

The Pakistan Emergency Response – Save the Children’s Experience

August 2009

Summary

In early May 2009 an escalation of conflict in Pakistan’s North West Frontier Province drove 2.3 million people from their homes and precipitated a humanitarian emergency. Donors decided to fund the emergency response through UN agencies and the cluster system. This decision delayed funding and had a serious impact on NGOs with the capacity to deliver, significantly reducing their ability to help those in need.

The consequences of delayed and insufficient funding on Save the Children’s humanitarian response included the following:

- **Prevented the implementation of ten mobile health clinics.** Each of these clinics would have reached 120 beneficiaries per day with vital healthcare that was unavailable by any other means. 1200 people per day therefore did not receive this healthcare because of absent funds.
- **Prevented the implementation of ten mobile nutrition clinics.** Each of these clinics would also have reached 120 people per day with basic nutrition services. Thus lack of funding left 1200 people per day without these potentially life-saving services.
- **Prevented the implementation of emergency education for 10,000 children.** Education has been the most neglected sector of the emergency response. Save the Children has been unable to provide emergency education for 10,000 children because of a lack of funds.

Key Recommendations

- Donors should maintain diversity of funding. If some funds are channelled through the UN system, others should be kept separate to allow contributions to country-based pooled funds (e.g. ERFs) or bilateral funding of NGOs.
 - The role of cluster co-ordinators should remain separate from operational activities of cluster agencies.
 - Decision-making in clusters should be transparent and better involve NGO cluster members.
 - Donors should hold agencies and cluster leads to account for onward disbursement of funds, to ensure they are reaching crisis-affected communities as intended.
 - Donors should require greater transparency in how cluster lead agencies allocate funding. The lead agency should indicate which cluster member (including itself) has received funding, what that funding is for and when it was disbursed.
 - If clusters remain as funding mechanisms, within three days of receiving funding cluster co-ordinators should publish details of funding received. Cluster co-ordinators should also publish details of onward disbursement of funding within three days of disbursement.
 - Donors should act swiftly and decisively to pledge significant funds in the first days of an emergency.
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1. Introduction

In early May 2009 escalating conflict between the Pakistani military and insurgents in North West Frontier Province (NWFP) caused over two million people to leave their homes. More than half of them were children. Added to those already displaced by fighting and floods, the number of internally displaced people (IDPs) in Pakistan topped four million, making this the largest displacement crisis in Pakistan since Partition, over 60 years ago. Humanitarian agencies mobilised to support displaced communities.

However, the way in which the humanitarian financing system functioned in Pakistan has been widely criticised – NGOs with the capacity to deliver on the ground experienced long delays in receiving essential funds. These delays had a direct impact on the efficacy and scale of the humanitarian response.

This report summarises Save the Children's experience of how the system operated and identifies ways in which it failed. Analysis will examine particularly Save the Children's experience with UK DFID, as an illustration of some of the issues encountered.¹

This analysis will focus principally on delays in funding while also drawing attention to the inadequate overall size of donor pledges. Finally, it will highlight the ultimate consequences of these problems on Save the Children's ability to deliver aid to affected communities.

2. The scale of pledged funds

Overall international funding for the Pakistan emergency can be characterised as too little, too late, with most donors slow to react to the worsening emergency in early May. According to OCHA, the Pakistan emergency is the fourth worst funded emergency of 2009, having received only 44% of the required funds.² Of these funds, projects designed to deal with the effects of conflict alone, not including a response to earlier floods, are only 35% funded.³

In addition, donors were slow to respond to the greater need caused by the escalating conflict in Spring 2009. Some donors, such as DFID and OFDA, came out positively with early and large additional commitments, but others waited for several weeks before pledging additional funds.⁴

By 11th June the UN appeal was still only 25% funded, at \$138 million, and Oxfam reported that of 52 organisations requesting UN funds, 30 had received no funding at all.⁵ The overall scale of the international community's response to the Pakistan emergency, therefore, can be considered to be insufficient.

¹ It is not the intention of this report to single out DFID for criticism. DFID was at the forefront of pledging large amounts of much needed emergency funding. Although DFID is examined as a case study the issues highlighted are common to many international donors.

