CRISIS IN MIDDLE-INCOME COUNTRIES

WORLD HUMANITARIAN SUMMIT
PUTTING POLICY INTO PRACTICE

THE COMMITMENTS INTO ACTION SERIES
Credits

A series under the overall guidance of
Nadine Gbossa, Brenda Killen and Rachel Scott (OECD Development Co-operation Directorate)

Lead author
Cyprien Fabre (OECD Development Co-operation Directorate)

Copy editing/proof reading
Susan Sachs
Yanitsa Dyakova
Aryana Urbani

Cover design/design of selected graphics
Jenny Gallelli

Cover photos
Credit: European Commission – Humanitarian Aid and Civil protection (ECHO); UNHCR

Finally, our thanks to the German Federal Foreign Office, Das Auswärtige Amt, who provided the funding for this work.
Humanitarian needs continue to grow, with millions of people affected by conflicts, natural disasters and other crises every year. Simultaneously, these shocks undermine development gains and block the path out of poverty and towards sustainable development. Furthermore, these negative events can destabilise neighbouring countries and have regional or even global repercussions.

And yet, many humanitarian crises remain underfunded or forgotten. Donors and operational agencies make hard decisions about which operations to prioritise and which to let go. In short, there is insufficient quality money — money to reach all those in need, to purchase what they need and when they need it. Human suffering continues unabated.

In May 2016, the World Humanitarian Summit reflected on the shifting nature of crises and on the need for new ways of funding and delivering humanitarian assistance, so that humanitarian aid can remain a key and effective tool for the critical task of saving lives and preserving livelihoods. The question of how to better finance humanitarian operations – including how to finance some of the emerging good practices and new ways of working in humanitarian crises – was seen as key to delivering a better response.

The OECD, under its mandate to monitor the effectiveness of aid and to promote peer learning, will continue to support its members to deliver on the commitments they made at the Summit, especially the commitments around better humanitarian financing.

As part of this work, the Commitments into Action series was developed to provide straightforward, practical guidance for OECD Development Assistance Committee members and other humanitarian donors. It is aimed at helping them translate their humanitarian policy commitments into quality results in the field, deliver better finance and better engage with the humanitarian community on the key issues surrounding humanitarian responses in modern crisis situations. The series specifically targets professionals in donor agencies making decisions about humanitarian funding.

All guidelines are available on a dedicated website designed for humanitarian donors: http://www.oecd.org/development/humanitarian-donors/.
Contents

1 Introduction........................................................................................................................................... 1

2 Definitions............................................................................................................................................... 2

3 Programming humanitarian aid in middle-income countries.............................................................. 2

   Use development assistance to build resilience.................................................................................... 3

   Support to country systems can meet humanitarian needs................................................................. 3

   Middle-income countries can offer better opportunities for durable solutions.............................. 4

   Build programmes that foster durable solutions.................................................................................. 4

   Development finance can complement humanitarian programmes and help middle-income countries
   caught in crises........................................................................................................................................ 5

   Disaster Risk Reduction makes development more sustainable....................................................... 6

   Support emergency preparedness........................................................................................................ 6

   Private sector investment can play a positive role............................................................................... 7

   Social protection can be designed to absorb shocks ............................................................................ 8

   Support legal status ............................................................................................................................... 8

   Tailor responses to urban contexts...................................................................................................... 9

   A cash-based response and electronic money transfers are good modalities ................................... 9

   Plan for multi-year humanitarian funding ......................................................................................... 10

   Prepare to invest in line with relatively high living standards.............................................................. 10

4 Co-ordination......................................................................................................................................... 10

5 Managing risks....................................................................................................................................... 11
1 Introduction

In 2017, 51% of all humanitarian funds were requested by the United Nations for crises in middle-income countries (UNOCHA, 2017). Meeting humanitarian needs in middle-income countries raises specific issues for the international community. There is a perception that middle-income countries have less urgent needs than do the least-developed countries because they have reached a certain level of capacity to deliver services and overcome crises. However, many middle-income countries still face major development challenges that may include lack of equal access to basic services, and social or political tensions. Each country is on a unique development trajectory, but they often remain vulnerable to shocks that can create significant humanitarian needs, particularly when there are portions of the population who have been excluded from the benefits of economic growth.

