**Relevance:** Offering NGOs and research institutes the opportunity to get capacity building support is highly relevant, as indicated by current demand, which is likely to outstrip the supply of available funding. The GF has contributed to enhancing political dialogue among NGOs and improving the quality of humanitarian aid through the development of methodologies and training. All case studies carried out under this evaluation demonstrate the multiplier effect and relevance of the GF to the NGO beneficiaries of the NGOs’ action.

A common capacity building tool for all categories of DG ECHO partners would improve coherence and provide a more secure institutional bed for NGO capacity building, but despite DG ECHO’s longstanding policy of support to NGOs, the consulted NGOs state that a separate funding facility should be maintained. This stems from their perception that donors are increasingly channelling their funds to the UN and that they are not in a position to compete with UN agencies.

**Efficiency:** the GF has funded 11 activities over the period 2004-2006 compared to 39 over 2000-2003, but this is likely to be due to a human resource issue that would need to be addressed in a future programme. The position of NGOs as described in the DG ECHO Evaluation (2000-2005) of 2006 (p. 29)<sup>2</sup> suggests a concern over DG ECHO’s interpretation of its ‘active’ donor role, similar to that of UN/Red Cross partners.

**Effectiveness:** The one-year timeframe and limited amounts of the grants appear to have limited effectiveness in instances where innovative methodologies were being developed. Furthermore, the GF has supported activities of an intrinsically long-term nature with one-year grants, which raises the question of its suitability to support ongoing activities deemed essential to building the capacities of DG ECHO partners.

---

<sup>2</sup> Evaluation of the European Commission’s Directorate-General for Humanitarian Aid (DG ECHO) 2000-2005, 23 June 2006

**Sustainability:** As for Thematic Funding, sustainability will depend on impact, visibility and political support within DG ECHO. The GF has had an **impact** at the global level connected to the lobbying and networking work of VOICE and at operational level through the promotion of quality project cycle management.

### **Accountability of DG ECHO's Partners**

In addition to assessing the Approach of Thematic Funding and the Grant Facility, the evaluation also looks at the efficiency, effectiveness, sustainability and impact of (a selection of) projects and programmes, i.e. their **Accountability**.

### **Thematic Funding**

**Efficiency:** Monitoring and evaluating the efficiency of TF is difficult due to the multi-donor nature of the projects, their roll-out in several countries, and the lack of attribution of specific outputs and outcomes to specific inputs and appropriate objectively verifiable indicators. Efficient roll-out in one country does not automatically mean efficient roll-out in all other countries. Objectively appraising the cost-efficiency of the projects has been a challenge and concern for DG ECHO's Desks.

Indications of increased efficiency at global level were found in the field of logistics and pre-positioning and stockpiling. TF has also enabled DG ECHO partners to develop the competencies and skills-set of staff through training and has optimized the use of human resources. Where efficiency was possibly compromised, it was due to the imbalance between high staff input costs and the resulting outputs, in particular in regional structures. A systematization of DG ECHO's partners' approach to the countries in Asia and the Pacific and the roll out of TF projects was detected at the regional level in Bangkok, while at country level, at least one case study (UNHCR Project Profile) revealed improved efficiency. Several instances of replication of best practice were identified.

**Effectiveness:** A review of available information indicates that objectives were either achieved to a degree deemed acceptable by DG ECHO, or being achieved. Partners confirm that their institutional effectiveness has been strengthened, particularly where TF has supported a more decentralised operational support role at regional level. The recent evaluation of the Cluster Approach concludes that a systematic improvement in coordinated humanitarian response has taken place<sup>3</sup>.

Concrete evidence of output and outcome was found in the six case studies (in Uganda: UNHCR's Project Profile refugee registration system, WFP's Strengthening Emergency Needs Assessment Capacity programme and WHO's Health Action in Crises; in Indonesia: UNICEF's Child Protection work and IFRC-Disaster Response Preparedness; in Thailand: OCHA's Information Management system), whilst challenges remained in relation to OCHA's Information Management capacity in Uganda. Challenges also remain with respect to WFP's capacity to interpret the data collected and translate the findings into credible requirements in Uganda.

---

<sup>3</sup> Evaluation of the Cluster Leadership Approach in Humanitarian Coordination, 2007, OCHA

Visibility is a challenge due to the global and multi-donor nature of TF, with fewer options in comparison to geographical operations, but TF provides opportunities for visibility at the level of global humanitarian actors and EU Member States.

**Sustainability:** Sustainability of Thematic Funding will partly depend on the success of the Humanitarian Reform and the commitment of DG ECHO partners to improved practice. Continued interest and coordination on the part of donors will be important for keeping the momentum going. It is too early to draw conclusions at this point.

Partners are expected to develop a sustainability strategy for the continuation of activities either by mainstreaming them into their regular budget or finding alternative support. The former has been easier to achieve when TF has supported the development and roll out of concrete tools (e.g. UNHCR Project Profile) than when TF has supported processes and institutional change (e.g. WHO HAC, WFP SENAC). The extension of the implementation period for TF programmes to 24 months provides partners with an opportunity to develop a realistic sustainability strategy.

Sustainability at the operational level depends on sustainability at the institutional level and the development of capacities and roll out at country level. DG ECHO's geographical Units could play a bigger role in this respect. There are a few examples of geographical funding that have supported the roll-out or continuation of TF projects (OCHA HIC and WHO HAC, both in several countries).

**Impact:** The assumption that changes at the global and institutional level will improve the humanitarian response lies at the core of DG ECHO's strategy. The true test of the relevance of TF is therefore related to the operational impact of the projects. Some evidence of impact of TF at global, institutional and operational level can be detected. Impact is not a uniform process, and the timeframe for impact of concrete 'product' type interventions is different from that of more-process oriented interventions and those which involve a culture change of entrenched practices, where impact is likely to take longer. The systematic detection of the impact of TF requires the integration of impact indicators into the projects. TF appears to have enhanced partnerships among UN agencies and the Red Cross movement and among UN/Red Cross partners and NGOs (e.g. cluster work/networks; involvement of NGOs in UN surge capacity and field assessments/monitoring; access of NGOs to IFRC/WFP stockpiles), and with national/local partners.

TF has helped DG ECHO partners to become more professional and accountable. Several projects have been mainstreamed into the 'core' work of the organisations and have changed the way they operate. Staff members testified to a 'culture change' across their organisation, with implications on staff expectations. However, more training is needed in order to let change 'sink in'. Regarding the 'culture change' within WFP and WHO, the Evaluators would prefer to reserve judgement as to whether it can be regarded as sustained or whether it is in essence 'donor-driven' and likely to be reduced or lost if further external support is not forthcoming.

Whether projects have been of sufficient critical mass, given that only a small portion of the funding reaches specific countries, or had sufficient time to enable sustainable impact to roll-out is unclear. The 'multiplier effect' expected of TF appears to be still limited at country level. Nevertheless, the case studies revealed impact on national



authorities or counterparts, on the wider humanitarian community, in particular in Indonesia, and on beneficiaries.

### **Grant Facility**

**Efficiency:** The ‘multiplier effect’ of the projects, the fact that they are not ‘multi-donor’ and the clearer link between inputs and outputs facilitated a more efficient use of resources in the case of the three projects examined.

**Effectiveness:** Pre-final/final reports that were reviewed indicate that objectives were achieved. The GF has also promoted the visibility of DG ECHO.

**Sustainability:** The case studies demonstrate that none of the activities supported in 2006 could be mainstreamed into the NGOs’ operational budgets and that none are sustainable without external support. Partners have not managed to develop a strategy to ensure the continuation of GF supported activities, all of which have received follow-up finance. All three NGOs (Groupe URD, Punto Sud, and VOICE) have applied for further support.

**Impact:** Institutional learning has taken place for the implementing NGOs and their beneficiaries at institutional and field levels through training, service provision and web-based access to tools enhancing the quality of PCM. However, it is difficult for the evaluators to assess the extent of the impact of the GF projects.

### **Challenges of a Future Capacity Building Approach**

Specific challenges to be addressed in a future capacity building programme are outlined in Chapter 5. These require DG ECHO to develop, adopt and implement a more systematic capacity building strategy in respect of its partners, which seeks to strengthen specific capacities of specific partners to deliver specific results and outcomes in humanitarian activity at global, institutional and operational levels. It requires consolidation of the progression of DG ECHO from an input-oriented to an output-oriented and capacity building-oriented humanitarian actor (see [Annex E](#)).

In order to ensure that capacity building is linked to the delivery of specific results and outcomes in humanitarian activity at global, institutional and operational level, a capacity building strategy should be developed by the partner and integrated into the design of the project presented for support (see [Annex F](#)). This involves undertaking a capacity analysis in order to identify weaknesses and developing a strategy for addressing these. Specific result areas and appropriate indicators should be identified for verifying if changes in capacity have taken place and whether such changes are likely to be permanent and sustainable. The role of DG ECHO is to appraise, assess and approve the strategy, the anticipated result areas and the appropriateness of the indicators. This will require DG ECHO to develop appropriate expertise in this area. Developing and institutionalising this linkage and synergy between capacity building and improved performance in humanitarian aid is critical and should be regarded as a central challenge for DG ECHO. It implies to work in closer partnership and dialogue with implementing partners and donors.

DG ECHO needs to decide whether to develop such a capacity building strategy (see [Annex D](#) for specific tasks), and if so, whether the above should be done in-house or if an external specialist should be recruited to undertake a more systematic analysis of the above and other related issues with DG ECHO and formulate an action plan.

## **Main Conclusions and Recommendations (TF and GF)**

**Conclusion 1:** Thematic Funding is a unique mechanism in that it is dedicated to capacity building and it establishes coherence between the global, institutional and operational level. This represents a comparative advantage over those donors whose capacity building strategy is rooted in the notion of un-earmarked funding. There are strong expectations among partners and like-minded donors that DG ECHO as the largest EU humanitarian donor will continue contributing to developing the capacities of its partners.

**Recommendation 1:** DG ECHO should continue providing capacity building support to its partners, but Thematic Funding should be renamed ‘DG ECHO Capacity Building Programme’ so as to reflect its purpose.

**Conclusion 2:** Reserving TF for DG ECHO’s main UN/Red Cross operational partners excludes others who play an essential role in disaster/emergency preparedness and response. This raises issues like the lack of transparency or fairness, and reduces the global relevance of the tool. Furthermore, there is a strong demand for capacity building support amongst NGOs. A common capacity building tool for all categories of DG ECHO partners would provide a more coherent approach and a more secure institutional bed for NGO capacity building, but NGOs fear that a common mechanism would put them at a disadvantage as they may not be able to ‘compete’ with UN agencies.

**Recommendation 2:** DG ECHO should open access to Thematic Funding to all of its partners and integrate TF and GF through a phased approach, which would enable DG ECHO to prepare the management of the consolidated mechanism and for a consultation with NGOs to take place. This means continuing with the GF until 2009. A minimum financial envelope should be reserved for NGOs, which should take into account the proportion of operational funding DG ECHO is giving to its NGO partners. An internal review should at a later stage look into the validity of the consolidated mechanism.

**Conclusion 3:** A principal challenge in relation to TF is how to address the long-term nature of institutional capacity building through a short-term funding mechanism.

**Recommendation 3:** DG ECHO should develop a five-year strategy whilst respecting the current 18-24 months implementation period and offer its partners the possibility of receiving follow-up funding within the five-year period.

**Conclusion 4:** Thematic Funding, and therefore DG ECHO, has evolved from an input-based to an output/outcome- and a capacity building-oriented instrument.

**Recommendation 4:** In order to consolidate this progression, DG ECHO should aim

to strengthen specific capacities within partner organisations to deliver specific outcomes across a range of sectors. In order to be able to address both gaps/weaknesses in specific fields and follow a transparent needs-based approach, DG ECHO should issue clear guidelines or a Call for Proposals to elicit proposals.

**Conclusion 5:** Opting to focus on a single theme or gap might reduce the global relevance of TF or lost opportunities to reinforce key capacities. A future approach should ensure that all DG ECHO partners are able to apply for support.

**Recommendation 5:** DG ECHO should consider selecting a broad objective such as ‘Improving emergency preparedness and response’ and focusing on a number of themes, gaps or weaknesses that cut across clusters and sectors so as to retain the flexibility to support relevant initiatives.

**Conclusion 6:** The comparative advantage and added value of TF has been reduced due to its inability to attract the full engagement of relevant DG ECHO structures.

