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LIVES VERSUS LIVELIHOODS:

HOW TO FOSTER SELF-SUFFICIENCY AND PRODUCTIVITY OF DISASTER VICTIMS

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The views expressed herein are solely those of the author and do not necessarily reflect those of the United States Agency for International Development.

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I. EXECUTIVE SUMMARY

This paper explains why it is well within the broad mandate of the Office of Foreign Disaster Assistance (OFDA)^A to specifically foster self-sufficiency and productivity in complex emergencies.^B It clarifies further the challenges presented in the working environment of complex emergencies, defines easily misunderstood terms and lays out a series of realistic actions for OFDA to consider. This blueprint is intended to be a catalyst for further policy discussion. Herein readers will recognize a vision that is in line with the spirit of breaking cycles of dependency on domestic welfare resources, an issue that is currently the focus of the American political agenda. Therefore, the strategy presented here is one in which OFDA can have a great deal of confidence.

The approach presented can enhance the sustainability of OFDA's responses to the emergencies that claim the majority of OFDA budgets.^C Hence, the thrust is not long-term rehabilitation or reconstruction, but is, instead, to redress the threats to the short- and medium-term survival of disaster victims and the livelihoods upon which their survivability depends. Even in the midst of conflict, self-sufficiency is an achievable outcome. It should be noted from the outset that this paper is *not* about "relief for development"; rather, it is mainly about relief for survival. It also does not call for a radical reorientation of OFDA priorities. The importance of meeting the needs of the most vulnerable, including women and children, remains paramount. However, methods for better understanding and enhancing the strategies employed by these pro-active survivors need to be employed by relief personnel who assess emergency situations.

Complex emergencies are characterized, in part, by the deliberate exploitation of victims. Undermining self-sufficiency and productivity are not merely by-products of conflict, but also are the intended consequences of war. In complex emergencies, systems of production are particularly vulnerable, rendering these types of disasters fundamentally different from natural disasters. Consequently, innovative approaches to providing relief and recovery assistance are required. Critical trade-offs between fostering self-sufficiency and implementing more immediate survival interventions, i.e. lives versus livelihoods, are analyzed in this paper. Relief workers need to be trained to understand that self-sufficiency is essential for survival for many victims.

For OFDA purposes only, I have defined self-sufficiency as *the capacity of a community to either produce, exchange or lay claim to resources necessary to ensure both survival through and resilience to life-threatening stresses*. This entails eventual freedom from dependence on OFDA-funded interventions but does not exclude dependence on other

^A OFDA is located within the United States Agency for International Development's Bureau of Humanitarian Response (USAID/BHR/OFDA).

^B Complex emergencies were defined in the draft cable "Guidelines for Foreign Disaster Assistance," September 1, 1994, as "complicated disaster situations that have political, military and humanitarian dimensions and are often also associated with natural disasters, especially drought."

^C In FY '94, OFDA spent 75% of its budget on nine complex emergencies.

sources of external and domestic assistance, sources that range from USAID funding to extended families.

Application of this strategy *should not* entail marked increases in overall OFDA budgetary requirements; rather, the potential for self-sufficiency can be improved by innovative management of available resources, including fiscal, organizational and human endowments. This does not mean that interventions to foster self-sufficiency are cost-less. Indeed, the options between providing free relief supplies or implementing more strategic interventions need to be methodically weighed so limited resources can be used most effectively. The aim is to minimize the number of disaster victims who must do without. This may be accomplished by optimizing the balance between indigenous and international relief structures. This paper also discusses the *project level* application of financial management tools, such as cost-benefit analysis, in order to bring a more rational basis to decision making in emergency situations.

There are eight basic principles of self-sufficiency and productivity in complex emergencies. They, in turn, lead to eight strategic options, as demonstrated in the table below. The bulk of this paper analyzes these principles and offers corresponding strategies. Of note, they are *not* listed in order of importance. Rather, what is presented here is a toolbox, of sorts. The context of each emergency will determine which of these tools will be most useful.

Principle	Strategy
Complex emergencies require strategic interventions.	Assess the political, military, social and economic aspects of each crisis in complex emergencies and respond accordingly.
The key to self-sufficiency is capacity building.	Create a policy regarding capacity building.
Timing is everything.	Make PMP knowledge and interventions operationally relevant.
Stress migration undermines productivity and self-sufficiency.	Minimize stress migration and its effects.
Social dynamics influence the success of relief responses.	Design interventions to ease the impact of complex emergencies on the vulnerable.
Markets are necessary to improve productivity and self-sufficiency.	Use markets to maximum advantage.
Poorly designed relief interventions undermine self sufficiency and increase vulnerability.	Establish sustainable systems.
Financial management tools provide a rational basis for prioritizing emergency expenditures	Use financial management tools at the project level.

II. OBJECTIVE

This paper is designed to improve the effectiveness of emergency relief interventions for the victims of complex emergencies. Adoption of this strategy by OFDA personnel and its implementing partners should result in greater self-sufficiency and therefore, decreased beneficiary dependency in complex emergencies. Readers of this strategy should gain a comprehensive understanding of complex political disasters and use this information to better inform management choices.

III. WHY SELF-SUFFICIENCY?

A. WORKING DEFINITION OF SELF-SUFFICIENCY FOR OFDA PERSONNEL

If you don't know where you're going, you're apt to end up someplace else.

As is argued throughout this strategy paper, self-sufficiency is critical for the survival of disaster victims in complex emergencies. For OFDA purposes only, I have defined self-sufficiency in complex disasters as:

the capacity of a community to produce, exchange and/or lay claim to the resources necessary to ensure both its survival through and resilience to life-threatening stresses.

This definition has three key parts.

1. Self-sufficiency is based on community-wide systems. Not everyone in a system is expected to be self-sufficient, but communities must be encouraged to take care of their own.
2. Resources to achieve self-sufficiency are either produced, exchanged or claimed. This precludes autarky (freedom from imports) or “we eat what we grow” mentalities while highlighting the crucial role of local markets. “Lay claim” recognizes that public goods diminish or disappear in complex emergencies. The earned or endowed right of citizens to basic public services and infrastructure is necessary for any community to achieve “self-sufficiency”. In the absence of functioning public roads, markets, schools, clinics, etc., emergency interventions should be geared to assist communities to (re)claim essential publicly provided resources. Sources of such public goods and services could include the community’s recognized government or other similar administration, non-OFDA funded charity or development organizations (national or international, including other USAID bureaus and offices), market economy (including access to credit), extended families, etc. Therefore, OFDA-supported interventions to foster self-sufficiency can be a combination of three basic options:

- production strategies
- market strategies
- capacity building strategies

Of note, this combination *does not* exclude the free distribution of relief items. Rather, it suggests that the process of distribution can support any of these three options. OFDA staff should regularly strengthen the linkages between relief and self-sufficiency in the course of emergency operations. *How* one provides assistance is as important in fostering self-sufficiency as is what one actually provides.

3. Self-sufficiency entails adequately equipping communities to ensure both survival through and resilience to life-threatening stresses. This condition is necessarily humble given the limitation of OFDA resources and mandate. Expectations about laying foundations for economic growth are probably unrealistic, but interventions to strengthen a community's capacity to prevent or mitigate disasters are an essential part of furthering self-sufficiency.

B. SELF-SUFFICIENCY IS A VITAL COMPONENT OF OFDA'S MANDATE

Complex emergencies are aptly named. They involve an intricate web of often opposing and hostile political, economic, military and social forces. Unlike natural disasters, complex emergencies entail both the *deliberate* creation and the *unintended* consequences of crises. Complex emergencies are highly destructive because they radically increase the demands placed on fragile political, economic, environmental and social systems while simultaneously destroying these same systems. Such disasters are characterized by the strategic exploitation of victims. Given the nature of the political, military and economic assaults that are typical of complex emergencies, *self-sufficiency is critical for survival for many victims of complex emergencies*. Hence, encouraging self-sufficiency is a critical component of OFDA's mandate to provide basic survival assistance to disaster victims.

It is important to note that, except in the relatively rare cases of genocide, most victims survive crisis.¹ Modern-day disasters simply do not kill the majority of affected populations. Even in the worst of disasters, decisions made by victims reflect the awareness of life beyond the emergency. In times of stress, groups (e.g. families, households, clans) make trade-offs between the uncertain but immediate survival of all and the more certain, longer-term survival of the majority.^D Understanding these trade-offs requires thorough assessment of the whole range of coping strategies employed by the affected group. These coping mechanisms can be highly diverse and complex, including changing grazing, cropping and planting practices, migrating to towns in search of urban employment, increasing petty commodity production, collecting wild foods, using inter-household transfers and loans, obtaining credit from merchants and money

^D For an excellent discussion, see Davies, S., (1993), "Are Coping Strategies A Cop Out?" *IDS Bulletin*, Vol. 24, No. 4, pgs. 60 - 72.

lenders, migrating to other rural areas for employment, selling possessions, firewood and charcoal, and/or breaking up the household.²

Emergency interventions to foster self-sufficiency and productivity may still be necessary to ensure that human victims survive. For example, even in the face of frank starvation of *its weakest members*, a group's decision-makers (i.e., its power center such as the patriarch, matriarch or village elders) may determine that the highest priority is to protect assets, such as oxen, even at the expense of some of its members. In this case, the provision of emergency food aid may be less effective than the establishment of cattle camps or emergency animal vaccination programs, or the negotiation of a "cease-stealing" to halt cattle raids. Despite obvious nutritional stress, distributed emergency food aid may not be consumed but may be converted, instead, to cash (on grossly unfavorable terms for the beneficiary) or traded for other resources needed to save the oxen, e.g. vaccines or weaponry to protect herds. Only after the group's main priority is met will the group invest in its lower priorities, e.g. providing consumption resources to its weaker members.

It is essential that relief workers be equipped to understand the social and intertemporal dynamics in complex emergencies. Although OFDA has placed its highest priority on meeting the immediate needs of the most vulnerable, usually women and children, it cannot always be assumed that war- or drought-affected communities share this value structure. Interventions need to be tailored to reflect the decision-making dynamics of a group; otherwise, it can be expected that beneficiaries will convert disaster relief resources to meet their own priorities, an inefficient process at best.

In times of extreme resource constraints, if a group seeks to maximize survival of all its members in the short run, it may well sharply reduce the likelihood of survival for the majority in the long run *if the crisis is expected to be lengthy or frequently repeated*. Of note, OFDA-funded interventions are currently aimed at maximizing the survival of the greatest number of disaster victims in only one time period: the present. This may be serving only to further burden weakened communities. In complex emergencies, a focus solely on saving lives in the very short term is insufficient because disaster-affected populations pursue their own strategies to maximize the trade-off between *both* lives and livelihoods. They do so by utilizing limited resources to best advantage *over several time periods*. Importantly, **these realities can form the basis for OFDA's rationale to prioritize its limited resources to foster self-sufficiency and productivity of disaster victims**, rather than OFDA's current near-exclusive focus on the short-term survival of the most vulnerable.

In protracted emergencies, groups experiencing the collapse of coping mechanisms may be very limited in their trade-offs between lives and livelihoods. It is widely accepted that long-term reliance on coping mechanisms is unsustainable and ultimately counterproductive.³ Interventions to foster self-sufficiency and productivity in communities affected by protracted conflict or so-called "permanent" emergencies may

need to be longer-term in nature (e.g. training, education, road rehabilitation/construction, seed bank restoration, etc.) As was observed in Mozambique:

lost assets (whether blown up bridges or drought-dead cattle) do not restore themselves; the speed of dislocated households' ability to rehabilitate their livelihoods is significantly dependent on appropriate supporting measures and resource allocations; restoring human capacity and building service and market access is a complex, tedious and expensive process.⁴

C. RELIEF VS. DEVELOPMENT VS. REALITY

In the strictest sense, disaster "relief" resources are to be used to return communities to the *status quo* prior to the emergency. Some argue that it is considered "development" to intervene in communities with the intention of promoting self-reliance, sustainable community structures or economic productivity especially *if such systems were not already in place prior to the onset of disaster*.^E Such a delineation between relief and development may be useful in simple or natural disasters but is problematic in complex emergencies. There are two, often conflicting concerns regarding the distinctions between relief and development in complex emergencies. The first reality is political and the second, practical.

Congressional funding differentiates between relief and development based on Americans' traditional values of extending a helping hand to those affected by emergencies, as opposed to Americans' well-documented belief that development programs for other countries are ineffective. The delineation between relief and development is useful for organizational purposes to maintain the distinction between USAID's Bureau of Humanitarian Response (BHR) and other bureaus that are charged with long-term development. Of concern, however, the political delineation between relief and development has been translated into relief practices with regrettable consequence. For the agencies that seek to serve the victims of complex emergencies, the difference between relief and development is often found not in action but in circumstance. That is to say that it is most often the *type of intervention* (as opposed to the type of situation) that determines what is "relief" and what is "development". The provision of credit is, supposedly, development; the distribution of blankets is relief.

It is essential to note that, for victims of complex emergencies, there is no distinction between relief and development. Strategies employed by victims of protracted complex emergencies are about survival in both the present time frame and the aftermath of crisis. For most victims of protracted civil conflict, economic collapse and political chaos, "development" became irrelevant some time ago. Nevertheless, when disaster victims

^E For an example of this view, see Gregory, L., "Development and Disaster Assistance," USAID Memorandum to Hicks, J., Richards, L., AFR Staff and FHA Staff, June 22, 1993.

request emergency interventions to strengthen markets, rebuild roads or train health personnel *to respond to an emergency situation*, relief personnel miss opportunities to act as they pause to consider if this is relief or development.

Relief and rehabilitation are provided to alleviate disaster-related acute human suffering or when life-threatening stresses are or may be involved. Development is done when such conditions do not prevail.

Today's complex emergencies require that the whole catalogue of interventions, traditionally considered "development", be available to the relief worker. Requisite interventions should be determined by the relief worker's assessment of the emergency situation and should not be delimited by a short list of available relief supplies. The most encouraging example of progress in this area is presently found in the Somalia portfolio where DFA, FFP, OFDA and State/PRM resources have been combined into one strategy of emergency, reconstruction and development activities.

D. COMPLEX EMERGENCIES REQUIRE CONSIDERED INTERVENTIONS

Complex emergencies directly threaten self-sufficiency. Like natural disasters, complex emergencies damage such hallmarks of civilization as social services, market networks and agriculture enterprises while at the same time increasing demands for the essential services they provide. Unlike natural disasters, however, complex emergencies are *also* characterized by the deliberate destruction of political, economic, social and environmental systems, rendering complex emergencies fundamentally more devastating than any other type of disaster.

