

# SOUTHERN SUDAN

Funding according to need

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WORKSTREAMS:

 Scale of Needs

# EXECUTIVE SUMMARY

This paper examines the ways in which evidence demonstrating the scale and severity of humanitarian needs in Southern Sudan is generated and used by the three largest sources of humanitarian funds – the US, the EC and the Common Humanitarian Fund (CHF) – to prioritise funding to meet humanitarian needs. The paper also looks at some of the other considerations and influences that donors weigh in their decision-making processes and where some of the major obstacles to funding in accordance with needs lie.

## KEY FINDINGS

The ability of donors to fund according to assessed needs is constrained by the limited availability of objective and comparable evidence about humanitarian needs. This inevitably has consequences for the decisions that are ultimately made about how resources are directed, but this is only part of the story.

In the absence of comprehensive objective evidence, human intelligence, judgement and experience play a critical role in decision-making, and this should not be under-valued. However, without robust and comparable evidence, competing for an equitable share of the available global humanitarian funds is problematic.

Each of the three donors considered in this analysis attach different weightings to objectivity of evidence, reliance on organisational experience and judgement and transparency of decision-making. Irrespective of the different decision-making criteria and processes developed, the bottom line – simply how much money they each have to allocate each year – has the most important influence on how widely their definition of needs is drawn and therefore on which activities get funded.

Both responsiveness to needs and predictability of funding are important in chronic protracted emergencies. The ability of each donor to deliver on both counts varies significantly according to their internal policies, budgetary processes and criteria for evaluating evidence of needs across competing global humanitarian crises.

The Common Humanitarian Fund (CHF) allocates funds according to a democratic, inclusive and transparent process. The lack of objective evidence of humanitarian needs underpinning the decision-making process, however, has left the CHF open to other influences and considerations. Due to the lack of available recovery funding, it has frequently ended up supporting a variety of programmes addressing chronic needs and funding gaps which require more long-term support.

The European Commission, which places heavy emphasis on funding in accordance with assessed needs, has elaborated sophisticated criteria and rankings to demonstrate relative levels of needs across crises. Importantly, despite formal and sometimes lengthy procedures, the EC's humanitarian funding has remained predictable and at the same time, has been able to react to shifting profiles and levels of humanitarian needs and to scale up accordingly.

The United States Office for Foreign Disaster Assistance (OFDA) has a highly competitive internal model for funding allocation across crises globally, one which is based on judgement and negotiation more than on objectively comparable evidence. OFDA's annual funding envelopes show surprising variability. At a critical moment in Southern Sudan's

transitional period, humanitarian funding decreased on the basis of decisions which appear to have been informed not by an analysis of needs, but by a desire to move from humanitarian towards development funding.

OFDA was not alone in this optimistic assessment of Southern Sudan's funding needs, which belied the reality of both the level of humanitarian needs and the scale of development challenges. There was no space in the widely held conceptual narrative of a rapid transition to development, where residual acute humanitarian needs would melt away, for the huge and persistent burden of chronic needs.

NGOs, UN agencies and donors consulted during the course of this research described having to repackage all funding requests as meeting acute humanitarian needs in order to satisfy donor headquarters' preferences for this kind of funding. Effectively, in this drive towards development on the one hand with a preference for a narrow definition of humanitarian needs on the other, there has been little scope to talk openly about or fund chronic needs. This has had a powerful conditioning effect on the way in which needs are articulated and funded.

## CONCLUSION

The artificial distinction between humanitarian and development programming and funding streams, combined with a generalised failure to achieve significant progress in basic infrastructure and service delivery of non-humanitarian aid, has contributed to the creation of an artificial competition for humanitarian funding and to manipulation of the presentation of humanitarian needs to match donor preferences. The failure to address chronic needs, meanwhile, has inevitably led to an escalation of acute needs.

In order to address chronic needs more effectively in protracted crises, government donors must be realistic in their expectations for development and state transformation and must consider alternative funding mechanisms and approaches to allow flexible, predictable programming approaches.

Better evidence of the scale and severity of humanitarian needs and greater transparency in information exchange about them is crucial to promote more equitable funding decisions. To achieve this requires greater commitment and investment across the humanitarian community as well as a shared technical and conceptual language with which to measure and talk about humanitarian needs. Significant progress has been made in Southern Sudan in the past five years in needs assessment and routine monitoring and surveillance, and a number of initiatives are underway within global clusters and under the IASC to refine shared methodologies for measuring needs.

Donors, however, have a role to play in aligning incentives for delivery agencies to adopt shared methodologies that will enable greater comparability of evidence, investing in needs assessments and in encouraging greater transparency in evidence sharing amongst recipient agencies.

By the same token, donors themselves should also demonstrate greater transparency in their own decision-making processes, making publicly available the evidence, rationale and outcomes of their funding decisions.

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# NEEDS ASSESSMENT IN A CHRONIC EMERGENCY

The reality of humanitarian programming in complex emergencies, with poorly functioning markets and governments, is that the bulk of humanitarian funding and programming is directed towards meeting chronic needs. In such an environment, planners and donors need far more than a snapshot of acute and immediate needs. Instead, they need a rich forward thinking analysis of patterns of vulnerability, risk factors and trends in order to anticipate likely acute humanitarian needs across annual planning cycles.

A comprehensive picture of the scale and severity of needs would require baseline information and routine monitoring of key indicators, particularly relating to the health and nutritional status of the population, as well as humanitarian needs assessments conducted in response to particular geographical, sectoral or crisis-related concerns. Situation analysis should also be rooted in a deeper context analysis that encompasses trends in the political, security and economic environment.

Each level of a crisis depends on different levels and types of information to inform an analysis of needs and priorities. Building a picture of acute needs relies not only on rapid assessments but must also draw on foundational tiers of evidence, such as population figures, knowledge of epidemiological risks and modes of production (see Figure 1).

## MEASURING NEEDS IN SOUTHERN SUDAN

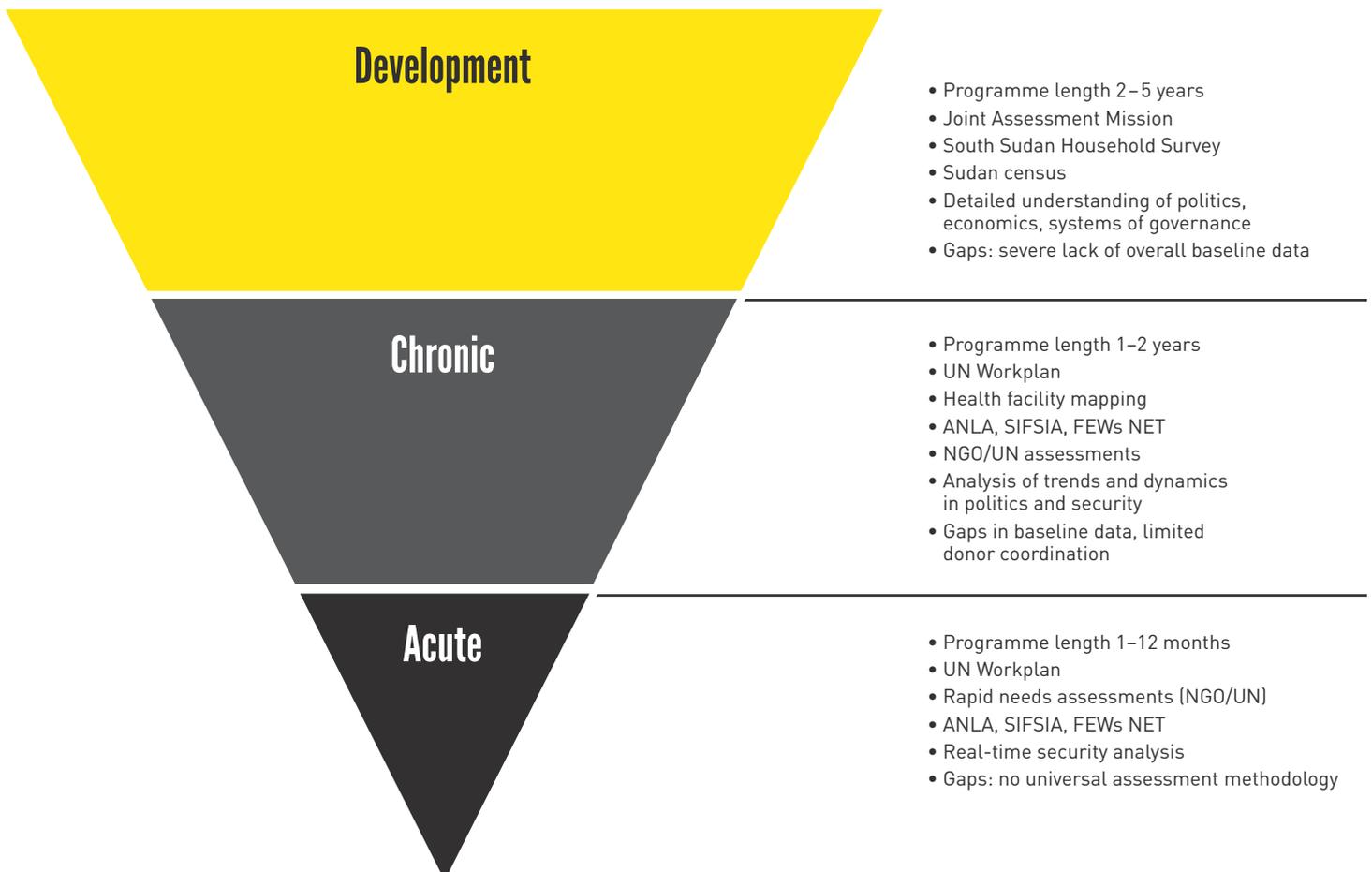
With the advent of the Interim Period of the Comprehensive Peace Agreement (CPA) in January 2005,<sup>1</sup> following two decades of war-time humanitarian operations, the difficulties the humanitarian community faced in building a comprehensive picture of the scale and severity of humanitarian could not be overstated.

Information during the war was garnered across a mosaic of Operation Lifeline Sudan (OLS)<sup>2</sup> coordinated agencies, non-OLS

<sup>1</sup> The Interim Period of the CPA refers to the period between the signing of the agreement and the mandated referendum scheduled for 2011. The peace agreement was not completed on signing the CPA documents in January 2005: rather the peace agreement, which included a series of specific actions that the parties are bound to undertake, including withdrawal of forces, census, elections and boundary demarcation, was designed to be implemented across this six-year period. The Interim Period is an important reference not only because of its political significance, but also because this six-year window has had a major influence on the recovery and development planning timescale of the international community.

<sup>2</sup> Operation Lifeline Sudan (OLS) was a consortium of UN agencies and NGOs operating in Southern Sudan, which negotiated a tri partite agreement with the Government of Sudan and the Sudan People's Liberation Movement/Army to access civilians in need of humanitarian assistance in 1989.

FIGURE 1: TYPOLOGY OF EVIDENCE USED TO ANALYSE NEEDS IN SOUTHERN SUDAN



aligned agencies working in areas held by the Sudan People's Liberation Movement/Army (SPLM/A) and agencies operating out of Khartoum which worked in the government-held garrison towns. Ways of working had developed along quite different lines over time, even within the same organisations working across the Northern and Southern sectors. Militia-held areas were for the most part a tabula rasa in terms of information. At the start of the Interim Period, full access meant reconciling operations (including reconciling systems of data collection) accessing new areas and, for the first time, establishing coordination of humanitarian operations within Southern Sudan and working with a fledgling government.