In such contexts, absorbing large population influxes or facing a major disaster may overwhelm local capacities (UNDP, 2013). The impact of crises on middle-income countries can be huge, when economic growth and fast urbanisation increases the concentration of infrastructure exposed to crisis. This can affect growth, hamper development progress and reverse poverty reduction trends (WB, 2016a) Therefore, middle-income countries still need international support to achieve their economic, social and structural transformations and their capacity to cope with the impact of crises remain very diverse.

In addition, crises in middle-income countries generally have different drivers and dynamics than in those in low-income countries, and they should be addressed differently. Financing response to crises in middle income countries require changing how we think about crisis.

This guideline will explore further what crisis response in middle-income countries means for donors and how it differs from the humanitarian responses in low-income countries for which the current humanitarian system was initially designed.
2 Definitions

Middle-income country: The World Bank classifies world economies by income group. Middle-income countries were distributed in 2017 as follows:

- 58 upper middle-income countries, defined as having per capita gross national income of USD 3,956 to USD 12,235 per annum
- 36 low middle-income countries, defined as having per capita gross national income of USD 1,006 to USD 3,955 per annum

A country’s classification has important implications. Some bilateral and multilateral donors use these thresholds to determine how they engage with the countries included in a particular category, including how they shift from grant-based bilateral aid to other type of concessional finance. In addition, eligibility for International Development Association (IDA) support depends first and foremost on a country’s relative poverty, defined as GNI per capita below an established threshold and updated annually (USD 1,905 in fiscal year 2018).

3 Programming humanitarian aid in middle-income countries

More than half of fragile contexts are middle-income countries (OECD, 2016a). Social indicators in middle-income countries are generally above the world median, but crises may have dramatic effects. The Syrian Arab Republic’s Human Development Index, for example, collapsed by 29 points between 2010 and 2015 (UNDP, 2016). Middle-income countries, moreover, are diverse in terms of size, population, and income level. According to the World Bank, five billion of the world’s seven billion people and 73% of the world’s poor live in middle-income countries (WB, 2017).

When countries transition from the low-income to middle-income countries’ group without an efficient wealth distribution policies, they are characterised by a high economic growth but also a high poverty rate (Kanbur and Sumner, 2011), which has an impact on the way they are affected by a crisis, and the way donor should programme their aid.

In summary, crises in middle-income countries do not occur in a vacuum. Instead they exacerbate existing challenges, amplify inequalities and structural deficiencies and have the potential to reverse development gains, cause long-term setback to the country’s development path. Therefore, it is important that response to a crisis takes into consideration pre-existing fragilities.
Use development assistance to build resilience

If a crisis occur that exceeds the country’s capacity to cope with its impact, international assistance will be required. Development co-operation also has a role to play to help middle-income countries be prepared for the shocks that are the most likely to occur (Box 1).

**Box 1. Disaster Risk Management in Morocco**

Morocco is a middle-income country exposed to a number of risks. Natural hazards as well as industrial accident or human risks can have serious potential socio-economic consequences, notably due to the significant acceleration of economic growth over the past few years, which has increased vulnerabilities because of urban concentration, rural exodus, coastal development, budgetary constraints, and climate chain (OECD, 2016b). At Morocco’s request, the OECD started in 2014 with the German Cooperation and the Global Initiative on Risk Reduction a risk management analysis. The OECD report provides an inventory of Morocco’s exposure to major risks, mainly natural hazards, and delivers an assessment of risk management policies, while paying particular attention to governance and inclusion issues. Such support helps Morocco to refine its disaster management system from the policy and central level to the operational level.