Conflict forces administrative authorities to redirect their priorities and funding, usually away from social services to military budgets. Thus, the structure of local government in general and social services in particular often collapses or is severely weakened, creating a *de facto* localized "failed state." Residents can then no longer make claims on the state and must seek alternatives.

→ Example from the Field:

Box 1 - - Dismantling The Eritrean Health System⁵

Ethiopian occupation of Eritrea in 1952 led rapidly to the deterioration of the health care system in Eritrea...In the health sector, one of the earliest signs was the sudden closure of most clinics run by religious and humanitarian organizations... By 1962, the health budget for Eritrea was cut by about 50%...As in other sectors, the health services were deliberately crippled to weaken the Eritrean people's enthusiasm for self-rule.

Combatants target social networks, resulting in the fragmentation of communities, as the following box demonstrates. The deliberate destruction of functioning civil society includes raping, massacring, razing villages, displacing populations and/or the disruption of herd migration and trade routes. These are important strategies for military, economic

or political ends. Militarily, disrupted communities cannot defend themselves. Economically, desperately poor displaced workers are willing to work for pitifully low wages. Politically, weak civil societies are associated with weak political opposition. Therefore, social systems are, in the eyes of aggressors, important and legitimate targets of attack.

→ Example from the Field:

Box 2 - - Random Bombing Of Civilians, Southern Sudan

Annually, the Government of Sudan randomly bombs civilian populations living in rebel-controlled areas of Sudan as part of the “dry season offensive.” The rebel SPLA regularly retaliates by shelling civilian populations living in government-controlled garrisons. According to Africa Watch:⁶

Indiscriminate government aerial bombardment has produced tens if not hundreds of thousands of displaced persons and refugees...the government bombed towns... causing numerous civilian victims...Before the government offensive, Western Equatoria had regained a semblance of economic normalcy and crops had been planted. Now the economy is disrupted and the towns...are deserted and looted.

Especially in protracted or “permanent” complex emergencies, it is essential that relief workers strive to understand the destructive strategies employed by competing forces. Facing the stark realities of conflict is a key prerequisite for those who implement interventions for disaster victims. Indeed, such understanding is crucial for meeting the first criteria of humanitarianism’s unwritten Hippocratic oath: *do no harm*.

E. SEVEN COMPLICATING ASPECTS OF COMPLEX EMERGENCIES

1. Civilians are targets of war.

Displacing populations, sniping civilians, destroying market systems, raping women, destroying fragile eco-systems are all blunt but highly destructive instruments of intra-state conflict. An age-old military strategy is the destruction of the adversary’s supply lines. In civil conflict, the “supply lines” are indistinguishable from an enemy’s way of life. Key targets include agriculture systems that feed enemy soldiers and their families; health systems that keep families together and productive; political systems that foster stability; and, economic systems that provide employment, credit bases, insurance schemes, and markets for produce, services and household items. Undermining self-sufficiency and productivity are not merely by-products of conflict but are also intended consequences of war. Under such circumstances, there is no distinction between civilian and combatant in the eyes of aggressors.

2. The “failed state” syndrome can be localized or regionalized.

Throughout the (African) continent, governments have been conspicuous in their absence. They have not provided basics such as water, schools, hospitals. For a large percentage of people, government has just not been there. They have to learn to cope on their own.⁷

Protracted conflict disrupts public goods and services once provided by recognized authorities or available through the “moral economy”, including kinship networks, informal reciprocal agreements, ethnic customs, etc. In protracted complex emergencies, these services (e.g. health, education, labor exchange, credit and insurance) can be completely destroyed, creating a *de facto* localized “failed state”. In the absence of a functioning civil society, affected communities are left with only routes to survival and self-sufficiency. They may strengthen or generate self-reliant systems to reproduce and finance basic services once provided by the state, other forms of local administration, the community or extended families (known as “capacity building”). Alternatively, they might seek (and become dependent on) external assistance, or even do without.

3. War is a time of economic chaos.

War entails radical shifts in the division of labor, with considerable changes in the roles of women, men, children and the elderly. This has significant implications, as those who remain behind assume additional productive responsibilities but may not have commensurate access to key inputs, e.g. credit, land tenure, technology, watering rights, etc. Strategic emergency interventions may be required to ensure access to inputs by the *most relevant producers*.

Economic assets, infrastructure and networks are targets of war. The strategic destruction and manipulation of productive systems characterize complex emergencies. Some have noted that “famine is functional”⁸ and serves to enrich the few at the cost of many. Interventions to rehabilitate asset bases and infrastructure may become targets of destruction by those powerful interests that are threatened by the creation of self-sufficient, productive populations. Of particular concern to OFDA and its implementing partners should be projects that are designed to convert relief-dependent populations into self-sufficient, viable communities (e.g. transportation, emergency resettlement/land tenure, livestock restocking/vaccination, seeds/tools/seed banks, emergency credit or agriculture extension).

Programs to foster “relief-free” communities may need to be designed to challenge and outright counteract economic processes of impoverishment, especially in besieged towns and among disenfranchised, displaced laborers. Complex emergencies are marked by extreme impoverishment of vulnerable groups and massive accumulation by those with market power (“winners”), a process that exacerbates pre-crisis inequalities. “Famine prices” minimize returns on the sale of

assets (e.g. skewing terms of barter trade between livestock and grain), secondarily increasing the attractiveness of rationing consumption (food, water, medical care) and inducing stress migration by famine victims. “Losers” sell livestock, pledge farms, incur debt, sell labor and borrow grain at high interest rates,⁹ as the following example demonstrates. “Winners” stand to gain not only by forcing increased reliance on market transactions with prices depressed/inflated to their advantage, but also from the resulting pool of impoverished labor willing to work at extremely low wages. In such tightly controlled markets, relief supplies can be viewed by “winners” as fair game for direct appropriation/taxation or as unwelcome supply shocks that undermine profits.

→ Example from the Field:

Box 3 - - 1993 Interview With A Returnee From Resettlement, aged 50, South Wollo, Ethiopia

Before the drought in 1984 I was pretty well off. I had land here in parcels for *tef*, sorghum, pulses and barely; and I had animals: a pair of oxen, one cow, five female goats and their kids, one mule and one donkey. The drought wiped me out. I managed to sell all my animals before they died, but at that time you had to accept any price you were offered.¹⁰

4. Time marches on...and collective memory follows

Assumptions about the viability of communities prior to crisis need to be rigorously analyzed. Was the community self-sufficient or was it heavily subsidized prior to the emergency? The sheer multi-year duration of protracted complex emergencies can mean that communities that were economically competitive in the 1970's and 1980's may no longer be viable in the considerably different global economy of the 1990's and beyond. Also, the protracted nature of some emergencies often results in historic, cultural and social amnesia, in addition to a very damaging loss of a generation of skills. The collection of data regarding community structure, political hierarchy and customs can therefore be even more problematic than in more stable situations. This makes it difficult for the relief worker to identify the underlying capacity of a community to recover.

Also, over time, technology progresses. Appropriate technologies (advances in cookstoves, improved plant varieties or cropping techniques, etc.) may strengthen the viability of communities, but their introduction may represent a marked departure from the *status quo ante*. Therefore, the sustainability of new technologies needs to be closely examined.

5. Complex Emergencies Are Characterized By Political Upheaval.

Conflict is often a last resort to define new political structures. Access to political resources and representation is essential for productive communities. Complex

emergencies are characterized by fluid shifts in political power, a dynamic that necessitates that relief interventions reflect the changing nature of political landscapes. This may entail empowering communities that were heretofore not political actors, equipping them to claim the political resources they lacked in pre-conflict times.

6. Armed Conflict And Political Repression Change The Demographic And Spatial Composition Of Communities.

Conflict-related death and disability change the nature and composition of a community's workforce and social structure for several generations. The trauma of experiencing or witnessing violence is known to generate a range of debilitating emotional and mental disorders, including depression and post-traumatic stress disorder (PTSD). Affected individuals may not be able to function, requiring not only adaptations in a household or community's division of labor, but also the provision of recovery-oriented social services not in existence prior to the disaster. School systems are often destroyed in conflict. In protracted emergencies, entire generations can grow up without any education, leaving them ill-prepared to assume responsibilities in their communities, including helping families survive crises, keeping a fragile peace or supervising the development of their countries. This is exacerbated in conflicts that employ child-soldiering, creating whole generations that have known only killing as a way of life. What was possible for a community prior to the conflict may not be achievable given such stresses on productive networks.

7. Complex Emergencies Are Devastating To The Environment.

From the burning of villages to the denuding of forests to the decimation of wildlife, both armed conflicts and the coping mechanisms employed by surviving populations can destroy the productive capacity of land. Cropping patterns, herd size and composition, or industrial systems may no longer be sustainable in the wake of conflict. This necessitates interventions to protect and restore productive bases, to radically alter livelihood patterns, or to entirely relocate affected populations.

IV. EIGHT PRINCIPLES FOR FOSTERING SELF-SUFFICIENCY

PRINCIPLE ONE: COMPLEX EMERGENCIES REQUIRE STRATEGIC INTERVENTIONS

Effective emergency responses to complex emergencies require sophisticated analyses of highly dynamic military, economic and political systems. Appropriate disaster relief interventions must be informed by social and historical context. Today's relief worker must be part political scientist, part economist, part anthropologist, part military analyst, part historian, part peace negotiator, part logistician. Given the brutal realities of civil conflict, failed economies, illegitimate and undemocratic political systems, today's relief worker must also be part -- *but only part* -- humanitarian. Well-intended, but poorly informed relief operations may only serve to exacerbate the plight of victims of complex emergencies by creating dependency, enriching those with monopolistic market power or protracting conflict. Effectively providing basic assistance to disaster victims can be ultimately political and frequently controversial. Relief workers must understand and then design interventions grounded in the realities of complex emergencies, discussed briefly in the following box.

Box 4 - - The Darker Side Of Complex Emergencies

Productive assets (including the seemingly meager assets of poor people), crops, infrastructure and natural resources are targets for destruction. In complex emergencies, this predatory process is motivated by two complementary phenomena:

First, aggressors are compelled to undermine the economic base of their enemies because the destruction of another's subsistence economy has intrinsic strategic military value. For subsistence agriculturists, there is no difference between physical and political survival.¹¹ Nomads who lose their livestock or pastoralists who lose their land, lose not only their way of life but their political identity as well. It follows, then, that to undermine one's political enemy, one must destroy the enemy's way of life. In this light, traditional non-combatants (women, children, elderly) are viewed as part of the enemy's system of supply (food, conscripts, information, etc.) and are considered strategic military targets.

Second, internal wars grossly disrupt the domestic development process. The resulting economic stagnation yields increased competition for finite resources, resources that are critical for the success or failure of military, economic and political campaigns. This has been likened to an increased number of actors competing for larger slices of an ever-shrinking pie.

STRATEGY: ASSESS THE POLITICAL, MILITARY, SOCIAL AND ECONOMIC ASPECTS OF EACH CRISIS IN COMPLEX EMERGENCIES AND RESPOND ACCORDINGLY.

Recommended Actions

Action A: Prepare OFDA staff to think and act more strategically

Disaster relief has not enjoyed the same career rewards and status as international development. It is difficult to attract qualified individuals to the *profession*. A common expression from the field claims that disasters attract three kinds of people: missionaries, mercenaries and misfits. In addition to having a poor professional reputation, disaster relief work is extremely demanding. Days are long and stressful. Relief workers are expected to be highly mobile. Decisions involving massive resources are made with insufficient information. Field work is dangerous and often emotionally disturbing. Finally, few relief organizations invest adequately in their staff. Staff turnover and “burnout” are relatively high. As a consequence, institutional memories are shallow, leaving the most experienced with the least time to train and educate other staff.

In order to respond strategically to complex emergencies, a stronger cadre of qualified relief professionals needs to be available not only to OFDA, but to their implementing partners in the NGO and UN communities as well. To this end, OFDA has already increased staff training in such areas as DARTs and assessments. OFDA may wish to consider additional routes, including:

- requiring longer-term contracts for field- and Washington-based OFDA staff;
- training OFDA staff in the theories, practices and assessment methodologies of complex emergencies;
- encouraging implementing partners to recruit exiled, talented individuals from disaster-prone countries;
- requiring certain basic educational and experiential qualifications of funded NGO and UN staff, not only in vocational areas (agriculture, health, water), but also in areas of economics, anthropology, political science, development, language or international relations;
- appealing to colleges and universities to provide training in complex emergencies, including the establishment of a 30-day certificate course in disaster relief management;
- working within USAID to improve incentives for exchange across development and disaster offices, to cross-train staff and to restructure promotional incentives for disaster personnel;
- hiring more individuals with broad backgrounds and strong, relevant overseas experience.

Action B. Identify when to move beyond the distribution of free relief

The basic tool used to inform the relief response is the emergency assessment. Despite the overarching importance of the assessment tool, it is underutilized in the disaster situation. In too many instances, the emergency assessment comprises only the roughest of estimates of population size and nutritional status of the most vulnerable groups. Based on this, relief food requirements are calculated, plans for feeding centers and health units are drawn and submitted for funding, transportation is arranged, etc.

Assessments of complex emergencies must delve beyond the observable, beyond physical appearances. This requires drawing information from a variety of sources in the disaster areas, as well as those on the outside. This includes consultations with national and international anthropologists, historians, sociologists and economists. Importantly, former development workers who were previously assigned to the country can provide a contextual understanding of the social, political and economic relations among affected populations. Assessors must seek to comprehend the economic system that is providing essential supplies to disaster victims in the absence, lateness or inadequacies of free relief distributions. All too often these life-saving mechanisms are ignored. Restrictions on access to non-market goods, such as firewood, water and wild foods must also be examined. Sources of intra- and inter-communal tensions, such as cattle raiding, should highlight both potential problem areas as well as opportunities for local peace initiatives.

Simply put:

Organizations involved in international relief need to think about how they are responding to the dynamics of conflict, about which strategies they should be facilitating, and which they should be discouraging.¹²

Analysis should include consideration of economic, military and political systems to identify “winners” and “winner strategies”. Potential targets of economic appropriation should be assessed, and alternatives to counter the threat of appropriation should be designed, e.g. interventions to create markets for surplus production, negotiated access to communal natural resources, etc. Such investigations will reveal the extent of a community’s vulnerabilities as they relate to priorities for assistance (see box). They will also identify functioning coping strategies that can be strengthened. Complete and well-informed assessments will assist OFDA to augment the extremely expensive initial emergency response mode with more strategic relief investments.