² Source: OCHA, <http://ocha.unog.ch/fts/pageloader.aspx>

³ Source: OCHA, http://ocha.unog.ch/fts/reports/daily/ocha_R33_A829_0907241100.pdf

⁴ For overall funding per donor, see OCHA, http://ocha.unog.ch/fts/reports/daily/ocha_R24_E15688_0908131501.pdf; for a breakdown of funds pledged in response to the escalating crisis in Spring 2009, see Annex 1

⁵ Source: Oxfam; <http://www.oxfam.org/en/pressroom/pressrelease/2009-06-11/pakistan-aid-effort-jeopardy-due-lack-funds>

3. Delays in the disbursement of funds

Although the scale of the international community's response to this emergency was insufficient, a more alarming problem was that the mechanism by which funds were meant to be disbursed did not work effectively.

In Pakistan, as in most emergencies, NGOs have the greatest capacity to deliver aid (an estimated 80% of delivery capacity⁶). However, most donors preferred to channel funds through UN agencies and the cluster system⁷. This decision added layers of bureaucracy to the disbursement of funds, caused delays and negatively affected the aid effort.

With most funding being given to UN agencies but most delivery capacity residing in NGOs, the system required a rapid disbursement of funds from UN agencies to NGOs in order to function effectively. However, a consequence of predominantly funding UN agencies was that NGO projects received less funding.

Table 1: Projects within the humanitarian response plan⁸

Source: OCHA Financial Tracking Service, as of 24th July 2009⁹

	No. of Funded Projects ¹⁰	No. of Unfunded Projects	Total	% Projects Funded
UN Agencies	23	26	49	47%
Non UN Agencies	10	65	75	13%
Total	33	91	124	27%

Table 2: Funding amounts within the humanitarian response plan

Source: OCHA Financial Tracking Service, as of 24th July 2009

	Funding Requested (US\$)	Funding Received (US\$)	% Funding Received
UN Agencies	368,514,606	149,918,989	40.68%
Non UN Agencies	69,130,243	3,093,430	4.47%
Total	437,644,849	153,012,419	35%

As Tables 1 and 2 show, although the entire relief effort was underfunded with only 35% of required funding received, UN-led projects fared proportionately better than non-UN projects. UN agencies received more than 40% of the funding they requested, whereas non-UN agencies received less than 5% of the funds they required for relief operations.

⁶ "Background paper 2: Enhancing UN/Non-UN Engagement at Field Level", IASC/SCHR, 3 July 2006

⁷ See Annex 2

⁸ Only projects categorised under 'Conflict' have been included. Those for 'Conflict and Floods' or 'Floods' have not.

⁹ OCHA: http://ocha.unog.ch/fts/reports/daily/ocha_R33_A829_0907241100.pdf; 24th July 2009; Figures are from July accurately to reflect funding of the rapid response.

¹⁰ 'Funded Projects' for these purposes are taken to be projects that have received some funding; most of these projects are not fully funded.

For the system to have functioned effectively funding ultimately should have reached NGOs on the ground. However, in this case it is not clear how much of the funding given to UN projects was passed on to NGO partners. This highlights two further issues:

1. If funds given to UN agencies for projects are ultimately transferred to NGOs for implementation, this process effectively adds an extra layer of bureaucracy, cost and delay, problems that would be avoided if NGOs were funded directly.
2. There is a lack of transparency in funding to UN agencies such that it is very difficult to know where funds given in this way are ultimately being spent.

The mechanism of disbursement through UN agencies, therefore, not only slowed the transferral of funds to NGOs but also made it difficult to determine whether funds were actually reaching the intended beneficiaries.¹¹

Case Study: DFID

The example of DFID illustrates how some of the delays in disbursement occurred.

Of £10 million pledged by DFID in April 2009, £5 million went to the ICRC and the remainder was given to UN agencies.¹² A further £10 million was pledged on 22nd May, £3 million of which was allocated to ICRC. The remaining £7 million was originally intended to be channelled solely through UN agencies. The result was confusion and delay.

Save the Children emergency team members met with DFID officials in London on 11th May and in Islamabad on 14th May. At this point Save the Children expressed concern that the decision to fund only the ICRC and UN agencies would affect the speed and transparency of funding draw-down. DFID acknowledged these concerns and pledged to monitor the situation. A week later, on 21st May, Save the Children and other agencies raised similar concerns at a meeting with the British Ambassador in Peshawar.

On 22nd May DFID officially announced the second tranche of £10 million. Private notification of this additional funding had been received some days earlier, but there was no indication at this stage that this funding would be available directly to NGOs.

