



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR HUMANITARIAN AID - ECHO

**STRENGTHENING HUMANITARIAN RESPONSES  
THROUGH  
GLOBAL CAPACITY BUILDING  
AND GRANT FACILITY  
DG ECHO GUIDELINES**

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## TABLE OF CONTENTS

1. INTRODUCTION .....	1
2. POLICY DIRECTIONS .....	2
3. IMPLEMENTATION .....	3
ANNEX: DEFINITION, CHALLENGES AND PRINCIPLES .....	5
Definition.....	5
Challenges of humanitarian capacity building .....	5
Principles .....	6
ANNEX: IDENTIFIED NEEDS .....	11
REFERENCES .....	13

## 1. INTRODUCTION

An evaluation of DG ECHO's capacity building programme (over €150 M since 2002) concluded that this funding was "...a *highly relevant tool for strengthening the capacities of partners to respond to emergencies*" and "*enabled DG ECHO to play a more strategic role and build stronger relations with its partners.*" It also argued, however, that "*project roll-out and impact at country level has been uneven, for reasons 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 the specific nature of capacity building efforts in general.*"<sup>1</sup> In addition, a lack of a clear and a priori definition of what was to be achieved resulted in too many topics covered in different domains with a lack of consistency or cross-fertilisation between the different projects. Also, the global nature of investments, often with numerous components, had made the management complicated and a lack of clear and realistic outputs reduced clarity on accomplishments of the programmes. In-house coordination was limited at times, reducing the strategic leverage of the investments and field level impact, which – in its turn – impacted on the institutional support of such financing.

In short, practice showed that capacity building is a difficult process with insecure outcomes that are difficult to measure. Building capacities *in a humanitarian context* is challenging due to complications of working with (local) governments, humanitarian aid principles and the short term nature (mandate) of humanitarian aid.

Still, as EU Member States and the European Commission's partners agreed in the European Consensus on Humanitarian Aid: "... *supporting the development of the collective global capacity to respond to humanitarian crises is one of the fundamental tenants of our [EU] approach*"<sup>2</sup> and by the endorsement of the Good Humanitarian Donorship Principle to "*allocate funding to strengthen capacities for response.*"<sup>3</sup> The Action Plan following the EU Consensus on Humanitarian Aid commits the EU to "...*explore how to enhance support to capacity building, including in the cluster approach and provisions for reinforcing local capacity... and to promote a multi-donor approach to capacity building*"<sup>4</sup>.

The European Commission's department for Humanitarian Aid (DG ECHO) is therefore proposing capacity building guidelines to increase the impact of its investments through Capacity Building for International Organisations and Grant Facility funding for European NGOs; to facilitate a joint donor approach; and to provide a longer term framework. This strategy is based on a number of stakeholders' consultations organised in 2008 and 2009.

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<sup>1</sup> Evaluation of Thematic Funding (and the Grant Facility Approach). 20 May 2008 (DG ECHO). Spaak and Atkinson (Particip).

<sup>2</sup> As adopted by the Council, EP and Commission on 18 December, (OJ 2008/C/ 25/01 of 30.01.2008).

<sup>3</sup> GHD principle 18, but also principle 8 on strengthening the capacity of affected countries and local communities and principle 10 to support and promote the central and unique role of the UN.

<sup>4</sup> Commission Staff Working Document 'European Consensus on Humanitarian Aid – Action Plan' SEC(2008)1991, 29.5.2008

Section two provides the objective and concrete policy directions of capacity building. Section three proposes some issues of implementation. The background of these directions is given in annex where definition, challenges and principles for capacity building as well as identified needs are provided.

## 2. POLICY DIRECTIONS

The ultimate **objective** of *humanitarian* capacity building efforts is to - *in the longer term* - **save lives in a more efficient and effective manner**. Capacity building investments should contribute **to strengthening and optimising the global humanitarian preparedness and response capacity**.

Capacity building efforts have more impact on the above objective if a number of principles are followed more stringently. These are (the need for) strengthening local capacities; decision-making on the basis of needs and demand; focus, inclusiveness, sustainability and measurability of investments; following a joint (donor) approach; allowing for innovativeness and mainstreaming and active involvement in the process of strengthening the humanitarian system (see annex).