→ Example from the Field:

Box 5 - - International Rescue Committee (IRC) Food And Veterinary Drug Monetization And Credit Union Program, Gedo Region, Somali^F

Facing great emergency relief needs in the Gedo Region of Somalia in mid-1992, IRC received USAID support for a small-scale food and veterinary drug monetization program. Strategically designed to *not* foster dependency among returning displaced and refugees, the program aimed to:

1. Reactivate local markets by strengthening the role of small traders, thereby reducing potential for monopolistic exploitation by more powerful merchants;
2. Increase food availability to bring food prices within range of the poorest;
3. Generate funds to finance labor-intensive activities to enhance food security, public health, water availability and to stabilize stress migration.

By mid-1993, IRC identified a lack of credit as the main impediment to job creation and the establishment of micro-enterprises capable of providing services and products that were otherwise only available at exorbitant prices or from relief agencies. With OFDA support and the technical expertise of an IRC staffer with a background in micro-enterprise lending, IRC established three credit unions that funded irrigation pumps, income generating enterprises, petty trading and women's projects. At project completion in November 1994, the credit unions had repayments rates of 65, 72 and 80 per cent and a local NGO was being trained to assume full responsibility for the credit unions.

Action C: Formulate inter-agency country strategies early in the emergency

OFDA's commitment to formulating inter-agency country strategies is an exciting and useful step in improving strategic responses to complex emergencies. These strategy papers need to be informed by quality assessments conducted at the field level. However, pressure from the media, often referred to as the "CNN Factor", forces the decision-making process to move forward at break-neck speed. In the rush to "do something" relief workers understandably leave detailed analysis necessary for the formulation of strategy papers until "later". In the heat of crisis, such as the first weeks or even months following the establishment of a DART, this *modus operandi* is unavoidable. In the case of the Khartoum displaced persons emergency, however, this "later" has been nearly a decade in coming. Those currently working on the Somalia crisis now look back and recognize that a transition to even more strategic interventions to improve productivity and reduce dependence could have commenced as early as 1993. A more rapid transition to strategic planning, once response mechanisms are in place, will greatly increase the

^F Three years after implementation, this project appears to be failing, according to OFDA staff in Somalia. They write that the, "credit union program fell apart after IRC left. The local NGO that IRC left behind could not manage. Most of the loanees have defaulted. One lesson learned was that too much money went into capitalization of the credit unions." There remain obvious implementation issues to be addressed in emergency credit programs. My point in using this example, however, is not to demonstrate the usefulness of credit programs in emergencies, *per se*, but to demonstrate how one NGO effectively responded to the assessed emergency needs of a community.

effectiveness of OFDA-funded interventions. There comes a time when “don’t just do something, stand there”¹³ is the appropriate action for OFDA staff and all their implementing and coordinating partners. The keys are

- to identify the earliest opportunity for initiating the inter-agency country strategy process with, for example, one member of the DART being charged with the task of estimating possible dates for such a transition from the initial phase of the emergency response;
- to equip OFDA staff to incorporate rigorous political, economic and military analysis in their assessments and funding decisions, by
 - ✓ requiring training of OFDA staff,
 - ✓ regularly scheduling and producing comprehensive analytical situation reports,
 - ✓ authorizing more frequent field travel for OFDA personnel both overseas and in Washington, and
 - ✓ encouraging agencies seeking funding to incorporate the potential political, economic and military implications of their programs into funding requests;
- to form a policy spelling out the practical means of dealing with media pressure at the onset of emergencies;
- to continue to strive for a high level of effective coordination from OFDA’s partners, including other donors, UN Agencies and NGOs.

Action D: Capitalize on opportunities in the disaster relief community

Although the U.S. Government is one of the world’s largest donors of emergency relief assistance, OFDA must work in concert with other major donors, the United Nations and NGO implementing partners. OFDA’s efforts to improve the effectiveness of emergency interventions could be easily compromised by others donors who might readily fund less strategically designed relief interventions. Indeed, implementing partners have an important profit motive for seeking funds elsewhere. In times of budget crisis, OFDA will be asking its partners to do a lot more with a lot less.

The UN Department of Humanitarian Affairs (DHA) was created to address problems of coordination in disaster situations. To date, it has but a few successes. With recent additions of experienced, qualified and sympathetic staff at DHA, improvements in its performance are possible. However, this is a time of apparently low donor confidence, especially among the nations of the European Community. **OFDA leadership can help DHA to fulfill its original mandate, especially by working closely with the Department of Complex Emergencies, drawing upon the genial professional relationships between individuals in OFDA and DHA.** Effective coordination of strategic interventions, especially those that are required in protracted complex emergencies, is the only way OFDA can effectively foster self-sufficiency and productivity of disaster victims on a wide scale.

→ Example from the Field:

Box 6 - - UNDP vs. DHA Lead Coordination

In Sudan, the UNDP Resident Representative serves as the U.N. Secretary-General's Special Representative. Chris Jaeger, a career UNDP official, was appointed to the post in Sudan in 1994. UNDP did not consult DHA about the appointment. While Mr. Jaeger is an Arabist with extensive experience in development, he had no prior experience in emergencies. Steeped in the pro-development traditions of UNDP, he has not been equipped to deal with illegitimate state structures, including either the government, to whom he grants too much authority, or rebel movements, to whom he grants too little recognition. This gives the Special Representative the appearance of a pro-Government of Sudan position, alienating many in the U.N. system, (including those who work on the U.N. Operation Lifeline Southern Sector, based in Nairobi), donors, NGOs and representatives of the peoples of southern Sudan.

By contrast, in 1993, DHA recognized that the U.N. Special Representative of the Secretary-General in Angola was unable to coordinate relief operations. DHA established the Humanitarian Assistance Coordination Unit with explicit responsibilities for the coordination of all emergency activities. UNDP retained control over development activities. Manual Aranda da Silva, who had extensive experience in complex emergencies in both Mozambique and Sudan, was seconded from WFP to head the coordination unit. The unit was equipped to analyze the unique aspects of Angola's complex emergency. Mr. da Silva established separate relations with UNITA and the Government of Angola, maintaining communication with both parties throughout the conflict.

PRINCIPLE TWO: THE KEY TO SELF-SUFFICIENCY IS CAPACITY BUILDING

There are three options for populations facing complex emergencies:

- capacity building
- dependency on external assistance, or
- doing without.

Capacity building entails far more than the channeling of emergency resources through local organizations. As the name implies, it is a highly involved process of building relationships at the local/national/international level to more effectively respond to crisis. As is the case with vulnerabilities, external interventions can either strengthen or undermine capacities. Of critical importance is the fostering of accountability, not only between OFDA and the implementing partner, but between the implementing partner and the benefiting community, as well as between community leaders and community members. Effective capacity building, therefore, lies at the heart of OFDA's mandate to use limited resources to alleviate disaster-related suffering.

Deliberate attempts by relief and rehabilitation organizations to assist communities to strengthen or create new structures of organization in the face or wake of disaster have been termed "capacity building" interventions. The term derives from the observation that, though crises occur periodically, they only escalate into disaster situations when they outstrip the *capacity* of a society to cope with them.¹⁴ When communities are regularly threatened by natural disasters, they respond by organizing to reduce the potential or actual threat posed by disaster. In such places, "civil society organizations and institutions (e.g. herders associations, traditional resource management arrangements, informal cooperatives) have evolved to reflect and service the risk management of vulnerable people."¹⁵ It is widely assumed that such adaptation occurs in complex political emergencies as well.

These adaptation mechanisms are imperfect and, in fact, can become more exploitative as crisis intensifies because inherent institutional weaknesses become more apparent and competition for limited resources increases. Nevertheless, they represent the best informed response to crisis, as they are developed by those whose lives and livelihoods are most vulnerable. OFDA personnel seeking to strengthen these coping mechanisms must make difficult judgments about those forms of organization that are both *capable of and worth enforcing*.¹⁶ This is no easy task. Recent experience has shown that identifying legitimate partners can be very difficult, as the box below demonstrates.

→ Example from the Field:

Box 7 - - Straw Houses Or "Real" Indigenous Organizations?

Before 1991, there were eight recognized local NGOs in Somalia. By 1993, over 600 local organizations had registered with UNOSOM. A recent evaluation noted:

These NGOs have been born for different reasons. There is a general agreement that most of them are rushing for "free money" and "food"...a quick count puts the genuine and able NGOs to less than 25 out of 420 now registered with the National NGO Consortium.¹⁷

This is in sharp contrast to the earlier situation in Eritrea and Tigray where the

establishment of the Eritrean Relief Association (1975) and the Relief Society of Tigray (1978) (was) significant in that their emergence was co-terminus with the main push for social and political reform in Eritrea and Tigray, respectively. It would be a mistake therefore to see them as a late addition to this process: they were an organic part."¹⁸

The term "capacity building" can be problematic for it means very different things to different people. Organizational conflicts have resulted from loose interpretations of the term. Increasingly, these conflicts have centered on the provision of OFDA assistance

not channeled through international NGOs or the UN system, especially in Africa. While some concerns are well-founded, this alarming trend has ominous implications for recovery prospects among victims of complex emergencies.

STRATEGY: CREATE AN OFDA POLICY REGARDING CAPACITY BUILDING

Recommended Actions

Action A: Adopt a working definition of capacity building

Public action includes not just what is done for the public by the state (and the international community), but also what is done by the public for itself.

According to the World Bank,¹⁹ capacity building has three distinctive elements:

1. Human development, especially the provision of basic health, education, nutrition and technical skills;
2. The restructuring of many public and private institutions to create a context in which skilled workers can function effectively;
3. Political leadership that understands that institutions are fragile entities, painstakingly built up, easily destroyed, and therefore require sustained nurturing.

While these aspects are important for any type of capacity building, it is necessary for OFDA to adopt a practical definition in the context of disaster relief. In emergencies, *capacity is the opposite of vulnerability*. Where vulnerabilities are the identifiable weaknesses that make communities prone to disaster, **capacities are the identifiable strengths upon which communities can draw to avert, mitigate or recover from disaster**. It follows then, that **capacity building is any intervention designed to either reinforce or create strengths upon which communities can draw to offset disaster-related vulnerability**. Therefore, capacity building includes a variety of interventions designed to strengthen or generate self-reliant systems to reproduce and support basic services once provided by the state, other forms of local administration, the community, tribes, clans or extended families, etc.

Action B: Incorporate capacity assessments in the disaster response

A focus on indigenous capacity to respond (to disasters) is by far the most effective starting point for policies which will combat insecurity in a sustainable manner, by helping to optimize the subsistence/sustainability trade-off.²⁰

Just as vulnerability assessments are necessary to determine appropriate interventions, so also are capacity assessments. However, the latter is rarely considered as an essential part of the initial relief process even though potential and existing capacities can be identified

in the first step of the emergency response. Longhurst recently prepared *vulnerability* assessment guidelines for OFDA, advising that social groupings and human resources be incorporated into assessments as elements that may either be considered vulnerabilities or strengths.²¹ However, similar frameworks for *capacity* assessments have yet to be developed and implemented. As a consequence, a specific community's capacity to respond to the emergency is rarely considered in most disaster assessments or the interventions such assessments inform.

Since various social strata have unique experiences, assessments of both the strengths and weaknesses of an affected population need to be disaggregated along relevant lines, e.g. gender, class, ethnicity, lineage, etc. Capacity assessments should consider the physical/material, social/organizational and motivational/attitudinal strengths of a disaster-affected community. Assessors of capacities should consider addressing at least the following questions:^G

- What productive resources, hazards, and skills exist? What is the physical condition of the affected population?
- What are the relations and organization among people? What are the main features of community organization and the distribution of power?
- How do members of the community view their ability to create change? How do members of the community view/explain the disaster?

Action C: Try not to increase dependency

OFDA recognizes its resource limitations, anticipates an ever-increasing demand for emergency relief resources and understands the unintended negative consequences of generating dependency. In response, OFDA has funded capacity building interventions to reduce the cost of relief operations, to meet emergency relief needs where international organizations could not respond or to capitalize on available local talent. Internationally, however, the current trend is toward *increasing* dependency, as one NGO worker predicted:

international agencies will become increasingly locked into provided relief in disasters which involve the total breakdown of states, economies and norms of behavior (e.g. Somalia, Rwanda, Afghanistan). In such situations, there is very little prospect of a return to normality, let alone an improvement upon normality, for years to come. Agencies will increasingly find themselves providing long-term welfare support, doing the job which one might have expected a government to do in the past.²²

^G See any of several works by Anderson, M.B., Woodrow, P.J., and Snow, R.T., (1988-89) including An Approach to Integrating Development and Relief Programming: An Analytical Framework, Unpublished manuscript written for the Harvard University International Relief/Development Project.

Social coping systems^H play a crucial role in the success or failure of emergency interventions designed to prevent dependency and foster self-sufficiency and productivity. In order to minimize dependence on OFDA resources and to position beneficiaries to maximize claims on domestic political, military, and economic powers, **communities must be assisted to maintain or establish organization.** Despite the importance of social coping systems, relief agencies tend to pursue the most expedient route in responding to disasters, often not taking time to examine what communities are capable of doing for themselves. Meanwhile, the primary response of the international donor community has been to fund parallel services (health, water, sanitation, education, agriculture production assistance, transportation, etc.) provided by international NGOs to fill the void created by the “failed state”. The emergence of a parallel NGO system has been documented in the southern Africa drought,²³ the Ethiopian/Eritrean conflict,²⁴ and the Sudanese drought and civil conflict, as well as other complex emergencies. It is often correctly perceived that working through local systems would slow the initial emergency response. However, in the rush to meet the perceived needs of disaster victims, this parallel structure by-passes local organizations, missing critical opportunities to strengthen or create social coping systems.

While the parallel international NGO response mechanism has saved hundreds of thousands of lives at the height of emergency, its effectiveness declines markedly under conditions of protracted conflict or other so-called permanent emergencies. The rapid response system was not designed to meet the needs of disaster victims *over extended periods*. A different system of rehabilitation (one preferably funded by development dollars) is supposed to take over *after the temporary crisis has subsided*. In complex emergencies, however, the “temporary” crisis can take years to pass. Meanwhile, development funds, particularly for disaster-prone countries, continue to dwindle. **OFDA should continue to recognize that the parallel international NGO response mechanism is largely based on the fallacy that relief operations are a temporary interruption in the development process.**

The parallel NGO structure unintentionally weakens civil society because international NGOs (understandably) seek to maximize their performance in responding to the most urgent of apparent emergency needs. As a result, international organizations have a tendency to maintain control over resources, minimize participation in the decision-making process, siphon off the best and brightest local staff, escalate local salaries, etc. To avoid generating long-term dependency on its resources, **OFDA should improve the mix of indigenous and international efforts.** To the extent possible, **OFDA should resist funding parallel international NGO structures where feasible local alternatives can be identified through capacity assessment.** This has to be attempted despite pressure generated by the media or other external agents that cause relief agencies and donors alike to be caught up in the “myth of speed”.²⁵ As part of a larger OFDA media policy, **OFDA should develop strategies to prepare those who must withstand**

^H Social coping systems, as used in this paper, refer to the full range of a community’s capacities to deal with disaster.

the media onslaughts that accompany select complex emergencies. Staff must recognize that the pressure of the “media factor” can lead to the emergence of a parallel international NGO response mechanism which, in turn, can simply generate long-term dependency.