Contrary to widely held optimistic expectations of the rate of progress towards peace and development, access to affected populations today remains severely restricted owing to persistent insecurity, poor transport infrastructure and extensive flooding during the rainy season. This has significantly reduced the capacity of the international community to gain detailed baseline data on Southern Sudan.

What analysis of humanitarian needs in Southern Sudan lacked in coverage and comparability of data during the war had been compensated for to a degree with nuanced and hard-won contextual analysis embedded within a cadre of committed and experienced humanitarian workers. However, in the post-war period, shifting from the modus operandi of remote management and coordination of the OLS period towards coordination with the newly formed Government of Southern Sudan (GoSS) in Juba resulted in unanticipated losses in management and analytical capacity amongst the humanitarian community.

A loss of experience-based judgement capacity within the humanitarian system, combined with a dearth of objectively derived evidence, has left analysts and planners struggling to generate an objective picture of the scale and severity of humanitarian needs. In practice, decision-makers are forced to navigate their way through a morass of needs assessments, piecemeal and competing humanitarian analyses from organisations prospecting for funding and ad hoc information gathered from attending meetings and informal discussions, along with two widely referenced annual surveys in the livelihoods sector – the WFP Annual Needs and Livelihoods Assessment (ANLA) and the FAO crop assessment.

Investments have been made to establish surveillance in health and food security, and these mechanisms are beginning to function with a degree of government ownership. But

the challenges are immense. The health surveillance system had to be created from scratch, in a brand new Ministry of Health, with no policy, few paid staff, no existing reporting systems, no reliable population figures, and essentially only a handful of functioning government facilities in former garrison towns reporting to the Government of Sudan (GoS) and a cacophony of NGO-run programmes reporting to their respective headquarters. After five years of training, coaxing and massive investment from donors, by 2010 still only around 40% of counties were regularly reporting on incidences of outbreak of diseases to their state-level Ministries.<sup>3</sup> In a country acutely susceptible to outbreaks of disease, this means that, even with significant outbreak response capacity in-country, many outbreaks go undetected and unresponded to.

The food security and livelihoods cluster inherited a well-developed analytical framework and a body of trained data collectors and analysts from war-time international food relief operations, and this evidence base has evolved and improved further during the Interim Period. However, gaps in information on needs and practical constraints to accessing at-risk populations inevitably mean that needs go undetected and unmet.

While evidence of variable comparability and comprehensiveness exists within the Clusters, it is only the UN Humanitarian Workplan which attempts to offer multi-sectoral picture of humanitarian needs, expressed in terms of funding requirements in Southern Sudan. The Workplan, however, is clear about the limits of its scope, stating that it 'outlines what the UN believes are the most urgent needs that can and must be addressed by the UN and its partners in a one-year timeframe'. It does not claim to represent the totality of humanitarian needs, but rather presents a statement of what ought to be done to address the known needs within the existing capacity of the UN and other organisations participating in the Workplan process.

The needs presented in the Workplan, moreover, are those articulated by the very agencies seeking funding. They are invariably presented as funding needs rather than as an objective statement of humanitarian needs and are therefore open to agency bias and exaggeration. Nevertheless, most major donors refer to the UN Workplan in considering their funding allocations and many encourage and in some cases require their partners to participate in the Workplan.

In 2010, significant changes to the humanitarian coordination architecture and ambitions have begun to improve the evidence base and comparability of the data that inform the UN Workplan.

## ESTABLISHING A BASELINE

In anticipation of the information needs of planners in the post-war period, the New Sudan Centre for Statistics and Evaluation (NSCSE) and UNICEF led a valiant effort to establish basic information in the rural SPLM/A-controlled areas. Their report reviewed and collated surveys conducted by multiple actors and compared them with models and figures from neighbouring countries and official statistics from the rest of Sudan. The indicators presented included demographics; education; child and maternal mortality; water and sanitation; and health and nutrition.

In 2004, as CPA negotiations progressed, a UN – and World Bank – led Joint Assessment Mission (JAM) was conducted to describe, cost and prioritise the huge recovery and reconstruction needs of Southern Sudan, the transitional areas and Northern Sudan. This assessment was envisaged as the blueprint that would inform both the Oslo donor conference and subsequent reconstruction planning. Progress against the JAM recommendations has, however, been limited, owing to the slow disbursement of the Multi Donor Trust Fund (MDTF) and because federal Ministry of Finance and many international development actors have taken only partial regard of the JAM recommendations in their resource allocations.

In 2006, the GoS and GoSS, with UN agencies, conducted the Sudan Household Survey, which provided the first comprehensive baseline health and nutrition data for the whole of Sudan for more than 20 years.

As part of the CPA implementation process, a Sudan-wide population census was completed in 2008.

<sup>3</sup>WHO, personal communication. June 2010.

In December 2009 the UN Deputy Resident Humanitarian Coordinator (DRHC) convened an Inter-Sectoral Working Group (ISWG), which now leads analysis and operational coordination of humanitarian response, and in early 2010 the cluster system was partially rolled out. This was reported to have had a positive effect on the nutrition cluster in particular, which had subsequently agreed on standard methodology for data collection and had conducted a mapping of nutrition surveillance and response capacity and gaps.

Importantly, the UN Office for the Coordination of Humanitarian Affairs (OCHA) planned to conduct a multi-sectoral, multi-stakeholder needs assessment in 50% of counties in Southern Sudan in July 2010, which will generate evidence to inform a Workplan and a CHF prioritisation process that is rooted more clearly and transparently in an assessment of humanitarian as opposed to programme needs.

Progress is undoubtedly being made, but the evidence base is still deficient and it is likely that needs in Southern Sudan are going unmet as a result of their being inadequately measured and articulated. The powerful influence of evidence was demonstrated shortly after the current DRHC assumed office in 2008, when a table of statistics was collated comparing key indicators including the health and nutritional status of the populations in Darfur and Southern Sudan. The results were startling: although Darfur is the priority for most donors, according to these statistics, the humanitarian situation is worse in Southern Sudan. This finding is thought to have been partially responsible for an increase in Southern Sudan's CHF allocation from 36.1% of the allocation for Sudan as a whole in 2008 to 42.9% of the allocation in 2009.

Use a standardised methodology to give a full and accurate picture of humanitarian needs:

Notwithstanding previous efforts, there is not yet enough comparable data coming out of either inter-sector or sector-specific needs assessments. Given the importance of presenting a coherent and accurate view of humanitarian needs, the newly formed Inter-Sector Working Group and the sector working groups will need to standardise assessment methodologies to ensure comparability of the data across the ten states of Southern Sudan.

**Six main aims of the Humanitarian Operation in 2010, Office of the Deputy Resident Humanitarian Coordinator, Southern Sudan**

## HOW HUNGRY IS SOUTHERN SUDAN? MEASURING NEEDS IN FOOD SECURITY, LIVELIHOODS AND NUTRITION

Southern Sudan continues to experience major food deficits and regularly suffers from significant acute and chronic levels of malnutrition. In 2010, staggering levels of malnutrition were reported, and the UN World Food Programme (WFP) estimates that 3.2 million people will be food-insecure in 2010. Addressing the food security and nutritional needs of Southern Sudan is a major undertaking for the humanitarian community – Sudan is the WFP's largest food aid operation.

Analysis of the food security and nutrition situations of the population, though undoubtedly not without problems, is based on the best-developed networks of humanitarian monitoring and surveillance in Southern Sudan.

There are a variety of mechanisms coordinated by the Nutrition, and Food Security and Livelihoods clusters, which coordinate areas of analytical and operational overlap through an inter-agency steering committee.

**ANLA:** The Annual Needs and Livelihoods Assessment is the current iteration of a long-standing WFP-led annual assessment of the food security situation and projected volumes and geographical targeting of food aid required for the following year. UN agencies, the GoSS and NGOs jointly undertake assessments in accordance with a standardised methodology developed for the analysis of household food security across cluster sample sites. The ANLA was the key advocacy tool used by the WFP to justify a quadrupling in overall budget size from 2008 to 2010, given the scale of the needs.

**SIFSIA:** The Sudan Institutional Capacity Programme: Food Security Information for Action (SIFSIA), funded by the EC and implemented by FAO, works with national institutions in Sudan to strengthen their capacity for generating, analysing and disseminating food security information.

**CLiMiS:** Crop and Livelihood Market Information System is managed by the GoS and supported by SIFSIA to monitor and track trends in food commodity prices.

**LAF:** Livelihoods Analysis Forum is convened by the GoSS Centre for Census Statistics and Evaluation, with UN and NGO stakeholders in the food security and nutrition clusters. The LAF meets on a quarterly basis to discuss and categorise data and analysis against phases marked by

technical benchmarks defined in the Integrated Phase Classification system to standardise agreement of risk levels trend analysis.

**FEWS NET:** The Famine Early Warning Systems Network, funded by USAID, is an international surveillance and early warning system that collates data from a variety of sources to provide early indications of food insecurity in countries with historic food security problems, including Sudan. FEWS NET draws on analysis from the above surveillance mechanisms and assessments, and uses climate data and satellite imagery provided by the US government.

**Nutrition surveillance:** A number of agencies carry out their own rapid needs assessments and anthropometric surveys to identify areas of acute nutritional need and to inform programmatic responses. Significant progress has been made in the past 12 months to map actors within the sector, and the Ministry of Health has recently adopted SMART methodology as the operational standard for all actors working in the nutrition sector to enable geographic and temporal comparison of nutritional data. Coverage of the network of actors involved in nutritional surveillance is extremely uneven, however.

Despite the plethora of initiatives and actors monitoring the food security and nutrition status of the population of Southern Sudan, there are often differences of opinion over methodology and analysis, which can have major consequences for the type and scale of response that communities receive.

In February 2010 an NGO nutrition survey reported staggering levels of malnutrition in Akobo county of Jonglei State, with a global acute malnutrition (GAM) prevalence of 45.7% and severe acute malnutrition (SAM) rate of 15.5%. Undoubtedly a serious food security crisis exists in Akobo, and a major food and nutrition response has been mobilised. But what of the next-door county, which has also suffered similar conflict and displacement, and where no nutritional surveys have been conducted? It is likely that people here are also suffering serious food security problems.

There is a danger that, without evidence gathering on the scale of needs, disproportionate responses can be carried out in areas that demonstrate merely the 'tip of the iceberg' of greater needs at the local level. Often, the reasons that these areas are prioritised for humanitarian assessment and eventual response are related simply to the presence of actors on ground and to access.

# HOW DO DONORS FUND ACCORDING TO NEEDS?

The ability of donors to fund according to assessed needs is constrained by the limited availability of objective and comparable information on needs, but this is only the beginning of the range of information, influences and considerations that donors must weigh up. A range of other considerations also feed into the decision-making process. Some are common to all donors, but each donor has its own unique organisational preferences and processes which condition its choices.

Ideally, funding in accordance with need would be rooted in an objectively derived and comparable evidence base, which would then inform the allocation of resources across crises at the global level and the decision-making processes to allocate funding to the most urgent priorities within a given crisis (see Figure 2). In practice, the evidence base is deficient and incomparable and a range of constraints and considerations, other than meeting humanitarian needs, influence donor decision-making processes. Perhaps the most powerful of these factors is the overall availability of funds.