**Based on the above principles, the Commission will:**

- Select and annually review focus areas that follow internationally defined and agreed global needs, matched against the Commission's priorities. These areas are given in annex II and include, among others, improved cluster roll out; strengthened logistical response; consistent and common needs assessments; disaster risk reduction; local capacity building, strengthened humanitarian organisations, human resources and systems, enhanced quality of humanitarian aid responses, accountability of humanitarian aid organisations and promotion of the respect of International Humanitarian Law and humanitarian principles.
- Insist on a monitoring framework with concrete benchmarks and indicators, defined by partners and donors together.
- Prioritise financing proposals that include civil society in design and implementation.
- Prioritise joint proposals of multiple partners.
- Encourage cooperation, coordination and networking among non-governmental humanitarian organisations;
- Prioritise specific capacity building support to initiatives that consider local capacity building.
- Not finance directly local organizations, but encourage and provide specific guidance to partners on how to integrate local capacity building in programmes.

- Be actively involved in the process of strengthening the humanitarian system, by, for instance:
  - Stimulating and facilitating an open dialogue with partners and donors by acknowledging the nature of capacity building necessitating a longer time to deliver.
  - Recognising the importance of partnership with key humanitarian stakeholders in utilising this partnership to the fullest benefit of the humanitarian response.
  - Striving to have a presence on international humanitarian steering and advisory bodies to provide direct support and capacity to important initiatives.
  - Supporting the mainstreaming of global cluster responsibilities and a further role-division of the Humanitarian and the Resident Coordinator system.
  - Encouraging capacity building of new EU Member States NGOs, as well as civil society of Member States that are underrepresented in terms of Framework Partnership Agreements.
  - Promoting integration and cooperation between partners and joint donor actions (for instance related to the Humanitarian Procurement Centres).
- Actively encourage NGOs to participate in the cluster approach (for instance as co-leads); and seek to ensure that capacity building through International Organisations also benefits NGOs.
- Promote and facilitate a joint donor approach, including joint policy dialogue and prioritisation of financing; information sharing and coordination. Therefore, only finance capacity building activities for International Organisations that are supported by more than one donor and allow for joint monitoring.
- Only invest in capacity building efforts for International Organisations that will benefit response capacity at field level.

### **3. IMPLEMENTATION**

These Strategy Guidelines will be applied to the Capacity Building Programme for International Organisations; and the Grant Facility for European NGOs. The Commission will:

- Apply a duration for capacity building decisions for up to 24 months.

- Make an average budget available annually and have a financing decision for capacity building at least once a year for which partners and possibly other stakeholders can submit proposals. To ensure a needs-based approach, this budget will fluctuate according to needs and ideas proposed.
- Invite organisations to exchange ideas at any moment. These ideas will be discussed internally (through the capacity building steering group) once a year and if found relevant and strategic, followed up with partners.
- Actively follow-up and monitor capacity building projects at headquarters and at field level.
- Discuss capacity building issues and financing in COHAFA.

The strategy will be subject to a rolling annual review, especially regarding the priority areas for financing. Further, it is envisaged that, within its five year duration, a mid-term evaluation of this strategy and programme will be made. As part of these review processes the Commission will continue to discuss this strategy with other donors, especially EU Member States, to facilitate joint understanding and approach.

## ANNEX: DEFINITION, CHALLENGES AND PRINCIPLES

### Definition

Capacity building can be defined as *a process whereby people, organisations and the international humanitarian community as a whole unleash, strengthen, create and maintain capacity to identify and meet humanitarian needs in a timely, efficient and effective manner.*<sup>5</sup> This involves different levels, namely:

- **Individuals:** individuals' ability to learn; gain knowledge and skills that can be expanded when new opportunities arise.
- **Organisations:** two sub-levels are identified: **local organisations** (including local authorities) and **international organisations** (international organisations (UN and Red Cross and Red Crescent Movement) and European NGOs).
- **Systems:** these extend beyond the individual and organizational levels to systems of organizations, their interfaces and the institutions that guide them.

Ultimately it is the Commission's ambition to impact on international policies and practice and thus to consider the level of systems as the most important, while realising that the other levels need strengthening to impact on the same system. Capacity building of these two levels should thus be seen as a means to an end (strengthening the overall humanitarian response capacity), and not an end in itself.

*UNICEF received capacity building support to more effectively identify the protection needs of children in emergencies. UNICEF and other child protection agencies now have ownership and understanding of child protection concepts and effectively identify the protection needs and priorities of children and women in emergencies. This increased capacity contributed to UNICEF and partners being able to negotiate the release, demobilisation and reintegration of more than 8,000 children who were unlawfully used as child soldiers by armed forces in Darfur and Southern Sudan.*

### Challenges of humanitarian capacity building

Attaining the objectives of this strategy means dealing with the challenges of humanitarian capacity building:

- Capacity shortcomings are often overshadowed by operational pressures to deal with ongoing humanitarian responses.
- Financing for capacity building is scarce and investments are often used to 'pilot' new approaches and ideas, implying greater risks (in terms of achieving results) than more conventional projects.