**Recommendation 6:** DG ECHO should establish / re-activate a working group to clarify and agree on the roles of geographical Units and field offices in relation to the TF project cycle and then establish a Capacity Building Steering Committee to develop and mainstream capacity building throughout DG ECHO and monitor its operationalisation.

**Conclusion 7:** It is unclear whether DG ECHO has appropriate human resources to exploit its positioning in respect to the policy and operational challenges of TF across levels. Challenges remain from the perspective of the capacity of DG ECHO and its partners to design and implement capacity building actions. Confusion over their respective roles in respect of project cycle management needs to be addressed.

**Recommendation 7:** An internal capacity analysis should be undertaken to determine if there is a sufficient understanding and expertise of capacity building amongst the respective staff of both DG ECHO 01 and geographical Units, and if required, how to better develop this. The need for training of DG ECHO staff should be examined. Consideration should be given to organising joint training activities for DG ECHO staff and counterpart staff from partner organisations.

**Conclusion 8:** Coordination with other donors needs strengthening at the policy and programmatic level in order to develop a complementary approach. The European Consensus on Humanitarian Aid lays down the basis for strengthened EU coordination and promotion of best practice and includes among its focuses “enhancing policy-level exchange on aid and intervention strategies, including in an appropriate forum for regular policy debate in the Council.”

**Recommendation 8:** DG ECHO should take advantage of the proposed EU Council’s Working Party on Humanitarian Aid and Food Aid to facilitate a discussion on how DG ECHO’s capacity building instrument can add value to the other EU donors’ funding modalities, discuss capacity building priorities, and identify Member States interested in supporting multi-donor projects.

**Conclusion 9:** Consultation with partners regarding the objectives and operationalisation of TF has not been systematic. Some partners have expressed concern about DG ECHO's approach to partnership as a result of its interpretation of its 'active' donor role.

**Recommendation 9:** Consultation should become standard practice and involve all DG ECHO's UN/Red Cross partners and NGO representative consortia, as well as the International Strategy for Disaster Reduction (ISDR) Secretariat. Consideration should be given to inviting key research institutes and other stakeholders. A mid-term review of the next generation of TF should take place and involve partners.

**Conclusion 10:** Some evidence of **impact** of TF can be detected, but monitoring the effect and impact of projects at all levels has presented a major challenge due to inappropriate indicators for each level.

**Recommendation 10:** SMART (specific, measurable, appropriate, realistic and timely) capacity building **result and impact indicators** need to be identified for the global, institutional and operational levels, integrated into the project during the design phase, and reported against.

**Conclusion 11:** The current TF Decision focuses on contingency planning; logistics and global stockpiles for emergency items and equipment; upgrading skill levels and strengthening surge capacity; coordination and information management; and visibility, all of which are relevant. While future priorities will be identified on the basis of an assessment of gaps and weaknesses, during the field visits in Asia and Africa the Evaluation Team identified a need to step up support to disaster preparedness and information collection and management.

**Recommendation 11:** DG ECHO should enhance support to Disaster Risk Reduction/Disaster Preparedness – in particular Priorities 2 and 5<sup>4</sup> of the Hyogo Framework of Action in view of DG ECHO's mandate; system-wide information/data collection, management, analysis and dissemination as a prerequisite for both disaster preparedness and response; and as far as possible, include a local capacity building component in every project.

**Conclusion 12:** The sustainability of the actions supported by TF depends on the ability of the partner to mainstream its costs into the regular budget or find alternative donor support. Few project proposals contain a sustainability strategy. The multi-donor nature of TF projects offers an opportunity to address sustainability in a way that a single donor approach does not.

**Recommendation 12:** A longer term sustainability strategy should be included in the projects at the design phase. In parallel, an 'exit strategy' for TF/capacity building support should be thought out and discussed.

---

<sup>4</sup> (2) Identify, assess and monitor disaster risks and enhance early warning; (5) Strengthen disaster preparedness for effective response at all levels.

**Conclusion 13:** Where longer term sustainability will depend on the continuation of external support, the demonstration of impact will be critical.

**Recommendation 13:** The future capacity building instrument will need to secure a critical mass of funding, equal or greater than the 4% of the budget reached in 2003, to enable projects/programmes to achieve impact across global, institutional and operational levels.

**Conclusion 14:** The Single Form does not seem adequate for managing the TF project cycle due to the more complex nature of TF projects as compared to operational ones.

**Recommendation 14:** DG ECHO should consider creating a different format for capacity building projects.

**Conclusion 15:** The visibility of TF is a challenge due to the global and multi-donor nature of the projects, but TF provides opportunities for increasing the visibility of DG ECHO at the level of global humanitarian actors and EU Member States.

**Recommendation 15:** A shift of emphasis from ‘standard’ visibility to communication directed at the global humanitarian actors and European audiences would be more effective and appropriate. A strategy to achieve this should be developed with the help of DG ECHO’s Communication Unit and mainstreamed into the work of DG ECHO 01.

**Conclusion 16:** Research and innovation should be supported but focussing on innovations can result in sustainability challenges and raises questions of ownership, commitment and relevance.

**Recommendation 16:** DG ECHO should ensure that it retains the capacity to both support innovation and consolidate, mainstream and widen impact at local level.

**Conclusion 17:** Three of the four NGOs that have received GF grants in 2006 are not DG ECHO partners as they are non-operational organisations.

**Recommendation 17:** While the future capacity building mechanism should target DG ECHO partners, a solution needs to be found to support NGOs or research institutes whose work has an added value for the humanitarian community. Consideration should be given to developing a separate type of framework agreement with them.

# 1. Introduction: Objectives and Methodology

## 1.1 Objectives of the Evaluation

<sup>1.</sup> The **purpose** of the assignment is to produce an evaluation report covering the relevance of the approach, its achievements and lessons-learned, which will feed into DG ECHO's review and internal reflection as to how to further develop – in close coordination with donors, partners and other stakeholders – a possible future capacity building approach. The primary intended users of the evaluation results are therefore DG ECHO 01 Unit – Policy Affairs, Strategy and Evaluation, DG ECHO in general, DG ECHO partners, and other donors.

<sup>2.</sup> The evaluation focuses on three levels:

- Global Level - the contribution of Thematic Funding and the Grant Facility to the overall humanitarian response capacity;
- Institutional Level - the way organisations can demonstrate improved capacity to respond and to what extent this is attributable to the funding;
- Field / Project Level - the degree to which specific results have been achieved by each of the projects funded under TF/GF.

<sup>3.</sup> The **specific objectives** of the assignment are:

- To assess the role and relevance of Thematic Funding and Grant Facility instruments as humanitarian aid activities especially geared towards the strengthening of response capacity of the humanitarian community. (**APPROACH** of Thematic Funding and the Grant Facility);
- To assess the efficiency, effectiveness, sustainability and impact of (a selection of) supported projects and programmes. (**ACCOUNTABILITY** of Thematic Funding and the Grant Facility);
- To provide elements for developing a future capacity building approach for DG ECHO's partners. (**LESSONS LEARNED / FUTURE** of Thematic Funding and the Grant Facility).

<sup>4.</sup> The above objectives have been addressed by a series of key questions (29 in the Terms of Reference, p. 3-5) grouped around the standard evaluation criteria of Relevance; Efficiency; Effectiveness; Sustainability; and Impact. Thematic Funding and the Grant Facility cut across policy, operational, financial and legal sections of DG ECHO. Therefore it was necessary to consult with a large number of DG ECHO personnel. The briefing sessions at DG ECHO were very intensive and raised a further 25 issues/questions, which were then grouped with the existing ones and integrated into the evaluation methodology. Instead of having nine categories of evaluation scope and criteria to look at as initially expected (Approach, Accountability and Future at the Global, Institutional and Operational levels), the Evaluation looked at 18 categories (see Methodological Grids in [Annex I](#)).

## 1.2 Methodology and Structure of the Report

<sup>5.</sup> The employed methodology generally corresponded to that outlined in the ToR, except that due to the tight timeframe of the evaluation, the Evaluation Team had to develop a synergy between the desk review, briefings and fieldwork, as well as the

organisation of the meetings and visits. The work plan and timetable laid down in the ToR were generally followed, with the inclusion of drafting and debriefing sessions with DG ECHO staff and managers (see Calendar in [Annex N](#)). An initial structure for the report was outlined in the Inception Report and revised to its current form following the fieldwork visits and feedback from DG ECHO staff on the first draft of the report.

6. Consultations took place in Europe (UN and Red Cross partners in Brussels and Geneva; NGO partners in Brussels, Paris and Milan; donors in Geneva and several capitals), Thailand (regional offices), Uganda and Indonesia (field visits). In Uganda, the Evaluation Team looked into specific project components: OCHA's Information Management (IM) system; UNHCR's 'Project Profile' for refugee registration; WFP's Strengthening Emergency Needs Assessment Capacity (SENAC); and WHO's Health Action in Crises (HAC), and in Indonesia, IFRC's Disaster Preparedness and UNICEF's Child Protection. These projects were recommended during the inception phase by DG ECHO. A review of IM at OCHA's Regional Office for Asia and the Pacific was added on at a later stage as OCHA's regional offices directly benefit from the current TF project. The Evaluation Team was asked to focus on Thematic Funding and with respect to the Grant Facility, to look at three NGO projects having benefited from 2006 grants, namely those of Groupe URD (France) for "L'assurance Qualité en Pratique"; Punto Sud (Italy) for "Quality Partnership in humanitarian aid: provision and consolidation of the punto.sud-helpdesk website and supporting activities"; and VOICE (Belgium) for "Strengthening quality and synergy in humanitarian aid: networking, training and advocacy for humanitarian organisations". The Evaluation Team also met with organisations that have not benefited from Thematic Funding because they are not main operational partners for DG ECHO but are key humanitarian actors (FAO; IOM; ISDR Secretariat; UNDP; and UNFPA).

7. The UN/Red Cross field findings and the NGO findings are summarised in the form of case studies included as annexes ([Annex A](#) and [Annex B](#)) to this report. The consultations with donors have also been summarized and included as an annex ([Annex C](#)).

### **Methodological Caveat**

8. In all consultations, the Evaluation Team introduced itself as independent consultants undertaking an evaluation of DG ECHO's capacity building instruments – Thematic Funding and the Grant Facility. The Evaluation Team clarified the purpose, rationale and structure of its work and stressed that it was not undertaking an evaluation of the projects funded by these mechanisms per se but seeking to identify the concrete outputs and outcomes of a selection of projects at operational (regional and field) level. All of the selected projects are components of global projects that include roll-out in a number of countries; therefore no specific project document in relation to specific individual countries exists. The Evaluation Team had thus to try to extrapolate the specific outputs and outcomes for the selected 'projects' from the relevant documentation and consultations with stakeholders.

9. There was no opportunity, due to time constraints, to meet with staff of UN agencies and Red Cross organisations not directly involved in the programmes and projects being reviewed, which has a bearing on the findings.

<sup>10</sup>. The Evaluation Team has attempted to triangulate the findings through consultations with the respective UN and Red Cross partners, Non-Governmental Organisations (NGOs), and donors, and a review of relevant documentation, but wishes to stress that a systematic evaluation of individual projects would have been beyond the scope of this mission.

### **1.3 Evaluation Team**

<sup>11</sup>. The Evaluation Team was composed of two external evaluators with complementary fields of expertise relevant for this evaluation. The Team Leader, Ms. Marie Spaak, has professional experience with UN OCHA and DG ECHO and is familiar with the humanitarian mandates of UN agencies and the Red Cross organisations, the field of work of the main NGOs, and the objectives and challenges related to the Humanitarian Reform and other processes such as the Hyogo Framework for Action. The profile of the second Team Member, Mr. Mike Atkinson, who has longstanding experience as an evaluator, ensured the use of the standard evaluation methods and approaches. In addition, his NGO background and his knowledge of capacity building were essential assets for the evaluation. Possible biases of the Team Members were corrected through the triangulation of findings as well as discussions of perceptions among the team.

## **2. Approach**

<sup>12</sup>. The evaluation aims to assess the role and relevance of Thematic Funding and Grant Facility instruments as humanitarian aid activities especially geared towards the strengthening of response capacity of the humanitarian community, i.e. the Approach.

<sup>13</sup>. This section of the report looks into the relevance - including coherence, complementarity and coordination - efficiency, effectiveness, impact and sustainability of Thematic Funding and the Grant Facility as capacity building instruments at their 'interface' with the projects and activities they support.

