

The Dos and Don'ts of USG Humanitarian Reorganization

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The FY 2020 budget request released by the White House last month contained a sweeping proposal to rationalize and streamline US Government humanitarian assistance programs overseas. The proposal would merge together the three humanitarian budget accounts (International Disaster Assistance, Migration and Refugee Assistance, and Food For Peace Title II); strip programming responsibilities from the State Department's refugee bureau and consolidate them entirely in a new humanitarian bureau at USAID; and establish a vaguely-described "dual-hat" senior leader role to oversee humanitarian activities at both USAID and the State Department.

The proposed changes would be the most significant overhaul of USG humanitarian structures in decades. The proposal in its current form is unlikely to get much traction in Congress, where it is seen on both sides of the aisle as dramatically weakening US leadership on refugees. In light of other moves by the administration – like its slashing of refugee resettlement numbers and rough treatment of asylum seekers – that is a legitimate and vital concern. There is ample reason to approach the proposal with caution, particularly the idea of stripping away the refugee bureau's resources.

But there is real merit to the broader aim of rationalizing and harmonizing the USG humanitarian aid model – a step that is frankly long overdue. The budget proposal, while flawed, aims to address a very real problem: the US Government is a generous but fragmented donor of humanitarian assistance, and this fragmentation means the US punches below its weight in terms of policy and operational impact. Instead of gutting State's refugee bureau, Congress and the administration should explore whether there are alternative measures that would lay a groundwork for a more cohesive USG approach to humanitarian aid. This post lays out what those might look like.

As I wrote in a paper last year, the practice of dividing aid into refugee, food, and everything-else budget buckets is deeply problematic. These are no longer valid organizing principles for US assistance in a world in which food needs are often met by cash or voucher programs rather than in-kind food distribution; nor one in which refugees, internally displace people, and conflict-affected host communities inhabit the same crisis contexts, share common needs, and often live in close proximity – all while receiving disparate levels of aid.

Yet US relief assistance is still appropriated through decades-old legacy accounts that trifurcate humanitarian assistance according to these categories. Before USG humanitarian experts have

an opportunity to assess the relative scope of food, refugee, and non-food/non-refugee aid needs, Congress pre-emptively determines how much the US will spend on each.

Rather than fostering alignment and collaboration between USAID and State on humanitarian programming, this budget structure assigns each office its own distinct patch and turns inter-office collaboration into an onerous exercise. Each agency has evolved its own funding model, programming timelines, and organizational culture. This has produced major variances in the nature and extent of US engagement in different crises, based not on need but rather on which office happens to have the lead. For a major internal displacement crisis – as in Northern Nigeria several years ago – USAID will deploy a Disaster Assistance Response Team composed government experts to directly manage the US response and engage with the government and humanitarian partners. If instead those displaced people cross a border and secure refugee status, the model abruptly shifts and the State Department depends primarily on UN partners to serve the population, with a much smaller direct USG footprint. In many crisis responses, the different program models and funding practices mean that the path of least resistance is for the State and AID teams to simply stay out of each other's lanes: deconfliction is much easier than meaningful collaboration. But in mixed crises like the mass displacement from Venezuela or the Rohingya flight from Myanmar, the tussle over who should lead the US response creates tensions that undermine collective USG impact.

Importantly, there are ways to begin harmonizing the disparate approaches applied by USAID and the State Department without undermining the important roles that either agency plays in humanitarian response. My paper last year argued against fully consolidating aid resources at USAID or State, given the importance of keeping humanitarian funds and perspectives robustly connected both to State's diplomatic role and AID's development role. It remains important to retain distinctive expertise and roles at Washington level, even while going much further toward harmonized programming at a field level.

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With that in mind, there are steps that Congress could take to capitalize on the political opportunity presented by the White House budget request. A series of modest but impactful shifts could protect each agency's essential roles and functions while still fostering greater alignment at a field level:

1. **Create a \$500 million joint fund across accounts:** Rather than fully merging the accounts as proposed in the President's budget, Congress could set aside \$500 million of the \$9 billion it annually appropriates in humanitarian aid as a shared pool across USAID and State. This money would be explicitly designated for joint program strategies involving both agencies, prioritized towards multi-dimensional crises (like Bangladesh, Syria, Venezuela, or South Sudan) with significant refugee, internal displacement, and food needs on both sides of a border. These funds would not be pre-earmarked for any aid sector or population category, and so could enable the USG to support comprehensive interventions that would otherwise be difficult under the existing budget account structure.
2. **Mandate a shared interagency needs analysis matrix:** Incredibly, there is no single framework between State and USAID's humanitarian offices for assessing the depth of humanitarian needs across the world's crises. A simple question of whether the US is equitably addressing needs

for displaced people on both sides of a border is nearly impossible to answer under current US practices. Since the start of the Syria crisis, for example, US non-food spending has allocated 2.5 times as much toward refugees as toward non-refugees; despite the non-refugee vulnerable population being 2.5 times greater. This more than six-fold variance in per-capita support raises real questions about whether funding is aligned realistically against comparative needs. Sometimes there are good reasons for these disparities: there can be differences in humanitarians' ability to access refugees and IDPs, which might affect how much aid can be feasibly delivered. But without a common framework for gauging levels of relative need, there is no way to assess whether this kind of variation reflects actual needs or simply the relative generosity of Congress to different accounts.