Action D: Weigh the pros and cons of capacity building in each complex emergency

OFDA personnel who are considering the benefits and drawbacks of pursuing capacity building interventions must weigh these against other alternatives: exclusively supporting a parallel, international NGO-dominated system, or not providing assistance to disaster victims at all. Currently, disaster relief responses are a mixture of these options. Most resources are delivered through parallel international NGO structures. In some areas, victims are not assisted where access is blocked by military or political actors. Elsewhere, limited OFDA resources are channeled through indigenous organizations. In the future, the disaster relief response will presumably continue to be a mix of these routes. The aim is to minimize the number of disaster victims who must do without, while optimizing the balance between indigenous and international relief structures to limit dependence on external resources. It is important to note from the outset that none of these routes is cost-less. The relative advantages and disadvantages of each option must be evaluated within the context of each particular complex emergency. Every case is and will be different, depending on the underlying capacities assessed in disaster-affected communities. **In all complex emergencies, OFDA staff should routinely evaluate the pros and cons of capacity building. OFDA might consider formulating guidelines to assist staff in this effort.**

Local organizations and international NGOs are not substitutes for each other; each has its own strengths and weaknesses. A mix will be preferable to exclusive reliance on one or the other in most complex emergencies. This mix alone, however, is not capacity building, *per se*. Rather, capacity building is the prerequisite for improving this mix. For example, where local organizations can effectively manage relief and rehabilitation assistance, no capacity building assistance is required. However, where such local organizations do not exist, providing resources without building capacity will do more harm than good.

There are several important potential benefits of strengthening social coping strategies through capacity building. In northern Iraq, Kurdish organizations in OFDA-funded resettlement projects are producing high quality projects because these local organizations better understand Kurdish cultures, practices and preferences. This has been important especially for determining the appropriateness of sanitation interventions.²⁶ In the case of Sudan, where rehabilitating local capacity is a key element of the country strategy, OFDA-funded capacity building interventions have been credited with jump-starting economic cooperative structures, revitalizing a destroyed market economy and reducing long-term dependence on USAID emergency relief resources. Interventions to strengthen Sudanese relief organizations also increased accountability among rebel relief associations.

Other potential benefits of capacity building include positive residual effects. For example, when expatriate relief workers are evacuated or OFDA funding ceases, there remains some agent to continue activities, although possibly in a greatly reduced capacity. Further, a critical contribution of capacity building is that disaster relief and rehabilitation resources can reach those populations not specified in negotiated access agreements. This can limit the manipulation of relief resources needed by politically marginalized victims. Further, organized communities are better able to reinforce traditional conflict resolution mechanisms or to produce local surplus (necessary for health worker/teacher incentives or to stave off random military appropriation). Capacity building can generate new coalitions of pro-peace, pro-justice interests by providing an alternative to insurgent or government military agendas. These interventions can also create or enhance viable organizational structures that can be strengthened with development funds when relief resources are no longer required.

Just as there are numerous benefits of capacity building, there are several potentially negative aspects that deserve attention. In both northern Iraq and Sudan, capacity building interventions have required extensive administrative and managerial investments by OFDA and partner international NGOs. Approximately one-half of the OFDA-funded, Catholic Relief Services (CRS) - managed umbrella grant for indigenous organizations in southern Sudan is absorbed by CRS for administrative and supervisory costs alone. In northern Iraq, OFDA field and program staff have spent months resolving language problems that require that funding proposals be revised again and again. In Iraq and elsewhere, the funding process has been hampered by a general lack of understanding by indigenous groups that OFDA is a distinct organization with unique project requirements (as compared to DOD or the UN, for example).

In the chaos of conflict, resources provided to some organizations can grant legitimacy to inappropriate political factions. Project inputs can also create destructive competition for resources, a process that further weakens marginalized social groups. In protracted emergencies, any semblance of community organization might be nearly destroyed, requiring longer-term investments to reorganize fragmented social groups. Rejuvenating traditional socioeconomic structures can unintentionally reinforce bias against women. In addition, local organizations are usually as impoverished as the beneficiaries they seek to serve. Yet, OFDA is not equipped to provide even modest cash advances directly to such groups. **OFDA should consider increasing reliance on umbrella grants managed by qualified international NGOs in order to redress particular issues of financial management.**

Umbrella grants have problems of their own, however. Foremost is a lack of consistent guidance, expectations and requirements from OFDA to its international NGO managing partners. According to one USAID-funded report that reviewed \$150,000,000 worth of umbrella grants for development work:

umbrella projects have proven to be a flexible mechanisms for enlarging PVO/NGOs' operations, improving these agencies' capacities, and opening possibilities for A.I.D. involvement with beneficiary groups not easily reached by other programming approaches. At the same time, the study found a series of commonly repeated errors in the conceptualization and implementation of umbrella projects that reduce their effectiveness and limit their potential impact.²⁷

In order to gain maximum performance from the umbrella grant mechanism, **OFDA and its implementing partners should review lessons learned in other USAID-funded umbrella grant programs.** As part of the Africa Bureau's PVO/NGO Initiatives Project (PIP), at least one comprehensive study was conducted that distilled some generic lessons learned. These included project design, monitoring and evaluation, institution building for effective community-based action, innovation and flexibility, and personnel issues.²⁸ **OFDA should prepare guidelines for NGO umbrella grant managers and should insist on adherence to them.** The guidelines should include OFDA's *expectations about the goal of the umbrella grant, its specific administrative requirements, estimates of administrative costs, clear explanations of the division of responsibility, and criteria for monitoring and evaluating both sub-contractors and umbrella grant management.*

Action E: Balance tradeoffs between humanitarian imperatives and political neutrality

There are trade-offs between capacity building and political neutrality. Capacity building interventions that create self-sufficient, viable populations will threaten those who stand to gain by -- or are actively seeking -- the marginalization of vulnerable populations. These threats can range from outright genocide (e.g. the Tutsis of Rwanda, the Kurds of Iraq) to more subtle forms of degradation (e.g. the continued marginalization of the Rahenweyne in Somalia, the deliberate impoverishment of the Dinka in Sudan).

As opposed to humanitarian neutrality, political neutrality implies that relief operations will be conducted within the framework of the overarching political system, regardless of the legitimacy of political power. This tenet has been embraced by many relief agencies that claim to be "apolitical." In contrast, the concept of humanitarian neutrality means that relief workers are obliged to assist disaster victims *wherever they are*, regardless of political, religious, cultural or other considerations.²⁹ Where survival is threatened, **relief agencies must "side" with disaster victims wherever they are, regardless of "official" restrictions on access.** Capacity building, like every other type of strategic intervention in complex emergencies, requires the relief agency to abandon *political* neutrality in favor of the overriding mandate of *humanitarian* neutrality. The tradeoffs between humanitarian imperatives and political neutrality are difficult. The military and political aspects of these issues are well covered in a parallel strategy written by Prendergast and Scott³⁰. **OFDA is encouraged to prepare practical guidelines on these tradeoffs based on the Prendergast and Scott paper.**

→ Example from the Field:

Box 8 - - Denied Access While The Nuba Suffer

The Nuba Mountains, located in the heart of Sudan at the crossroads between south and north, are home, grazing and farming land to the indigenous Nuba peoples. Arab Hawazma cattle-keeping pastoralists and other pastoralists of the Misseriya, Zuruq and Humr tribes cross parts of the Nuba Mountains on their seasonal grazing routes. Since 1985, various governments of Sudan have supported counter-insurgency strategies against the Nuba by arming the Hawazma and Misseriya. These attacks escalated in the period between 1989 and 1992, leading to massive displacement, widespread suffering and, reportedly, extensive mortality among the Nuba. International organizations were denied access to the Nuba Mountains, including both rebel- and government-controlled areas. USAID efforts to provide relief supplies to displaced and war-affected Nuba through Sudanese, non-Nuban organizations were unsuccessful because USAID staff were unable to monitor the emergency program while implementing partners were unable to account for relief supplies, large quantities of which were co-opted by local militia.

Because the Nuba are neither southern nor northern Sudanese, they have consistently lacked an advocate at the negotiating table in U.N.-brokered, tripartite agreements for negotiated access to disaster victims in Sudan. The rebel SPLA has not demanded that the relief community respond to the on-going crisis in the Nuba Mountains. The Government of Sudan, which stands accused of a policy of genocide against the Nuba, has also not raised the issue. Though Save the Children/US and CARE are now commencing relief and recovery activities in government controlled areas of the Nuba mountains, the international community (with the notable exception of the human rights community) has not demanded equal access to Nuba living in rebel-controlled areas. Much of the international relief community has followed the principles of political neutrality rather than humanitarian neutrality in the case of the Nuba.

Capacity building is a vital strategy for ensuring humanitarian neutrality by serving to offset the dominant political, economic or military groups' attempts to restrict access to disaster victims. Equipping communities to control resources essential for survival will enable such communities to better withstand *de facto* quarantines imposed on them (e.g. when access by the international community is denied or when the ebb and flow of conflict force displacement of expatriate relief workers from project areas).

PRINCIPLE THREE: TIMING IS EVERYTHING

The best way to foster self-sufficiency and productivity of disaster victims is to intervene early, wisely, appropriately and effectively. Time of exposure to crisis is one critical determinant of a community's eventual capacity to recover from crisis. Well-targeted, well-timed interventions enable victims to retain essential assets and limit the irreversible effects of extreme consumption rationing. As the end of this process nears, the familiar

signs of wide-spread disaster-related distress appear, triggering (eventually) extremely expensive disaster responses (e.g. Sudan 1988/89, Somalia 1992/93, Angola 1993, Sierra Leone 1996?) aimed almost exclusively at fostering immediate survival.

It should be noted that only a portion of the work done by OFDA in disaster preparedness, mitigation and prevention (PMPP)¹ is currently operationally relevant to its disaster response personnel (DRD), the majority of whom work on complex emergencies. PMPP interventions could be critical for fostering self-sufficiency and productivity in complex emergencies but generally have not been adequately developed. From the late 1980's to present, disaster prevention, mitigation and preparedness (PMP)² specialists have produced a wealth of useful research^K and practical frameworks that directly address issues of mitigating natural disaster and fostering recovery. However, with respect to protracted complex emergencies, there are two critical shortcomings in this field:

1. Most disaster relief workers in the field neither see nor use much of this information in the course of their work.
2. OFDA-funded PMP work has focused almost exclusively on natural disasters. Some attempts have been made to modify the PMP frameworks developed for natural disasters to situations involving complex emergencies.³¹ *However, PMPP has not substantially invested in complex emergencies as a special category of disasters, despite the fact that complex emergencies claim the majority of OFDA's budget.*

This second point is extremely important and deserves further attention. Attempts to modify PMP work based on natural disasters to fit the realities of complex emergencies have been inadequate. Considerably more effort is critically needed to apply the PMP lessons learned in natural disasters to the realities of complex emergencies. This will not be an easy task, however.

Issues of PMP in complex emergencies are different from those in natural disasters. Rapid or short onset natural disasters are external (exogenous) shocks to the process of development. In the case of short onset natural disasters, such as earthquakes or hurricanes, interventions to *mitigate* disaster aim primarily for rapid recovery to the *status quo ante*. Natural disaster *prevention* strategies focus on physical construction (e.g. housing designs) and *preparedness* strategies include the establishment of early warning and response mechanisms, usually within the organizational structure of a recognized government. Some of PMPP's greatest achievements are in this area, especially in Latin America. In the case of slow onset natural disasters, such as drought, mitigation is achieved through the direct and free distribution of relief commodities while prevention

¹ PMPP refers to the division within USAID/BHR/OFDA that has responsibility for issues of disaster preparedness, mitigation and prevention.

² PMP refers to the field of disaster preparedness, mitigation and prevention in general.

^K For, literally, several thousand examples, please refer to Runcy, E., (1995), Famine Mitigation Bibliography: With Special Emphasis on Africa, Second Edition, USAID/BHR/OFDA, Washington.

efforts focus on stabilizing production. The shocks associated with slow onset emergencies are inherent (endogenous) to the process of development, and therefore require permanent modification of livelihood practices and patterns. Disaster preparedness includes, for example, the establishment of national and regional EWS (early warning system), or measures to improve grain storage techniques.

Conversely, complex emergencies are a perverse hybrid of both rapid and slow onset disasters. It would seem there are localized rapid onset emergencies nesting in more widespread slow onset disasters. The resulting shocks are both inherent (endogenous) and external (exogenous) to the affected community. In complex emergencies characterized by political chaos and economic decline, these shocks are not so much to the process of development but are, rather, shocks to the process of survival.

Box 9 - - The Current State Of PMP

Type of Disaster	Type of Relief/ Mitigation	Type of Preparedness	Type of Prevention	Type of Shock
Rapid onset natural disaster	Reconstruction and general distribution of relief items.	Establishment of EWS and response mechanisms at national and regional level	Improvements to physical structures at local level	Temporary & exogenous to the process of development
Slow onset natural disaster	General distribution of relief items, e.g. provision of food, water, shelter, or interventions to save livestock.	Establishment of EWS and response mechanisms at national and regional level; improvement of crop storage techniques.	Improvements to cropping and livestock patterns to maximize stability in production	Protracted & endogenous to the process of development
Complex emergency	Not well established, but includes general distribution of relief items & distribution through market channels, emergency loans and other measures to maximize availability of cash	Not well established, but includes capacity building & organization of consumer/ producer cooperatives; capacity building at sub-national level	Not well established, but includes conflict resolution and measures to maximize stability of consumption (ensuring cash availability, maintaining herd sizes, promoting functioning markets)	Temporary & protracted & endogenous & exogenous to the process of survival

STRATEGY: MAKE PMP KNOWLEDGE AND INTERVENTIONS OPERATIONALLY RELEVANT TO COMPLEX EMERGENCIES.