By the end of May Save the Children's Emergencies Adviser in Pakistan again raised the funding issue with DFID in Pakistan, expressing concern at the absence of funds for NGOs. On 8th June the issue was raised in a letter from 13 UK-based agencies to Secretary of State for International Development Douglas Alexander.

Also on 8th June Save the Children UK's Director of Emergencies attended a meeting with Foreign Secretary David Miliband where the absence of funding was discussed. During this meeting it was indicated that DFID would fund NGOs bilaterally provided the proposed activities were part of the UN OCHA Flash Appeal. The final decisions on funding would still be made through the cluster system. Save the Children subsequently liaised with DFID in London and Pakistan to establish how the new mechanism would work.

¹¹ These issues are also highlighted in the section on Clusters, below.

¹² See Annex 4, below

On 16th June there was an Early Recovery cluster meeting at which the lead agency, UNDP, proposed spending all \$1.2 million of DFID funding for this cluster on a planning exercise. DFID informed UNDP this would not be appropriate and Save the Children was subsequently earmarked approximately \$500,000 in the cluster allocation process. The following day, on 17th June, a further \$400,000 of DFID funding was earmarked for Save the Children by the Health cluster.

On 18th June Save the Children submitted a formal proposal to the Early Recovery cluster, as requested by the cluster lead, UNDP. Over a week later on 26th June, with no progress apparent on the earmarked funding from either the Health or Early Recovery clusters, Save the Children contacted DFID in Pakistan directly.

On 29th June DFID in Pakistan advised Save the Children to combine both the Early Recovery proposal and the Health proposal into one, and submit it directly to DFID in a DFID format, thereby circumventing the cluster funding disbursement system. This combined proposal was submitted to DFID by Save the Children on 2nd July.

Save the Children was informed verbally by DFID in Pakistan that the combined proposal had been approved on 11th July, and formal approval for funding came on 13th July, more than two months after the initial escalation of the crisis.

Ironically, final approval of DFID funds for Save the Children to assist IDPs in Pakistan came on the same day that the Government of Pakistan decreed those IDPs should return home. This was despite DFID taking an international lead in pledging funds early and in large amounts.

The following points from this example should be highlighted:

- The cluster system as a whole in Pakistan did not function properly and should not have been used as the main means of disbursement of funds. For example, Save the Children's livelihoods proposal to UNDP on 18th June was not forwarded to DFID until a week later. Issues with the cluster system are discussed briefly below.
- When DFID made the decision to begin funding NGOs bilaterally, the new system still involved the allocation of funds within the cluster. Although administrative confusion with the new system was to be expected, the process increased rather than reduced the number of decision-makers, thereby creating greater confusion and ultimately requiring the re-submission of proposals in a different format.
- A contrasting example in this case was OFDA which, in addition to committing large amounts, funded agencies bilaterally. Consequently, Save the Children received approval for three proposals to OFDA between 25th May and 11th June, over a month earlier than approval from DFID was received.¹³

¹³ See Annex 3, below

Clusters

It is now widely accepted that the cluster system in Pakistan did not function as it should have. An inter-cluster diagnostic mission has taken place and produced a report. There is not sufficient space here to identify all the issues related to the functioning of clusters in this emergency. However, the following major points from the diagnostic mission report should be highlighted.

- Cluster co-ordinators faced a conflict of interest from so-called ‘double-hatting’, having to manage agency responsibilities and expectations while simultaneously managing the cluster.
- Each cluster requires dedicated full-time co-ordinators to meet the onerous workload of co-ordinating a cluster and to help reduce the interagency rivalries that inevitably arise in a situation of conflicting loyalties.
- Direct financial disbursement through a cluster contaminates the objective ethos of a co-ordinating body. Disbursement of funds should be done directly from donors to partners or through a common pooled funding mechanism.
- Disbursal of funds through clusters resulted in a perceived lack of transparency in decision making, delays in disbursement of funds, lack of objectivity in resource allocation, and the inevitable conflict-of-interest between co-ordinators and their respective agency.
- Intensive cluster meetings placed a heavy burden on NGOs with decentralised staff. Cluster meetings were also occasionally disorganised with no clear agenda.¹⁴

4. Consequences

The delay in funding for Save the Children’s work had serious consequences. The following are examples of how relief work was affected.

Prevented the implementation of ten mobile health clinics

Save the Children has been running 16 mobile health clinics.¹⁵ These clinics consist of a male doctor, female doctor, ‘lady health visitor’, laboratory technician, health and nutrition educator, support staff, ambulance driver, essential medicines and supplies and an ambulance.