### **2.1 Thematic Funding**

#### **2.1.1 Introduction**

<sup>14</sup>. DG ECHO established Thematic Funding (TF) in 2002 as a funding instrument dedicated to strengthening the institutional capacity of its main United Nations (UN) and its Red Cross partners to respond to emergencies, in line with their mandates. This new approach stemmed from the recognition that these partners played a central role in humanitarian coordination, preparedness and response in an increasingly complex humanitarian environment, and growing awareness that DG ECHO, as one of the main humanitarian donors, could play a strategic role to enhance the effectiveness of humanitarian action by supporting them to improve their performance in key areas. Thematic Funding is managed by DG ECHO's Policy Unit (DG ECHO 01). Since 2002, Thematic Funding has supported 32 projects of seven partners (ICRC, IFRC, OCHA, UNHCR, UNICEF, WFP, WHO) for a total of about €19m (details in [Annex K](#)). Each project has its own specific objectives. At its highest level in 2003, Thematic Funding has represented around 4% of DG ECHO's budget.



## 2.1.2 Relevance

### 2.1.2.1 Global Level

<sup>15</sup> The establishment of Thematic Funding was a strategic decision whose global relevance can best be understood when placed against the backdrop of events in 2002, in particular the increasing involvement of civil defence and armed forces in humanitarian action, which entailed the risk of eroding humanitarian space and principles.

<sup>16</sup> The approach of TF is **compatible** with Council Regulation (EC) N° 1257/96 on humanitarian aid (Article 4) and **consistent** with the commitment of the European Commission to build a tighter partnership with the United Nations.

<sup>17</sup> DG ECHO made efforts from the start **to develop a coherent approach**. In particular, coherence between the objectives at the institutional and operational levels was built into the design of the programmes supported by Thematic Funding and considered a condition of success. This is still the case<sup>5</sup>.

<sup>18</sup> The Evaluation Team found clear references in internal DG ECHO documents **linking Thematic Funding and Grant Facility (GF) priorities to the Principles and Good Practice of Humanitarian Donorship** endorsed in Stockholm in June 2003 by 17 donors, including the European Commission<sup>6</sup>. Several of the themes selected by DG ECHO for Thematic Funding over the years further illustrate DG ECHO's commitment to improve practice in areas defined as priorities by the Good Humanitarian Donorship (GHD), namely needs assessments (General GHD principle n° 6); development of methodologies and standards (Good practices); and contingency planning (Good practices). References were also found, in both public and internal documents related to Thematic Funding, to the need for international donors to take steps to enhance the coherence and effectiveness of their actions in line with the GHD conference of 2003<sup>7</sup>. Two of the projects currently benefiting from TF, i.e. the Integrated Food Security and Humanitarian Phase Classification Framework (IPC) and the Health and Nutrition Tracking Service (HNNTS), have been actively promoted by a group of donors in the framework of the GHD.

<sup>19</sup> Initially, DG ECHO provided TF on the basis of requests emanating from partners to strengthen their operational capacities and there appears to have been varying interpretations within DG ECHO as to the purpose of TF and the 'global' nature of the projects, as the projects present a mix of capacity building and operational activities (e.g. UNHCR for protection and security of staff in Africa; ICRC for protection). 2004 marks a turning point as the year when DG ECHO refined its strategy and systematised its approach by establishing seven criteria for the appraisal and selection of activities to be supported by Thematic Funding. These include 1) the

---

<sup>5</sup> "The partner agencies will implement the programmes globally which will have an impact at country, regional global as well as headquarters' level. Activities will build upon ongoing initiatives and focus on enhancing staff and partners' skills and capacities in all regions where the cluster approach is applied and where the needs are most acute" (2007 Humanitarian Aid Decision, p. 4).

<sup>6</sup> With the adoption of the Humanitarian Consensus on Humanitarian Aid in December 2007, all EU Member States have endorsed the GHD principles.

<sup>7</sup> For instance, in the Explanatory Memorandum of 8 March 2007 "Supporting the humanitarian reform through thematic funding in favour of UN and Red Cross movement organisations", on ReliefWeb.

likely impact of the initiative on the effective delivery of humanitarian assistance and the victims of a humanitarian crisis; 2) its relevance for the implementation of the partner's specific mandate; 3) the improvement to be brought about or the innovative nature of the activity in terms of reinforcing the partner's core capacities; 4) its feasibility and the risks involved; 5) the partner's demonstrated operational capacity to implement the activity, its commitment to achieve results, and past performance; 6) the partner's willingness to share its benefits with the humanitarian community; and 7) the strengthening of the partner's capacities to respond quickly to an unforeseen crisis and to give it a certain flexibility in its allocation of resources.

20. The sixth criterion (generally referred to as the 'multiplier effect' of TF) reflects **DG ECHO's commitment to ensure that TF projects are relevant for the wider humanitarian community and reinforce partnerships**. DG ECHO has taken a proactive approach in this respect as is well illustrated by the nature of some of the projects (eg. ReliefWeb and the Global Financial Tracking System run by OCHA) and its request that WFP and IFRC TF-supported regional stockpiles be accessible to its NGO partners.

21. The Evaluation Team found that these pre-defined criteria were generally taken into account when deciding on Thematic Funding programmes, except in 2006 when TF was given to ICRC for protection activities in several countries in Africa rather as a substitute for geographical funding, but the project was eventually transferred to a geographical Unit in recognition of the problem.

22. DG ECHO's Decision<sup>8</sup> to support the Cluster Approach and the Humanitarian Coordinator's system, **two pillars of the Humanitarian Reform**, in order to "strengthen system-wide preparedness and technical capacity to respond to humanitarian emergencies" at global level and "strengthen the coordination and effectiveness of humanitarian action" at country level further reinforced the relevance of TF at global level<sup>9</sup>. A two-year envelope of €23m for 2007-2008 was approved to "reinforce the capacities of lead agencies to fulfil their leadership responsibilities to ensure a coherent, timely, consistent and effective humanitarian response" in areas identified as particularly weak by the **Humanitarian Response Review** and to further consolidate and roll out tools supported previously. This Humanitarian Aid Decision was the first TF Decision to have a common central objective and to encompass all agreements with partners, which further testifies to the increasing **global and institutional coherence of Thematic Funding**. All of the TF projects contain elements of the support global cluster leads are expected to provide, namely: technical surge capacity and trained experts to lead cluster coordination at the field level; increased stockpiles, including within regions; standardised technical tools, including for information management; agreed standards and guidelines; and best practices and lessons learned from the field.

---

<sup>8</sup> Supporting the humanitarian reform through thematic funding in favour of UN and Red Cross movement organisations, Memorandum to the Commission, Global Decision: (ECHO/THM/BUD/2007/01000), Humanitarian Aid Decision, 2007

<sup>9</sup> See GHD Principle N° 10 ("Support and promote the central and unique role of the United Nations in providing leadership and co-ordination of international humanitarian action, the special role of the International Committee of the Red Cross, and the vital role of the United Nations, the International Red Cross and Red Crescent Movement and non-governmental organisations in implementing humanitarian action.")

23. This decision, again, was **in line with** the recommendation made by **the European Council's** extraordinary meeting on 7 January 2005, in the wake of the Indian Ocean tsunami, emphasizing the need to strengthen role of the UN in humanitarian response and for the European Union (EU) to contribute to it; **the European Commission's commitment to contribute to the Humanitarian Reform** as stated by Commissioner Louis Michel in a speech to the IASC in Geneva on 12 December 2005; DG ECHO's operational strategy for 2007 - SEC (2006) 1626 of 1 December 2006 (paragraph 5.3); and more generally, DG ECHO's active donorship strategy.
24. The relevance of TF was further reinforced by its evolution from an input-based to a results- and capacity building-oriented instrument (see [Annex E](#)).
25. Thematic Funding is a **unique capacity building instrument** in that it establishes a **coherence and synergy between global, institutional and operational** (regional and country) **levels**. None of the other donors met during the evaluation has a separate mechanism to support capacity building. As their contribution to capacity building is included in mainstream/operational funding, they have no precise information as to what percentage of their budget goes toward it. Most donors tend to equate capacity building with un-earmarked funding, the principle of which they support. However, they recognize that monitoring and accountability constitute major challenges to an approach based on un-earmarked funding. Much of the debate appears to be locked into the earmarking versus non-earmarking of funding dichotomy. DG ECHO should take a lead role in facilitating a discussion as to how DG ECHO's Thematic Funding can add value to the other donors' funding modalities.
26. **Complementarity** of DG ECHO Thematic Funding with capacity building policies of like-minded donors and other EU member states has been strengthened in instances where donors that are supporting the same project understand the advantages **of coordination and common monitoring**, but it needs to be reinforced. Joint Monitoring Missions (JMM) organised by DG ECHO and several of its partners at the operational (regional and country) level have frequently involved other donors (e.g. DFID, SIDA) in addition to DG ECHO Desk Officers, members of DG ECHO's Nairobi-based Sectoral Support Team (SST), who combine expertise in the areas concerned and experience with the concerned agencies, and occasionally DG ECHO country experts, whose participation provides appreciated added value to these exercises given their knowledge of the context. Donor coordination was also facilitated in some cases by the existence of donor steering / coordination structures (e.g. WFP, WHO).
27. In some of the projects, excellent relations have developed between donors, **who in some instances have also taken a proactive approach to sustainability**. This was recently the case with WHO which was expected to muster donor support before the end of the Three-Year Programme to roll out Health Action in Crises, in December 2007, but was not perceived as having taken the necessary steps in time. Donors put pressure on WHO to take urgent action.
28. Whether DG ECHO and other donors have actively encouraged each other to support a given project is unclear, except in the case of the IPC and HNTS mentioned

above<sup>10</sup> (paragraph 16). In some instances, DG ECHO became involved after other donors (e.g. DFID support to WHO) and in other cases, other donors stepped in after DG ECHO became involved or its support came to an end (Spanish Government support to IFRC Contingency Planning in West Africa). A number of partners (IFRC, UNHCR, WFP, WHO) mentioned that TF tends to encourage other donors to join in.

29. Improving coordination with other donors at the project design phase would facilitate a more efficient use of resources and provide better guarantees of sustainability. This would require recognition of the contribution that earmarked funding can make to capacity building. DG ECHO should take the lead in facilitating a discussion as to how TF can add value to the other donors' funding modalities.

30. The Evaluation Team also found examples of **coordination with other departments of the European Commission**, in particular in the case of WFP. For example in 2004, close coordination ensured that there was no overlap between TF funding to WFP and DG AIDCO's funding to FAO for emergency needs assessments.

31. Only DG ECHO's main operational partners have been able to benefit from Thematic Funding, which reduces the global relevance of TF. UNDP mentioned that they do not have an entry point to discuss possible TF support as the Desk Officers of DG ECHO's Policy Unit are solely responsible for specific organisations already benefiting from TF. In this respect, the Evaluation Team positively noted that DG ECHO invited all of its UN/International Organisations partners to a consultation on Thematic Funding on 25 April 2008.

32. In order to further increase EU-level coherence, the objectives of a future Thematic Funding / capacity building Humanitarian Aid Decision will need to support those of the newly adopted European Consensus on Humanitarian Aid<sup>11</sup>. On the basis of consultations and some of the needs identified during the field visits undertaken in the framework of this evaluation, the Evaluation Team recommends enhancing support to **Disaster Risk Reduction** – in particular Priority 2 and 5<sup>12</sup> of the Hyogo Framework of Action in view of DG ECHO's mandate – and its mainstreaming into humanitarian/early recovery action; system-wide **information/data collection, management, analysis and dissemination** as a prerequisite for both disaster preparedness and response; and to the extent possible, **including a local capacity building component in every project** given the increasing frequency of small to medium scale natural disasters for which the response does not require the mobilization of international assistance and depends entirely on national capacities.

#### 2.1.2.2 Institutional Level

The Evaluation found that Thematic Funding has a clear added value for DG ECHO as the best available means to engage in policy and strategic dialogue with its UN and Red Cross partners, exert leverage on the humanitarian agenda, and simultaneously

---

<sup>10</sup> Good Humanitarian Donorship Initiative, Annual Report, July 2006-July 2007, 1 September 2007

<sup>11</sup> European Consensus on Humanitarian Aid, Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission, December 2007.

<sup>12</sup> (2) Identify, assess and monitor disaster risks and enhance early warning; (5) Strengthen disaster preparedness for effective response at all levels.

strengthen their capacity to deliver at the operational level (see heading 2.1.2.3). Other benefits of enhanced dialogue include a better understanding of how UN and Red Cross partners operate, better awareness and knowledge in some fields, the development of inter-institutional relations at the highest levels, and more recognition as a strategic partner/donor. Thematic Funding has also had wider benefits for the rest of the European Commission, e.g. the UNICEF child protection document – “Les enfants dans les situations de crise et d’urgence” –, which has been adopted as a European Commission Working Document.