Recommended Actions

Action A: Focus on consumption rather than production strategies

Effective routes to prevention, mitigation and preparedness in complex emergencies have not been as systematically developed as they have been for other types of disasters. In this, PMPP has a tremendous opportunity to redress this shortcoming that plagues all donors, implementing partners and research institutions working on complex emergencies. **The initial premise should be to understand that, unlike communities stricken by natural disasters, victims of complex emergencies are primarily concerned with stabilizing consumption, not necessarily production.** This premise alone can lead to very different PMP interventions. For example, while holding stocks of cereals may be an effective drought mitigation strategy, such stocks may invite attack by armed groups in complex emergencies. In the latter, functioning markets and a ready supply of cash or other forms of mobile assets are far more effective mitigation strategies.

Action B: Organize a conference to address issues of PMP in complex emergencies

PMPP was created about five years ago. The time has come to determine possible directions this division can pursue in order to better serve the PMP issues facing DRD. As a first step, **OFDA should organize a conference** that specifically addresses disaster prevention, preparedness and mitigation in complex emergencies (e.g. civil wars, economic chaos, areas where social norms have collapsed, states without legitimate government, low-intensity wars between states with irredentist claims, guerrilla warfare, religious-based conflict, wars of independence). Given a lack of state-level implementing partners in complex emergencies, the conference should focus on community-based interventions.

Action C: Improve coordination between divisions

OFDA should consider relocating the offices of PMPP and DRD to adjacent space to facilitate regular, easy communication and more effective coordination.

Action D: Focus on sub-national levels of PMP in complex emergencies

Complex emergencies are almost universally characterized by the collapse of national political systems, precluding reasonable attempts to establish EWS within government structures and requiring considerable more focus on local PMP interventions than in natural disaster-prone areas. **PMPP should increase its attention to local (versus national) interventions**, e.g. how to perform cost-benefit analysis in complex

emergencies at the project level or how to improve upon existing merchant networks to expand food stocks in local markets or how to capitalize on markets for pharmaceuticals.

Action E: Develop methods to incorporate the cycles of emergencies into disaster relief planning

In protracted complex emergencies, there are seasonal demands for relief resources (e.g. those that result from winter, wet seasons, armies that attack in dry seasons, rivers that rise and fall, etc.) Meanwhile, back in Washington, management must reconcile the seasonal demands in emergencies abroad with the variances in OFDA's budget cycle. These supply and demand trends can be, but rarely are forecasted. This information could be used to estimate budgetary requirements for several months in advance of the need to respond. In some protracted emergencies, OFDA could *plan ahead*, providing relief personnel with much better opportunities to increase economic efficiency and improve the quality of emergency responses. **PMPP should seek expert advice to develop practical ways to estimate the cycles of supply and demand for relief resources and their related budgetary impacts.**

Action F: Require consistent monitoring and evaluation of OFDA-funded PMP interventions in complex emergencies

A PMP intervention is successful if it either reduces the vulnerability or enhances the capacity of a community to withstand the vagaries of a complex emergency over time. Since the concept of PMP interventions in complex emergencies is still evolving, it is imperative that systems of monitoring and evaluation (M&E) be required. It is important that M&E systems determine the relationship between PMP interventions and their impacts on the probability that relief assistance will be needed in the future (see Annex). This obviously means that areas benefiting from PMP interventions must be monitored after the initial crisis has passed. This data is useful in two ways: either to evaluate the effectiveness of the intervention itself or to form the basis for local early warning systems in areas susceptible to repeated disasters.

OFDA's project proposal guidelines should be revised to require that implementing partners determine measurable, realistic and useful indicators of project impact on both vulnerabilities and capacities. In addition, a system of continuous, accurate and timely reporting must be established from the outset and maintained both throughout and beyond project life. OFDA staff should work closely with implementing partners to ensure that such information is routinely provided to PMPP. In turn, PMPP should conduct thorough analysis of the data, ensuring that lessons learned contribute to the larger concern of developing effective PMP interventions in complex emergencies.

PRINCIPLE FOUR: STRESS MIGRATION UNDERMINES PRODUCTIVITY AND SELF-SUFFICIENCY

Stress migration,^L including displacement, is a primary cause of vulnerability in complex emergencies. The migratory process can undermine the self-sufficiency of both sending and receiving (hosting) communities as well as those who migrate. Aside from military operations that generate sudden migration, most decisions to migrate are made after consideration of alternative options. This takes time. Potential migrants weigh the benefits/risks of staying against the perceived benefits/risks of migrating. In weighing the decision to stay in or depart from a crisis-affected community, people will choose to leave if the expected benefits of migrating are higher than the expected benefits of staying. This equation may be as simple as certain death or extreme suffering in one's home versus less certain death or suffering elsewhere. If necessary, interventions to discourage migration must either lower the benefit/increase the cost of migrating or increase the benefit/lower the cost of staying. In many instances, there exists a window of opportunity to prevent stress migration or crisis-induced displacement before it starts.

In times of extreme stress, migrants leave their communities to seek employment in order to send remittances home, to ease pressure on a household's limited food supply or to avoid life-threatening attacks. These migrants may be considered economic migrants or displaced persons, depending on their destination or public/official/agency perception. "Triggers" of stress migration include military operations, destruction of crops or economic assets, food shortages and collapse of agricultural systems and/or the economy.³²

STRATEGY: MINIMIZE STRESS MIGRATION AND ITS EFFECTS

Recommended Actions

Action A: Determine if stress migration is beneficial or harmful to the most vulnerable

While stress migration from rural areas is generally viewed as detrimental to both sending communities and migrants alike, not all crisis-induced migration is bad for communities. In some instances, outmigration is essential to reduce competition for limited resources, e.g. in drought-affected areas. The first step in designing interventions to reduce outmigration is to determine if such interventions will be beneficial or harmful to the *most vulnerable population*. If determined harmful, **OFDA should support interventions to stop stress migration before it starts.**

Stress migration can grossly undermine self-sufficiency and productivity in complex emergencies by reducing the quantity and quality of labor available in the sending

^L The term "stress migration" is used here to refer to any outmigration from a community threatened by or experiencing the effects of a complex emergency.

household/community. Often, stress migrants are heads of household or key laborers. Their departure can have particularly deleterious effects on agricultural production. Those of the most vulnerable population who are left behind may be denied water rights, credit, land tenure, labor-sharing arrangements, etc. Remittances are usually negligible and do not offset losses to the sending household, especially among the poorest households. Likewise, stress migration can burden the receiving community by fueling cultural or ethnic conflicts or by contributing to wage-depressing competition in labor markets.

Unseasonable migration raises uncertainty in the home community and signals crisis. As migrants are usually male, their absence from the household can mean reduced participation by that household in the community's political processes, depending upon cultural norms and gender roles. Male out-migration can also disrupt the family's access to non-market community resources because the recognized head of household is not present to either make claims or fulfill them, e.g. extended family labor arrangements, intra-clan credit agreements, etc. Further, the effects of stress migration on the migrants themselves are rarely considered. Working conditions are associated with extreme poverty and elevated morbidity and mortality among migrants. Obviously, if the migrant can/will not return, all of these effects can become permanent.

Action B: Understand the dynamics of urban migration

Urbanization is a global phenomenon. Growth in urban cities in Africa, for example, is due far more to rural-urban migration than to the rate of natural increase among residents. In times of conflict, trends towards urbanization can increase, often in the guise of displacement. Urban areas may be perceived to be safer than rural areas because they have higher strategic value and are more likely to be protected (e.g. Mozambique). They often offer better opportunities in the casual labor market while also serving as bastions of relief operations (e.g. Monrovia).

Relief operations in urban garrison towns^M have different objectives than relief programs in urban areas where movement is unrestricted. In the former, self-sufficiency is often *not* a realistic aim.

When a city is completely surrounded, for all practical purposes it becomes entirely dependent on outside aid and because the economy inside has only restricted access to new sources of currency, more emphasis must be given to free distribution of relief items than would normally be advocated in other relief situations.³³

By contrast, in cities where there is relative freedom of movement, self-sufficiency is achievable and desirable -- achievable because of special employment opportunities and desirable because of the strongly negative consequences of dependency in urban settings.

^M Garrison towns are those where access or egress has been blocked by occupying or surrounding forces.

Especially in cities, social networks decrease both the fiscal and psychic costs of migration by providing, for example, information, a familiar face, transitory accommodation or contacts in the job market. The provision of long-term relief assistance to displaced persons can also create additional incentives for further rural to urban migration. When relief agencies provide assistance to displaced in cities, this can increase the benefits of migrating, thereby generating further displacement from sending communities or discouraging voluntary repatriation. News of such relief assistance invariably reaches sending communities. It follows then that dependency in urban settings can generate ever-increasing demands for relief assistance.

While it is often unavoidable to provide relief aid in urban settings, **the longer-term consequences of assistance for vulnerable displaced populations should be considered as soon as the acute crisis passes.** Relief operations in urban settings are tricky at best. Extreme urban poverty has accompanied the global urbanization phenomenon. Therefore, every effort is required to distinguish between the urban migrant and the truly urban displaced. As a matter of priority, it is more important to break cycles of dependency in cities than it is in rural villages. This is far easier said than done; however, the following rule of thumb may be useful (except when life-threatening stresses are a factor):

When you can no longer identify the differences between the urban displaced and the urban poor, it's time to stop relief distributions.

Action C: Counter the dependency of forcibly relocated communities

Thus far, migration and displacement have been presented as a rational response to crisis. Situations involving involuntary migration, forced displacement and forced repatriation do not fit this model. Victims of involuntary relocation are the most vulnerable of all disaster victims. They have the weakest asset base because they are unable to organize in advance of the relocation and are often forced to abandon rather than sell assets. Of all forms of migration involuntary relocation is hardest on self-sufficiency and productivity.

The international relief community tends to respond only after forced displacement has begun. Campaigns of forced migration, however, should be prevented at all costs unless they are motivated by strains on natural resources. Given that the ultimate aim of forced migration is deliberate impoverishment or total marginalization, interventions to counter dependency must be highly strategic. Communities that are relocated usually attempt to reestablish community organization almost immediately after being displaced. These efforts should be identified and nurtured by relief agencies who provide assistance.

Once immediate survival needs are met, **relief interventions to provide jobs and other economic opportunities are more important than investing in basic infrastructure in artificial and unsustainable settlements** (aside from water, shelter and sanitation programs necessary for public health). Cash earned or allotted, as opposed to food aid,

will enable migrants and their families to relocate out of the settlement, either to return to their home communities or somewhere else *of their own choosing*.

Forcible relocations are often associated with egregious human rights violations and are, therefore, highly political. It can be difficult to distinguish between human rights obligations and humanitarian imperatives. Issues of relief agency responsibility and culpability are particularly sensitive. On-the-ground relief interventions must be accompanied by a concomitant political effort to address human rights issues. This can serve the ends of the humanitarian operation if political interventions ultimately slow the pace of relocation. **OFDA should continue to work closely with the State Department to coordinate efforts to:**

- negotiate with responsible parties to find alternative solutions to forcible relocation;
- identify sympathetic entities in the affected country and encourage them to generate pressure on those responsible for the relocations; and,
- encourage the larger international community to publicly protest the relocations and, if possible, impose sanctions.

Action D: Provide jobs and economic opportunities for all stress migrants

In the absence of casual employment to provide food for migrants and their families, recurrent nutritional emergencies will oblige relief agencies to regularly intervene. Migrants need to be involved in some form of economic activity in order to avoid dependency on relief supplies. A balanced approach to providing economic opportunities to displaced populations³⁴ may include:

- Lowering the cost of living by providing short-term relief assistance with land for gardens for home food production, establishing production or consumption cooperatives or providing basic social services free of charge.
- Subsidizing the cost of living through targeted feeding for small children or the establishment of cheap, effective transportation systems.
- Creating direct job opportunities, bearing in mind that artificial settlements require the creation of artificial jobs.
- Locating development projects near displaced settlements to create demand for migrant labor, and reserving such jobs for displaced persons.
- Promoting micro-enterprise development in the settlements, especially through the establishment of small, community-based, revolving loan arrangements.
- Providing access to new markets, especially through the facilitation of transportation and communication.

- Training displaced persons, especially those with agrarian backgrounds, for urban-oriented employment.

PRINCIPLE FIVE: SOCIAL DYNAMICS INFLUENCE THE SUCCESS OF RELIEF RESPONSES

It should not be assumed that the effects of complex emergencies are gender^{N.35} or age neutral. Such crises can have wildly differing effects on various subsets of communities, and indeed, within households. While this may represent opportunities for some to assume new roles of leadership, it generally means that the most vulnerable in the communities must further exploit what little resources they have simply to survive. Complex emergencies frequently affect men differently than women, the elderly differently than the young, the married differently than the unmarried. Women, especially poor women, get caught in a vicious cycle of rising prices, increased threats to weak capital bases and reduced access to natural resources, thereby increasing vulnerability.

STRATEGY: DESIGN INTERVENTIONS TO EASE THE IMPACT OF COMPLEX EMERGENCIES ON THE MOST VULNERABLE

Recommended Actions

Action A: Understand that women are proactive survivors

This section will focus on the effect of conflict on women of reproductive age, but similar analysis can and should be considered for a variety of gender and generational combinations. OFDA's draft Guiding Principles³⁶ state that

within the affected population, first priority will be placed on meeting the needs of children, then women of child bearing age, then other vulnerables including the elderly...Assessments will consider particularly the unique status and problems of children, women and the elderly and recommend means to address their welfare.

While OFDA has placed the highest priority on providing assistance to women and children, it has been with the underlying assumption that these constitute the most *helpless* victims in complex emergencies. Women and children are often chief providers whose primary responsibility is to manage the delicate trade-off between short-term survival and longer-term self-sufficiency and productivity. In this capacity, they are not

^N Gender is a social construct, as opposed to sex, which is a biological determinant. "Gender differences, based on the social construction of biological sex distinctions, are one of the great "fault lines" of societies -- those marks of difference among categories of persons that govern the allocation of power, authority and resources. But gender differences are not the only such fault line; they operate within a larger matrix of other socially constructed distinctions, such as class, race, ethnicity, religion and nationality, which give them their specific dynamics in a given time and place."

helpless victims but are rather proactive survivors. Nevertheless, the additional stresses placed on women and children as a result of their expanded productive roles in crisis do, indeed, make them a highly vulnerable group. **It is critical that relief workers delve into the gender and power dynamics of affected communities by assessing their vulnerabilities and capacities.**

Action B: Avoid further burdening the vulnerable

War disrupts the livelihoods of men and this process has distinct economic, social and political consequences for women. In addition to direct conscription, war forces men away from their homes as they seek to evade conscription or migrate to safer areas or to search for employment.³⁷ Men who do not leave may find it necessary to hide to avoid conscription or arrest, rendering them unproductive and costly for the remaining family members. Thus, in war zones, conflict is associated with labor shortages at a time of increased productive responsibilities. This profoundly alters the workload of remaining able-bodied adults, the majority of whom are, by default, women. **Relief interventions should be designed so that they, at least, do not further burden the work load of the most severely victimized.** This point should be considered in the design of Food For Work or Cash For Work schemes that employ “surplus” labor.