The size of the envelope received forces hard choices for donors at country level where humanitarian needs exist on a scale that eclipses their available funds. The budgetary process and policy for allocating global envelopes of humanitarian funding to particular crises also have a major impact on the ability of donors to fund according to needs in Southern Sudan. The process for allocating funds across global crises varies considerably amongst the donors considered in this analysis.

In the interests of accountability to both affected communities and domestic taxpayers, government donors must also consider how to ensure that their funds are spent cost-effectively, are entrusted to capable partners and deliver quality

outcomes. In a diverse market of possible funding recipients of hugely variable capacity, performance record and cost, these practical considerations are no small matter.

To further complicate an analysis of funding according to needs, not all humanitarian action will save lives or alleviate suffering immediately or directly, but it is nevertheless essential for effective humanitarian response. Humanitarian funding is also required for activities which indirectly meet humanitarian needs through building a robust humanitarian response capacity, such as through investing in pre-positioning supplies to meet future anticipated needs, or funding humanitarian coordination and security that enables safe and more principled humanitarian action. In weighing needs against available funding, therefore, donors must take a more nuanced approach than simply considering public health indicators or displacement figures.

Amongst government donors, there are historical preferences, priorities and comparative strengths which often constitute an informal division of labour. In essence, donors are influenced by what other donors are and are not funding. This informal arrangement, however, must be actively worked out in each particular context, and while donors often make efforts to cover 'gaps' not funded by other donors, there is no obligation to ensure rational and comprehensive coverage within a crisis or on a global level.

Donor policy and strategy also have a significant influence on decision-making at the global and recipient country levels. These framing analyses, concepts and thematic priorities are not always determined with reference to an objective assessment of need and may in some cases override the principle of funding according to assessed needs.

FIGURE 2: EVIDENCE AND INFLUENCES IN DONOR DECISION-MAKING PROCESSES

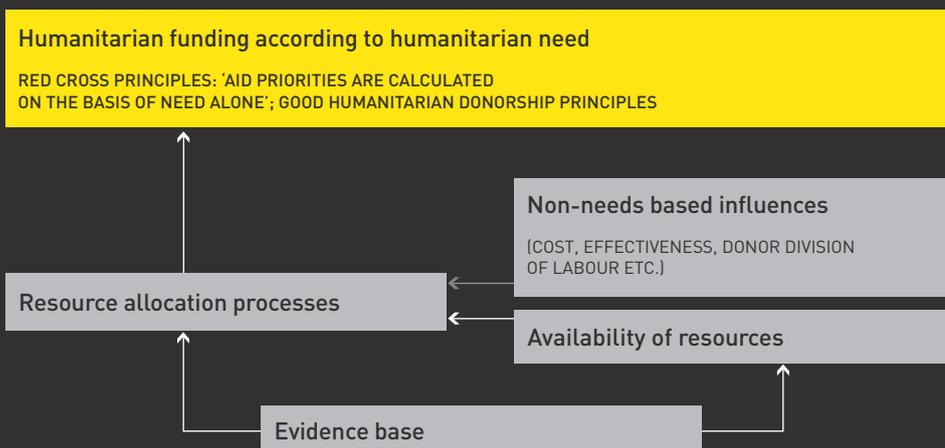
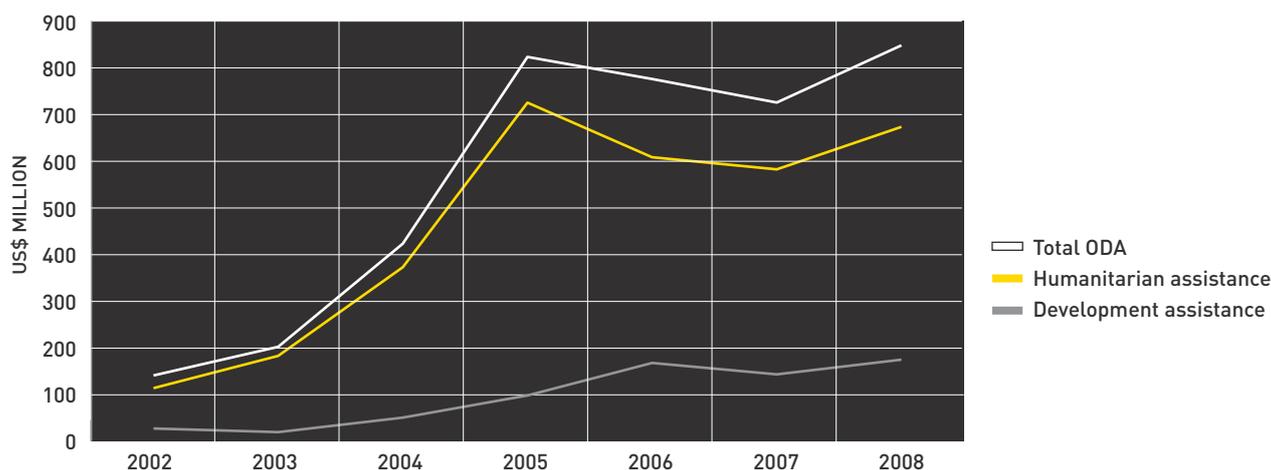


FIGURE 3: US GOVERNMENT FUNDING TO SUDAN



Source: OECD DAC

Indeed, a widely held conceptual framing of the problems facing Southern Sudan as being largely recovery and development in the early Interim Period has had a profound and somewhat perverse influence on the availability and accessibility of humanitarian funding and the ability of the humanitarian community to meet needs.

During the war, donors supported basic service provision and a diverse spread of activities which sought to address chronic vulnerability. However, in the CPA Interim Period, donors quickly re-cast Southern Sudan as a context for recovery and development programming where humanitarian needs would rapidly melt away. Donors have sought to shift their funding portfolios away from humanitarian funding and towards recovery and development. The latter, however, have performed poorly across the board, resulting in competition for humanitarian funding – the only source which remained accessible – for a wide range of activities to meet chronic and recovery needs. This has a powerful conditioning effect on the ways in which humanitarian needs are articulated. Combined with a deficient evidence base, there is a considerable risk that real acute needs may be overlooked amidst a morass of competing presentations of a wide range of humanitarian needs as ‘acute’, and at the same time chronic needs will continue to be inadequately addressed, contributing to the persistence of a structural crisis of chronic needs.

## US GOVERNMENT

The US government is the largest bilateral donor to Sudan and the largest humanitarian donor. It has a historic political commitment to Sudan, having been a powerful influence in supporting the negotiation and realising of the CPA and as an official international guarantor to the CPA process. Under the George W. Bush administration (2001–9), Sudan was also the US government’s top foreign policy priority in Africa, ‘due to its importance for counterterrorism and regional stability, as

well as the magnitude of human rights and humanitarian abuses.’ (USAID Sudan Strategy 2006–8).

### FUNDING TRENDS

A high proportion of the US government’s official development assistance (ODA) for Sudan is in the form of humanitarian assistance, averaging 86% between 2002 and 2004 and falling slightly to 82% in the Interim Period between 2005 and 2009.

Despite a broad recognition of the persistence of humanitarian needs in Southern Sudan, as expressed in USAID’s 2006–8 strategy, USAID, the largest humanitarian donor to the South, cut its humanitarian budget after the signing of the CPA, from around US\$100 million in 2005 to US\$30 million in 2010,<sup>4</sup> while simultaneously increasing its development assistance.

However, development assistance has remained at relatively low levels compared with humanitarian assistance, peaking at US\$175 million in 2008, roughly 21% of the US government’s total ODA to Sudan in that year (see Figure 3).

USAID’s funding is exclusively bilateral and it does not participate in any of the pooled funds.

The US government funds humanitarian activities through three separate offices: the Office for Foreign Disaster Assistance (OFDA), Food for Peace (FFP) and the Bureau of Population, Refugees and Migration (BPRM). The following discussion, however, focuses on the needs analysis and decision-making processes of OFDA, the disaster response branch of USAID.

### FUND ADMINISTRATION AND DECISION-MAKING STRUCTURE

The US government’s humanitarian assistance to Southern Sudan is relatively complex, with three principal grant-making agencies in operation, each drawing on different budgets and with separate management lines and thematic focus.

The reduction in OFDA funding to Southern Sudan has contributed to the funding instability experienced by humanitarian actors who have keenly felt the loss or reduced generosity of a long standing bilateral partner, combined with the decision of DFID and several other donors to pool their humanitarian funding into the CHF, which has left many delivery agencies at the mercy of open competition for funds in an emerging and unfamiliar market.

Many humanitarian organisations articulate the strong belief that there has been a dramatic reduction in humanitarian funding overall in Southern Sudan. While overall humanitarian funding has increased significantly, from an average of around US\$200 million a year between 1995 and 2003 to a peak of US\$1.4 billion in 2005, the reduction of OFDA funds since 2005 has certainly contributed to the reduced availability of humanitarian funding for many.

<sup>4</sup> Personal communication. OFDA staff in Juba.

The majority of US humanitarian funding is in the form of food aid through the office of Food for Peace (FFP), which is administered by the Department of Conflict and Humanitarian Affairs (DCHA) within USAID and which draws its funding from the US Department of Agriculture PL 480.II budget.

Humanitarian grants to UN agencies and NGOs across a variety of sectors are routed through OFDA, which draws its funds from the separately appropriated International Disaster Account (IDA), a chapter of the wider Foreign Affairs '150 Account' and which also falls under the overall management of USAID's DCHA office.

The US government channels a third category of funding to programmes supporting refugees, and largely to the UN High Commissioner for Refugees (UNHCR), through the Bureau for Population, Refugees and Migration (BPRM), which is managed by the State Department and which draws its funds from the Foreign Affairs '150 Account' (see Figure 4).

### NEEDS ANALYSIS

The US government is a GHD member and thereby concurs with the principle of funding in accordance with needs. It invests in major global initiatives to establish objective evidence on the scale and impact of disasters, including the foremost natural disaster impact tracking research programme, the Centre for Research on the Epidemiology of Disasters (CRED) and the Famine Early Warning Systems Network (FEWS NET). Its process for evaluating needs and allocating funding accordingly on a global level, however, is not clearly articulated and is difficult to ascertain.

The US government places a premium on its own analysis of disaster situations and invests considerable amounts in deploying teams of disaster experts to crises to develop needs analysis and to inform its response.

In Southern Sudan, the US government invests both its own analytical capability and in the capacity of the wider humanitarian community to generate evidence of humanitarian needs. For example, it is a major funder of WFP, which leads the influential Annual Needs and Livelihoods food security assessment, and it also invests heavily in the Ministry of Health's disease surveillance system through the World Health Organization (WHO).