33. However, the **added value of TF for enhancing political dialogue** with partners and better reciprocal understanding appears to be largely limited to DG ECHO’s Policy Unit and notwithstanding the linkages and benefits of Thematic Funding for geographical “operational” funding, several of DG ECHO’s Desk Officers and Field Experts do not acknowledge the relevance of Thematic Funding for field operations. This stems partly from their lack of involvement in Thematic Funding and needs to be addressed (see heading 2.1.3.2 under Efficiency).

34. Thematic Funding is considered as highly relevant by DG ECHO’s TF partners, who expressed fears that it would disappear. Since 2002, DG ECHO’s main operational UN/Red Cross partners have benefited from Thematic Funding. Priorities were identified on the basis of gaps and weaknesses that needed to be addressed to improve performance in the delivery of humanitarian aid with **a focus on themes/areas of particular relevance/interest to DG ECHO, such as food aid**. TF has contributed to strengthening the policy and normative framework in place, available technical expertise, an array of disaster preparedness and response-related tools, methodologies and mechanisms and their roll out at operational level. The benefits of TF were highlighted in recent evaluations of DG ECHO’s Partnership with UNHCR and ICRC<sup>13</sup>.

35. A number of TF partners mentioned the relevance of Thematic Funding for **building partnership at the level of policy dialogue** with DG ECHO and the effort being made to ensure that DG ECHO understand their strategic objectives and programmes as a prerequisite for both capacity building support for them and mainstreaming into practice at DG ECHO’s level. UNICEF cited the example of their work in relation to Child Protection in Emergencies as an example of best practice at policy level. Other organisations, such as UNFPA, UNDP and the ISDR Secretariat, which are not benefiting from TF, expressed a desire to enhance dialogue for the same reasons.

36. **Thematic Funding has generally targeted strategic priorities previously defined by the partners**. The Single Form includes a section called “Needs Assessment” in which the partners usually refer to relevant strategic plans, key documents, consultations, conferences, evaluations, etc.

37. Nevertheless, **the priorities supported by Thematic Funding were not always those put forward by UN/Red Cross partners in the first instance, either because**

---

<sup>13</sup> An evaluation of the Partnership between DG ECHO and the International Committee of the Red Cross (ICRC) and of ICRC’s activities funded by DG ECHO, 2006, (p. 21) and Evaluation of the partnership between ECHO and UNHCR and of UNHCR activities funded by ECHO, October 2005

**of the pre-defined eligibility criteria or other considerations.** This was the case with OCHA, whose first request in 2003 was for a project that had no direct relation with their mandate and was thus rejected. DG ECHO and OCHA then agreed on information management as a field that would benefit from capacity building. UNHCR and IFRC both stressed the point that their initial requests for the 2007-2008 Humanitarian Aid Decision were for activities other than those which ended up being supported. UNICEF pointed to the dangers of ‘straight-jacketing and loss of space for creative thinking’. In the opinion of the Evaluation Team, the above examples need to be placed in the **context of the on-going debate of how DG ECHO interpret their role as an ‘active’ donor** intervening in all aspects of the project cycle apart from implementation, **as well as the clear desire of partners for un-earmarked (Thematic) funding** – something which they know is not possible under the current regulation. Several of the partners stated that the application procedure, which at times involves the submission of several drafts, at times because of a lack of initial agreement on objectives, comes close to outweighing the benefits of TF. Some of DG ECHO’s project documents, on the other hand, reveal concern about the poor quality of some of the proposals.

<sup>38.</sup> In this respect, the Evaluation Team got the sense that ICRC had come close to concluding to a fundamental incompatibility between the earmarked nature of Thematic Funding combined with pre-defined criteria (in particular innovation) and ICRC’s own internal planning and management processes. More specifically, ICRC engages in a thorough participatory strategic planning process on an annual basis (‘Planning for Results’) which serves as its framework for the year and which it is reluctant to move away from to present an ‘artificial’ proposal that would fit DG ECHO’s criteria.

<sup>39.</sup> In contrast to this, WHO, UNHCR, and WFP staff members pointed out the key role **of earmarked (Thematic) funding in terms of generating and sustaining institutional change within their organisation.** In the case of WHO and WFP, internal resistance to change was eventually overcome by the success of the endeavour, and someone at UNHCR stated that the “longstanding mindset of staff against technology” had been overcome by the usefulness of the tool. A UNHCR staff member also pointed out that **earmarked funding has the added value of preventing an agency to shift their focus to other priorities in periods of scarcity of funds.**

<sup>40.</sup> IFRC and UNICEF staff highlighted the **relevance of earmarked Thematic Funding for activities such as response preparedness or protection which tend to come second to life saving activities when it comes to prioritizing funding and for which geographical funding may not be available.**

<sup>41.</sup> While in the cases of OCHA and WHO the involvement of DG ECHO in project identification, design and management seems to have been accepted and even valued, this ‘active’ approach was not welcomed by all partners at all times and was sometimes referred to as micro-management.

42. Although DG ECHO's TF third<sup>14</sup> eligibility criterion provides the option of supporting either an improvement or an innovative activity, the evaluation found that the second option was generally given the preference, except perhaps in the case of the last Humanitarian Aid Decision. Innovation by nature is experimental, sometimes turns out to be irrelevant, incurs human and financial costs and requires time before becoming part of an organisation's 'core business'. The **sustainability challenges involved in mainstreaming innovation** need to be carefully weighed in relation to the benefits arising from an emphasis on supporting innovation. In addition, **where innovations are 'donor-driven', the issues of ownership, commitment and relevance are likely to arise.**

#### 2.1.2.3 Operational Level (regional and country)

43. The assumption that changes at the global and institutional level will improve the speed, effectiveness and quality of the humanitarian response lies at the core of DG ECHO's strategy. The concern for results at this level can be found at the conception stage and throughout the project cycle. This is the fundamental objective of TF and the rationale behind the decision to support the Cluster Approach, the aim of which at country level is to strengthen coordination and effectiveness of humanitarian action by mobilising all relevant actors (UN agencies, NGOs and non-UN organisations) in a specific sector, each cluster having a clearly designated and accountable lead, thus **enhancing partnerships and complementarity**. Improvements at this level should ultimately enhance DG ECHO's accountability to the beneficiaries of humanitarian aid.

44. **The true test of TF relevance is ultimately related to its 'roll-out'**. At regional level, relevance is to be judged against the ability of partners to reinforce capacities to implement strategic priorities in the regions they oversee and provide capacity building and disaster/emergency response support (surge capacity, expertise, the strengthening or establishment of regional stockpiles). At country level, relevance is to be judged against improved leadership (clusters), improved disaster response preparedness and performance, improved partnership, improved coordination and coherence of response, better needs assessments, availability of standardised tools for development of country-specific programmes, availability of information products, best practice replication, etc. Roll-out at regional and country levels is examined in the next section of the report (**Section 3. on Accountability**).

45. From the 'operational' perspective of DG ECHO's geographical Units and field experts, however, relevance would be considerably improved if they had more involvement in the selection of projects to be supported and the countries in which they are to be rolled out, or at least post facto knowledge of the selected countries, which was found not to be the case in most instances. TF programmes, whilst seeking to have a direct impact in country operations, **should**, in countries where DG ECHO has a field presence, **be complementary to geographical programmes** to allow for their monitoring and measuring of impact. However, this should in no way exclude TF from being rolled out in countries not benefiting from geographical funding as they may require support for disaster response preparedness.

---

<sup>15</sup> "the improvement to be brought about or the innovative nature of the activity in terms of reinforcing the partner's core capacities"

### 2.1.3 Efficiency

#### 2.1.3.1 Global Level

<sup>46</sup> The efficiency of the DG ECHO capacity building approach and instruments in relation to the Humanitarian Reform will need to be assessed at the appropriate time, but this is likely to be difficult given the multi-donor nature of TF. **Increased coordination of capacity building initiatives with other donors** as well as **effective monitoring and feedback mechanisms** would facilitate a more efficient use of DG ECHO resources and theirs. This will require increased recognition and understanding from other donors of the contribution that earmarked funding can make to capacity building. From this perspective, DG ECHO needs to challenge the notion that un-earmarked funding is synonymous with capacity building and highlight the comparative advantage of a separate capacity building instrument combined with field structures at regional and country levels, in relation to most other donors.

#### 2.1.3.2 Institutional and operational (regional and country) Level

<sup>47</sup> The institutional positioning, from the perspective of mandate and physical location, of Thematic Funding in DG ECHO 01, the Policy Unit, is highly appropriate in relation to global policymakers of major humanitarian actors.

<sup>48</sup> **Efficiency can be increased through the improved capacity of DG ECHO 01 to monitor and respond to key humanitarian trends.** Whether DG ECHO 01 has appropriate human resources to exploit both this positioning and the operationalising of Thematic Funding across global, institutional and operational (regional and country) levels requires further examination. Specific sectoral expertise exists in DG ECHO 01, however, it is not clear whether there is appropriate capacity building expertise amongst the respective staff. This would lead to a more efficient use of resources and avoid duplication / overlap with geographical funding.

<sup>49</sup> A Sectoral Support Team (SST) based in Nairobi provides technical advice and feedback to the policy desks in respect of global level issues such as the roll-out of the cluster approach. A recent example of this can be seen in their contribution (in the form of written comments) to the 'Humanitarian reform/cluster implementation and capacity-building workshop for donors and cluster lead agencies' held in Geneva in October 2007. The SST also has TF monitoring responsibilities. In general, projects are monitored once a year, often by Joint Monitoring Missions, which may not be as effective as the ongoing monitoring by DG ECHO in-country or regional expertise which totals around 100 experts. The Evaluation positively noted the attempts of SST staff to keep the DG ECHO regional and country experts in the 'loop', but since the latter's job descriptions do not include a role in TF, such initiatives are 'personality / good will' dependent, which is always subject to change.

<sup>50</sup> Efficiency involves the optimum use of resources to achieve the planned outputs. **Whereas the SST provides invaluable support to DG ECHO, a lot of people within DG ECHO believe that a greater involvement of the geographical Units and of DG ECHO field staff throughout the TF project cycle is required.** DG ECHO's extensive field network represents a comparative advantage which is not fully exploited. The issue was raised in most of the consultations held with DG ECHO staff. The importance of their involvement was acknowledged in various internal



notes of 2004, 2006, and 2008. Furthermore, some partners appear to be aware of this issue. The question arises as to whether this issue is an inevitable consequence of the dynamics between policy and operational structures in complex organisations and has to be ‘lived with’ or whether it is possible to address it in a creative way. Whilst being aware of the scope of the Evaluation defined in the ToR which state that “the management structure and procedures of DG ECHO are not to covered by this evaluation”, the Evaluation Team consider that from the perspective of efficiency, effectiveness and comparative advantage of the DG ECHO field structures, the issue warrants some acknowledgement. A starting point would be a further clarification of the roles of all stakeholders in the TF project cycle (see [Annex D](#)). The Evaluation Team ultimately recognises that this process is likely to require the intervention of DG ECHO’s management.

<sup>51.</sup> Improved coordination of the different financial instruments of DG ECHO is also important from an efficiency perspective. **Thematic Funding should only cover global capacity building programmes for which geographical funding is less appropriate.** Better coordination would reduce risks of funding overlap and enable other financial mechanisms to take over projects initially funded by Thematic Funding (e.g. SENAC and IPC now funded by the DG ECHO A4/Food Aid Unit) or supporting the roll-out of specific tools in emergencies. The latter option presents the additional advantage of improving country-level operational coherence. Cases of such operational follow-up funding exist (e.g. the HICs in Darfur, Sumatra and Sri Lanka and HAC in Sudan and Pakistan), but seem to be the exception rather than the norm.

<sup>52.</sup> Efficiency at the institutional level has been **strongly influenced by different and sometimes conflicting interpretations of the roles and responsibilities (and by logic, accountabilities) of DG ECHO as an ‘active’ donor and its partners in respect of the various stages of project cycle.** Partners (with the notable exception of WHO) have expressed concern, to different degrees, at what they see as DG ECHO’s ‘over’ involvement in project design and subsequent monitoring, which raises the question of ownership, sovereignty, micro-management and ultimately, partnership.

<sup>53.</sup> Several DG ECHO desks and partners have also brought up the difficulties connected to the use of the Single Form for managing the TF project cycle, which are largely due to the more complex nature of TF projects as compared to operational ones.