**Support to country systems can meet humanitarian needs**

Donors engaging in humanitarian response in a middle-income country should recognise the government’s primary role in responding to crises. Most middle-income countries have built, or are building, national capacities to respond to disasters, which they will mobilise in case of crisis. Several ministries may be in charge of different aspects of the response, depending on the crisis context. When the national response plan respects humanitarian principles, donors should support humanitarian response in a way that aligns with or complementary to government plans. Most of the time, if plans such as the 3RP in the Middle East (Box 2) recognise national ownership, it remains essentially a funding mechanism for UN agencies and NGOs, and not a mechanism to support directly affected states through their own systems, even in sectors like education where affected governments have better capacities to address refugees’ needs. Going forward, donors could think about how to support response to crises through country systems when such a support can also have a development impact, in sectors such as education or social protection schemes.
Box 2. The 3RP in the Middle East

The Regional Refugee and Resilience Plan (3RP) brings together the plans developed under the leadership of national authorities – namely, the Arab Republic of Egypt, the Republic of Iraq, the Hashemite Kingdom of Jordan, the Lebanese Republic, and the Republic of Turkey – to ensure protection, humanitarian assistance and strengthen resilience to people affected by the Syria crisis. The plan looks beyond the usual emergency humanitarian needs that are central to humanitarian responses, to take into account broader issues such as livelihood and social cohesion and acknowledge the impact of increased population density on a fragile natural resource base.

The 3RP has become the main way for donors to support response to countries affected by the Syria crisis. The unequivocal leadership from the affected countries’ governments has also helped to get support from non-traditional donors such as the Gulf state countries for the 3RP response plan.

Source: 3RP, http://www.3rpsyriacrisis.org/

Middle-income countries can offer better opportunities for durable solutions

Looking for durable solution should be a donor’s priority. In protracted crises, humanitarian aid can be required for a long period of time. However, humanitarian aid is not suited to address the root causes of vulnerability, and is not sufficient to bring durable solutions for people affected by crises. Because of its connected economy and strengthened infrastructure prior to crises, middle-income countries can offer better opportunities for offering durable solution to displaced people. This requires from donors another type of support than humanitarian aid. For example, technical and financial support to government to adapt its legislation can help providing refugee the right to work and participate to the country’s economy and recovery. Support refugees’ children access to primary education and secondary education also represents an opportunity for boosting the economy in the hosting country and decrease social tensions on the long term. (UNHCR, 2017)

Build programmes that foster durable solutions

In areas that are experiencing large population movements, humanitarian assistance may be inadequate for host populations whose access to public services, infrastructure and natural resources is likely to be affected by the influx of refugees or displaced persons. When people are displaced, it is good practice to meet their needs taking into account the host population’s needs as well. Doing so helps building durable solutions and links emergency needs with development considerations (Box 3).

Box 3. France, Germany and the European Union: Water project in Jordan

In Jordan, water scarcity is a major obstacle to the country’s development. In the northern governorates, water is mainly supplied by pumping it from local groundwater sources. These sources are used beyond the level needed for sustainable renewal. The Syrian crisis has led to a massive influx of refugees to these governorates. This has
considerably worsened the situation of overuse and has contributed to deterioration in water service, which is likely to become a source of tension between the refugees and the host populations. The government has planned to increase the amount of water supplied to the northern governorates by extending current projects, notably one receiving French Development Agency (AFD) and European Union funding. The project has several components that are implemented by the Water Authority of Jordan (WAJ) and by a consortium of NGOs.

The project is funded through a blending of structural and emergency funds. Its total cost is estimated to be EUR 144 million, which will be provided by the European Union through the Neighbourhood Investment Facility (NIF) and the Madad Fund (both delegated to the AFD), the German Development Bank (KfW), and the AFD offering a highly concessional loan for this resilience project.

Source: AFD, interview in Lebanon, August 2017

Development finance can complement humanitarian programmes and help middle-income countries caught in crises

Few development programmes in middle-income countries are designed to adapt to crisis situations and the emergence of humanitarian needs. As a result, humanitarian needs at the beginning of a crisis may go unaddressed or fall to the middle-income country to bear until an international humanitarian response is organised. These costs may force the government to seek additional finance, often in the form of loans, that then increase the country’s rate of indebtedness. This was the case for Jordan and Lebanon, for example, who did not have access to the kind of concessional financing reserved for the world’s poorest countries at the beginning of the Syria crisis although they are hosting the highest proportion of refugees relative to their populations.