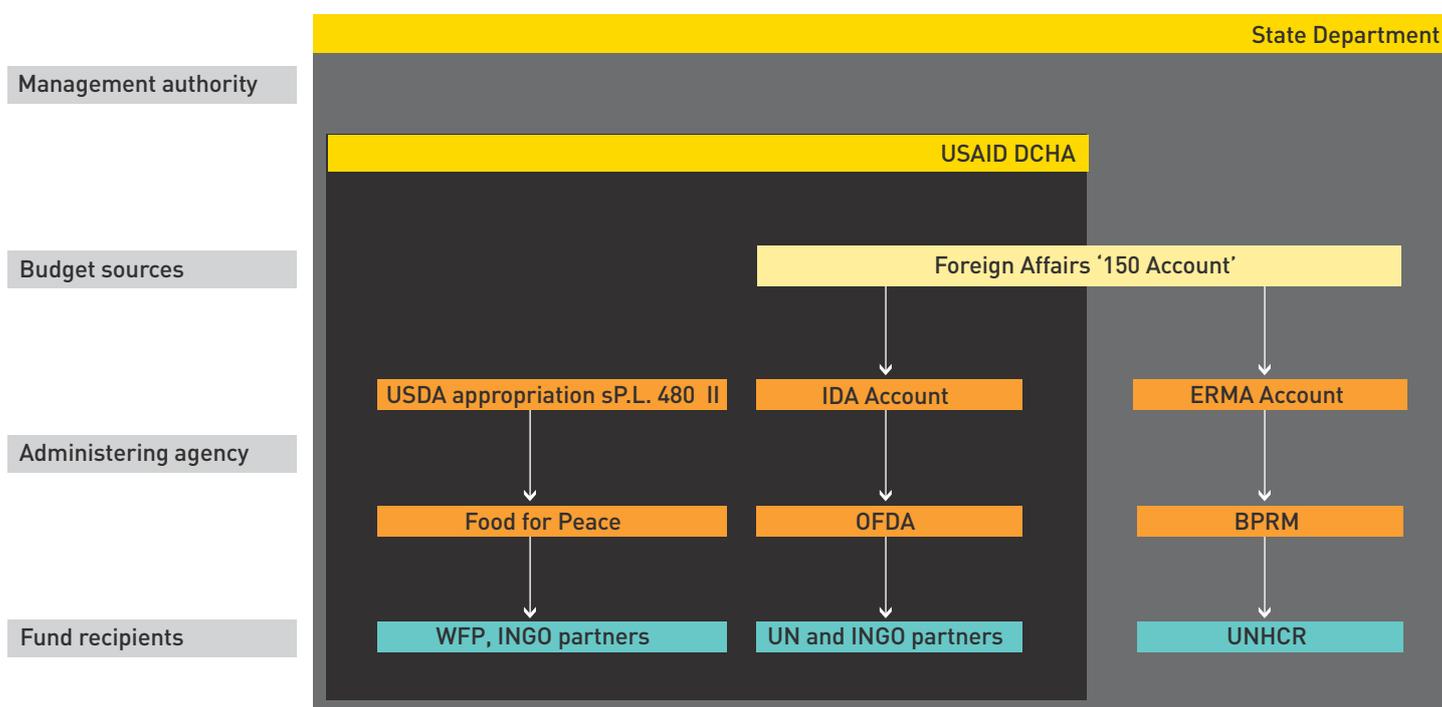
USAID staff in Southern Sudan draw on a typical variety of information sources, including partner needs assessments, UN agency assessments and coordination meetings, as well as its own national staff who in some cases are posted in priority areas with specific monitoring functions. OFDA staff jointly plan and develop a situation analysis with other US government funding offices, including FFP, BPRM and wider USAID programmes. OFDA also reports coordinating with other humanitarian donors and referring to the UN Workplan in its analysis of funding coverage and gaps.

This diverse evidence tends to be interpreted through the judgement and experience of USAID field officers rather than against ranking or indicators of scale and severity. This, however, does not mean that within its available country funding envelopes USAID does not programme its funding at the country level effectively. Indeed, OFDA and

'The US stands out for the efforts it has made to improve objective measures of humanitarian need, and of the performance and impact of humanitarian assistance.'

OECD DAC Peer Review 2006

FIGURE 4: DELIVERY ARCHITECTURE OF US HUMANITARIAN ASSISTANCE TO SOUTHERN SUDAN



FFP funding in Southern Sudan is flexibly and intelligently targeted, based on a sophisticated context understanding of context rooted in a cadre of staff with long country experience and, increasingly, local Sudanese staff.

OFDA officials, consulted during the course of this research, described the organisational imperative to fund the most acute and immediate humanitarian needs which guides their funding decisions. However, according to USAID's 2006-8 strategy document, the decision to reduce humanitarian funding appears to have been based not on an assessment of the level of needs but on an analysis of the readiness of Southern Sudan to absorb development funding:

'These changing circumstances in Southern Sudan and the Three Areas, most importantly the improved security and establishment of new government structures, create a more favorable environment for long-term assistance mechanisms. USAID/OFDA therefore anticipates a significant reduction in its humanitarian budget for Sudan (excluding Darfur) in 2008.' (USAID Strategy 2006-8)

This historic example is indicative of the difficulties OFDA has in ensuring medium- to long-term commitments to protracted crises and the US government's preference for 'transitioning' out of humanitarian funding.

#### FUNDING ALLOCATION PROCESS

Perhaps the most striking challenge to the US government's ability to fund according to needs is its global budgetary process and the competition for funds within the IDA account, the budgetary source for OFDA-funded programmes, which can result in volatility in funding levels year on year. The IDA account is appropriated annually on the basis of carefully compiled country-level needs analysis and funding requirements rolled together into the wider Foreign Affairs budget.

However, even if all the funds requested are awarded, there is no guarantee that a country will receive the level of funds put forward in its annual plan. If an unanticipated disaster occurs and exhibits high levels of acute needs, this will likely prevail over the funding requirements of programmes supporting chronic needs. These budget depletions may subsequently be made good through additional supplemental appropriations later in the year, but often this will be too late for multi-annual programmes in chronic emergencies. The organisational budgetary and fund allocation process, in this case, generates an unpredictability in funding that is at odds with the funding requirements of programming in chronic emergencies.

Furthermore, the criteria against which the relative severity of crises is evaluated are based primarily on USAID assessments of needs and relative priority, debated at various levels of USAID against criteria not well known outside senior management decision-making circles.

This scenario played out in 2010, when the massive US government response to the Haiti earthquake rapidly depleted the IDA account. Concerns were expressed by NGOs that humanitarian programmes were being affected by the depletion of the account early in the year.<sup>5</sup> Although the supplemental request was drafted in March and passed by the Senate in May 2010, and the State Department advised that its ability to respond to future humanitarian crises would be impeded if funds were not replenished by 1 June 2010,<sup>6</sup> the bill was not passed by the House of Representatives until 1 July. In the intervening period, OFDA had to advise many of its existing partners in Southern Sudan that not all of them would receive continuation funding and that those funded may face reduced budgets in 2010-11.

Within country funding envelopes, funding decision-making is largely delegated to country-level representatives, in consultation with regional technical experts and shaped by various tiers of strategic priorities and their assessment of priority acute needs.

Prospective USAID partners must pass a pre-audit and must commit to various rules of compliance, including not knowingly funding terrorist activities and procuring goods from US suppliers (though in practice many procurement stipulations are waived). OFDA typically funds partners with whom it has a historic relationship and most of its programming in Southern Sudan is a continuation of activities that it is already funding from the previous year.

Linked to USAID's preference for a move towards development funding and reducing the humanitarian budget, OFDA stipulated in its FY2008 call for proposals that agencies must demonstrate cost-sharing in order to qualify for OFDA funding. Agencies seeking funding from OFDA are obliged to tailor their programmes to USAID's preference for a transition from humanitarian to development funding by demonstrating measures to exit or transition from humanitarian support, usually through capacity-building of local communities or government.

#### THE EUROPEAN COMMISSION

The European Commission (EC)'s approach to its humanitarian funding decisions is clearly predicated on its analysis of needs. The EC's unique and systematic approach to needs analysis is rooted both in analysis generated at the field level by its in-country analysts and by a methodologically robust global index of humanitarian needs, which provides an important objective check in the process of allocating funds at the global level.

The EC faces a significant obstacle in its provision of aid to Sudan. In June 2009, the GoS chose not to ratify the Cotonou agreement,<sup>7</sup> which provides the legal framework and is a precondition for EC bilateral development cooperation. As a consequence, the EC is unable to programme EUR300 million pledged at the May 2008 donor

<sup>5</sup> [www.interaction.org/document/Letter-Congressional-Leadership-Urging-Timely-Action-on-FY10-Haiti-Supplemental-Funding](http://www.interaction.org/document/Letter-Congressional-Leadership-Urging-Timely-Action-on-FY10-Haiti-Supplemental-Funding)

<sup>6</sup> As reported by the Congressional Research Service, [www.fas.org/sgp/crs/misc/R41232.pdf](http://www.fas.org/sgp/crs/misc/R41232.pdf)

<sup>7</sup> The Cotonou agreement encourages signatories to take steps towards ratifying and implementing the Rome Statute, the treaty which established the International Criminal Court.

consortium for the period 2008 -13. The EC has sought to offset the funding gap resulting from this ineligibility for the 10th European Development Fund (EDF) by disbursing funds via alternate mechanisms, including accessing EUR150 million remaining from the 9th EDF and funds for basic services and support to the referendum from the EC's Instrument for Stability fund.

In light of the difficulties that the EC faces in realising its planned development commitments to Sudan, its humanitarian assistance, which is not affected by the non-ratification of the Cotonou agreement, is an important conduit for maintaining EC support for Southern Sudan.

### FUNDING TRENDS

Humanitarian funding from the EC's Directorate-General for Humanitarian Aid and Civil Protection (DG ECHO) has increased significantly in the Interim Period, based on its assessment of changes in the level and type of humanitarian needs.

Exact regional breakdowns are difficult to attribute since programmes may encompass different geographical regions. The following figures should therefore be treated with caution, and it should be noted that regional figures are in effect higher once national programmes are attributed. Also note that funding periods may run for 18 months and may therefore span two calendar years (see Figure 5).

Funding levels have not in fact dropped since 2008, when additional unanticipated funding was received on top of the agreed 2008 funding decision. In 2010 ECHO has increased its funding commitments to Southern Sudan to EUR35 million in response to significantly elevated levels of humanitarian need.

In the initial years of the Interim Period, ECHO prioritised support to refugee and IDP return and reintegration; has subsequently shifted its focus towards emergency preparedness and response, food aid and foods security. It also invests significantly in humanitarian coordination through UN OCHA and in funding NGO secondments to the OCHA Emergency Preparedness and Response unit. ECHO also funds the UN Department of Safety and Security to support safe humanitarian operations, and has invested in a range of NGO 'emergency preparedness and response' programmes. As with many donors, in practice much of ECHO's humanitarian funding supports basic service provision, particularly primary healthcare.

The EC funds a variety of activities across the relief to development spectrum and has successfully transitioned some of its humanitarian funded activities to its development funding programmes.<sup>8</sup>

### NEEDS ANALYSIS

The EC, at organisational level, expresses a clear commitment to achieving a needs - driven allocation of humanitarian funding and combines field-driven assessments of need with a comparative analysis of the scale and severity of needs across 139 global protracted crises through its Global Needs Assessment index (see box). This formal, institutionally embedded process of evaluating humanitarian needs on a global scale against an objectively derived measurement is unique among the three donors studies here.