<sup>54.</sup> The strategy to create focal points for specific partners within DG ECHO improves communication and efficiency. However, these efficiency gains can be reduced where potential partner agencies do not have focal points within DG ECHO as they might feel disadvantaged and DG ECHO could be missing out on additional and more efficient opportunities to strengthen the capacity of its partners.

## **2.1.4 Effectiveness**

### **2.1.4.1 Global Level**

<sup>55.</sup> Unlike some other donors, DG ECHO does not provide un-earmarked funding to its partners due to internal EC regulations. Thematic Funding is therefore allocated against agreed objectives and activities. Opinions diverge within partner organisations

as to the implications of the inability of DG ECHO to comply with the principles of flexibility (and predictability) of funding recommended by the GHD Initiative for the effectiveness of TF. While some believe that it negatively affects the scope and cycle of projects, as well as the spirit of partnership, as mentioned before, there are indications that the earmarked nature of TF has played a key role in support of institutional change.

<sup>56.</sup> DG ECHO's decision to support the Humanitarian Reform maximised the chances that change would take place both by contributing to achieving a 'critical mass' of funding - DG ECHO is a major donor to the Cluster Approach - and influencing the process, and thereby, the chances that TF would be effective.

<sup>57.</sup> All partners expressed a desire for a more consultative approach in relation to the future objectives, scope and approach of Thematic Funding. From this perspective, the consultation organised by DG ECHO on 25 April 2008 was highly appropriate.

#### 2.1.4.2 Institutional Level

<sup>58.</sup> **By establishing a separate mechanism for UN/Red Cross capacity building, DG ECHO opened up the mechanism to a degree of internal and external scrutiny not experienced by other donors** whose policy is to integrate their capacity building support into operational funding or provide un-earmarked funding. This has enabled DG ECHO to both learn from the roll out of Thematic Funding and adapt it to the changing dynamics of humanitarian aid, as witnessed by the different emphases in the first and second generation of Thematic Funding.

<sup>59.</sup> TF has a clear advantage over geographical funding in terms of maximising global coherence, effectiveness and impact. The contribution of Thematic Funding to the empowerment of partners is reflected in the results which the supported projects have achieved at global, institutional and operational level (see [Section 3](#)).

#### 2.1.4.3 Operational (regional and country) Level

<sup>60.</sup> The SST / Joint Monitoring Missions play a key role in monitoring the roll out of the projects. Their recommendations, if fully implemented, presumably increase their effectiveness.

### 2.1.5 Sustainability

#### 2.1.5.1 Global Level

<sup>61.</sup> The sustainability of Thematic Funding depends on its relevance, political leverage and ability to meet its objectives, as well as political support from DG ECHO partners and other EU donors. DG ECHO should note the positive recognition of the role and value of TF from its UN/Red Cross partners, other UN/international organisations and donors. Visibility at the European level plays a key role in this respect and needs to be enhanced.

#### 2.1.5.2 Institutional Level

<sup>62.</sup> Political support within DG ECHO is a condition sine qua non for the continuation of TF and depends on the demonstration of impact. The Evaluation

cannot judge whether TF has secured such support. Sustainability will need to attract a critical mass of funding to enable TF to achieve impact.

## **2.1.6 Impact**

### **2.1.6.1 Global Level**

<sup>63</sup> While the extent to which TF has strengthened the Cluster Approach cannot be judged in the framework of this evaluation, it can be assumed that, given the convergence of objectives between the two, the results and impact of Thematic Funding will benefit the Humanitarian Reform. In the case of WHO, for instance, “three of the functions of the HAC are the same as those expected from the clusters, which means that there is a synergy. Strengthening WHO HAC strengthens its capacity as cluster lead.”<sup>15</sup> Thematic Funding was recognised as a key contributing factor to WHO’s ability to respond rapidly to the Indian Ocean Tsunami and the earthquakes in Pakistan and Indonesia. Impact at this level also resides in the ability of TF to contribute to the enhancement of trust, partnership and synergies based on the recognition of the comparative advantage of the different organisations.

### **2.1.6.2 Institutional Level**

<sup>64</sup> The full engagement of relevant DG ECHO structures, in particular geographical units, regional offices and field offices, and resulting commitment is necessary if the full potential and impact of Thematic Funding is to be realised. This remains a significant challenge for the future.

### **2.1.6.3 Operational (regional and country) Level**

<sup>65</sup> Improved performance and impact at operational level is the ‘raison d’être’ of Thematic Funding and involve local capacity building. The ‘multiplier effect’ and enhanced partnerships expected of TF appear to be still limited but there are encouraging signs of change (see Section 3).

## **2.2 Grant Facility**

### **2.2.1 Introduction**

<sup>66</sup> DG ECHO established the Grant Facility in 2000 as a means to improve the knowledge and expertise of the professional staff of humanitarian agencies and thereby enhance the quality and delivery of humanitarian aid. The approach consists of making small non-renewable grants available to DG ECHO partners and others for training initiatives or studies, networks and seminars in the humanitarian field in priority areas identified by DG ECHO on an annual basis. The procedure followed is that of issuing a ‘Call for Proposal’ around a specific theme. In reality, the Grant Facility has become the capacity building mechanism for DG ECHO’s NGO partners, i.e. organisations that have signed Framework Partnership Agreements (FPA) with DG ECHO, and other NGOs whose work is relevant for its NGO partners.

<sup>67</sup> The Grant Facility has experienced a number of organisational and operational challenges since it was launched in 2000. From 2000-2002, the focus of support was

---

<sup>15</sup> Evaluation of the Three-Year Programme to Improve the Performance of WHO (p. 50)

on the separate strands of Training and Studies, and Networks and Seminars and up to 20 initiatives were supported each year on a one-off basis. No grants were awarded in 2003 due mainly to human resource issues in DG ECHO. From 2004, the two strands were merged into a single strand focussing on capacity building initiatives which had a **wider multiplier effect** – thus **enhancing the relevance** of the GF. A factor in this decision was the poor quality of many of the proposals submitted for support.

<sup>68.</sup> Since 2000, the Grant Facility has supported 50 projects of 36 organisations in the areas of studies, networks, training and capacity building totalling around €5.4m. **At its highest level, the Grant Facility has represented around 5% of the TF budget.**

### **2.2.2 Relevance**

<sup>69.</sup> Offering NGOs and research institutes the opportunity to get support for capacity building and for ‘Research and Development’, beyond projects at the operational level, is highly relevant, especially considering the scarcity of such funding for NGOs. Few EU Member State donors offer such support. The latest Call for Proposals (for 2008) resulted in an increased number of quality proposals, which indicates that there is a strong demand for a capacity building resource of this nature amongst the 150+ NGO partners of DG ECHO. This also suggests that the Grant Facility is known at the central level of the NGOs even though this is not the case at field level. Current demand is likely to outstrip the supply of available funding and there is a need for allocating more resources to this facility.

<sup>70.</sup> From this perspective, however, relevance was diminished by the fact that while Calls for Proposals in principle open the possibility of applying to all DG ECHO NGO partners, in reality the opportunity can only be seized by a few.

<sup>71.</sup> A common capacity building tool for all categories of DG ECHO partners would enable NGOs to access more and longer term funding, either individually or in consortia, and would provide a more coherent approach to capacity building and a more secure institutional bed for NGO capacity building. However, international NGOs consulted bilaterally or as a group in the countries visited by the Evaluation Team all stated that given the **relevance of this type of support, a separate funding facility should be maintained for NGOs.** This stems from their perception that donors are increasingly channelling their funds to the UN and that they are losing direct access to funding. Their concerns echo those voiced by ICRC and IFRC that they are being marginalised, as the humanitarian reform is a largely UN-driven and centred process. NGOs fear that opening up a single “thematic” funding facility for all categories of partners might consolidate their position as implementing partners of the UN as they would not be in a position to compete with UN agencies.

<sup>72.</sup> The Grant Facility has contributed to the **process of enhancing political dialogue at the level of NGOs by supporting the work of VOICE** (over half of whose members are DG ECHO partners). Support to the lobbying, advocacy and interlocutor role of VOICE and to initiatives to improve the quality of humanitarian aid through the development of methodologies and training (such as Groupe URD’s web-based methodology to improve the quality of Project Cycle Management) gives the Grant Facility coherence and complementarity at the global level.

<sup>73.</sup> The focus of the Grant Facility is essentially on the institutional and operational level, where NGOs interface with DG ECHO. Two of the three visited NGOs that have been supported in recent years (VOICE and Punto Sud) have provided helpdesk services on DG ECHO procedures to DG ECHO's FPA partners, while the third (Groupe URD) has developed a mechanism enabling the direct feeding of elements of its quality-enhancing PCM methodology into DG ECHO's Single Form. All case studies demonstrate the relevance of the GF to the NGO beneficiaries of the NGOs' action. Since all grant awards are subject to 'Calls for Proposals', relevance is assessed in the eligibility criteria.

<sup>74.</sup> The objective of the Grant Facility is **compatible** with Council Regulation N° 1257/96 on humanitarian aid<sup>16</sup>. Coherence between the Grant Facility and Thematic Funding, which were established as separate instruments and managed by different Units until recently, was not sought. Any synergy and coherence between them is thus established through the themes which they support.

### 2.2.3 Efficiency

<sup>75.</sup> Over the period 2004-2006, the GF funded 11 activities compared to 39 over 2000-2003, which suggests an efficiency problem, but this is likely to be due **to a human resource issue in relation to its organisation and operationalisation**, which needs to be addressed in a future programme (see [Annex B](#)).

<sup>76.</sup> The position of NGOs as described in the DG ECHO Evaluation (2000-2005) of 2006<sup>17</sup> suggests a concern over DG ECHO's interpretation of its 'active' donor role in respect to the project management cycle, similar to that of UN/Red Cross partners (see 2.1.3.2 on Efficiency).

### 2.2.4 Effectiveness

<sup>77.</sup> Both **the one-year timeframe and the limited amounts of the grants appear to have been constraints in instances where innovative methodologies, such as Groupe URD's Dynamic COMPAS, were being developed**. The short timeframe affected the scope of the project, planning, and the development of the tool given the participatory process involved. In the case of Punto Sud and VOICE, the Grant Facility has supported activities of direct interest to DG ECHO and of an intrinsically long-term nature (helpdesk activities on DG ECHO procedures for DG ECHO FPA partners, lobbying and networking), which raises the question of the suitability of the GF to support activities deemed essential to building the capacities of DG ECHO partners but are required on an ongoing basis.

<sup>78.</sup> Significant institutional benefits to GF beneficiaries Punto Sud, VOICE and Groupe URD would accrue, if they were able to **consolidate their activities on a**

---

<sup>16</sup> Article 4 of Council Regulation N° 1257/96 concerning humanitarian aid allows EC funds to be used to finance 1) small scale training schemes and 2) general studies in the field of humanitarian operations.

<sup>17</sup> Evaluation of the European Commission's Directorate-General for Humanitarian Aid (DG ECHO) 2000-2005, 23 June 2006, p. 29.

**longer-term footing through access to other funding modalities available to DG ECHO.**

### **2.2.5 Sustainability**

<sup>79.</sup> **Ensuring the sustainability of GF projects is a major challenge for NGOs supported to provide services or to develop, test and consolidate a methodology.** It requires either alternative donor funding or developing an NGO cost-sharing mechanism. In the former case, this expectation is probably unrealistic and in the latter, the process requires a realistic timeframe. In 2006, DG ECHO decided to fund ‘follow-up’ activities to address the longer-term nature of these activities by giving NGOs more time to develop sustainable structures. However, in respect of the organisations funded by ‘follow-up’ grants, this remains a critical challenge and raises the question as to whether the Grant Facility is the most appropriate tool to support this type of activity. All case studies demonstrate that none of the activities could be mainstreamed into the implementing NGOs budgets and that without external support, none are sustainable.

<sup>80.</sup> With respect to VOICE, a more appropriate mechanism is required to support its ongoing role. Improved coordination among DG ECHO’s Units could result in the taking over of the project by more appropriate financial mechanisms, as is likely to happen with Punto Sud.

### **2.2.6 Impact**

<sup>81.</sup> The Grant Facility has had an impact at the global level, connected to the **lobbying and networking work of VOICE as the main interlocutor between DG ECHO and its NGO partners and at operational level through the promotion of quality project cycle management** by Punto Sud and Groupe URD. GF grants also appear to have had a positive impact on the wider institutional capacity and image/credibility of the supported NGOs. In comparison to the UN and Red Cross partners of DG ECHO, however, funding support to them has been minimal. Scaling up the Grant Facility is necessary to ensure a wider institutional impact on DG ECHO’s NGO partners.