Donors should explore an array of potential mechanisms to adapt their development funding in middle-income countries facing or at risk of a crisis (Scott, 2015). These may include the use of concessional loans (Box 4) for improving infrastructure that can deal with refugee inflows and also with future population growth debt swaps to allow the government to reallocate planned debt repayments to social protection systems; and a focus on building the emergency capacities and systems of local authorities who are dealing directly with the crisis, for example through cooperation between national emergency disaster management agencies.

Box 4 - The World Bank’s Global Concessional Financing Facility

The World Bank’s Global Concessional Financing Facility (GCFF) was launched at the 2016 United Nations General Assembly. It is an innovative platform aimed at addressing the humanitarian-development nexus by providing concessional loans to middle-income countries (MICs) that are hosting refugees. While MICs currently host roughly six million refugees, they struggle to access financing at concessional interest rates, making it difficult to afford the costs associated with a refugee influx. To respond to the needs of refugee-hosting MICs, the GCFF provides an open platform that leverages donor resources: each USD 1 in donor grant unlocks USD 4 in concessional loans. Within the
first year of its launch, the GCFF has unlocked more than USD 1 billion in concessional financing to support refugees and host communities in Jordan and Lebanon, and will expand its support globally.


Disaster Risk Reduction makes development more sustainable

Development gains can be fragile in some middle-income countries. Economic growth increases the value of assets that are at risk in case of disaster. Integrating risk reduction as a part of the development support to those countries is a good way to ensure that potential disasters do not derail development itself when a disaster or a shock occurs, and helps create an enabling environment for reducing disaster risk (Johnson, 2011). Donors can support policies to reduce risks and increases middle-income countries’ capacity to manage current and emerging threats.

For example, countries like Peru and Colombia improved the understanding of their financial vulnerability to disasters, and started implementing a national strategy for disaster risk finance, thanks to a partnership with the Switzerland’s State Secretariat for Economic Affairs and the World Bank’s Disaster Risk Financing and Insurance Program. (WB, 2016b)

Support emergency preparedness

Middle-income countries generally have structured institutions and capacities for public service delivery. Support for preparedness provides a good opportunity to strengthen their resilience using both humanitarian response and development programming and at the same time ensuring better service provision during a crisis. Donors could consider supporting preparedness activities in middle-income countries where national and local capacity is built but requires additional support to cope with the magnitude of increased needs. Preparedness enhances national and local leadership, increases resilience, and bridges humanitarian and development funding.

Supporting preparedness entails a solid risk analysis that is guided by basic questions. What is the anticipated event or situation that requires preparation? What are the current capacities including social protection systems? Is preparedness and risk management appropriate to the likely scale of needs? What measures are in place in case local capacities or financing are overwhelmed? When the risk analysis is comprehensive and includes humanitarian and development actors, under government leadership when possible, emergency preparedness can increase coherence among programmes and activities and boost the population’s resilience to shocks.

Local actors are often the first to respond to humanitarian needs. Government, organisations such as the national and local Red Cross and Red Crescent societies, and other civil society groups can rapidly mobilise their resources in middle-income countries. Their emergency preparedness
capacity is important because they will be the ones to save most of the lives and assets during a natural or man-made hazard and in the immediate aftermath. The same principle applies in a conflict situation when the international community has no access, such as certain areas in the Syria conflict.

**Private sector investment can play a positive role**

Crises are not an attractive context for the private sector to engage in. Middle-income countries, however can offer opportunities for the private sector even in times of crisis. In protracted displacement crises, only the private sector can offer economic potential for refugees and helps integrate refugees into the economic cycle. In addition displaced populations are starting to be viewed as potential clients by the private sector. As a result, donors may need to work with private investors and local co-operatives to stimulate those private sector investments that promote growth while supporting the livelihoods of the vulnerable. Moreover, the private sector can be better placed to identify and inform economic reforms and could have a useful policy advocacy role vis-à-vis the government (OECD, 2016c)

Donors should remain careful that their investment in supporting the private sector brings development benefits and has a real positive impact for the most vulnerable and including finding durable solutions for refugees. Donors can help governments to develop a more attractive policy framework for investment.