These mobile clinics provide displaced communities with vital healthcare that would otherwise be unavailable to them. Each reaches 120 beneficiaries per day and costs approximately \$400 per day.

The lack of timely funding prevented Save the Children from establishing ten more mobile health clinics, purchasing further medical supplies and paying for minor repairs to vandalised health facilities. Thus approximately 1200 people per day did not receive health care because of absent funds.

¹⁴ Inter-Cluster Diagnostic Mission to Pakistan, Islamabad and Peshawar, Pakistan, July 13-17, 2009

¹⁵ Sphere guidelines recommend the use of mobile clinics if necessary, to meet vital needs of isolated or mobile communities who have limited access to care; *Humanitarian Charter and Minimum Standards in Disaster Response*

DFID health funding has allowed Save the Children to staff six health clinics in Buner, but this has only taken place in August. Emergency health services were not provided on a large enough scale when they were most urgently needed.

Prevented the implementation of ten mobile nutrition clinics

In addition to the health clinics, Save the Children has been running six mobile nutrition clinics, composed of similar personnel as the health teams. These clinics also reach 120 people per day and cost \$400 per day. Lack of funding prevented Save the Children from establishing ten more mobile nutrition teams and from paying for support services for nutrition programmes.

Thus approximately 1200 people per day have not received potentially life-saving nutrition services because of absent funds.

Prevented the implementation of emergency education for 10,000 children

Education is vital for helping children regain a sense of normality in their lives, offering them protection and giving them hope for the future, yet it has been the least well-funded sector of those in which Save the Children is working in Pakistan. Working with local NGO Women Association Struggle for Development (WASFD), Save the Children established 20 temporary primary schools, equipped with books, blackboards, notebooks, pencils and other necessary education materials.

The 11 schools still operating are providing an education for 878 children. However, the absence of funds meant that plans to scale up educational programmes to help 10,000 more children could not be implemented.

5. Conclusion

Although this briefing has highlighted significant deficiencies in financing the humanitarian response in Pakistan, it is not meant to suggest the current humanitarian system is beyond repair. The humanitarian reform process is progressing, and it is not productive to suggest starting from a blank page. The recommendations highlighted at the top of this briefing are therefore designed to offer ways in which some of the problems encountered in Pakistan can be rectified without redesigning the entire system.

The international community should take the necessary action to ensure the delays in funding, that deprived crisis-affected people in Pakistan of much-needed relief, do not happen again.

Annex 1: Funds pledged publicly in response to Pakistan IDP crisis from April¹⁶

Donor	Amount Pledged	Amount Pledged US\$ ¹⁷	Date Pledged
AusAid	Aus\$12 million Aus\$5 million	\$10 million \$4.2 million	20 May 1 July
CIDA	Can\$5 million	\$4.6 million	14 May
Danida	DKK 5 million DKK 10 million	\$960,000 \$1.9 million	13 May 8 June
DFID ¹⁸	£10 million £10 million	\$16.5 million \$16.5 million	1 April ¹⁹ 22 May
ECHO	€72 million	\$102.8 million	17 June
MOFA (Japan)	c. 10.3bn JPY	\$10 million	9 June
MFA Norway	NOK 83 million	\$13.5 million	15 May
OFDA	\$110 million \$200 million Inc. [\$4.9 million \$28 million (wheat and oil)]	\$110 million \$200 million	19 May 3 June [11 May 2009 15 May 2009]
SIDA	SWK 35 million	\$4.8 million	21 May
CERF	\$8,890,399	\$8,890,399	13 May to 23 June
Germany	€1.6 million €1 million	\$2.3 million \$1.4 million	12 May 24 June

N.B. These figures include only funds pledged to assist those affected by upsurge in conflict in Spring 2009. They do not include earlier amounts pledged, for example, to assist the victims of flooding in 2008. In the case of some donors, such as OFDA, total amounts include the value of gifts in kind.