<sup>82.</sup> The Grant Facility appears to have had little impact on the work of DG ECHO’s Policy Unit or geographical Units.

### 3. Accountability of DG ECHO's Partners

<sup>83.</sup> In addition to assessing the Approach of Thematic Funding and the Grant Facility, the evaluation also looks at the efficiency, effectiveness, sustainability and impact of (a selection of) projects and programmes, i.e. their **Accountability**.

**Note:**

<sup>84.</sup> In the context of this evaluation, 'Accountability' focuses on the standard evaluation criteria of efficiency, effectiveness, impact and sustainability of TF and GF as capacity building instruments at the global, institutional and operational (regional and country) level. As per the ToR for this evaluation, the definition of the achievements expected at the different levels is as follows:

- Global Level: the contribution of TF and GF to the overall humanitarian response capacity;
- Institutional Level: the way organisations can demonstrate improved capacity to respond;
- Field/Operational Level: the degree to which specific results have been achieved.

#### 3.1 Thematic Funding

##### 3.1.1 Efficiency

###### 3.1.1.1 Global Level

<sup>85.</sup> **Monitoring and evaluating the efficiency of Thematic Funding is difficult** due to the multi-donor nature of the projects, the fact that they are rolled-out in several countries which in some cases are not specified in the project proposal / single form agreement, or the lack of attribution of specific outputs and outcomes to specific inputs, or of appropriate objectively verifiable indicators. Even when specific countries are identified, it cannot be assumed that an efficient roll-out in one country will automatically mean an efficient roll-out across all other countries.

<sup>86.</sup> All TF projects are designed by the partner, with different degrees of DG ECHO involvement, appraised by DG ECHO 01 and SST staff before being adjusted and approved for financial support. Efficiency is a key criterion in this process and a key factor for sustainability. The Evaluation Team therefore assumes that all projects have been designed, approved and funded with the objective of maximising efficiency in the roll-out. Nevertheless, DG ECHO Project Appraisal Worksheets reveal that objectively appraising the cost-efficiency of the various capacity building projects and activities presented for support from Thematic Funding has often been a challenge and concern for the Desks. Effective monitoring of the roll-out of the project should reveal whether these hold true, or whether any adjustments are necessary.

<sup>87.</sup> The case studies and a review of available documentation provided **indications of increased efficiency, in particular in the field of logistics, stockpiling and pre-positioning** (e.g. IFRC's Regional Logistics Units in Panama, Malaysia, Kenya, and United Arab Emirates and WFP's inter-agency network of Humanitarian Response Depots in Italy, Panama, Malaysia, Ghana and UAE, which enable a more cost-

efficient response and include cost recovery mechanisms). In this respect, the Evaluation noted that the European Logistics Association had granted its 2006 Supply Chain Management Excellence Award to IFRC for its logistics system management in recognition of “faster, more cost-effective and focused relief delivery through the regional and national pre-positioning of stocks and well-trained human resources, efficient processes and information systems”<sup>18</sup>.

#### 3.1.1.2 Institutional Level

<sup>88</sup> With regard to the specific projects visited, the Evaluation Team found evidence that **TF has developed the competencies and skills-set of staff**, including for cluster/sector leadership and management, through the development and delivery of training at headquarters and regional levels, improved procedures (SOPs), **as well as optimized the use of human resources** by locating skilled staff in regional offices to plan and oversee the roll-out of policies, guidelines and methodologies and support country operations (e.g. IFRC, OCHA and UNICEF in Bangkok, and WFP in Uganda and WHO in Brazzaville) and developing rosters and surge capacity (e.g. IFRC’s Regional Disaster Response Teams consisting of specialized staff who deploy to assist national societies in the event of disasters, and UNHCR’s Headquarters protection surge capacity).

<sup>89</sup> Where efficiency was possibly compromised, it was due to the imbalance between high staff input costs and the resulting outputs. An example refers to the regional structures of UN and Red Cross partners. Where treated as ‘overheads’ by donors as opposed to project costs, partners **may seek to utilise capacity building funding for supporting these structures per se as opposed to the activities for which this funding was designed**. Effective appraisal of the proposal would alert DG ECHO to instances of capacity building funding being equated to core funding. Other institutional challenges exist, such as defining the respective roles of IFRC’s Zonal (e.g. Kuala Lumpur) and Regional Offices (e.g. Bangkok).

#### 3.1.1.3 Operational (regional and country) Level

<sup>90</sup> The Evaluation found **instances of replication of best practice** (e.g. the roll out in Uganda and neighbouring countries of the IPC developed by FAO in the Horn of Africa; the use by IFRC of the Panama-based Pan American Disaster Response Unit for its regional logistics units in Kuala Lumpur and Dubai; the use by WFP of the Brindisi Humanitarian Response Depot as a model for the four other ones) and of support to **promising innovative programmes** such as the HNTS in Uganda, which is developing a methodology for analysing all available nutrition-related data as a basis for programming (WHO and UNICEF) and the development of a common, inter-cluster needs assessment methodology (OCHA).

<sup>91</sup> In the regional offices in Bangkok, the Evaluation Team was able to detect a systematization of the approach of DG ECHO’s partners to the countries in Asia/The Pacific (e.g. the ‘Focus Country Model’ used by OCHA’s ROAP; UNICEF’s WASH cluster leadership; IFRC) and the roll out of TF projects.

---

<sup>18</sup> IFRC flyer on “Thematic Funding of the European Commission in support of the Humanitarian Reform, in favour of the Red Cross Red Crescent Movement and UN organizations”



<sup>92.</sup> At country level, the Evaluation Team found that the use of the project profile in Uganda enables UNHCR to optimise the use of available transportation by grouping returning refugees by destination.

### 3.1.2 Effectiveness

#### 3.1.2.1 Global Level

<sup>93.</sup> The extent to which the objectives stated in the Thematic Funding projects have been achieved (i.e. effectiveness) can only be objectively assessed by a more in-depth evaluation of the projects, which is far beyond the scope of this evaluation. However, based on a rapid review of the available documentation and the case studies at field level, it appears that with the exception of a UNICEF data collection programme, where, following monitoring reports from DG ECHO field experts, the programme was stopped due to lack of performance at country level, **objectives were either achieved to a degree deemed acceptable by DG ECHO or are being achieved.** External evaluations such as that of the Three Year Programme of WHO HAC and of WFP SENAC have been generally positive. The conclusion of the recent evaluation of the Cluster Approach that there is evidence of some systematic improvement in coordinated humanitarian response can also be regarded as providing part of the answer.

#### 3.1.2.2 Institutional Level

<sup>94.</sup> Improving effectiveness at global level is directly related to enhancing capacities at institutional level. Feedback from partners indicates that their **institutional effectiveness has been strengthened as a result of support from DG ECHO Thematic Funding, particularly where partners have used Thematic Funding to support a more decentralised and operational support role at regional level.** At this stage, only UNHCR and ICRC have not utilised Thematic Funding support to strengthen regional or decentralised structures. TF has also been widely used to provide training to staff and partners, provide equipment to emergency response teams, develop emergency rosters, Standing Operating Procedures, cluster guidelines etc. In the locations visited by the Evaluation Team, the improved skills-set of staff has enabled DG ECHO partners to “have the right people in the right place at the right time” to lead clusters/sectors (in particular, but not only, WHO HAC in Uganda, where this seems to have been a determining factor of success). However, this is insufficient as illustrated in the case of OCHA in Uganda (see below point 3.1.2.3). Ensuring the appropriate level of predictability for the deployment of qualified staff worldwide is likely to require more time.

<sup>95.</sup> Despite all efforts that UN agencies are making, **the request for visibility is not well understood by some partners.** A WFP leaflet, UNICEF stickers and IFRC Operations Updates and a flyer dedicated to TF are good examples of visibility. According to project-related documents, DG ECHO is getting a lot of political visibility for its support to SENAC. The Evaluation is left with the impression that TF-related visibility is a challenge due to the global and multi-donor nature of TF, with less options being available in comparison to geographical operations, which offer concrete and visible products. However, Thematic Funding provides opportunities for visibility at the global and EU Member States’ level through increased policy dialogue and cooperation at all levels of the project cycle (e.g. joint programming, joint appraisal, joint monitoring and evaluations).

### 3.1.2.3 Operational (regional and country) Level

<sup>96.</sup> The Evaluation Team identified **concrete evidence of both output and outcome** for the six project case studies looked into in the field (in Uganda: UNHCR-Project Profile, WFP SENAC and WHO-HAC; in Indonesia: UNICEF-Child Protection and IFRC-Disaster Preparedness; in Thailand, OCHA's regional Information Management system), whilst challenges remained in relation to OCHA's Information Management (IM) capacity in Uganda. Challenges remain as well in the case of WFP SENAC in terms of the analysis/interpretation of data and its link with programming. The findings for each project can be summarized as follows:

<sup>97.</sup> OCHA's IM performance in Uganda is viewed as improving since the arrival in late 2006 of the current Head of Office. Valuable information products are circulated (reports, maps) but OCHA does not (yet) have a website to disseminate information, although all preparatory work had been completed. Constraints related to establishing an effective IM system appear largely related to inadequate staffing. As importantly, despite OCHA's 'client-oriented' approach, its capacity to support the clusters is hampered by confusion over the respective responsibilities of the clusters and its own, the lack of a standardised format to share data/information and varying degrees of interest for IM among cluster leads. In Thailand, OCHA's Regional Office for Asia and the Pacific supports OCHA Country Offices and UN Resident Coordinators/Country Teams in countries without an OCHA office. This support consists in ensuring minimum standards for data preparedness in 14 countries identified as combining high vulnerability and high risk of natural disaster with low response capacity; building a common IM framework for all clusters; and the development of a regional '3 W' database, etc. In Myanmar, OCHA is establishing a 'Common Service' IM Unit in the office of the UN RC/HC as a small but permanent IM capacity, with funding from DFID. The same approach is being considered for the Philippines with cost sharing as an option to ensure sustainability.

<sup>98.</sup> WHO's HAC and Health, Nutrition and HIV/AIDS cluster leadership are perceived as having improved since the arrival of a new Country Representative and a HAC International Focal Point/Cluster Coordinator in late 2005. Health Cluster leadership had been entrusted to UNICEF in 2005 as a result of WHO's weakness and was returned to WHO in late 2006. There is general satisfaction with the cluster's performance in relation to coordination; assessments; gap management (the focus is on responding to epidemic outbreaks) and local capacity building. However, some concern was expressed in relation to WHO's capacity to interpret the data collected.

<sup>99.</sup> In Uganda, WFP piloted an improved market survey and analysis methodology that was being mainstreamed into the Emergency Food Security Assessments (a component of SENAC) in order to complement the food security assessment at household level with information on the food supply situation. WFP's capacity to do assessments is recognized as good, but most of the consulted stakeholders pointed to the need to improve the analysis of the collected data and translating the findings into credible programmes and requirements. The current weakness, placed in the early recovery context of Uganda, may have implications for (part of) the TF objective "Through accurate and impartial needs assessments, WFP will ensure that food aid is employed only when and where it is the most appropriate, and has a comparative advantage in savings lives and livelihoods" and will require attention. This being said,

the Evaluation Team found out in Bangkok that the revised EFSA Handbook, which includes the new analysis procedure, was only recently finalised and that training on the Handbook had only recently started, which may be an explanation for weakness detected in Uganda.

<sup>100</sup>. The Evaluation Team gained the impression that the roll-out of UNHCR's Project Profile/ProGres refugee registration system in Uganda was extremely positive. A field visit was made to the UNHCR Sub-Office in Arua and the Madi-Okollo Refugee Settlement, where the focus is now on refugees returning to South Sudan. There is concrete evidence of the relevance, efficiency, effectiveness, impact and sustainability of this project. It should be noted that UNHCR is using this registration tool solely for refugees, and not for IDPs. Since the development of the methodology with TF support in 2002/2003, the ProGres system has been rolled out in 53 countries.

<sup>101</sup>. IFRC Disaster Preparedness: even though Indonesia was removed from the list of roll-out countries because the involvement of the Indonesian Red Cross (PMI) in recovery activities in Aceh and Nias and emergency response in Yogyakarta overstretched its capacities, the Evaluation Team found evidence that the PMI has benefited from IFRC's global guidelines, disaster preparedness tools, and support from IFRC's Headquarters and its regional Logistics Unit and Regional Disaster Response Team in Kuala Lumpur, Malaysia to respond to the Yogyakarta earthquake in 2006. Given the size of Indonesia and its proneness and vulnerability to natural disasters, Non-Food Items are pre-positioned in-country in two central warehouses, six regional warehouses, emergency warehouses and Disaster Preparedness containers. The PMI considers the reinforcement of its regional/provincial/local capacity to respond to disasters and contingency planning as priorities.