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<sup>5</sup> Based on OECD DAC, 2006.

- Relatively short interventions make building local capacities more difficult in a humanitarian context where relations with government authorities are weaker and non-systematic. Besides, the specific nature and fundamentals of humanitarian aid (including principles of neutrality, impartiality and independence) need to be considered carefully.
- High staff turnover impedes organisational learning. It is quicker to send in experienced expatriate staff than to build local capacity.
- Identification, assessing, monitoring and measuring of capacity and its ultimate impact is difficult.

## Principles

The Commission considers that a number of principles should be followed to tackle the above challenges when investing in capacity building.

### (1) The need to strengthen local capacities

**Local actors are usually the first responders in a crisis.** A distinction should be made of community and central level and governmental and non-governmental entities. Local community capacity building is a crucial element in a transitional context (post crisis situation) and necessary to ensure the sustainability of disaster risk reduction efforts. Strengthening such local capacities could be facilitated by ensuring that partners invest in their local (non-governmental) counterparts, building on existing capacity. DG ECHO partner organisations can be encouraged to include local capacity building in programmes, as long as they have technical and cultural capacity to do so. International staff could for instance invest in local capacity building (as part of their ToR). In a humanitarian aid context, support to local governments – even though important as first responders - needs to be considered carefully with regard to respect of humanitarian principles. Other COM Services are better placed to support building governmental structures, while in a strictly humanitarian context, the UN and Red Crescent Movement might be better placed for this. At any rate, local government or authorities should be involved as much as feasible.

### (2) Decision-making on the basis of needs and demand

Capacity building efforts should focus on impact on the ultimate beneficiaries of humanitarian aid and ensuring the necessary ownership for obtaining results, especially regarding change processes. Capacities can only be built effectively when there is an accurate understanding of the context, including existing capacities and needs. Time to conduct a proper **analysis is therefore needed, also in a dialogue with local actors.** Capacities to be strengthened must be defined by the partner – in close cooperation with local partners - and not by the donor, necessitating partners to have a strategy that is relevant to



the overall humanitarian aid system. Capacity building efforts should further respond to actual needs encountered at field level (and not at HQ level). An example is the cluster approach, which resulted in some systemic improvement in coordinated humanitarian response: *"The development and implementation of the approach merits continuation and expansion, especially regarding roll-out at field level."*<sup>6</sup>

'Earmarked' strategic financing will cover these needs and not necessarily be restricted to partners. Furthermore, implementation of supported actions (such as training) should be open to the wider humanitarian community. Joint institutional assessments could be considered to assess the impact organisations can make on achieving common humanitarian objectives.

### **(3) Focus**

As it is impossible for one single donor to target all the capacity building needs, focus is necessary for increasing impact. Donors need to prioritise what is meaningful for both sides of the partnership and focus on areas where they have capacity and interest. Investments should be linked to international commitments such as the European Consensus on Humanitarian Aid, the humanitarian reform, the Good Humanitarian Donorship Initiative, etc. Furthermore, focus should go to areas where an active donor is (technically) able to support international agendas.

### **(4) Inclusiveness**

Including the major actors in a humanitarian response will facilitate impact and promote effective coordination. This is exemplified by the cluster approach. Especially NGOs encouraged the Commission to advocate with UN actors that inclusive coordination is critical. Some good examples exist, such as Merlin's co-chairing of the health cluster in Burma/Myanmar, as well as the jointly chaired education cluster (Save the Children and UNICEF). Agencies should be fully committed in terms of providing organizational support and staffing to the clusters. NGOs are expected to participate as cluster leads and to provide staff. Initiatives that encourage the international community to work together should be supported, for instance joint and commonly agreed needs assessments.