Annex 2: Stated donor funding channels

Donor ²⁰	Stated funding channels
AusAid	UN and Red Cross/Crescent
CIDA	WFP and ICRC
Danida	UNHCR, UN agencies, Danish NGOs
DFID	UNHCR, UNICEF, UN Habitat, WFP, WHO, OCHA, ICRC, NGOs ²¹
ECHO	UN agencies, Red Cross/Crescent, NGOs
MOFA (Japan)	WFP, UNHCR, UNICEF
MFA Norway	ICRC, NGOs
OFDA	WFP, NGOs (Includes gifts in kind)
SIDA	UNHCR, UNICEF, IOM
CERF	UNDP, WHO, WFP, UNICEF, UNFPA, UN Habitat, UNESCO
Germany	ICRC, German aid agencies

¹⁶ Selected major donors; Sources: various public donor statements; OCHA Financial Tracking Service

¹⁷ Exchange rates accurate for July 2009

¹⁸ DFID calculates its contribution to this emergency at £22 million. Here, however, we have excluded £2 million originally pledged to the UN and ICRC to support communities displaced by conflict and flooding on 11th September 2008, as this analysis focuses on the situation in Spring 2009.

¹⁹ DFID's first tranche of £10 million was initially committed to assist a separate caseload of IDPs from those displaced in May.

²⁰ Selected major donors; Sources: various public donor statements

²¹ DFID began funding NGOs bilaterally in June, following delays in the funding process; this issue is addressed in the DFID case study below.

Annex 3: Save the Children Funding Status on 23rd July 2009

Public Donor Summary							
Donor	Amount	Concept Note	Proposal	Approval	Rejection	Pending	Elapsed Time from proposal submission to decision
AusAid	\$406,740	May 11	June 11	X			2 weeks
CIDA	\$1 mil	May 12	May 25			X	8 weeks
Cluster	5 sectors	May 12					Various outcomes and procedures
Danida	\$850,000		June 11		X		4 weeks
DFID	\$880,000	June 18	June 30	X			2 weeks
ECHO	\$905,000		June 19		X*		6 weeks
Netherlands	\$700,000		June 25			X	5 weeks
Norway	\$750,000		May 29		X		7 weeks
OFDA	\$1.9 mil	Three submitted in May	Three submitted in May	Three Approved May 25-June 11		Donor Soliciting new concept papers	2-3 weeks
OFDA	\$2.39 mil	July 13				X	1.5 weeks
ROTA	\$1.15 mil		May 15		X		1 month
SIDA	\$252.064	May 12		X			1 week
WFP	\$394.937		May 18	X			2 weeks
Total	\$11.57 mil			\$3.83 mil	\$3.65 mil	\$4.09 mil	

*May be reconsidered during an as yet undetermined second round of funding approvals

Annex 4: Allocation of DFID funds between agencies and clusters

Agency Responsible	Tranche Pledged 11 th September 2008 (£)	Tranche Pledged 1 st April 2009 (£)	Tranche Pledged 22 nd May 2009 (£)
UNHCR	164,218	1,141,500	-
UNICEF	80,460	-	-
CWS via UNHCR	-	32,256	-
ACTED via UNHCR	-	75,914	-
UN-Habitat	22,988	349,178	-
UNFPA	28,735	-	-
Total Camp Management	296,401	1,598,848	-
WFP	148,201	1,668,150	917,599
Total Food	148,201	1,668,150	917,599
UNICEF	-	56,430	-
Total Child Protection	-	56,430	-
WHO	163,068	519,750	293,631
UNFPA	54,471	-	296,690
UNICEF	75,862	-	296,690
Merlin	-	-	416,843
IMC	-	-	497,097
Total Health	296,401	519,750	1,800,951
UNICEF	-	402,299	-
Islamic Relief via UNICEF	147,576	-	-
CWS via UNICEF	99,425	-	-
WHO	-	34,920	-
ACTED via UNICEF	-	60,731	-
Muslim Aid via UNICEF	-	113,870	-
ACTED	-	-	646,258
Total Watsan	247,001	611,820	646,258
Mercy Corps	-	-	354,879
Oxfam	-	-	606,227
Total WASH	-	-	961,156
CWS	-	-	609,244
Relief International	-	-	304,724
Total Shelter and NFI	-	-	913,968
Concern Worldwide	-	-	240,000

Total Early Recovery	-	-	240,000
Save the Children	-	-	536,288
Total Health & Early Recovery	-	-	536,288
UNESCO	-	-	122,346
UNFPA	-	-	244,693
Handicap International	-	-	268,456
Total Protection	-	-	635,495
Sarhad Rural Support Programme (Local NGO)	-	-	250,104
Total NFI	-	-	250,104
Monitoring			17,961
OCHA	-	500,000	-
Agent Fee	11,996	44,617	80,220
Total	1,000,000	5,000,000	7,000,000
ICRC	1,000,000	5,000,000	3,000,000
Grand Total	2,000,000	10,000,000	10,000,000