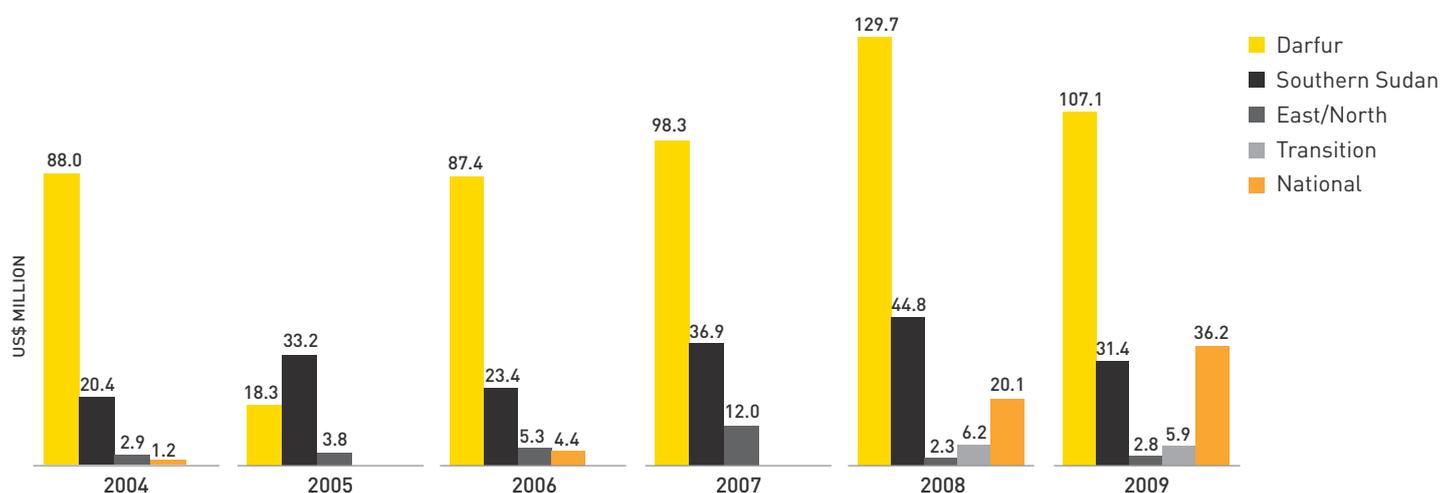
The needs analysis of DG ECHO field representatives is derived from a variety of sources, including NGO partner needs assessments, nutrition surveys and assessments, UN OCHA analysis and assessments, the WFP ANLA, attending

### GLOBAL NEEDS ASSESSMENT (GNA) INDEX

The EU has developed a comparable index of 139 vulnerable and crisis-affected states that aggregates data from a wide range of sources, with indicators spanning development, poverty, natural and man-made disasters, population displacement, under-nourishment, mortality rates and levels of donor funding. This GNA index identifies the most vulnerable countries, which are most likely to be worst affected by disasters, and then assesses the extent to which these countries are actually affected and humanitarian needs remain unmet. These combined indices, plus a further 'Forgotten Crises Assessment' inform ECHO's prioritisation of global humanitarian funding.

<sup>8</sup> These mechanisms include the Recovery and Rehabilitation Programme, Humanitarian Plus Programme (2002-8), Food Security Thematic Programme and the Water Facility. The latter two have already started funding some of ECHO's food security and water projects. (Harvey 2009).

FIGURE 5: ECHO FUNDING TO SUDAN BY REGION



coordination meetings and conversations with government officials. The lack of comparable evidence is recognised as problematic by ECHO field representatives, particularly the lack of analysis generated at state level and the general absence of standardised assessment methodology. Building an analysis of the overall scale and severity of needs, as a consequence, necessitates a significant reliance on the judgement and analysis of the representative in office.

ECHO's analysis of needs is triangulated with information and perspectives on events, drivers and trends in the wider political, security and economic context. This information is derived largely from personal relationships with key informants in the GoS and the international community. This wider context analysis is critical to anticipating shifting trends and possible critical events with likely humanitarian consequences.

ECHO's analysis of needs and priorities is also shaped by the reality that its funding will always be inadequate to meet the needs and so it must prioritise where its funds will be used to greatest effect. To that end, ECHO'S analysis of needs must also incorporate an analysis of sectoral and geographical funding coverage and gaps, which is determined through dialogue with other donors, reference to the UN Workplan and through coordination forums.

This country-level analysis is formally articulated and conveyed to the DG ECHO regional office and ultimately to the Directorate General to be considered, alongside the GNA analyses and other needs analysis and funding requests from other crises, in the annual funding decision process. This needs analysis is publicly available and is published within the explanatory document to accompany the annual funding decision.

The EC also invests a portion of its funding in improving the quality and scope of the evidence base of needs in Sudan. In addition to funding the coordination role of UN OCHA, it also funds the Food Security Information for Action (SIFSIA) programme as part of its development aid portfolio.

#### **FUND ADMINISTRATION AND DECISION-MAKING STRUCTURE**

The EC has a range of funding decisions appropriate to the type of crisis, and in the case of Southern Sudan a 'Global Plan' annual funding decision process is in effect. DG ECHO recognises the reality of programming in protracted crises, in that donors often fund the same partners to implement the same activities for many years. The Global Plan is designed to build funding stability in situations of protracted crisis, where needs may to an extent be predictable.

The EC retains 20% of its annual humanitarian budget for responding to unforeseen emergencies, changes in priorities and emerging needs. It also has the ability to draw down on the Commissions Emergency Aid reserve in the event of a major new crisis. Should needs exceed

those anticipated in the Global Plan, therefore, ECHO may seek additional funds from the reserve to address them.

DG ECHO established an office in Juba in 2006 and its representatives report to both Khartoum and Brussels. ECHO representatives are typically proactively and visibly engaged in humanitarian debate and coordination in Southern Sudan. Funding partners formally contribute to ECHO's analysis through an annual partner meeting in which they are invited to present and debate their evidence and analysis of humanitarian and programming needs.

ECHO field representatives have considerable autonomy in terms of situation analysis and recommend funding allocations, which are ultimately decided at DG ECHO in Brussels.

#### **FUNDING ALLOCATION PROCESS**

Making a Global Plan funding decision is a methodical and iterative process involving ECHO's implementing partners, field offices and DG ECHO. An analysis of needs is presented and considered in the relation to the available funding and relative scale and severity of needs across global crises.

ECHO partners are invited to present their analysis of humanitarian and programming needs for the coming year in annual partner meetings. This feeds into analysis led by DG ECHO country representatives as to the overall analysis of needs, strategic priorities and funding requirements which informs preliminary indicative funding decisions made at DG ECHO head quarters level. Strategic priorities and indicative funding levels are then further discussed with potential funding partners and refined, before a formal submission of the country needs analysis and funding requirements is made to the Directorate for consideration.

Country funding envelopes are determined by the Directorate on consideration of the country level needs and funding analysis, relative GNA and Forgotten Crisis Assessment (FCA) rankings and with reference to the overall availability of funding and needs of other crises. Once the Global Plan has been agreed, DG ECHO is able to begin negotiating contracts with prospective partners.

The partner funding allocation process is influenced not only by ECHO's analysis of the scale and severity of needs with reference to their strategic priorities, but also by a number of practical considerations that inform how funds can be programmed in the most rational and cost-effective way. These considerations include cost-effectiveness, quality of the proposal, including adherence to GoSS technical standards and participation in the UN Workplan, as well as the performance history and capacity of the prospective partner organisation.

DG ECHO is only able to consider partners from a pre-selected list of organisations which have negotiated a Framework Partnership Agreements (FPA) with ECHO headquarters. The Common Humanitarian Fund (CHF) in

Organisational analysis and judgement rooted in human judgement and experience may have powerful effects. In Southern Sudan the analysis of humanitarian needs advocated by ECHO, particularly between 2005 and 2008, diverged from that of many within the UN and many donor organisations, who were of the opinion that humanitarian needs were no longer significant and that Southern Sudan's challenges lay primarily in recovery and development.

ECHO's funding provided an important check against the trend of contracting bilateral humanitarian funding and response capacity. For example, it maintained staffing in the OCHA Emergency Preparedness and Response Unit by seconding NGO staff into the unit at a time when OCHA HQ in New York was not convinced of the scale of humanitarian crises in Southern Sudan; it also funded health facilities facing imminent closure due to the withdrawal of other donors. On the basis of ECHO's analysis of humanitarian needs, its humanitarian funding to Southern Sudan has increased in the Interim Period, while that of the US government has declined sharply and funds contributed to the CHF have fallen progressively since a peak in 2007.

## THE COMMON HUMANITARIAN FUND (CHF)

The Sudan CHF was created in 2006 as part of the humanitarian reform agenda and 'aims to give the UN Humanitarian Coordinator (HC) greater ability to target funds at the most critical needs, encourage early donor contributions and allow rapid response to unforeseen needs.' (UN Workplan 2010 Southern Sudan).

The CHF has two major advantages for donors vis-à-vis conventional bilateral fundings, ensuring a degree of harmonisation and coordination in keeping with principles of the Paris Declaration and Good Humanitarian Donorship (GHD) principles, and reducing their own administrative burden by shifting these costs to the CHF administering agent and participants in the allocation process.

Beyond deciding overall contributions to the fund, decision-making authority and process are ceded to the HC alongside the various fund management actors. This naturally results in a quite different decision-making process, since the determination of overall funding envelopes is largely beyond the control of the HC. How donors contributing to the CHF determine their analysis of humanitarian needs and concomitant funding needs for Southern Sudan is not within the scope of this study.

### FUNDING TRENDS

Within Southern Sudan, the CHF represents a significant portion of humanitarian funding, supporting US\$190 million of programming between 2005 and 2009.<sup>9</sup> Ten government donors contribute to the fund, with the UK being the largest donor.

Contributions to the CHF are determined by these ten government donors in accordance with their own assessments of needs and funding requirements and with respect to their funding commitments outside of the CHF. Contributions have declined year-on-year since the fund's inception, and in 2009 this had a significant impact on the overall availability of funds for recipient agencies when combined with the falling value of the US dollar. It is not clear whether this reflects a donor assessment of humanitarian needs as having declined or whether donors' confidence in the CHF has declined. However, the fund's share of the total humanitarian aid contributed to Sudan has also declined, from 13.6% in 2006 to 11.0% in 2008, indicating a possible growing preference for funding outside of the CHF (see Figure 6).

### FUND ADMINISTRATION AND DECISION-MAKING STRUCTURE

The CHF has a relatively complex hierarchy of decision-making which emphasises broad participation at the lower levels crowned by independent decision-making authority vested in the Humanitarian Coordinator (see Figure 7).

The Humanitarian Coordinator, in consultation with a CHF Advisory Group, has overall centralised control of the funding mechanism, and is supported through several units and informed by respective clusters. In Sudan the financial fund management is essentially separate and is managed by UNDP. From this basic structure, however, there is a lot of flexibility for the HC to establish the structure of fund allocation.

The Emergency Response Fund (ERF) provides relatively small, quick, time-limited funding in response to 'shocks' that were unforeseen during an annual planning cycle and is effectively a more accessible conduit of the CHF, which is its sole funding source.

The ERF is managed by OCHA under the office of the Deputy Resident Humanitarian Coordinator.

The funding mechanism, which as a rule offers less than US\$100,000 per project, fulfils a valuable role for organizations seeking to respond to acute humanitarian needs.

Justifications of proposals and evidence are intentionally light to enable rapid access to funds. Inevitably this means that decision-making is based on judgement rather than on evidence. However, the ERF is widely considered to have had a significant impact on meeting acute humanitarian needs that outweighs its relatively small funding volumes.