UNOCHA is supported to strengthen capacities for humanitarian information management and classification systems of humanitarian crises. This will help to provide a more predictable and effective humanitarian response. The idea is that UNOCHA coordinates with stakeholders the necessary needs assessments and provides timely, updated, and accurate information tools that enable decision makers and implementers to make sound decisions based on needs alone (humanitarian dashboard)
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<sup>6</sup> OCHA, Cluster Approach Evaluation Report, 21 November 2007

## (5) Sustainability

First, donors should specifically promote cooperation between all types of partners and finance joint proposals. Such cooperation can be strengthened by practical measures such as staff exchanges, secondments, joint missions, etc. **Predictable, flexible, and longer term funding** is important where short term cycles are viewed as constraints. Second, **coordination** of efforts will help to fill gaps and enhance continuity of efforts. Third, funding should be based on needs and gaps identified by the clusters and their partners. It is important to **be realistic on the time-frame and investments needed to achieve results**. Donors should also explore options to support agencies' efforts in mainstreaming emergency functions into their regular budgets.

**Furthermore, institutional ownership** is crucial. An organisation has to develop a programme on the basis of identified needs and not as a way of adhering to donor priorities. Without **local ownership**, capacity building efforts will not be sustainable at field level. Therefore, local actors need to be involved in decision making, planning and implementation. Existing structures should be reinforced, not new ones created and efforts should be made to integrate capacity building at different levels (field, regional, global). For this, it is necessary to start from what is there, not what is **not** there and to focus on best practice and examples and share these more broadly.

Sustainability will be further increased by financing the costs of clusters coordination and capacity building as part of geographical operations.

*DG ECHO supports WFP's logistics work (€ 9 M to date) to establish five warehouses ('Humanitarian Response Depots') in Brindisi, Dubai, Accra, Panama City and Subang. Emergency stocks such as tents and medicines are pre-positioned here. Essential supplies can thus be moved more quickly and economically to beneficiaries, as happened last year for victims of Cyclone Nargis in Myanmar. DG ECHO also supported the building up of an 'unbranded stock' of pre-positioned relief items for shelter & housing, medical stocks and High Energy Biscuits. Such a stock will be able to target 50,000 to 100,000 beneficiaries and can be used by any organisation, as long as they replenish the stocks to ensure sustainability.*

## (6) Measurability

While in itself a 'soft' instrument, capacity building needs to be as concrete as possible to allow discussion on progress, irrespective of impact achieved. The Commission therefore insists on a detailed overview of results, activities and indicators allowing the monitoring of progress and ability to steer. 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 partners and integrated into the design of the project. Evaluations and other ways of lessons-learning of capacity building efforts will be encouraged and shared to assess impact and potential replications.

**(7) A joint approach**

Capacity building should preferably be supported by more than one donor. The Commission will strive to ensure coordination with other donors takes place. First, donors work better when they work side by side on a project. This also enables continuity in case one donor pulls out. Second, it facilitates joint needs assessments and policy dialogue. Third, a distribution of tasks can be targeted and similar agendas can be followed, including joint monitoring missions. Fourth, consistent and joint-up approaches in capacity help increase impact and sustainability. The Commission will - in light of the European Consensus on Humanitarian Aid – integrate the outcome of donor discussions in its approach to add synergy, coherence and coordination with the other donors, particularly those of EU Member States. It will represent and be represented by other donors vis-à-vis partners and programmes. It will involve, as much as possible, geographical desks and experts in the capacity building programmes.

**(8) Innovativeness and mainstreaming**

Innovative approaches to strengthening humanitarian response capacity have potentially a big impact. At the same time, 'proven' capacity building results should be mainstreamed in operations. They should therefore ideally be integrated and mainstreamed in the 'regular' humanitarian aid programmes.

*Capacity-building support has helped UNHCR to develop a unified system for registering refugees in more than 20 countries ('Profile'). The registration of 2.5 million persons in a special data-base has enabled UNHCR to provide international protection and humanitarian assistance to refugees and persons of concern, while working to find durable solutions to their situation. This tool allows for the use of biometrics to improve integrity of registration efforts and the integration of both relief and protection information to enhance humanitarian analysis and response.*

**(9) Active involvement**

With the exception of donor support groups, the Commission does not really have a place within the governance structure of most international organisations. Therefore, its advocacy and expertise can only influence policies indirectly. In order to be effective, capacity building financing should therefore be complemented with other (policy) measures and initiatives. The Commission will advocate for the importance of capacity building issues in policy dialogues, for instance by raising topics such as the development of joint needs assessments and other joint (systems) work. To ensure the best possible capacity building interventions are supported, own capacity needs to be considered as technical and operational expertise facilitates steering international agendas. For the Commission, this means ensuring to fully tap into the technical expertise at field level while at the same time utilising and recognising the importance of its Delegations in Geneva, New York and Rome. Donors can also play a role in the political dialogue with governments

in emergencies. The Commission will encourage networking, learning and sharing lessons; make products available to others; consider the set up of specific ad hoc mechanisms or networking groups; and host stakeholders meetings.

