



ReShapeDecision-Making to #ReShapeAid:

**Improved humanitarian effectiveness
through systemic uptake of evidence,
preferences, cost-analysis and data**

The humanitarian landscape has changed dramatically in recent years, bringing conflicts and natural disasters that have increased in severity, scale, and complexity.

In 2013, 51.2 million people lived in forced displacement: the highest number on record since the Second World War.¹ In the last three years international humanitarian organizations have targeted over 300 million people for assistance.² Yet, humanitarian actors are still not able to meet the needs of people affected by crisis and conflict.

The effectiveness of humanitarian interventions is being impeded in four important ways.

- **Firstly**, humanitarian actors do not precisely identify the outcomes they wish to change or systematically use available research evidence to plan programs that have the highest likelihood of success. We not only face large gaps in information about what humanitarian interventions work, for whom, and in what contexts, but also seem driven by the humanitarian imperative to act now and ask questions later about the true impact of our work for people affected by crisis and conflict.
- **Secondly**, programs are not sufficiently responsive to context and the needs and preferences of clients. Programming is too often standardized in its design across widely varied contexts, leading to ineffective programming, disempowered aid recipients and missed opportunities for improved humanitarian outcomes.
- **Third**, there is little understanding of what outcomes we are achieving for each dollar spent, which means that decisions on where to send scarce aid dollars are made in a vacuum.
- **Finally**, while humanitarian agencies collect a lot of data on their programming, it is typically focused on outputs rather than outcomes, and is not effectively collated, reviewed, synthesized, or - most importantly - used to inform decision-making. This prevents continuous improvement of programs that is essential if we are to be effective.

This brief paper sets out four proposals for how the humanitarian field can address these barriers in order to improve humanitarian effectiveness, drawing on a comprehensive review of practice that has fed into the IRC's new global strategy.

¹ <http://www.globalhumanitarianassistance.org/wp-content/uploads/2014/09/GHA-2014-Ch-1-Who-was-affected.pdf>

² World Humanitarian Summit Concept Note.

1. Increase evidence-based and evidence-generating practice

Over the past decades, there has been substantial investment in rigorously testing development interventions. Some results have challenged professional experience and conventional wisdom.

A body of evidence now exists showing that micro-finance improves consumption and savings, but has little or no impact on raising levels of income.³ Investing in the educational environment by providing textbooks, desks, or chairs used to be a common method for improving learning outcomes for students, yet we know now that the most powerful interventions appear to be pedagogical interventions that match the level of instruction to the student, individualized, repetitive, and scripted teacher training, and interventions that boost the accountability of teachers.⁴ Unconditional cash transfers have shown to increase not just consumption, but levels of income and school attendance⁵.

Yet this research has been focused in stable, low or middle income countries, with roughly 100 impact evaluations conducted in crisis-affected places compared to 2500 in more stable contexts. Many of the lessons from more stable contexts may seem transferrable. Vaccinations, clean water and good hygiene will help tackle the spread of infectious diseases whatever the context. Children learn better when exposed to good nutrition and a care giver that can provide warmth and stimulation.

But in crisis-affected contexts, some solutions may be harder to apply. In health care, vaccinations may keep children healthy, but how do you vaccinate children when the healthcare system has stopped functioning and families are constantly moving? Cash is an effective intervention, but when a natural disaster strikes, help is needed immediately, rather than the 6 to 8 weeks it currently takes to deliver cash. There are major gaps in the evidence base, which are particularly pertinent to humanitarian challenges. Outside health, education and cash transfers, the evidence base is thin giving little information about how best to reduce violence, including gender-based violence, or strengthen institutions.

The implications for implementing organizations and donors are clear.

- First, **we need to base interventions on the best evidence available, both from within and outside of humanitarian settings. Donors can support this by requiring all grant proposals to document the research that has informed program design, and prioritizing evidence-based programs in the award of grants.** Over time, funding for projects at scale should be concentrated in interventions where there is robust evidence of impact.
- Second, **a significant portion of funding should be set aside to develop and test new interventions that generate evidence where it is currently weak.** Over the next decade, there needs to be the same degree of focus and investment in developing and testing interventions in fragile states, as we've seen in stable, low and middle income settings over the last decade. **Where there is an absence of robust evidence of impact, donors should only fund projects that are generating evidence.** At a minimum this should involve rigorous monitoring of outcomes, and where such evidence already exists, funding should be conditional on undertaking impact evaluations.