<sup>9</sup> www.unsudanig.org

FIGURE 6: DONOR CONTRIBUTIONS TO THE SUDAN COMMON HUMANITARIAN FUND

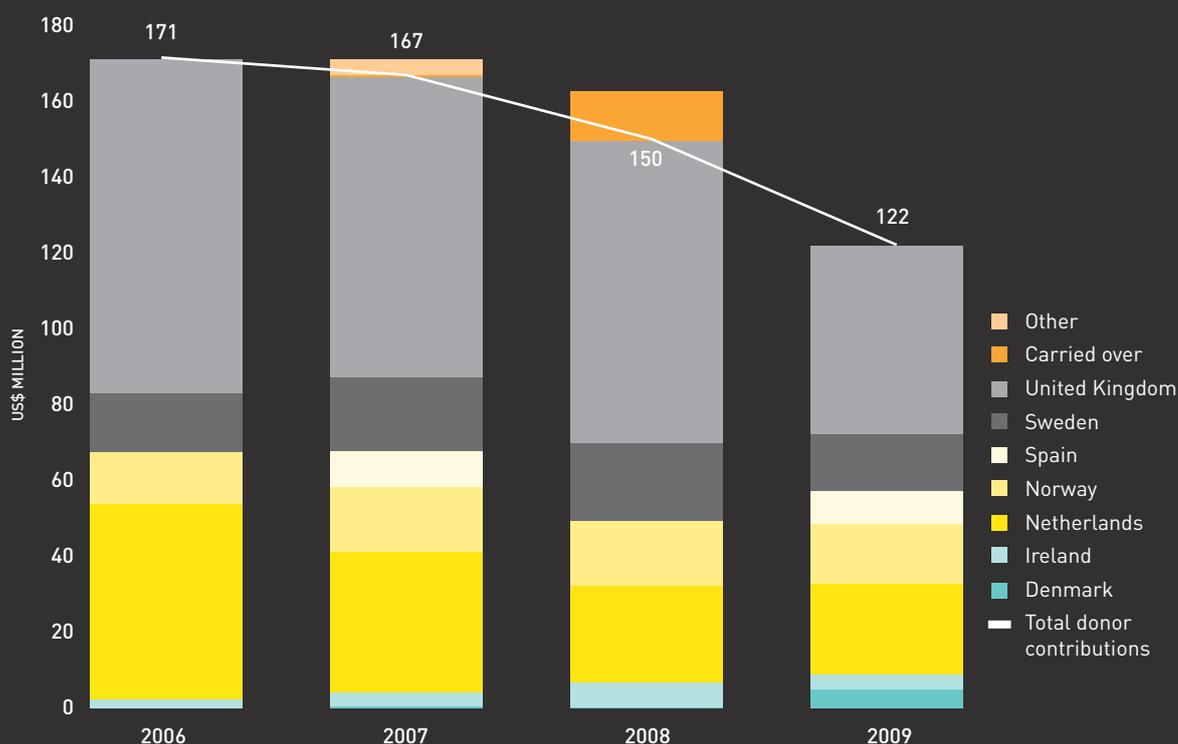
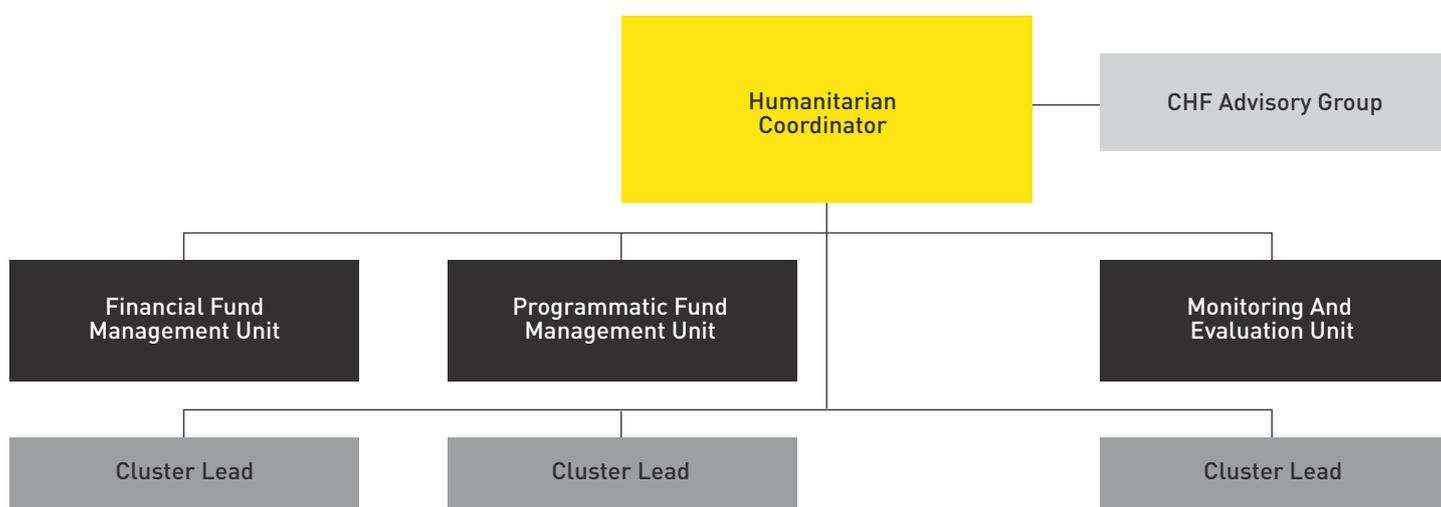


FIGURE 7: MANAGEMENT STRUCTURE OF THE COMMON HUMANITARIAN FUND



Source: UN OCHA<sup>10</sup>

Parallel decision-making structures exist in Southern and Northern Sudan, with the HC in the North having overall oversight and decision-making authority.

#### NEEDS ANALYSIS

The UN Workplan underpins the CHF's decision-making criteria, and projects must be included within the Workplan to be considered for CHF funding.

Strategic priorities and sectoral objectives, determined by the HCs and sectors/clusters respectively, inform the Workplan and constitute a structure on which a multitude of agency projects are hung. These criteria also broadly inform the CHF allocation process, but the inclusive and consensus-driven process of deriving these priorities tends towards generating objectives and priorities that are so broad that they can accommodate most projects. This is problematic for the CHF, which must ration quite limited funds against these broad priorities which, for the most part, are not rooted in a comprehensive or comparable evidence base and do not contain hard criteria demonstrating the extent to which various projects address clearly defined needs.

In 2008, in response to escalating needs and diminishing funds, the DRHC for Southern Sudan initiated a new set of priorities which, in addition to the Workplan-linked objectives and priorities, aimed to focus the CHF allocation process:

'In consultation with partners, Southern Sudan has identified three priority categories for the first round allocation. Full transparency in all three categories will be ensured through rigorous application of criteria, stakeholder consultations and the 'defense process' through which sector co-leads (each sector/cluster in the south is co-led by a UN agency and NGO) must demonstrate the technical merit of the projects which will be funded.

The three categories are:

- Category A: Core Pipelines
- Category B: Existing Safety Net and Essential Common Services
- Category C: 'Big Ticket, Big Win' Sector Portfolios'

(Allocation Paper to Apportion US\$112 Million through the Common Humanitarian Fund for Sudan in 2010, UN Common Humanitarian Fund for Sudan, 14 February 2010).

In 2008 and 2009, however, the needs were so great in categories A and B that no funds remained for category C.

Considering the significant deterioration in the humanitarian situation and the need to anticipate a potential deepening of the crisis with the forthcoming referendum, this type of paring down of priorities is certainly understandable. It is likely that the consultative nature of the process and the experience of the Humanitarian Country Team and clusters will ensure that sensible funding decisions that meet urgent humanitarian needs are arrived at. However, this certainly does not constitute an objectively derived, evidence-based assessment of priority needs; rather, it is a damage limitation reaction to a slow-burning funding crisis and rapidly escalating humanitarian needs.<sup>11</sup>

In 2010, OCHA and the HCT have embarked on a process to enhance the evidence base of the CHF through multi-sectoral, multi-stakeholder baseline needs assessments in 50% of counties, which will inform the Workplan prioritisation process. However, while the evidence base and process continue to improve, the continued deficits in funding to meet chronic needs and the progressively diminishing pot of CHF funds, seriously compromise the CHF's ability to fund according to needs.

<sup>10</sup> [www.goodhumanitariananddonorship.org/documents/standardization\\_guidelines\\_draft\\_07.doc](http://www.goodhumanitariananddonorship.org/documents/standardization_guidelines_draft_07.doc).

<sup>11</sup> Note, as described above, that the DRHC and OCHA are mindful of the lack of objective evidence that informs the prioritisation of the UN Workplan and CHF evaluation process and are taking steps to improve the evidence base, including through a proposed needs assessment of 50% of all counties in Southern Sudan.

## FUNDING ALLOCATION PROCESS

Notional funding envelopes against which the respective allocation mechanisms can then prioritise funds are determined between the two regions with reference to the overall availability of funds, the respective amounts requested in the UN Humanitarian Workplan and the policy papers developed in each region indicating strategic priorities and the scale of needs. Heads of UN agencies debate and agree regional splits on the basis of this information, plus other practical considerations, including how effectively funds were expended in the previous year and what levels of funding are available from other sources.

No clear methodology guides this decision-making process: rather, it seems to be rooted in experience and judgement.

Within the respective planning regions, the CHF allocation process navigates through a tension between the HC's mandated autonomy in decision-making and a complex and lengthy process involving many actors to reach transparent, consensus-based priorities and decisions.

In terms of process, projects must already of course be included in the UN Humanitarian Workplan and therefore must be in line with the agreed sectoral objectives. Thereafter, prospective funding partner projects are submitted for peer review by a group of 5–6 people, who are a mixed group of UN and NGO representatives. This review committee ranks projects by priority against the sector guidance. Sectors must then defend their priorities and overall funding request openly to the other sectors and to the DRHC: a further negotiation of sectoral envelopes therefore takes place before final specific project funding commitments are agreed.

Although the process is transparent and projects are openly debated, there is still considerable room for subjective interpretation of the broad objectives and for the ability of agencies to be able to forcefully articulate their case.

Furthermore, the lack of budgetary detail required and the committee nature of the decision-making process prevents a more critical evaluation of projects being carried out against agency capacity and cost-effectiveness.

High levels of participation in the CHF results in a tendency towards relatively small funding allocations. The average size of grant in 2009, for example, was US\$330,000.<sup>12</sup> The relative uncertainty of receiving CHF funding and the small grant size mean that many agencies admit to using the CHF process primarily as 'top-up funding' for projects funded through other sources. The primary determination of what needs require funding in many cases, therefore, is taken outside of the CHF process, by bilateral donors who are able to make more certain funding commitments at an earlier stage of agencies' annual planning and budgeting processes. The CHF, in many instances, in effect provides top-ups to meet programme funding needs in bilaterally funded programmes.

Due to the lack of available recovery funding, the CHF has also frequently found itself supporting programmes that require more long-term support.<sup>13</sup> Funding for activities, including bridge funding for health clinics which would otherwise have closed or procurement of vaccines which would otherwise have failed to materialise, is justified on the basis that, without the CHF stepping up to fill the gap, acute emergencies would be likely to result.

The CHF has been tremendously useful for the DRHC to plug urgent gaps, but this is a far cry from its original purpose. Fundamentally, the short-term funding cycles of the CHF, the open competition which reduces the likelihood of repeat funding and the overall small grant size make the CHF one of the least appropriate funding mechanisms to be supporting activities concerned with addressing chronic needs and maintaining basic services.