Action C: Design interventions to protect and strengthen women’s capacities to provide for themselves and their dependents

Women are usually responsible for the collection of common property resources essential for self sufficiency.³⁸ These may include gathering firewood, producing charcoal, fetching water or collecting wild foods. In complex emergencies, demand for common property resources increases while the availability of these key items declines. Given increased disaster-related risks of production failure, women intensify their exploitation of natural resources to meet basic consumption needs. This dynamic has been readily observed in most drought emergencies. Unlike most drought emergencies, however, many complex emergencies are characterized by decreased access to common property resources. Landmines make ventures “off the beaten track” especially dangerous, as in Cambodia or Mozambique.³⁹ Curfews and other restrictions on movement can limit women’s access to natural resources, endangering self-sufficiency. Restrictions on movement imposed to protect communities unintentionally hinder the collection of common property resources. Those imposed to intentionally increase reliance on market transactions are deliberate “winner” strategies for accumulation. Regardless of intent, such restrictions undermine a woman’s efforts to provide household essentials at the lowest possible fiscal cost. In these circumstances, **OFDA should support relief agencies that provide general distributions of essential natural resources.**

Especially in poorer nations, women form the backbone of the rural economy. Generally, however, women lack adequate access to land, capital, credit, technology and training.⁴⁰ Availability of productive inputs is likely to be dependent upon the male partner. His absence in times of crisis further reduces a women’s access to key inputs, thereby

increasing the risk of production failure. The most direct consequence of a lack of inputs is increased food insecurity in the household, a situation that can be redressed *in the short run* by free food distributions. Emergency seeds, tools and credit projects, as well as projects to assist producers to form cooperatives, can help to ease dependency on food aid and increase food security. However, **interventions must target the most relevant producers, the majority of whom are likely to be women.**

Indirectly, women respond to risks of production failure and the loss of any male-generated cash income by diversifying their economic and consumption strategies. Because women do not have full access to commodity and labor markets even in the best of times, diversification in periods of crisis entails increased reliance on illicit or dangerous economic activities, accelerated exploitation of natural resources and disproportionate reductions of food intake. For example, women are heavily involved in *khat* drug trading in Somalia and control the brewing of *marissa* in the Khartoum displaced camps. Women increase charcoal production in drought-affected areas, despite their awareness of the damaging, long-term effects of such practices. Nutritional surveillance in Bangladesh shows that females more than males tended to reduce their food consumption in times of food shortages.⁴¹ In addition to informal monitoring of women's nutritional status, **relief agencies should ensure that foodstuffs are available in sufficient quantities to assure adequate consumption by productive women.**

Where women do have access to markets, it is often in the form of trading petty goods or supplying basic food services. Women's assets are shallow and are susceptible to destructive economic forces, resulting in the "cannibalization" of their assets in times of disaster. For example, a woman who prepares food in the market may need to divest her "capital" (a small stock of charcoal, one cooking pot, a kilogram of sugar and tea) to meet the basic consumption needs of her family. As food input prices increase due to food shortages, such women can be easily driven out of business, resulting in the loss of a key source of cash income. An example is found in Box 10 on the following page.

→ Example from the Field:

Box 10 - - Gender Differences In Market Access

Differences between male and female access to markets as a coping strategy was studied in the Mandara Mountains of northern Cameroon.⁴² Of note, 70% of men and only 33% of women relied on markets to cope with regular seasonal hunger. A remarkable 21% of women and only 1% of men reduced their food intake. Even following extremely poor harvests, only 37% of women could rely on commodity or labor markets for relief, as the table below indicates.

Type of Response	Percent of Total Recorded Coping Responses to Drought			
	during regular hunger season		after very poor harvest	
	women	men	women	men
Production (e.g., hunt, gather, grow special crops)	5	8	36	25
Exchange (e.g., sell livestock, wage labor)	33	70	37	53
Assets/claims (e.g. borrow food or money, seek family assistance, use food reserves)	39	15	27	21
Consumption (e.g. reduce portions, skip meals)	21	1	-	-

Action D: Design emergency health interventions keeping the responsibilities of women in mind.

In complex emergencies, women are invariably left with not only additional productive responsibilities, but an increased care-taking burden as well. Especially in stressful periods, women are the traditional caretakers of family members. Where formal and informal health systems fail, women are forced to fulfill the added tasks of health care for the household at a time when their work burdens have already increased markedly and their consumption has fallen dramatically. This has serious ramifications for the vulnerability of the entire household. **The careful design of emergency health interventions can greatly ease women's burdens, reduce vulnerability and strengthen the family's capacity to cope.**

PRINCIPLE SIX: MARKETS ARE NECESSARY TO IMPROVE PRODUCTIVITY AND SELF-SUFFICIENCY

Humanitarianism has a long and proud tradition of providing free relief to people in their most vulnerable hour; therefore, using market channels to deliver relief assistance is controversial. Yet, using the market can contribute to self-sufficiency and productivity. When functioning, markets smooth intertemporal and spatial production risks by providing, for example, credit and insurance. Most of these arrangements in poorer countries are informal. Active trading in local markets keeps transportation networks open, including information systems that maintain rationality of prices across regions and limit exploitation. Village markets provide a forum for petty trading of food and non-food goods, thereby encouraging farmers to produce above minimum subsistence levels while also reducing outmigration. Because they are more responsive to consumer demands than are relief organizations, markets provide diversity in diets, productive inputs and essential items. Merchants' stocks serve as one form of local reserve (e.g. grain stores).

Experience in complex emergencies indicates that strong and functioning markets serve communities far better than those either dominated by monopolistic powers or by markets that have failed completely. "Winners" manipulate markets in times of crisis, much to the detriment of the poorest people. Markets and merchants are usually perceived as part of the problem in complex disasters. Merchant's hoarding behaviors contribute to exorbitant prices. In Somalia, merchants and warlords masterminded the systematic theft of huge quantities of relief food. However, they were useful and effective for monetization of food and contracted food delivery. The markets potential for serving as part of the solution remains largely untapped by the international relief community.^o Indeed, some do not consider market-based interventions as appropriate actions for relief groups. In a recent conversation, a program officer working in Sarajevo with an OFDA-funded organization was asked if they managed any market-based programs. "No," he said, "we're a humanitarian organization."⁴³

In reality, markets are a mixed bag. They play a crucial role in supporting a community's capacity to maintain productivity while also serving as a key source of increased vulnerability, especially for the most marginalized members of a community. Those with resources and market power, when ignored by the relief community, are sure to pursue exploitative economic strategies unchecked. Incorporated into a larger strategy of relief, however, markets and merchants can more effectively provide goods and services to many vulnerable communities than can relief agencies.

^o One notable exception, however, includes work conducted by the late Fred Cuny, especially in Somalia and the Former Yugoslavia.

Box 11 - - The Wider Role Of Markets

Beyond goods and services, village markets are a critical arena for information, political exchange and socializing, all of which are important for maintaining kinship ties, increasing efficiency in markets and bringing together groups with common economic interests. Some SCF/UK staff in Ethiopia observed:

Markets are not only commodity exchanges; they also play an important social and political role as centers for exchange of all kinds of information on the surrounding region and beyond. They are occasions when friends and kin beyond the village meet, when encounters take place between country-people and townspeople, and enemies congregate in peace, and a certain amount of drinking is done.⁴⁴

STRATEGY: USE MARKETS TO MAXIMUM ADVANTAGE

Recommended Actions

Action A: Monitor markets in complex emergencies

Markets help people achieve self-sufficiency and foster productivity. Since relief efforts rarely meet the full needs of crisis-affected populations, markets serve as an alternative source of food and non-food items. This important function limits dependence on relief distributions by those with purchasing power. Active markets also provide a tax base to fund local social services and to offset the random looting of local surpluses by armies. Further, markets have a close relationship with the informal economy, serving as the forum where claims staked are recovered or extended, e.g. credit, in kind repayment of loans and labor. Importantly, price movements and terms of trade in local markets can be powerful famine early warning indicators. In communities where markets have failed, vulnerability is increased in the absence of the functions markets play. **OFDA should require implementing partners to conduct basic monitoring of markets in project areas.** This might include minimal assessments of available goods and functioning services, as well as routine monitoring of prices. **OFDA should consider revising the Field Operations Guide or developing a special handbook on the economics of market-oriented disaster interventions for field staff.**

Market activities signal the appropriateness of distributed relief commodities. **The market behavior of intended beneficiaries should be routinely investigated to determine how they utilize distributed relief items.** Based on this information, subsequent interventions should be modified as necessary. Relief workers might investigate to determine if the appearance of relief items on markets is an indication of a desperate need for cash to protect either lives or livelihoods. Sales of relief items could indicate a pressing need for consumption items not furnished by relief agencies. The need to protect livelihoods may also cause beneficiaries to dispose of distributed goods in the market. Despite serving as powerful signals of the (in)appropriate nature of relief

distributions, such market sales are routinely dismissed as signs of poor monitoring by the implementing agency or simply accepted as inevitable “beneficiary monetization”.

Action B: Ensure that markets are not worsening the plight of the poorest of the poor

Especially in complex emergencies, markets exploit those who lack purchasing power, i.e., the poorest of the poor. In times of crisis, collusion among the wealthy and the empowered forces reliance on their market by limiting access to non-market resources or other markets. Because of the increased risks associated with disasters, credit terms are usurious, with particularly acute consequences for women, the poor or the socially marginalized. “Winners” seek to maximize “famine prices,” thereby minimizing returns on distress sales of assets. Profit motives can work against the interests of the most vulnerable because those with market power deliberately keep wages low or minimize competition in the market place.

OFDA and its implementing partners should counteract the negative aspects of exploitative markets by increasing competition in markets and removing barriers to non-market resources. This may be accomplished if

- the number of economic actors is increased through revitalized producer or consumer cooperation (e.g. growers co-ops, consumer organizations);
- access to natural resources is restored by negotiating safe passage or de-mining water sheds, forest, common grazing areas, etc.;
- fair emergency credit rates are guaranteed for the most vulnerable; and,
- transportation routes are kept open between markets (e.g. de-mining and rehabilitating roads, increasing the availability of basic modes of transportation including mules, bicycles and draft animals).

Action C: Determine if markets can be strengthened through selective infrastructure support

Markets fail or perform poorly when infrastructure is damaged and destroyed by war. Strategic military targets include transportation (road, rail, river or air networks) and communication (radio, television and newspapers) systems. As the threat of conflict increases, some merchants relocate to safer areas, reducing competition in the market and increasing opportunities for monopolistic exploitation. Informal insurance and credit markets, two important forms of managing risk across time periods, cannot withstand protracted crisis because of limits on communal resources. In addition, these risk markets collapse when the institutions that enforce contracts break down, e.g. elders councils whose authority is usurped by military powers, herders’ associations that dissolve due to increased competition for limited grazing land, villages that are destroyed, etc. Concomitant with other initial emergency interventions, the state and function of market infrastructure should be assessed. **Where market functions are inhibited, relief interventions to repair vital infrastructure should be supported.**

Action D: Understand the tax base of markets

Incentives for surplus production diminish when markets fail, increasing the risk of food insecurity as farmers resort to subsistence production. Formal and informal tax bases erode in the face of declining production, threatening social services and increasing the likelihood of random appropriation by military armies and insurgent factions. International organizations routinely decry attempts by local authorities to re-establish tax systems to rationalize appropriation or to gain self-sufficiency in local administration and social services. Under some circumstances, however, **alternate forms of responsible taxation should be supported by OFDA**. In order for communities to overcome dependency on relief resources, there is a necessary balance between the outrageous banditry of Somalia and the absolute “no new tax” stand of the international community.

➔ Example from the Field:

Box 12 -- “Taxation” In Yambio, Western Equatoria, Sudan

Yambio is a naturally fertile area deep in rebel-held territory in southern Sudan. Prior to 1993, farmers maintained only subsistence production due to the combined disincentives of a defunct market, destroyed transportation systems that cut off trade with nearby Uganda, and random appropriation by rebels. With OFDA funding, a barter shop was established to encourage surplus cereals production to be exchanged for blankets, cooking pots and farming tools -- “relief” items that, under other circumstances, would have been freely distributed. In response to the barter incentives, farmers produced surplus cereals far exceeding expectations, and the local market revived due to both surplus production and other OFDA-funded activities, including road rehabilitation and the re-establishment of productive cooperatives for bicycle repair and tailoring.

Despite the renewed market activity, social services, including the primary health clinic, remain dependent on emergency funding. The prime reason for this dependency is a lack of an effective *local* taxation structure. Last year, under the OFDA-funded, Catholic Relief Services-managed umbrella grant for indigenous organizations, CRS provided vegetable seeds and tools to local organizations in Yambio for the establishment of a community garden. The produce from the gardens will be provided to local teachers so that education can resume in Yambio. In this fashion, an alternative tax structure is emerging that will, it is hoped, see Yambio become self-sufficient in social services, despite the ongoing war.

PRINCIPLE SEVEN: POORLY DESIGNED RELIEF INTERVENTIONS UNDERMINE SELF-SUFFICIENCY AND INCREASE VULNERABILITY

In complex emergencies, to be effective (or at least to limit potential harm), relief workers must understand the *underlying* systems of production, social services, politics

and markets because some relief interventions can unintentionally undermine self-sufficiency and increase vulnerability⁴⁵. Although health interventions are only one of many possible relief options, they are the sole focus of this principle. This is sensible because OFDA spends the bulk of its resources on health interventions, and OFDA-funded emergency health interventions have, at times, lacked a consistent strategic approach.

Stress migration, conscription, and war-related death and disability change the structure of households at a time of increased demand for medical care. This shift in the division of labor coincides with both the collapse of and increased competition for health services. Informal medical systems, including traditional healers, are also hampered when access to natural resources or physical mobility is restricted by conflict, including landmines.

→ Example from the Field:

Box 13 - - Health Care In Somalia

After the war broke out in May 1988 the existing health structure in the north collapsed. However, since then the health workers left in the area, many themselves refugees, have begun to develop a health service in conjunction with the Somali National Movement. The primary focus still is the emergency treatment of casualties. Because of a lack of resources, public health interventions are limited and are generally targeted to the internally displaced.