A precedent for this type of tool already exists: the PEPFAR data dashboard. The PEPFAR program is charged with allocating its pot of HIV funding (roughly \$6 billion per year, a comparable order of magnitude to the roughly \$9 billion appropriated in recent years for humanitarian aid) across numerous agencies operating in shared PEPFAR country programs. The dashboard outlines PEPFAR priority indicators; how those indicators are performing across different countries, and how funding against those indicators is allocated across USG agencies. While PEPFAR's interagency collaboration is far from perfect, PEPFAR's data-driven approach makes it possible to assess how performance on key HIV indicators varies across different countries, and how budget allocations at agency and country level align with those priority indicators. This is a useful management and accountability tool for both PEPFAR management and taxpayers. A humanitarian counterpart to this would look different; crises and needs in the humanitarian sector are likely to be more diverse. But a dashboard tool could, for example, examine the severity of need across key sectors (health coverage, water availability, food rations, etc) and track how US funding to different crises aligns with their overall severity.

- 3. Require a unified grants management approach within two years:** Despite funding many of the same UN and NGO partners in many of the same countries (this author, for example, managed simultaneous PRM and OFDA grants in the same communities in South Sudan once upon a time), State and USAID have different grant-making processes, technical requirements, proposal timelines, and reporting standards. This creates needless red tape for implementing partners, who must navigate three different grant systems between OFDA, FFP, and PRM. It also impedes program quality: integrated interventions that could more efficiently serve the comprehensive needs of mixed-status populations are near-impossible, because of the complexity of orchestrating them across three offices' grant-management systems. Worse, the differences in these systems are not substantive in nature but mostly trace back to entrenched legacy systems across the three offices.

Under ongoing reforms at USAID, efforts are already underway to harmonize the grants management mechanisms at OFDA and FFP. But PRM should be brought into this mix as well. Congress could mandate that within the next two fiscal years, USAID and State must unify their grants management processes to ensure unified technical standards, proposal formats and review processes, and reporting standards. For proposed programs that might straddle the existing mandates of two or more of the offices, the \$500 million fund proposed above could provide a unified source of funds.

- 4. Push for consolidation of field-based personnel:** Harmonized programming will remain a challenge if field-level staff remain divided. In complex regional displacement crises like Syria or South Sudan, there is no entity that guides overall US humanitarian response strategy and execution at field level. The US military faced a similar problem in the 1970s-80s, when weak

interoperability between military branches undermined overall combat effectiveness. Legislative reforms under the Goldwater-Nichols Act of 1986 kept the services intact, but mandated that field combat operations would be managed not by each individual service but by a unified combatant command. US humanitarian operations could adopt a similar model, leaving Washington-level structures intact but merging field personnel into joint teams to enable coherent program delivery.

Extending this approach to humanitarian crises would establish a more consistent platform of US programmatic, technical, and policy engagement, better leveraging the value that both AID and State can jointly bring to the table. USAID and State humanitarian personnel overseas should be co-located in shared regional and country teams, encompassing all humanitarian responses within their respective areas of responsibility. The Disaster Assistance Response Team platform developed by USAID could be broadened to incorporate personnel from both AID and State, and could deploy to both refugee and non-refugee emergencies. This reorganization would not dilute the distinct thematic expertise of either agency, but would ensure that field responses draw on the full range of USG capabilities and produce cohesive crisis-wide strategies from the ground up.

5. **Task the new Steering Council with implementing these changes:** Last November the administration rolled out a new “Humanitarian Assistance Steering Council” charged with fostering alignment between AID and State. To veterans of the prior administration, it sounded eerily similar the “Humanitarian Policy Working Group” that emerged from the first QDDR process. That earlier working group (this author took part in many of its meetings) was a useful forum for staying out of each other’s way on policy matters, but rarely delved into real deliberations of joint operational strategy or hard policy trade-offs. To make the new Council a more meaningful forum, it should be tasked with a concrete set of objectives that it must deliver – and the above suggestions would be a great place to start.



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