<sup>102</sup>. UNICEF Child Protection: although the clusters are no longer active, UNICEF is spearheading and facilitating the work of a strong inter-agency protection network involving UNFPA (for Gender Based Violence), the OHCHR Human Rights Adviser to the RC/HC, NGOs, IOM, and HABITAT. Guidelines developed at global level were used as a basis for protection work after the Yogyakarta earthquake, in close cooperation with SC UK, the University of Indonesia and the Ministry of Social Affairs. During the response to the Yogyakarta earthquake, the IASC guidelines on Mental Health and Psychosocial Support in Emergencies, developed with WHO HAC support, were used and training was provided to cluster members. The "Children in especially difficult circumstances" guidelines have helped the agenda of child rights gain ground, including inside UNICEF. A lot of work has gone into developing progress indicators with partners. UNICEF is supporting a child protection database managed by SC UK on the basis of a model developed in West Africa.

### **3.1.3 Sustainability**

#### **3.1.3.1 Global Level**

<sup>103</sup>. Sustainability at global level will partly depend on the success and future of the Cluster Approach and the commitment and capacity of Cluster leads to sustain change and improved practice. Cluster lead agencies have benefited from capacity building

support through two Consolidated Appeals<sup>19</sup> for global capacity building. There will be no third appeal and although cluster leads have committed to mainstreaming cluster costs into their core programmes and budgets in 2008 or mainstreaming cluster lead-related costs into emergency response appeals (e.g. IFRC), there will be a recurrent need for some external funding, especially for those organisations more dependent on voluntary contributions (e.g. OCHA, WHO, UNICEF) for their humanitarian activities. Sustained interest, coordination and support from donors will be important for keeping the momentum going. It is too early to draw conclusions at this point in time.

### 3.1.3.2 Institutional Level

<sup>104.</sup> The restricted timeframe for TF funded activities placed **the onus on the partner to develop a sustainability strategy to ensure the continuation of activities after the end of TF support**, either by mainstreaming them into their regular budget or finding alternative donor contributions. **Evidence suggests that the former has been easier to achieve when TF has supported the development and roll out of concrete tools than when TF has supported processes and institutional change.** Whilst some examples exist of mainstreaming, such as the UNHCR project profiles and UNICEF using regular/core resources for some of its nutrition cluster-lead activities, there are examples of staff having been supported for over three years, for example IFRC's regional emergency officers and WHO HAC staff. Any decision to further support this type of 'capacity building' should be assessed against a realistic sustainability strategy for the partner and an exit strategy for DG ECHO.

<sup>105.</sup> **The recognition and decision by DG ECHO to extend the implementation period for TF programmes to 24 months provides partners with an opportunity to develop a realistic sustainability strategy**, which may include the involvement of other DG ECHO or EC funding modalities or those of other donors or mainstreaming into their budget. There are examples of this occurring both within DG ECHO, where in the case of ICRC and WFP SENAC, activities are now being supported by alternative funding. The UNHCR 'Project Profile' originally funded under TF has now been mainstreamed into UNHCR's own budgetary mechanisms.

### 3.1.3.3 Operational (regional and country) Level

<sup>106.</sup> The sustainability of TF at operational level depends on the partner's capacity to mainstream/sustain the activities at institutional level and develop the capacities of international and national partners at country level. DG ECHO's geographical Units could play a much bigger role in this respect. There are only a few examples of geographical funding having supported the roll-out or continuation of TF projects.

## 3.1.4 Impact

### 3.1.4.1 Global Level

<sup>107.</sup> Some evidence of impact of the Thematic Funding at global, institutional and operational level can be detected. However, this judgement needs to be seen in the

---

<sup>19</sup> Appeal for Improving Humanitarian Response Capacity: Cluster 2006, Consolidated Appeals Process, OCHA, 3 March 2006 and Appeal for Building Global Humanitarian Response Capacity 2007, Consolidated Appeals Process, OCHA, 19 April 2007

light of the methodological limitations under which this evaluation is taking place. Furthermore, as would be expected, impact roll-out is not a uniform process. It is clear that the timeframe for impact roll-out of some concrete ‘product-type’ interventions (UNHCR’s ‘project profile’, IFRC and WFP stockpiling at regional level, OCHA’s ReliefWeb, etc) is different to the more-process oriented interventions (UNICEF’s child protection, OCHA’s information management) and those which involve a culture change of entrenched practices and interests (WFP’s SENAC, WHO’s HAC, UNICEF’s WASH and UNHCR/IFRC Shelter cluster leadership), where any impact is likely to take longer. The systematic detection of the impact of Thematic Funding requires impact indicators to be identified and integrated into the design phase of the project submitted by the partners for Thematic Funding support.

Nevertheless, the Evaluation Team found **indications that TF has enhanced partnership** among UN agencies and the Red Cross family (e.g. in the case of Shelter cluster leadership/convenor roles of UNHCR and IFRC) and among UN/Red Cross partners and NGOs (e.g. cooperation at the global cluster level; the opening up of humanitarian logistic hubs and stockpiles to DG ECHO partner NGOs; UNHCR’s Standby Partnership agreements with NGOs for the provision of protection surge capacity; the involvement of NGOs in adapting guidelines and methodologies, and in assessments and monitoring at field level).

#### 3.1.4.2 Institutional Level

<sup>108.</sup> **Evidence suggests that Thematic Funding has helped DG ECHO partners to become more professional and accountable.** The Evaluation case studies showed that several projects have been mainstreamed into the ‘core’ work of the organisation (e.g. WHO HAC; UNHCR Project Profile; UNICEF Child Protection) and changed the way they operate. Staff met by the Evaluation testified to a ‘culture change’ across their organisation, with implications on staff expectations. In the words of a senior staff member of WFP’s Regional Office in Uganda: “Once you know how to do something and that you ought to do it, it needs to be integrated into core business”. Staff mentioned wider awareness of new tools/methodologies and interest in them; higher standards, higher degree of skills; increasing demand for training; demand for participation; ‘cascade’ effect; lesser need for outside support, etc. to qualify the change they are experiencing. However, it was difficult for the Evaluation to ascertain how wide this impact has been. While in some instances, it appears to be widespread within the organisation (e.g. IFRC Disaster Preparedness; UNHCR Project Profile; WHO HAC), in most cases more time seems needed for its full realisation and its consolidation (e.g. WFP SENAC; UNICEF Child Protection; OCHA Information Management). More training is needed for change to ‘sink in’.

<sup>109.</sup> Regarding the ‘culture change’ within WFP and WHO, the Evaluators would prefer to **reserve judgement as to whether it can now be regarded as sustained or whether it is in essence ‘donor-driven’ and likely to be reduced or lost if further external funding support is not forthcoming.** It is likely that some of the more progressive elements of these organisations and those directly involved in the projects are more open to change than their conservative counterparts.

#### 3.1.4.3 Operational Level

<sup>110</sup>. The Evaluation has not been able to verify whether individual projects have been of sufficient critical mass or have had sufficient time to enable sustainable impact to roll-out. **The wider ‘multiplier effect’ expected of TF appears to be still limited at country level** despite the training offered to Cluster partners and relevant networks and officials. Furthermore, the quality of partnership with UN agencies appears to be of some concern to NGOs. Nevertheless, with respect to the project case studies, impact on national authorities or counterparts was detected at the level of UNICEF’s child protection work with the Ministry of Social Affairs, OCHA’s work with the National Disaster Management Committee and IFRC’s support to the PMI in Indonesia, as well as WHO’s work with the health authorities in Uganda. Impact on the wider humanitarian community was detected for all projects to varying extents, but seems to be stronger in Indonesia, which happens to be a pilot country for the Global Humanitarian Partnership<sup>20</sup>. An excellent example of joint groundbreaking work was that of the protection network in Indonesia. Evidence of impact on beneficiaries was found in the case of UNHCR’s Project Profile (Uganda), UNICEF’s child protection activities (Indonesia) and IFRC’s Disaster Preparedness (based on secondary evidence concerning the response to the Yogyakarta earthquake).

### 3.2 Grant Facility

#### 3.2.1 Efficiency

<sup>111</sup>. The ‘multiplier effect’ nature of the projects and activities supported, the fact that are not multi-donor funded, the clearer link between inputs and outputs, tend to facilitate a more efficient use of resources. This was the case with the three projects examined by the Evaluation Team. In the case of Punto Sud, cost efficiency would be reduced if these services had to be provided directly by DG ECHO at Headquarters or Country Office level or through an international Service Contract.

#### 3.2.2 Effectiveness

<sup>112</sup>. For earlier phases of the GF, it is assumed that acceptance of Final Reports signifies that objectives have been achieved to an acceptable degree. Pre-final/final reports for the last round of GF projects indicate that this was the case. The Evaluation reviewed the projects of Punto Sud, Groupe URD and VOICE (see [Annex B](#)) and was able to identify general achievement of objectives and concrete outcomes.

<sup>113</sup>. During the field visit to Uganda, the Evaluation Team met with the Programme Manager and Area Team Leader of the NGO AVSI, who had benefited from Punto Sud training in Nairobi. He confirmed the effectiveness, impact, and multiplier effect of the FPA training, i.e. he was now able to: effectively apply and comply with the FPA; develop and implement a training course for AVSI regional staff in the application of the FPA; institutionalise the knowledge of the FPA within AVSI; provide support to other NGOs in relation to the FPA; apply a more systematic approach to developing funding applications for other donors; and contact Punto Sud for further support upon request. During the visit to Bangkok, the Evaluation Team met with the Country Director of the NGO Solidarités, a partner NGO of Groupe

---

<sup>20</sup> [www.globalhumanitarianpartnership.org](http://www.globalhumanitarianpartnership.org)

URD, who provided a positive evaluation of the Dynamic COMPAS, which Solidarités is testing. He highlighted the benefits of recording the ‘memory’ of the project; the structuring of reflection; the relevance of the questions; the protection against straying from objectives; and the participatory approach required.

<sup>114</sup>. With respect to the global level, the Evaluation noted the positive comments from DG ECHO related to the role of VOICE in the NGO consultation process in relation to the European Consensus on Humanitarian Aid.

<sup>115</sup>. The Grant Facility has also strongly promoted the visibility of DG ECHO, in particular through VOICE, Punto Sud and Groupe URD, where interface with DG ECHO is a core activity.

### **3.2.3 Sustainability**

<sup>116</sup>. VOICE would not be able to undertake global level activities such as lobbying and advocacy, information dissemination, and training without external financial support. At institutional level, the case studies demonstrate that none of the activities could be mainstreamed into the NGOs’ operational budgets and that none are sustainable without external support. **There is little evidence that partners have managed to develop a sustainability strategy to ensure the continuation of activities supported by GF** all of which have received follow-up finance to their one year initial funding and have applied for further support. Even if successful with their submission, Punto Sud and VOICE are likely to face the same funding challenges at the end of the next GF round. Groupe URD seems to be in a slightly better position in terms of finding alternative support. The possibility to fund the activities of Punto Sud (see Case Studies Grant Facility in [Annex B](#)) through a service contract is being explored.

### **3.2.4 Impact**

<sup>117</sup>. The case studies demonstrate that **institutional learning has taken place for both the implementing NGOs and their beneficiaries** at institutional and field levels through training, service provision and web-based access to tools enhancing the quality of PCM. However, it is difficult for the evaluators to assess the impact of the Grant Facility projects. This Evaluation is not the most appropriate mechanism to assess this. A systematic impact assessment should be commissioned to address this.

#### **4. Challenges to be addressed by DG ECHO in a Future Capacity Building Programme**

<sup>118.</sup> The challenge for a third generation of TF/capacity building, over the period 2009-2014, is to develop, adopt and implement a more systematic capacity building strategy in respect of its partners. This would not only strengthen the capacity of its partners and the political credibility of DG ECHO with the international donor community, but also facilitate a more effective utilisation of internal DG ECHO human resource capacity. Symbolically, the first step in this process could be to change the name ‘DG ECHO Thematic Funding’ to ‘DG ECHO Capacity Building Programme’.