STRATEGY: ESTABLISH SUSTAINABLE SYSTEMS

Recommended Actions

Action A: Understand the underlying health system

While agricultural self-sufficiency is clearly linked to food security, it is less obvious what it means to be self-sufficient in health. In all countries, rich or poor, economic growth and efficient markets do not, on their own, solve basic welfare problems. Direct action is required to sustain an adequate safety net.⁴⁶ In the poorest countries, especially those torn by civil strife, safety nets are inadequate. Most of the world's poor do not have access to state-funded basic medical services. According to the World Bank,

in low-income countries the poor often lose out in health because public spending in the sector is heavily skewed toward high-cost hospital services that disproportionately benefit better-off urban groups.⁴⁷

In Sub-Saharan Africa, one-third to one-half of all those who fall ill do not seek care at modern health facilities but rather draw on home remedies, locally purchased drugs, or traditional healers.⁴⁸ This is due to a combination of a lack of facilities and cultural beliefs about the effectiveness of traditional healers.⁴⁹ Where the state has provided health facilities, they are often insufficient. According to MSF,

medical facilities are fragile, insufficiently equipped, badly funded, often serviced by personnel of doubtful competence who are generally poorly paid and, as a consequence, not very motivated...In an armed conflict, independent of the length or intensity of the fighting, the health of the people concerned will be profoundly affected. The health infrastructure, already uncertain, quickly becomes inefficient due to transport problems, maintenance and fuel problems, lack of medical reserves and difficulties in restocking, and, of course, the flight of civil servants and health personnel.⁵⁰

➔ Example from the Field:

Box 14 - - Health Services In The North-East Highlands In Post-Conflict Ethiopia

Based on an extensive survey, SCF/UK staff concluded that “there has been very low coverage of vaccinations even regardless of roads, and the disruptions of war cannot be the sole reasons for this. It is a sad truth that if the survey had been undertaken within 4 or 5 years of the famine of the mid-1980’s, the picture would have looked somewhat better, because surviving children in relief camps tended to receive vaccinations.”⁵¹

In times of disaster, both formal and informal health systems are badly stressed. In areas where the state once provided basic health care, services can disappear due to direct military attack or as national funds are diverted to “war chests”. Traders who provide pharmaceuticals to local markets may be forced to relocate as transportation networks, informal credit systems and other basic infrastructure are threatened. Health professionals, including local healers, are prime targets for conscription into armed forces, further eroding critical informal health systems in rural areas.

The design of emergency relief health interventions can also undermine informal health systems. Local healers, recruited and trained by NGOs and paid “fair” cash wages, may no longer wish to remain in their communities. NGO health clinics that provide free *curative* care may drive traditional healers out of business. The emergency provision of free essential drugs can lower market demand for pharmaceuticals. This temporary drop in demand can have serious long-term ramifications if commercial pharmaceutical traders become discouraged and relocate to other markets. In short, what few health services existed pre-crisis may be destroyed by well-intended emergency health interventions implemented in response to disaster.

This is not to suggest that OFDA should stop funding health interventions. To the contrary, OFDA plays an essential role in providing basic emergency preventive and public health care services. Using available market systems can greatly improve the short- and medium-term impact of OFDA-funded health interventions by strengthening

rather than undermining the key role markets play in health care. To stabilize underlying informal health systems, **OFDA should explore monetization of pharmaceuticals.**

Action B: Above all, provide basic emergency public health care

Relief workers need to differentiate between the emergency health needs of a community (that are often escalated in times of war, drought, famine, etc.) and the longer-term health problems that communities face and address in times of stability. In order to minimize mortality and morbidity, emergency relief programs, especially for displaced persons, must ensure the provision of adequate food, water, shelter, sanitation. Public health programs that prevent mortality due to measles, diarrhea, and other communicable diseases are equally important.⁵² This includes community outreach and, in the case of diarrhea disease epidemics, the effective case management of ill patients.⁵³ With technical assistance from the CDC, OFDA is returning to these basics.

Action C: Include reproductive health in emergency public health interventions

Reproductive health should be considered as an emergency public health issue for at least three reasons. For all of these reasons, **reproductive health should be considered as an emergency public health issue.**

1. Historic demographic analysis of famines indicates that women seek to reduce their fertility in advance of crisis as a deliberate strategy to decrease both maternal and child vulnerability. Emergency family planning services can facilitate this temporary fertility suppression and thereby potentially increase the survivability of key producers.
2. Complex emergencies can be characterized by genocidal campaigns, rape and malnutrition-induced infertility that seriously undermine a community's ability to reproduce itself. These same forces, however, can generate a strong demand for children in affected populations (e.g. lineages, clans, tribes) whose very survival as a unit depends upon restoring the size of its population, regardless of the dangers to the health of women. All of these factors create pressures to increase fertility in highly vulnerable women. Therefore, reproductive health services are essential to minimize maternal and child morbidity and mortality.
3. Just as landmines keep killing long after the fighting stops, so HIV/AIDS continues to indiscriminately besiege communities. Rape, demobilization of soldiers and stress migration can rapidly increase the incidence of HIV infection. Research indicates that in areas of high STD prevalence, treatment of STDs (other than HIV) can significantly decrease the transmission rate of HIV from infected to uninfected partner, a point that has grave relevance for preventing HIV infection among people of reproductive age⁵⁴ (who happen also to be essential providers).

Action D: Promote self-sufficient health systems

Overall, health interventions will be one of the last to be fiscally self-sufficient. Indeed, functioning cost-recovery is conceivably the ultimate indicator of achieving self-sufficiency. Nevertheless, it is important that communities begin this process as soon as possible to limit dependence on OFDA's emergency resources. In concert with its implementing partners, **OFDA should actively promote and support community efforts to implement partial cost-recovery.** Through direct taxation or indirect support to health systems in some form (e.g. community gardens with produce going to health staff, FFW projects to rebuild health structures, etc.) is desirable and achievable..

Box 15 - - Potential For Cost-Recovery

In Sub-Saharan Africa, private, out-of-pocket expenses represent some 43 per cent of all expenditures on health, compared to 37 per cent from governments and about 20 per cent from donors. These countries, though among the poorest in the world, have considerable experience with user fees because cost recovery is the only way that private for-profit and voluntary clinics can survive. In addition to these services, poorer people are willing and able to pay for traditional healers. In Ethiopia, expenditures on traditional medicine constituted about 20 per cent of total household expenditures on health in the mid-1980's, compared with 33 per cent for private doctors and 47 per cent for "modern" medicines.⁵⁵

PRINCIPLE EIGHT: FINANCIAL MANAGEMENT TOOLS PROVIDE A RATIONAL BASIS FOR PRIORITIZING EMERGENCY EXPENDITURES

Resources for emergency relief and rehabilitation interventions are and have always been limited. Relief workers tend to think in one time frame, the present, and one spatial dimension, the project area. Saving livelihoods requires relief workers to consider not only the present, but the future as well. In making difficult decisions about funding interventions that save lives or livelihoods, OFDA can employ financial management tools, such as cost-benefit analysis, to quantify and compare the streams of costs and benefits. Financial management tools can be used to:

- maximize the effectiveness of limited resources;
- rationalize the decision-making process;
- facilitate efficient comparison between interventions involving different time frames, sectors, and beneficiary populations. (Without this step, interventions to promote self-sufficiency and productivity may inaccurately appear, in the short run, less cost-effective);
- form a useful basis against which project performance can be monitored and evaluated; and,

- make relief workers think about not only the positive, but more importantly also about the *negative* consequences of emergency interventions.

The relative cost-effectiveness of lives vs. livelihood interventions depends on the probability of disasters reoccurring. The more disaster-prone the area, the more important it is to consider the streams of costs and benefits of emergency relief interventions over space and time. For OFDA, it is far less expensive if communities can survive future disasters with a minimum of external emergency assistance. In addition to saving lives in disaster prone communities, saving livelihoods is often highly cost-effective (see Annex).

Over time, the relative costs and benefits of saving lives without saving livelihoods has become apparent in the Horn of Africa. Many pastoralists in Somalia, Sudan and Ethiopia who lost their livestock in the drought emergency of 1984/85, have not yet recovered their herds and remain vulnerable to disaster. Efforts by communities to rebuild livestock herds were wiped out in the 1991 drought. This was a far less severe drought than the mid-80's disaster, but still required the massive mobilization of relief resources (including nearly \$100 million in relief resources from USAID for Sudan alone). Had the costs and benefits of more sustainable livestock interventions *versus* the free distribution of relief items been considered ten years earlier, the former would have appeared very economically attractive if the probability of recurrent disasters had been included in the calculus.

For a number of reasons, approval of OFDA-funded interventions, unlike USAID development projects, has not been based on methodical cost-benefit considerations. Within the USAID bureaucracy, OFDA is configured for quickness of response and has been exempted from cost-benefit requirements in the interest of expediency. For many years, OFDA interventions were limited to a few months with the intention that once the disaster was over, development activities would resume. Minimizing the duration of OFDA interventions has long been more important than has been maximizing effectiveness in the longer term.

The above limitations on cost-benefit analysis in disasters were acceptable in a time of different management challenges. Given ever more limited budgets, OFDA and its partners must seek new ways of being more effective in prioritizing scarce resources. Today, OFDA faces serious realities that require new approaches if the organization is to fulfill its mandate. The most important realities are:

1. a fierce competition for limited resources;
2. a growing number of protracted, complex emergencies that will continue to claim the majority of OFDA resources; and,
3. a general awareness of the costs associated with the unintended negative consequences of relief interventions. (For example, the costs of relief interventions

include not only the resources provided by OFDA, but also the costs borne by those unintentionally harmed by well-intentioned interventions.)

STRATEGY: USE FINANCIAL MANAGEMENT TOOLS AT THE PROJECT LEVEL.

Recommended Actions

Action A: Useful, measurable indicators should be required of all implementing partners

Donors in general rarely require NGOs and UN Agencies to specify measurable outcomes of relief interventions. In practice, if an NGO's relief budget is in line with other NGOs' relief budgets they are thought to be cost-effective. It is against this nebulous standard that creative interventions to save livelihoods have to prove themselves to be the most cost-effective. Relief interventions that temporarily save lives may involve different costs and different benefits from interventions designed to improve productivity and foster self-sufficiency. In order to provide a basis for comparison, **it is imperative that OFDA enforce its requirements specifying indicators in project proposals.**

Consider choosing between providing free relief food or increasing agriculture production through Food For Work. Although the time frames may be quite different, both share the same ultimate objective: saving lives through improved food security. In this example, it is estimated that up-front costs of Food For Work programs are 50% higher than providing direct food aid (when considerations for additional administrative, physical and technical inputs are included).⁵⁶ However, FFW benefits, unlike the single benefit derived from the free distribution of relief food, span several time periods. At first, they provide employment. Later, they increase resilience to future crises by increasing food security.

Action B: Equip relief workers to use financial management tools

Ultimately, the most cost-effective intervention depends upon the context of the emergency. There are no hard and fast rules governing the decision to fund, for example, an indigenous group of medical providers over funding a highly experienced international NGO. The costs and benefits of relief and rehabilitation interventions must be discounted over time in order to make reasonable judgments. Otherwise, decisions are subjective and therefore vulnerable to wider margins of error. OFDA personnel and their colleagues must be equipped to rationally determine trade-offs and if costs justify the benefits. Before this can be attempted, **PMPP should develop a clear, practical field guide for using financial management tools in complex emergencies.** To refine methods of project-level cost-benefit analysis, for example, PMPP should consider rigorously testing the guide in the field, preferably in on-going emergencies. After the guide proves to be workable, OFDA should then widely distribute it to staff and implementing partners.

Some helpful examples of basic financial management tools can be found in disaster research reports, such as that described in the following box.

→ Example from the Field:

Box 16 - - Rational Disposition Of Key Productive Assets During Food Stress In Ghana

The fewer assets one has left, the relatively more precious those assets become. The marginal cost of disposing of assets increases dramatically as one's asset base declines. Likewise, the weaker the asset base, the more attractive rationing of consumption becomes as an alternative to disposing livelihood-sustaining productive assets. In this example, internal rates of return were calculated to estimate the order of asset disposal during times of food crisis. This information is useful to determine what productive assets are most valued by the household. Market prices alone do not provide this information. An estimation of the family income derived from the asset is also needed. This data is available from brief discussions with randomly selected producers.

In this example, although the sale of bullocks and plows will realize the greatest amount of cash, their sales are postponed because of their importance in maintaining productivity, as indicated by their relatively higher rates of return. Relief workers can use this type of readily available, easily calculated information in one of two ways. Such information is useful for estimating the order of asset sales and, therefore, can be used to improve the design of interventions to protect the most important of productive assets. The present value of the long-term cost of the disaster to the farming family can be calculated from this information. This information is valuable for cost-benefit analysis comparing the feasibility of lives versus livelihood interventions.

Calculating Internal Rates of Return to Estimate The Order of Asset Sales⁵⁷

Asset	Number Owned (N)	Selling Price/Unit (a)	Income Per Annum (b)	Rate of Return ^P (c=b/a)	Selling Sequence
Radio	1	6,000	0	0.00	1
Goat	8	4,000	200	0.05	2
Bicycle	1	18,000	3,000	0.17	3
Bullock	2	50,000	15,000	0.30	4
Plow	1	25,000	30,000	1.20	5

^P Prices are in Ghanaian Cedis. This simplified model ignores asset depreciation, time preference, rates of growth, liquidity, non-monetary (utility) returns, etc.