³ Though microfinance has impacts on consumption or savings, it has very small (i.e. not transformative) impacts or no impact on poverty alleviation variables like income. Examples of recent reviews include Banerjee et al (2015), Banerjee (2013), Stewart et al (2011). One review, van Rooyen et al. (2012), found negative impacts of microfinance on poverty in some cases.

⁴ Evans, D.K. and Popova, A. (2015). *What really works to improve learning in developing countries? An analysis of divergent findings in systematic reviews*. Policy Research Working Paper 7203. The World Bank.

⁵ Baird et al. (2013)

- Finally, along with the generation of evidence, we need to translate available evidence in ways that leads to better program designs. **We need tools that have clear standards of evidence, practical theories of change based on the best evidence available, and synthesized evidence that helps translate it into action.**

2. Ensure programs are responsive to context and clients

A common critique of the focus on evidence-based programming is that the findings from one context cannot be generalized across all.

One response to this is to ensure impact evaluations are deliberately conducted in a range of crisis-affected contexts. Another is to ensure that while program design is founded on the best available evidence, it is also rooted in an analysis of context dynamics, including the preferences of those we aim to serve, and adapted accordingly.

As a sector we invest significant time and energy in humanitarian needs assessments and designing need-responsive interventions. This is problematic in two major respects. First, many so-called 'needs assessments' are an exercise in confirming funding or implementation decisions that have already been taken. They represent a tokenistic engagement with the clients of aid that do not shed much light on their preferences, capabilities and aspirations. We start by ignoring the lived experience of the people we seek to help, while stating that improving their resilience, capacity or functionality is the *raison d'être* of our intervention. This is a fundamental contradiction in the way that aid is currently practiced.

Second, we invest insufficient resources (including time) in trying to understand the underlying dynamics of a situation, the social change processes already at play and the actors involved in those processes. The Ebola virus in West Africa and Islamic State violence in the Middle East have highlighted the increasingly complex, fluid and unpredictable nature of humanitarian crises. To be effective and appropriate in crisis-affected environments we need to better understand the dynamics of a given situation, anticipate how these might evolve, and be sufficiently agile to adapt to changes in context and need.

Over the next decade, alongside investing in building an evidence base, we need to pilot, develop and scale approaches for analyzing context, and engaging clients in choosing and designing programs. **This will require a fundamental shift on the part of donor and implementing organizations as to how they fund and support the necessary up-front analysis and consultation processes. This also means more flexible and responsive program design and funding processes with decisions about sector, type and methods of intervention made after (or as part of the act of) listening to affected people and not well before interaction with them takes place.**

There are ways to stimulate greater client choice and independence, for example through the use of cash transfers that can shift some decision-making power from donors and intermediary implementing agencies to the aid recipient. **Donors should closely follow emerging evidence around cash transfers and in the absence of evidence of negative effects should require implementing agencies to justify providing in-kind support instead of cash.**

But we also need to think way beyond cash transfers if we fundamentally want to reshape aid. We need to explore light-touch cost-effective ways to bring client perspectives into design, implementation and monitoring processes and analyze (and document) how this changes aid practices.

Throughout this, we need to be rigorous on evidence, and not assume that an emphasis on analyzing context or listening to clients is sufficient to improve aid. **We need to interrogate whether and how doing context analysis differently or engaging clients in a different way actually leads (or not) to better outcomes for people. We can go a stage further and be transparent about the costs of doing so, bringing value for money conversations into reflections on context adaptability and client responsiveness.**

3. Use cost-analysis in decision making

To improve accountability and effectiveness, humanitarian actors must better analyze how funds are being used to deliver aid more efficiently and effectively.

In addition, in a world of growing crisis and constrained resources, debates about both the cost-efficiency and the cost-effectiveness of different interventions as well as the value we should place on different outcomes will come to the fore.

By providing evidence about cost-efficiency and cost-effectiveness, the humanitarian sector will be able to compare and cost different approaches and their related impact, ultimately allowing decisions that achieve the best use of available resources for greater reach and impact.

Some basic starting points would include ensuring all proposals include a clear statement of the cost per beneficiary to deliver a given output, and ensuring all final reports to donors set out whether this intention was delivered. Based on this information, it will be possible to **develop benchmarks for the cost of interventions.** These benchmarks will provide one more factor in determining prioritization of interventions. There is a very wide variation of costs per output within and between sectors; some of this may be justified due to differences in the context or the quality of the program, but benchmarking will allow variations to be justified and explained.