<sup>119.</sup> DG ECHO’s capacity building approach should seek to strengthen specific capacities of its partner organisations to deliver specific results and outcomes in humanitarian activity at global, institutional and operational levels. It is not a question of either focussing on the capacities to be developed, irrespective of the partner organisation, or focussing on the partner organisation per se irrespective of the capacities to be developed. It is concerned with establishing a synergy between them and focussing on both at the same time.

<sup>120.</sup> Consolidating the progression of Thematic Funding from an input-oriented to an output-oriented and capacity building-oriented mechanism (See [Annex E](#)).

<sup>121.</sup> Mainstreaming capacity building into partners’ humanitarian interventions (See [Annex F](#)).

<sup>122.</sup> Mainstreaming capacity building into DG ECHO. DG ECHO should commission a study of how to mainstream capacity building into its work to add value to geographical Units and consider:

- Establishing a Capacity Building Steering Committee (CBSC) amongst whose responsibilities would be to oversee the operationalisation of TF/capacity building in accordance with the above defined roles and re-establish the connection between policy and operational units in DG ECHO in relation to capacity building;
- Appointing a Capacity Building Adviser amongst whose responsibilities would be to mainstream capacity building into the activities of the Policy and geographical Units and the development and implementation of a capacity building support strategy targeting specialised personnel of DG ECHO implementing partners with capacity building remits.

<sup>123.</sup> Harmonising DG ECHO’s capacity building policy and implementation strategy with the policies of other donors and global policy (See [Annex C](#) - Summary of Donor Policy in respect of Humanitarian Aid Capacity Building). This would include an action plan for synergy with the European Consensus on Humanitarian Aid.

<sup>124.</sup> Strengthening and building upon existing examples of good capacity building practice / donor coordination such as Joint Monitoring Missions. For example: Joint training involving DG ECHO, partners, donors, key stakeholders on themes such as the development and operationalisation of capacity strengthening strategies.



<sup>125.</sup> Capturing and disseminating DG ECHO good practice on humanitarian capacity building to policy makers. e.g.

- Capacity Gap Analysis;
- Benchmarks and indicators for short, medium and long term capacity building support to projects and programmes at global, institutional and operational levels;
- Principles of a long-term policy for capacity building.

<sup>126.</sup> Exploring the possibility of establishing a ‘Peer Review’ culture amongst like-minded humanitarian donors and actors.

<sup>127.</sup> Developing and implementing a strategy to establish DG ECHO as the lead authority among EU Member States on humanitarian capacity building – including the role that DG ECHO’s capacity building instruments could play in this process. Successful outcomes of the above would contribute to this.

<sup>128.</sup> DG ECHO needs to decide whether to develop a capacity building strategy (see [Annex D](#) for specific tasks), and if so, whether the above should be done in-house or if an external specialist should be recruited to undertake a more systematic analysis of the above and other related issues with DG ECHO and formulate an action plan.

## 5. Main Conclusions and Recommendations for a Future Approach (TF and GF)

<sup>129.</sup> **Conclusion 1:** Thematic Funding is a unique capacity building instrument. No other donor has an approach / separate mechanism which establishes a coherence and synergy between global, institutional and operational levels. Thematic Funding should be seen as high quality earmarked funding for building the capacity of DG ECHO partners. This represents a comparative advantage over those donors whose capacity building strategy is rooted in the provision of un-earmarked funding. There are strong expectations among partners and like-minded donors that DG ECHO as the largest EU humanitarian donor will continue contributing to developing the capacities of its partners.

### **Recommendation 1**

DG ECHO should continue providing capacity building support to its partners but Thematic Funding should be renamed ‘DG ECHO Capacity Building Programme’ so as to reflect its purpose.

<sup>130.</sup> **Conclusion 2:** Reserving TF for DG ECHO’s main UN/Red Cross operational partners excludes others who play an essential role in disaster/emergency preparedness and response. This raises issues of lack of transparency or fairness, and reduces the global relevance of the tool. Furthermore, there is a strong demand for capacity building support amongst NGOs. A common capacity building tool for all categories of DG ECHO partners would provide a more coherent approach and a more secure institutional bed for NGO capacity building, but NGOs are concerned that a common mechanism might put them at a disadvantage as they may not be able to ‘compete’ with UN agencies.

**Recommendation 2:** DG ECHO should open access to Thematic Funding to all DG ECHO partners and integrate TF and GF through a phased approach, which would enable DG ECHO to prepare to manage the consolidated mechanism and for a consultation with NGOs to take place. This means continuing with the GF until 2009. A minimum financial envelope should be reserved for NGOs, which should take into account the proportion of operational funding that DG ECHO gives to its NGO partners. An internal review should later on look into the validity of the consolidated mechanism.

<sup>131.</sup> **Conclusion 3:** A principal challenge to DG ECHO in relation to TF is how to address the essentially long-term nature of institutional capacity building of partners through a short-term funding mechanism. This demands a degree of realism as to what Thematic Funding can achieve.

**Recommendation 3:** DG ECHO should develop a five-year strategy whilst respecting the current 18-24 months implementation period and offer its partners the possibility of receiving follow-up funding within the five-year period.

<sup>132.</sup> **Conclusion 4:** Thematic Funding, and therefore DG ECHO, has evolved from an input-based to an output/outcome- and a capacity building-oriented instrument.

**Recommendation 4:** In order to consolidate this progression, DG ECHO should aim to strengthen specific capacities within partner organisations to deliver specific outcomes across a range of sectors. So as to both address gaps/weaknesses in specific fields and follow a transparent needs-based approach, DG ECHO should issue clear guidelines or a Call for Proposals to elicit proposals.

<sup>133.</sup> **Conclusion 5:** Opting to focus on a single theme or gap might reduce the global relevance of TF and entails the risk of excluding partners and relevant initiatives and losing opportunities to reinforce key capacities in a rapidly changing humanitarian context. A future approach should ensure that all DG ECHO partners are able to apply for support.

**Recommendation 5:** DG ECHO should consider selecting a broad objective such as 'Improving emergency preparedness and response' and focusing on a number of themes, gaps or weaknesses that cut across clusters and sectors so as to retain the flexibility to support relevant initiatives

<sup>134.</sup> **Conclusion 6:** The comparative advantage and added value of TF has been reduced due to its inability to attract the full engagement of relevant DG ECHO structures i.e. geographical Units, regional offices and the extensive network of field experts. A prerequisite for their full engagement is to further clarify and agree on their roles in relation to the TF project cycle (programming; identification / design; appraisal; monitoring and evaluation).

**Recommendation 6:** DG ECHO should establish / re-activate a working group to clarify and agree on the roles of geographical Units and field offices in relation to the TF project cycle and then establish a Capacity Building Steering Committee to develop and mainstream capacity building throughout DG ECHO and monitor its

operationalisation.

<sup>135</sup>. **Conclusion 7:** Whether DG ECHO has appropriate human resources to exploit its positioning in respect to the policy and operational challenges of TF across levels is unclear. Challenges remain from the perspective of the capacity of DG ECHO and its partners to design and implement capacity building actions. Confusion over their respective roles in respect of project cycle management needs to be addressed.

**Recommendation 7:** An internal capacity analysis should be undertaken to determine if there is a sufficient understanding and expertise of capacity building amongst the respective staff of both DG ECHO 01 and geographical Units, and if required, how to better develop this. The need for training of DG ECHO staff should be examined. Consideration should be given to organising joint training activities for DG ECHO staff and counterpart staff from partner organisations.

<sup>136</sup>. **Conclusion 8:** Coordination with other donors needs strengthening at the policy and programmatic levels in order to develop a complementary approach. The European Consensus on Humanitarian Aid lays down the basis for strengthened EU coordination and promotion of best practice and includes among its focuses “enhancing policy-level exchange on aid and intervention strategies, including in an appropriate forum for regular policy debate in the Council.”

**Recommendation 8:** DG ECHO should take advantage of the proposed EU Council’s Working Party on Humanitarian Aid and Food Aid to facilitate a discussion on how DG ECHO’s capacity building instrument can add value to the other EU donors’ funding modalities, discuss capacity building priorities, and identify Member States interested in supporting multi-donor projects.

<sup>137</sup>. **Conclusion 9:** Consultation with partners with regard to the objectives and operationalisation of TF has not been systematic. Some partners have expressed concern about DG ECHO’s approach to partnership as a result of its interpretation of its ‘active’ donor role.

**Recommendation 9:** Consultation should become standard practice to enhance partnership, dialogue and transparency and involve all of DG ECHO’s UN/Red Cross partners and NGO representative consortia, as well as the International Strategy for Disaster Reduction (ISDR) Secretariat. Consideration should be given to inviting key research institutes and other stakeholders. A mid-term review of the next generation of TF should take place and involve partners.

<sup>138</sup>. **Conclusion 10:** Some evidence of **impact** of TF can be detected, however, this impact roll-out is not a uniform process. Monitoring the effect and impact of projects at all levels has presented a major challenge due to inappropriate indicators for each level.

**Recommendation 10:** SMART (specific, measurable, appropriate, realistic and timely) capacity building **result and impact indicators** need to be identified for the global, institutional and operational levels, integrated into the project during the design phase, and reported against. More generally, the principles of partnership (Equality, transparency, result-oriented approach, responsibility and

complementarity) endorsed by the Global Humanitarian Platform<sup>21</sup>, should be promoted.

<sup>139</sup>. **Conclusion 11:** The current TF Decision focuses on contingency planning; global stockpiles for emergency items and equipment; upgrading skill levels and strengthening surge capacity; coordination and information management; and visibility, all of which are relevant. While future priorities will be identified on the basis of an assessment of gaps and weaknesses, during the field visits in Asia and Africa the Evaluation Team identified a need to step up support to disaster preparedness and information collection and management.

**Recommendation 11:** DG ECHO should enhance support to Disaster Risk Reduction/Disaster Preparedness – in particular Priorities 2 and 5<sup>22</sup> of the Hyogo Framework of Action in view of DG ECHO's mandate; system-wide information/data collection, management, analysis and dissemination as a prerequisite for both disaster preparedness and response; and to the extent possible, include a local capacity building component in every project.

<sup>140</sup>. **Conclusion 12:** The sustainability of the actions supported by TF depends on the ability of the partner to mainstream its costs into the regular budget or find alternative donor support. Few project proposals contain a sustainability strategy. The multi-donor nature of TF projects offers an opportunity to address sustainability in a way that a single donor approach does not.

**Recommendation 12:** A longer term sustainability strategy should be included in the projects at the design phase. In parallel, an 'exit strategy' for TF/capacity building support should be thought out and discussed.

<sup>141</sup>. **Conclusion 13:** Where longer term sustainability will depend on the continuation of external support, the demonstration of impact will be critical.

**Recommendation 13:** The future capacity building instrument will need to secure a critical mass of funding, equal or greater than the 4% of the budget reached in 2003, to enable projects/programmes to achieve impact across global, institutional and operational levels.

<sup>142</sup>. **Conclusion 14:** The Single Form does not seem adequate for managing the TF project cycle due to the more complex nature of TF projects as compared to operational ones.

**Recommendation 14:** DG ECHO should consider creating a different format for capacity building projects.

---

<sup>21</sup> Summary Report of the Global Humanitarian Platform, 11-12 July 2007, Geneva

<sup>22</sup> (2) Identify, assess and monitor disaster risks and enhance early warning; (5) Strengthen disaster preparedness for effective response at all levels.

<sup>143.</sup> **Conclusion 15:** The visibility of TF is a challenge due to the global and multi-donor nature of the projects and their focus on institutions, but TF provides opportunities for increasing the visibility of DG ECHO at the level of global humanitarian actors and EU Member States - through policy dialogue and cooperation throughout the project cycle (joint programming, appraisal, monitoring and evaluation) - and European audiences.

**Recommendation 15:** A shift of emphasis from 'standard' visibility to communication directed at the global humanitarian actors and European audiences would be more effective and appropriate. A communication strategy to achieve this needs to be developed with the help of DG ECHO's Communication Unit and mainstreamed into the work of DG ECHO 01.

<sup>144.</sup> **Conclusion 16:** Research and innovation should be supported but focussing on innovations can result in sustainability challenges and raises ownership, commitment and relevance issues.

**Recommendation 16:** DG ECHO should ensure that it retains the capacity to both support innovation and consolidate, mainstream and widen impact at local level.

<sup>145.</sup> **Conclusion 17:** Three of the four NGOs having received GF grants in 2006 are not DG ECHO partners as they are non-operational organisations.

**Recommendation 17:** While the future capacity building mechanism should target DG ECHO partners, a solution needs to be found to support NGOs or research institutes whose work has added value for the humanitarian community. Consideration should be given to developing a separate type of framework agreement with them