Given the downward trend in humanitarian funding and continued problems in programming recovery and development funds in a timely and accessible way, it seems likely that, irrespective of efforts to continually improve the allocation process and the evidence base for funding prioritisation, Southern Sudan's complex funding crisis will remain one of the core obstacles to the CHF's ability to fund according to assessed humanitarian needs.

<sup>12</sup> <http://workplan.unsudanig.org/chf/2009/docs/overall/CHF%20Allocation%20Statistics%20Report.pdf> - UN allocation statistics report 2009

<sup>13</sup> See, for example Fenton, W. 'Funding Mechanisms in Southern Sudan: NGO Perspectives', Juba NGO Forum, February 2008

## CONCLUSION

Better evidence of the scale and severity of humanitarian needs and greater transparency in information exchange on humanitarian needs are crucial to promote more equitable funding decisions. To achieve this requires greater commitment and investment across the humanitarian community, as well as a shared technical and conceptual language with which to measure and talk about humanitarian needs. Significant progress has been made in Southern Sudan in the past five years in needs assessment and routine monitoring and surveillance, and a number of initiatives are underway within global clusters and under the IASC to refine shared methodologies for measuring needs.

Donors, however, have a role to play in aligning incentives for delivery agencies to adopt shared methodologies that will enable greater comparability of evidence, investing in needs assessments and in encouraging greater transparency in evidence-sharing amongst recipient agencies.

By the same token, donors themselves should also demonstrate greater transparency in their own decision-making processes, making publicly available the evidence, rationale and outcomes of their funding decisions.

The dogged persistence of both acute and chronic needs suggests that funding falls far short of meeting the humanitarian needs of the long-suffering population of Southern Sudan. This is not only a question of a shortage of funds, but fundamentally a lack of access to funds to support activities that address chronic humanitarian needs. This is a function both of decisions that were taken about the ways in which developments funds were disbursed and a general dearth of funding opportunities for activities addressing chronic needs, which during the years of active conflict had, been readily funded through humanitarian mechanisms.

Each of the donors considered in this analysis follows different needs analysis and decision-making processes, and each approach has different comparative advantages and limitations. The most powerful influence on donor ability to fund in accordance with needs is not necessarily ultimately the availability of evidence. Crudely, with experience and knowledge of the context, it is not difficult to determine where needs lie, although clearly competing for an equitable share globally is much more problematic without clear evidence to support claims. Rather, the overall availability of funding and the conceptual framing that accompanies funding decisions and which determines which activities are likely to be funded, in the case of Southern Sudan have had a more profound influence than the lack of evidence.

The emphasis on meeting the most acute humanitarian needs in a chronic emergency, combined with a dearth of objective evidence with which to evaluate competing claims for resources, encourages a programmatic response to the problem that privileges the short-term, commodity-heavy, quick-win type of programming. This fails to address chronic problems, which often ultimately manifest themselves in acute needs. NGOs, UN agencies and donors consulted during the course of this research all reported having no major difficulties in accessing funding to address acute and imminent humanitarian needs but profound difficulties in securing funding to meet chronic needs. They described having to repackage all funding requests as meeting acute needs in order to satisfy donor headquarters' preferences for this type of funding. This is an unsatisfactory solution to meeting chronic needs and to building an analysis of the true scale and nature of the problem.

The reality of humanitarian assistance in Southern Sudan is that it involves a complex set of measures to address urgent needs in a context where such needs are often acute and are widespread, as well as to reduce vulnerability and to simultaneously supplement and build the capacity of an acutely deficient domestic capability to provide access to basic services and maintain livelihoods. Humanitarian indicators of need alone cannot give decision-makers all the information they require to prioritise and allocate funding for this broad spectrum of activities, which relies on both predictability and commitment and also flexibility and the ability to react rapidly to respond to new needs.

The artificial distinction between humanitarian and development programming and funding streams, moreover, combined with a generalised failure to achieve significant progress in basic infrastructure and service delivery of non-humanitarian aid, has contributed to the creation of an artificial competition for humanitarian funding and to manipulation of the presentation of humanitarian needs to match donor preferences. The failure to address chronic needs, meanwhile, has inevitably led to an escalation of acute needs.

In order to address chronic needs more effectively in protracted crises, government donors must be realistic in their expectations for development and state transformation and must consider alternative funding mechanisms and approaches to allow flexible, predictable programming approaches to meet what are often predictable needs.

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**PROFILE OF SOUTHERN SUDAN AS AN AID RECIPIENT**

In 2008 Sudan was the largest recipient of DAC donor humanitarian expenditure for the fourth consecutive year. Its US\$1.4 billion represented 13.7% of the total allocated by DAC donors to specific countries. While the countries share of the total declined in 2008 (from 17.1% in 2007), the actual volume of aid increased by US\$56 million.

Southern Sudan has posed some unique challenges to coordination and administration of international operations following the signing of the Comprehensive Peace Agreement (CPA) in January 2005 between the Government of Sudan GoS and the former Southern rebels, the Sudan People's Liberation Movement/Army (SPLM/A). The CPA mandated the formation of a semi-autonomous government in the South, falling under the overall administration of the federal government in Khartoum. The UN and many donor governments have sought to mirror this arrangement, setting up offices or funding representation in Juba, reporting to a principal country office in Khartoum. Some donors, however, have not established any presence in Juba and manage their portfolios exclusively from Khartoum. This 'one country, two systems' approach to government and management of international operations, with key decision-making and resource allocation authority retained by Khartoum, may have implications for the ways in which priorities are evaluated and assistance is apportioned across Sudan's crisis-affected regions.

Tracking funding flows to the various humanitarian crises within Sudan is far from straight forward. The UN has only published regionally disaggregated figures for funding against the UN Workplan from 2005 to 2008, and this is the only publicly available source of information to attempt to separate humanitarian funding flows to Southern Sudan from those to other parts of Sudan. Funding information reported to both the OECD DAC and UN OCHA's Financial Tracking Service (FTS) shows only funding to Sudan as a whole. Government donors often use different country divisions such as 'Darfur' and the 'Rest of Sudan' used by USAID versus 'Darfur', 'Southern Sudan' and the 'Rest of Sudan' used by the UN. Moreover, many donors fund programmes that operate across different regions of the country and do not disaggregate what proportion of the funds benefits respective regions.

Analysis of aid trends is therefore currently only feasible for Sudan as a whole, despite the quite different funding environments and humanitarian profiles of Darfur, Southern Sudan and the rest of Northern Sudan.

One of the striking features of Sudan's ODA is the dramatically high proportion of humanitarian aid as a percentage of total aid. Between 2000 and 2009 humanitarian aid made up an average of 69.8% of ODA.<sup>14</sup>

The scale and severity of humanitarian needs in Sudan are unquestionably large, with the UN reporting six million people in need of humanitarian assistance in 2010. However, there are other factors which mean that Sudan has received the largest total amount of humanitarian assistance globally over the past ten years.

The Government of Sudan's involvement in the wars in Southern Sudan and in Darfur and its failure to ratify key international treaties have meant that Sudan is not considered an eligible development partner. Much of the aid directed to Sudan, therefore, continues to be channelled around the state, through multilateral and non-governmental actors.

The protracted nature of the crisis in Southern Sudan also led to a creeping expansion of the scope of humanitarian interventions into an elaborate array of activities that, in addition to saving lives and alleviating suffering, looked to reduce vulnerability and provide basic services.

The high overall volume of humanitarian assistance received by Sudan also relates to the unusually high cost of delivering aid to land-locked regions, with, in the case of Southern Sudan, almost no domestic markets or infrastructure and in both Southern Sudan and Darfur insecurity and access constraints.

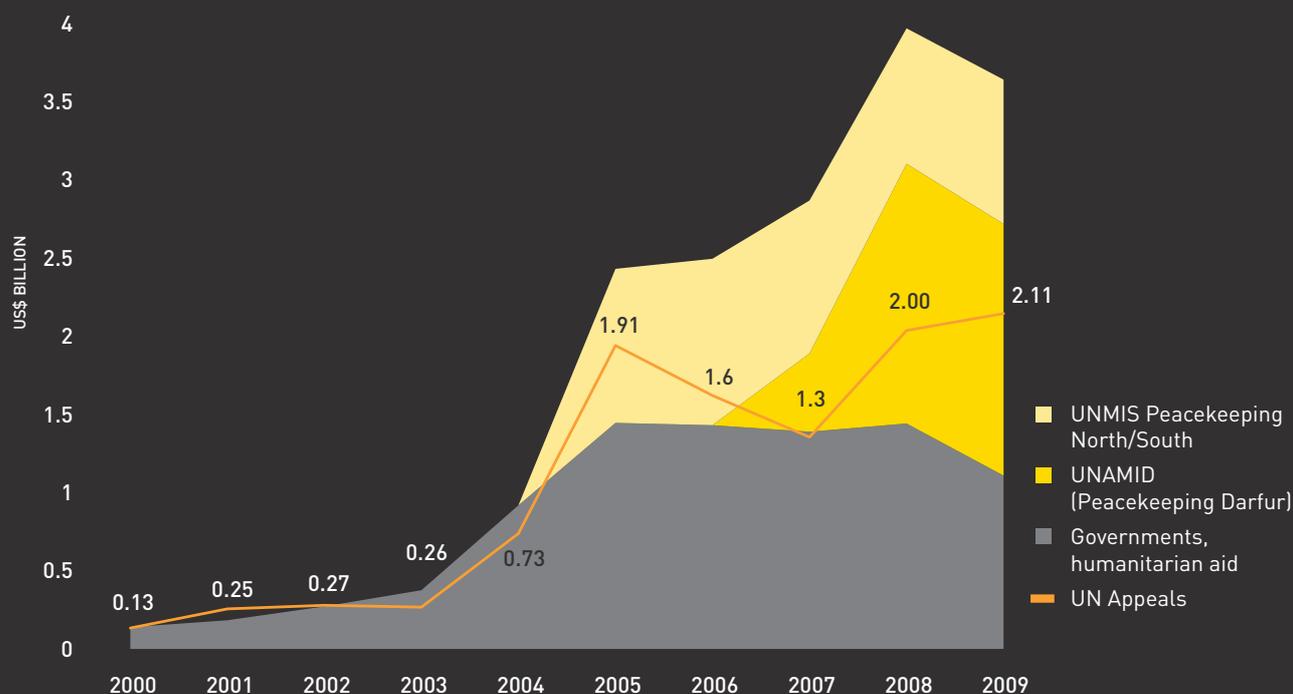
<sup>14</sup> OECD DAC data; Development Initiatives analysis

**FIGURE 8: TRENDS IN TOTAL HUMANITARIAN AID AND TOTAL ODA TO SUDAN FROM ALL DONORS REPORTING TO OECD DAC, 2008 CONSTANT PRICES**



Source: OECD DAC; Development Initiatives analysis

FIGURE 9: PEACEKEEPING COSTS AND HUMANITARIAN AID FROM OECD DAC DONORS TO SUDAN



Source: OECD DAC, Development Initiatives analysis; SIPRI Multilateral Peacekeeping Operations database

Total ODA and humanitarian assistance as a sub-set of ODA have both increased dramatically from 2003 in response to two developments in Sudan's most crisis-affected regions.

Firstly, a number of leading government donors began to scale up their humanitarian funding to Southern Sudan in the period of negotiations leading up to the signing of the Comprehensive Peace Agreement (CPA) between the SPLM and the GoS in January 2005, as confidence in the process grew. Secondly, during the same period the Darfur conflict rapidly escalated into a major humanitarian crisis, which after a slow initial response, attracted massive international political attention and humanitarian funding (see Figure 8).