Cost per beneficiary and cost-efficiency (how well we convert inputs into outputs) have obvious limitations and used on their own could create perverse incentives to reduce costs at the expense of quality. Our goal should therefore be to understand what is cost-effective – what do different interventions cost to deliver a given outcome, whether saving a life, or teaching a child to read. Most impact evaluations do not currently include cost-analysis so while we may know whether an intervention has an impact, we cannot compare different interventions for the impact they have per dollar invested. **Donors should require and fund cost-effectiveness analysis for every impact evaluation.**

In the long term, we also need to explore how we value different outcomes. At a time when the demands on aid resources are rising, **we need a more transparent debate about where money should be allocated.** In health care, metrics such as DALYS and QALYS have been developed to assess the impact of interventions on the years of life lived with a disability or disease. It is clearly more challenging to move from cost-effectiveness studies to cost-benefit analysis, where we compare very different outcomes. What is the value of therapeutic support to a victim of gender-based violence? How does it compare with teaching a child to read, or helping a family to generate an income? What discount rate should we apply to preventative activities, such as Disaster Risk Reduction, given the benefits may accrue over time? These are the decisions faced by policymakers and donors when allocating resources – so we ought to find a better way of making those judgments transparent, and a process for deliberating over the hard choices they pose.

Building up our understanding of value for money will be critical in a number of respects. It will help donors allocate money better; allow NGOs to move away from promoting crude metrics on the proportion of spending that goes on overheads and enable a sharper focus on creating programs that could ultimately be sustained and scaled by host governments. The benefits will take time to emerge, but it is an investment we need to begin now.

4. Measure results and client feedback, adapt interventions and share openly

Improving the design of programs is the foundation for improved effectiveness. But well designed programs need to be implemented well, and adapted over time. Measurement data is critical to this.

A huge amount of data is currently collected, and often entered manually. **We need to spend less time collecting data and more time ensuring that data collected are programmatically important and actually used for decision making.** Too much data currently are focused on outputs, rather than outcomes, failing to get at program quality. The lack of standardized indicators leads to varying quality of project indicators and impedes the learning that can come through benchmarking progress across programs, as well as preventing appropriate aggregation across projects. The lack of investment in data platforms means that information is not collected, stored or aggregated in a form that is accessible to the people who should use it for decision making. Combined with a lack of capacity to analyze and interpret data, this means that information is often collected but does not feed into the actual improvement of programs during or after implementation.

Meeting this challenge requires greater focus by implementing agencies. But it can be supported by donors collaborating with each other and with implementing organizations to ensure that donor-required indicators are consistent across donors, facilitating operational organizations' development of internal core indicators; expecting data to be broken down by age and sex to ensure overall progress is not concealing growing inequalities; supporting the inclusion of measurement capacity within proposals; and encouraging the open publication of data to enable learning across organizations. Encouraging organizations to adapt their programs based on feedback is also critical: there is much less incentive to analyze and interpret data if the scope for changing a program during implementation is limited.

Alongside measures of outputs and outcomes, **data should also be collected in real-time on client satisfaction and both used to adapt projects to meet client needs and published widely.** The knowledge that client perspectives are systematically reaching those responsible for managing and delivering services introduces pressure to adapt to those perspectives – top-down accountability on client satisfaction can reinforce bottom-up accountability to clients. This pressure is accentuated by transparently sharing data with donors, the wider humanitarian sector and the public. Based on consumer satisfaction approaches, we need to pilot and test ways of collecting client feedback, and assess whether this information makes a difference, either by changing the incentives of staff to focus on the client, or by adapting to specific feedback. For this to be scalable, client feedback needs to be implemented efficiently so that it is feasible to incorporate as standard within grants.

Conclusion:

More appropriate, better grounded information is needed for improved aid effectiveness.

The recommendations above will not deliver immediate impact. Building evidence of impact and cost-effectiveness, and demonstrating the impact and cost-effectiveness of analyzing and adapting to context and client feedback will take time. **But each has the potential to deliver substantial improvements that could transform the impact we have on the people we serve.** The opportunity and responsibility for making this transition is primarily with NGOs and other implementing agencies. But donors can play a critical role in accelerating this transition by driving the adoption of the methods and proposals highlighted above. Donors can encourage and require uptake of the above elements, but equally importantly they can help to encourage a climate of learning in which the **sharing of well-intentioned failure or success in one programming area provides huge learning opportunities across multiple humanitarian actors and multiple areas of humanitarian action.**