Action C: Recognize that rapid and simple financial assessments should be done in complex emergencies

OFDA has made several good faith efforts to perform cost-benefit analysis on nations affected by complex emergencies. These efforts have been compromised because the necessary data have not been available. In addition, methods to incorporate risks into formal cost-benefit analysis have yet to be fully developed. These are serious shortcomings. However, unlike analysis conducted on the *national level*, practical and quick financial assessments are possible on the *project level*. **OFDA should require the use of financial management tools at the project level.**

Action D: Encourage development practitioners to incorporate the probability of disaster and associated relief costs in their project proposals

Although there has been much talk about “relief for development”, insufficient attention has been paid to “development for relief”. To ease unnecessary strain on OFDA’s budget, **USAID development staff should incorporate the potential costs of emergency interventions into the cost-benefit analysis of development projects in disaster-prone areas.** This is not currently USAID’s practice but it should be. For example, Save the Children/UK is currently building and improving roads in more remote, disaster-prone areas of northern Ethiopia. They note that this project “could not be justified in conventional economic terms but would be easily justified in terms of the huge savings in relief costs which will be obtained when, as is likely, crisis returns to that area.”⁵⁸

→ Example from the Field:

Box 17 - - Failure To Incorporate The Risk Of Disaster Into Development Projects

A thorough, retrospective cost-benefit analysis of a USAID food security development project in Mali was conducted. The project area had an assumed annual 20% probability of drought. At the end of the intended project period, the project was not self-sufficient. Using standard development cost-benefit criteria, further investment could not be justified in terms of increased production. USAID declined the implementing NGO’s request for \$1.5 million in additional funding for another five years. The authors of the cost-benefit analysis calculated the opportunity costs of foregone domestic production compared to the costs of providing external relief. They noted that “the question not posed by AID was whether any subsidy necessary to keep the project operating would be greater or less than the cost of periodic famine relief that would result if the project ended.”⁵⁹ Estimating the benefits of averting disaster relief is not a standard accounting procedure in USAID development projects. This case demonstrated, however, that continued support for the development project would have been easily justified if the probable costs of relief had been incorporated into USAID’s standard cost-benefit analysis for development projects in disaster-prone areas.

V. CONCLUSION

In the coming months and years, OFDA staff can be certain of two facts: first, emergency relief resources will be further limited and, second, demand for disaster relief assistance in complex emergencies will increase. The strategy to foster self-sufficiency and productivity presented here is grounded in these two realities. It further has sought to assist OFDA to explain to critics and supporters alike why issues of productivity and self-sufficiency are important components of the U.S. Government's response to complex emergencies overseas. OFDA is an agency that, at times, must save livelihoods in order to save lives.

Making decisions informed by cost-benefit analysis and thorough assessments will maximize the effectiveness of limited relief resources by better servicing the complicated trade-offs facing increasing numbers of disaster victims. Strategies to promote self-sufficiency and productivity entail equipping relief workers to rely less on humanitarian instinct and more on well-informed intelligence. The complex relationships between lives and livelihoods must be thoroughly examined, with strengths and weaknesses identified and used to increase effectiveness. These additional requirements of rigorous analysis may seem to burden relief workers who arguably work in one of the most difficult occupations in the world. However, this strategy is designed to ease this workload by providing a rational framework for effective, durable responses in complex emergencies.

Politics. Economics. Military strategies. Gender. Time. Space. Culture. Ethnicity. Power. Capacity. These "buzz words" of complex emergencies need to routinely inform disaster relief responses, especially those marked by conflict or political oppression. With aggressive acts of mankind superseding accidental acts of nature as the primary source of human suffering, survival of the most vulnerable is threatened now more than ever. It is the deliberate exploitation of these victims of complex emergencies that makes this task so compelling.

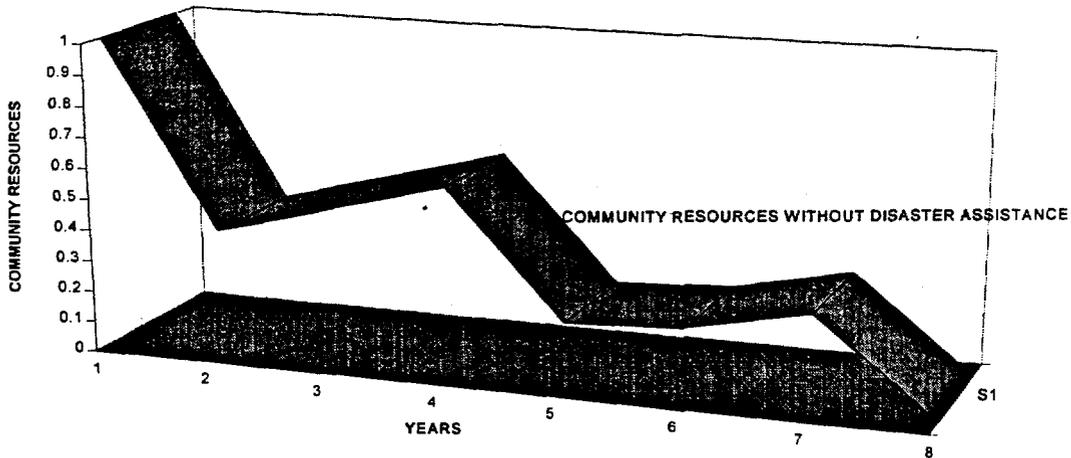
ANNEX - - HOW TO DETERMINE THE EFFECTIVENESS OF PMP INTERVENTIONS

This annex includes one hypothetical example in four parts to demonstrate that *effective PMP interventions in complex emergencies to rapidly restore disaster-affected populations to self-sufficiency can reduce the demand for emergency relief resources*. In protracted complex emergencies, the relationship between PMP interventions in one time period and the subsequent resilience of a community to future crises has not been explored. This example is entirely hypothetical.

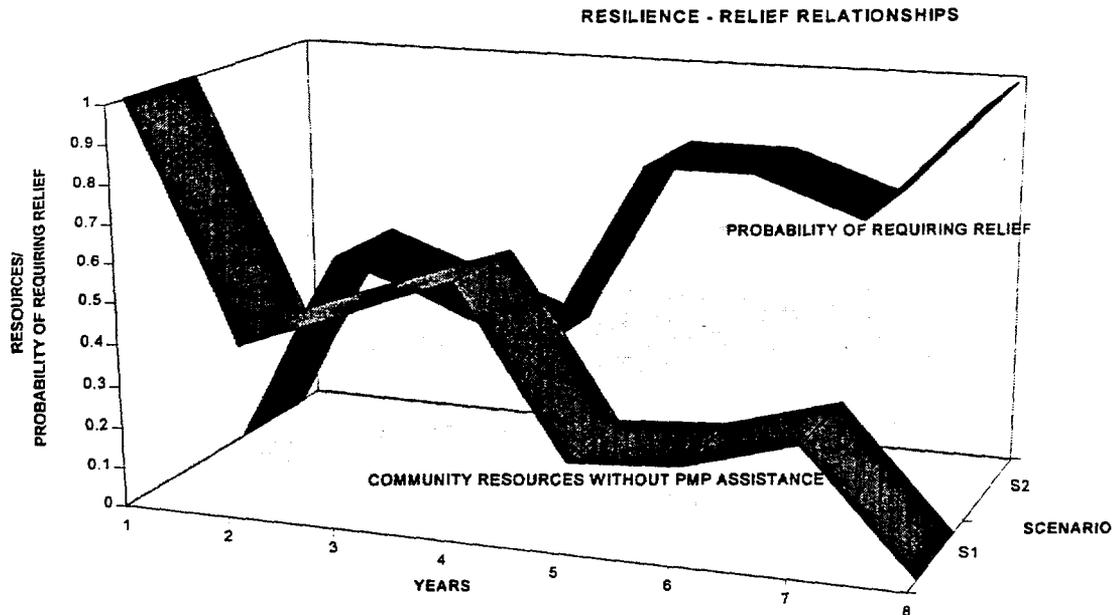
The challenge for OFDA, especially PMPP, is to determine which interventions actually produce the hypothesized relationships described in this annex. This strategy paper has suggested many such interventions. The frameworks in this annex have been designed particularly with complex emergencies in mind. It is assumed that self-sufficiency (as represented by community resources equaling near 1.0) implies a zero demand for external assistance. While these communities may be in need of *development* assistance, that is considered irrelevant for OFDA's purposes in this exercise.

In this annex, a community is assumed to be struck by disaster every other year for eight years. In the first part (entitled "Resilience - Disaster Relationship"), it is assumed that no PMP assistance is provided. The resulting cycle is familiar. Community resources are used as a proxy for the community's resilience to disaster in this example. In year one, when the first disaster occurs, community resources decline by 60 per cent of their original, self-sufficient level. In the two subsequent years, the community slowly rebuilds, only to lose ground again sharply in years three and four. This second disaster further weakens already strained community resources and employed coping mechanisms, and the path to rehabilitation is difficult and slow, as demonstrated in years six and seven. The third and final disaster decimates all available community resources.

RESILIENCE - DISASTER RELATIONSHIP

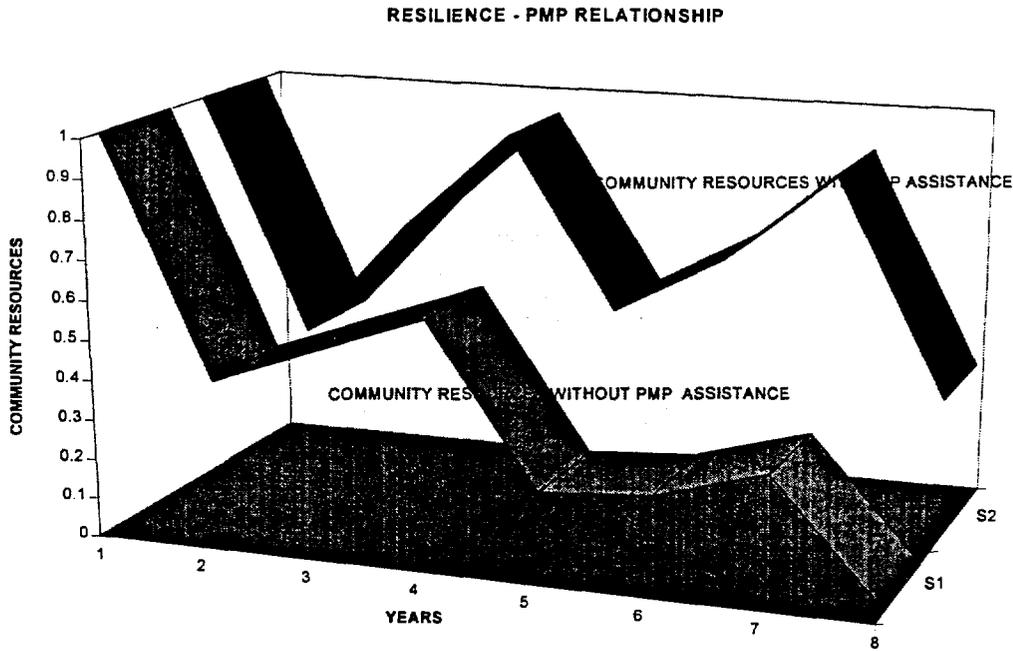


As the community's ability to cope with successive disasters is diminished, the probability of requiring external emergency relief assistance to survive rises. This is demonstrated in the following chart labeled "Resilience - Relief Relationships". Note that the y-axis reflects both the community's resources in Scenario 1 (S1) and the probability of requiring relief assistance, Scenario 2 (S2). It is assumed that there is an inverse relationship between a community's resources and the probability that the community will require emergency relief assistance. When the community is self-sufficient at 1.0, the probability of requiring relief is zero. This probability increases with subsequent disasters and declining resilience. In reality, of course, this is not a perfect relationship due to the limited availability of relief resources, delays and errors in assessment mechanisms, and numerous other barriers to providing timely relief. As drawn, however, these limitations are ignored for demonstration purposes.

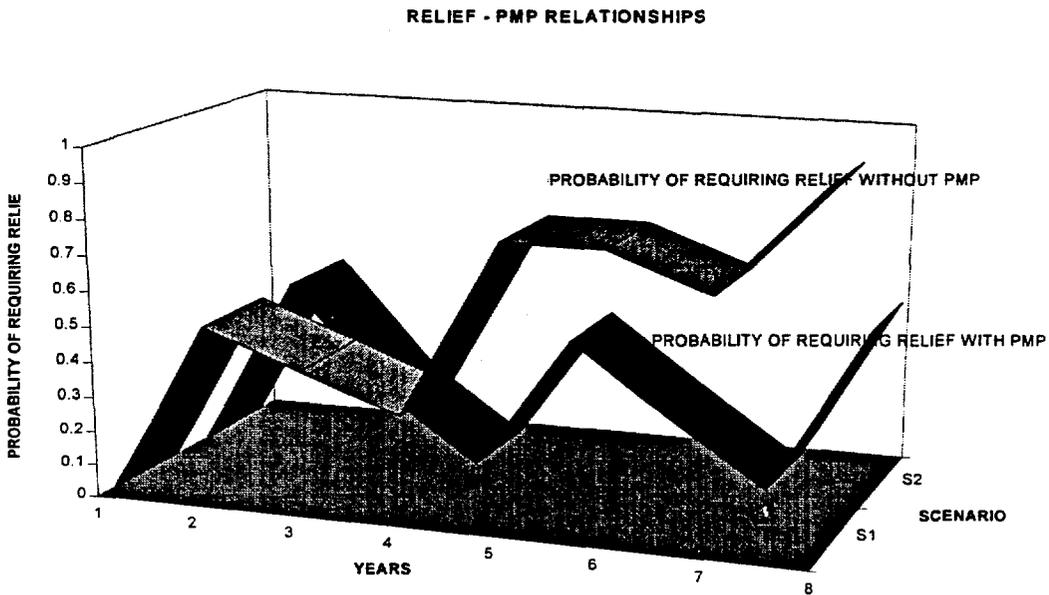


In the third chart, “Resilience and PMP Relationships,” it is assumed that successful PMP interventions in the wake of the first disaster increase the resilience of the community and mitigate the impact of subsequent disasters. The area between the two lines represents the “savings” to the community as a result of the PMP intervention, a benefit which the community “gains” when compared to Scenario 1 (S1). More effective PMP relationships will result in larger areas between the two lines; less effective programs will yield poorer results.

As drawn, the community nearly regains self-sufficiency in the wake of each disaster because of PMP assistance. This dynamic has important implications (e.g. emergency credit programs that, by necessity, rely on eventual repayment to remain viable. Without PMP interventions (S1), such credit programs would quickly become bankrupt.) In S2, there is a better chance of sustained feasibility, even in the case of successive emergencies.



In the fourth and final chart, "Relief - PMP Relationships," it is demonstrated that PMP interventions increase the relative availability of community resources. As a result, the probability of requiring future disaster relief assistance declines; e.g. when established barter shops continue to provide essential supplies, even through subsequent disasters.



Herein lies OFDA's most pressing concern, for the area between the two curves represents the diminished *demand* for relief resources. Of course, because OFDA is able

to respond to only a fraction of the global demand for relief resources and because PMP interventions are not cost-less, only a portion of this area translates to actual OFDA savings.

The reasoning presented here is not groundless. Indeed, what is represented here is the rationale for OFDA funding many types of PMP activities in disaster prone areas. The challenge remains, however, to identify those types of interventions that will most efficiently provide the results outlined here. In this, PMPP and DRD must work very closely together.

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