*DG ECHO support to the development of disaster preparedness tools, methodologies and processes, disaster management training, logistics preparedness, and coordination tools and capacity have allowed the International Federation and its RC/RC National Societies to set up appropriate response systems and coordination mechanisms, and to provide the necessary training to volunteers and staff to be able to face the current global HI N1 threat. These investments specifically aimed at building the local, regional and international capacity of the International Federation to respond to disasters, including public health emergencies.*

## **ANNEX II: IDENTIFIED NEEDS**

In the context of this strategy, DG ECHO has held a number of consultations with its staff (field and headquarters), IASC members and standing invitees, a selection of stakeholders (through a roundtable in January 2009) and other donors. One of the objectives was to get to a consensus regarding the main global humanitarian response needs, which are provided here:

### **(1) Resources**

Field implementation capacity of partners is hampered by gaps of human and other resources, including a lack of knowledge management and leadership skills. Surge capacity of partners was identified as an area of need, especially technical and logistical knowledge capacity. As it is argued that personalities more than skills make a difference, high staff turnover impedes response capacities. With regard to funding, there is a need for more long-term, predictable, as well as flexible humanitarian funding.

### **(2) Coordination and roll out of the cluster approach**

The UN humanitarian reform is in general seen as a very positive contribution to coordination, though characterized as a somewhat UN-centric initiative. Further strengthening of institutional capacity to ensure effective implementation and functioning of the cluster approach and other coordination mechanisms is required, especially in support of the roll-out at field level. Local coordination structures need to be assessed, expanded and /or adapted for improved roll out of cluster coordination and information sharing. There is also a need to further develop and disseminate common standards, guidelines, frameworks, and tools. Connecting and linking sectors and coordination among donors needs further improvement. Frequently, mention is (still) made of the lack of effective partnerships, in particular between UN and non-UN actors, inter-cluster and civil-military coordination and participation of stakeholders and beneficiaries. The UN emphasises the need for cooperation with countries' authorities and regional organisations such as ASEAN and the African Union.

### **(3) (Rapid) Needs assessment and related methodologies**

Needs-based decision making can be further improved, including rapid initial needs assessment methodologies. Humanitarian needs assessments are not easily integrated or comparable and there is a lack of a standard classification of severity of disasters. As a result, humanitarian funding cannot always be allocated in the most equitable and transparent way and there is a need for greater comparability of the severity of needs; improved linkages between the needs assessment findings; and the design of humanitarian programmes. Initiatives for common (and rapid) needs assessment methodologies and tools exist, but are not joined up. Duplication, assessment gaps and competition between various assessment initiatives are a logical result. Many of the existing assessment guidelines are seen as incompatible and too comprehensive to be used at field level. There is a need to systematise, coordinate and structure all ongoing initiatives.

#### **(4) Emergency Preparedness, Disaster Risk Reduction, Early Warning**

There are still significant capacity needs at all levels in disaster management, disaster risk reduction, early warning and preparedness, emergency response and integration of disaster risk reduction in the recovery planning. While there is an agreed commitment to use the Hyogo Framework for Action in developing capacities for disaster risk reduction, field experience shows that the quality of disaster risk reduction interventions and the performance of actors in this field have been most effective where there is an enabling environment. There is also a need for epidemic preparedness and response capacity for disease outbreaks as well as preparedness for nutrition crises at global and regional levels. Outbreaks are often detected too late, making responses more difficult and expensive.

#### **(5) Local Capacity Building**

There is broad and consistent reference to the need to develop local capacities to respond to humanitarian crises with a particular emphasis on strengthening capacities for disaster response and risk reduction. This includes local (government) structures, especially in the context of early recovery.

#### **(6) Quality, accountability and respect of humanitarian principles and laws**

There is still a need to enhance quality management in the field of humanitarian aid responses, to assure that the highest standards of accountability to beneficiaries and transparency to donors and European citizens are met and to promote the knowledge and respect of humanitarian principles and International Humanitarian Law

#### **(7) Logistics and other needs**

A number of sectoral and cross-cutting gaps were identified, such as gender issues, , protection, security capacity and logistics. Logistics support is seen as one of the major problems humanitarian actors face at the onset of an emergency, especially the provision of the necessary logistics support for the movement of relief commodities to and within the area of intervention. Further pre-positioning and improved coordination of stockpiling is therefore required.

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