Humanitarian assistance levelled off after a peak in 2005, while development assistance continues to show a rising trend. This increase in development funding reflects the more conducive environment for programming development assistance in Southern Sudan afforded by the establishment of a legitimate development partner in the semi-autonomous regional Government of Southern Sudan (GoSS), major improvements in security and access and new international donor commitments.

Immediately after the signing of the CPA, donors convened in Oslo to agree a package of funding to support the reconstruction and development of Sudan during the Interim Period. The requirements for reconstruction and development were informed by a government- and World Bank-led Joint Assessment Mission (JAM).

Donors pledged US\$4.5 billion for Sudan's reconstruction for the initial period between 2005 and 2007 at the Oslo donor conference.<sup>15</sup> Two multi-donor trust funds (MDTFs) were created to receive much of these reconstruction and development funds. The two MDTFs were administered by the World Bank and the GoS in the north and by the newly formed GoSS in the south. However, despite the substantial commitments made in 2005, disbursements of development funding have fallen short of the pledged amounts and estimated needs, totalling just US\$2.5 billion between 2005 and 2007, compared with US\$4.15 billion of humanitarian assistance during the same period.

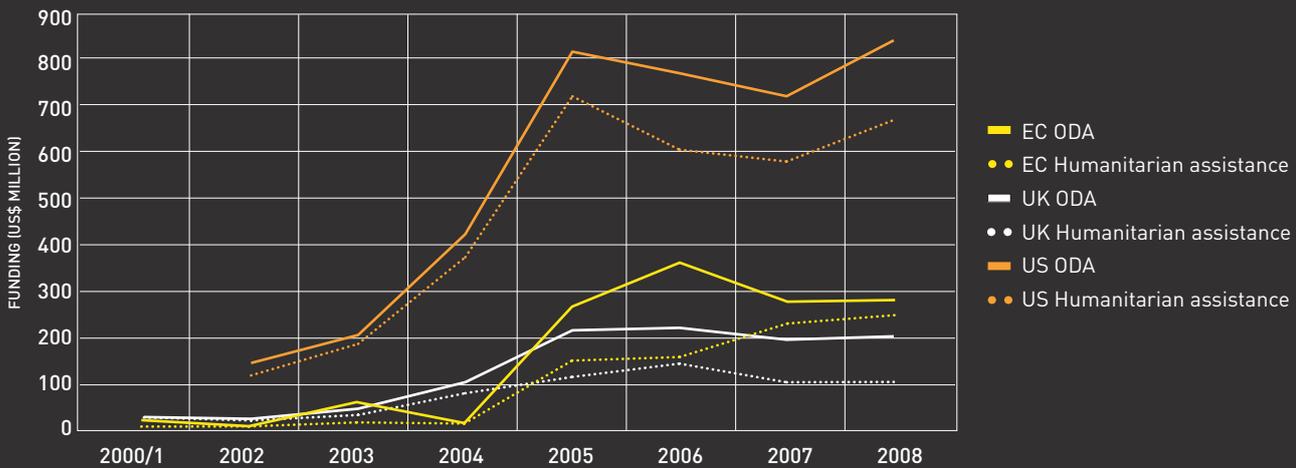
Sudan has been a testing ground for a variety of pooled funds, including the humanitarian pooled funds conceived as a tool to assist UN Humanitarian Coordinators in directing funding to priority needs, coordinated through the UN Workplan. The Common Humanitarian Fund (CHF) for Sudan was created in 2005 and receives a significant proportion of humanitarian funds for the country. At its peak in 2006 the fund received US\$171 million, or 12% of the total humanitarian funds that year.

Sudan is also host to two major UN peacekeeping missions, which represent a major resource contribution from donor governments. The cost of the UNMIS mission mandated to monitor and support the implementation of the CPA was US\$900 million in 2009, while the hybrid African Union (AU) / UN peacekeeping mission in Darfur, created in 2007, cost \$1.58 billion in 2009<sup>16</sup> (see Figure 9).

<sup>15</sup> The funding requests arising from the Joint Assessment Mission were higher than the pledges received, at US \$6.7 billion, and do not include funding requirements for humanitarian needs, peacekeeping costs or DDR programmes.

<sup>16</sup> SIPRI Multilateral Peacekeeping Operations database, www.sipri.org/

FIGURE 10: TRENDS IN TOTAL HUMANITARIAN ASSISTANCE AND TOTAL ODA FOR THE THREE LEADING DONORS TO SUDAN



Source: OECD DAC; Development Initiatives analysis

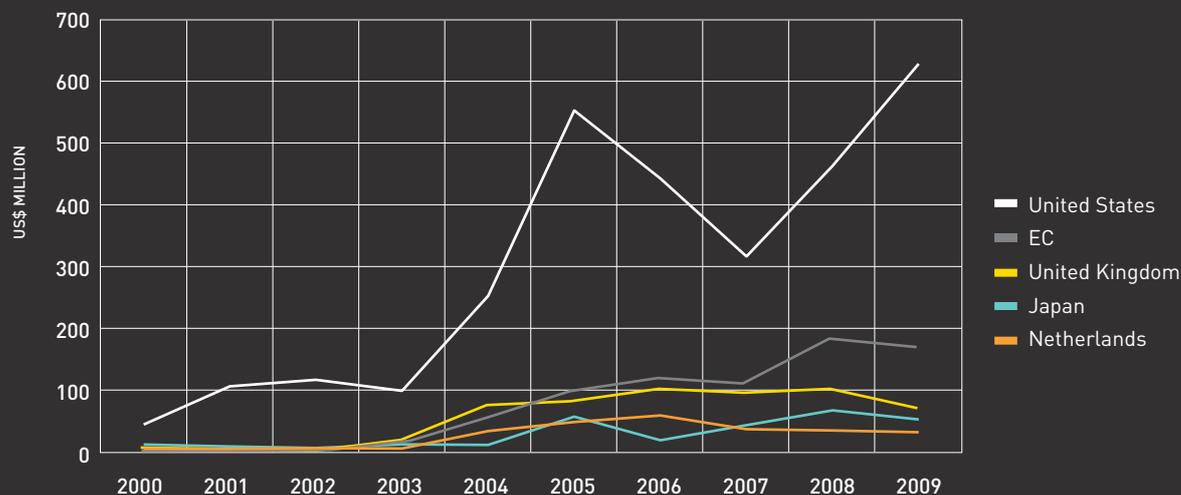
The largest donors to Sudan are the US, the EC and the UK for both development and humanitarian assistance (see Figure 10).

Humanitarian assistance provided by the US declined sharply after the signing of the CPA in 2005, while EC contributions have continued to rise since 2005. The UK's humanitarian assistance to Sudan, as a whole, shows a gradually rising trend.

Data published by the UN, which disaggregates funding received against the UN Workplan for Sudan regionally, demonstrates the dominance of Darfur both in terms of the volume of funds and the percentage funded against requirements (see Figure 12).

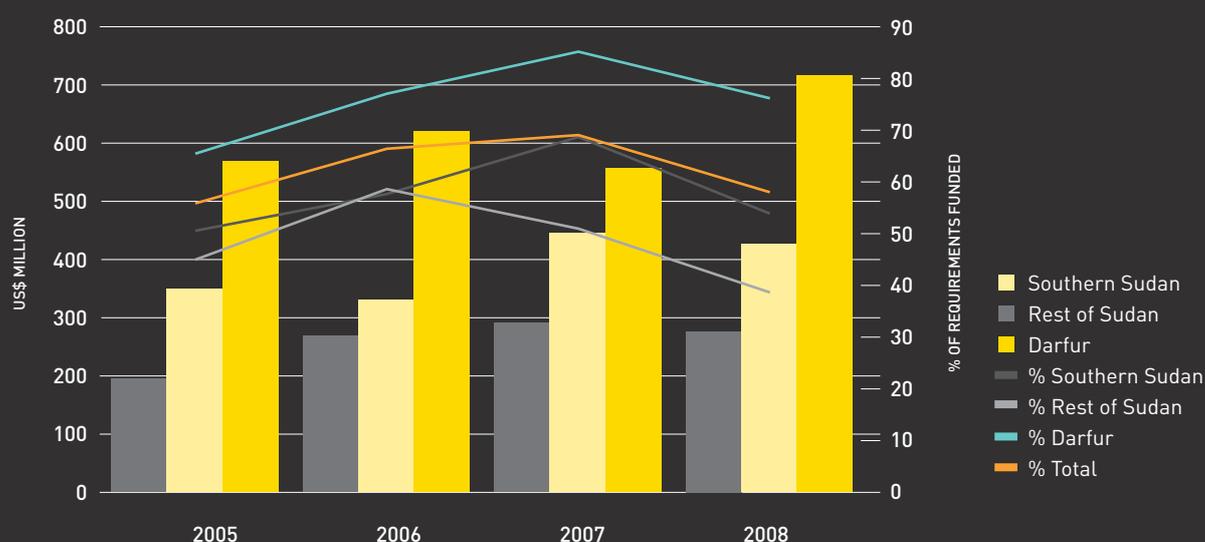
The UK channels a large proportion of humanitarian funds through the pooled Common Humanitarian Fund (CHF) for Sudan.

FIGURE 11: TOP FIVE DONOR CONTRIBUTIONS TO THE UN CAP APPEAL FOR SUDAN, 2000-2009



Source: UNOCHA FTS

FIGURE 12: FUNDING AGAINST THE UN WORKPLAN FOR SUDAN BY REGION



Source: <http://unsudanig.org>

Despite the proliferation of pooled funds in Sudan, bilateral funding also persists. The US and the EC do not contribute to the CHF but instead fund directly through their UN, international organisation and NGO partners in a conventional bilateral relationship.

The decision to route both development/reconstruction funds and humanitarian funds through pooled funding mechanisms has had profound consequences for the timeliness, predictability, targeting and ultimately the type, quantity and coverage of aid received in Southern Sudan. These effects even extend to the ways in which humanitarian needs are articulated and funded.

Humanitarian funding is dominated by funding for food aid, within the food security

and livelihoods sector, which is typically the best funded against requirements stated in the Workplan (between 68% and 98% funded against requirements between 2005 and 2008). Support for the return and reintegration process also received significant volumes of funding between 2006 and 2008, although this has subsequently dropped with the cessation of UNHCR- and IOM-organised facilitated return journeys for IDPs and refugees. Coverage against Workplan requirements for other sectors is highly variable from year to year, but notably the key health and nutrition and water and sanitation sectors averaged not more than 40-50% funded between 2005 and 2008.

# SOUTHERN SUDAN

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## Funding according to need

This briefing paper presents the findings from our research on the use of multi-sectoral needs assessments in Southern Sudan. It is one of two case studies that we conducted (the other being the initial response to the Haiti earthquake 2010) in order to examine how evidence on the scale and severity of humanitarian needs is generated and the ways and extent to which this evidence is used by humanitarian agencies and government donors in their decision-making processes.

The conviction that the absence of a satisfactory measure of humanitarian needs – or the people affected by crises globally – holds back progress on global provision of adequate financing to meet those needs underpins the Global Humanitarian Assistance programme's work on the scale of needs.

Global Humanitarian Assistance is a Development Initiative to improve the efficiency, effectiveness and coherence of humanitarian response by further increasing access to reliable, transparent and understandable information on the aid provided to people living in humanitarian crises.



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