Fragile contexts also involve heightened and specific risks for private sector engagement, starting with the risk of infringing core principles of responsible business conduct and its reputational and liability consequences. The International community has developed high standards of responsible business conduct to help governments and their companies cope with this risk (Box 5).

---

**Box 5. International standards for responsible business in conflict-affected and fragile environments**

In conflict-affected and fragile environment, business can contribute to peace by helping rebuild economy, create jobs, deliver services, promote co-operation and generate revenues. Business can also harm, by contributing to human rights violations, corruption and lack of trust – all of which are causes of conflict and fragility. In spite of many challenges, businesses and governments are increasingly aware of the importance of responsible business in conflict-affected and fragile environments. A range of international principles, standards, guidelines and guidance aimed at promoting responsible business conduct were designed and are available. An overview of those standards and guidelines is made available by the International Dialogue on peacebuilding and state building.

For more on the international standards and guideline, see the [International Dialogue overview](#) of International standards for responsible business in conflict-affected and fragile environments.
**Social protection can be designed to absorb shocks**

Most middle-income countries already have social protection systems in place. Social protection, including social safety nets, is increasingly recognised as a key instrument in protecting individuals against shocks. As such it can be considered a preparedness mechanism when protection is designed in such a way that it can quickly provide additional support in response to a shock.

Although national governments remain responsible for the design and management of social protection programmes in their countries, donors can play a role in strengthening existing policies. In contexts that are exposed to risks, donors can assess the national social protection system’s ability to respond to those shocks that are foreseen. This assessment should cover their ability to quickly and effectively increase the number of beneficiaries, revise targeting and ensure quick delivery to include those affected by crises and their ability to increase the scope of protection during a crisis, such as with subsidised healthcare services for example.

Within the framework of their development activities, donors can engage with the government and create linkages between the country’s social protection system and the humanitarian aid including cash-based humanitarian response.\(^5\)

**Support legal status**

Refugees in middle-income countries often face an insecure legal status. This is an obstacle to social inclusion and livelihood. Labour laws and regulations do not account for the situation of refugees, for example, and deny them access to employment and entrepreneurship. Donors can work with the government and specialised organisations in a way that promotes the presence of refugee as an economic opportunity rather than a political, social and economic burden (Box 6).

---

**Box 6. International Labour Organization projects in Jordan**

Around 20% of the Syrian refugees in Jordan currently live in designated camps. The rest of them have found shelter in cities and rural areas across the country. Amman and the northern governorates of Irbid and Mafraq alone are hosting more than three-fourths of the Syrian refugee population in Jordan. The refugee influx has also placed growing pressure on Jordan’s infrastructure and resource, including the country’s already fragile economy and social fabric. The Jordanian labour market is affected by the Syrian refugee crisis. Those effects include a fall in average wage levels, lower employment opportunities, harsh working conditions, rising child labour and an expansion of the informal labour market. As part of the wider United Nations response to the Syrian refugee crisis in Jordan, the International Labour Organization (ILO) initiated a series of pilot projects in 2013 to support enhanced access to employment opportunities and livelihoods in host communities and to work with the government of Jordan in three areas:
- **Support policy dialogue and development** to identify labour market solutions that build the resilience of host communities and Syrian refugees. For instance, in June 2017, the government and trade unions signed an agreement to grant more work permits in the construction sector to Syrian refugees in Jordan;

- **Develop the capacity of local stakeholders** in host communities to implement strategies for accelerating job-rich economic growth;

- **Improve the value chains** and support the creation of employment opportunities in host communities, particularly among the country’s youth and women. For example, develop the tomato and olive sectors through value chain analysis, awareness raising, market studies and event organisation. Both sectors have increased production since ILO interventions were launched.

**Source:** ILO, 2017

### Tailor responses to urban contexts

Upper middle-income countries are experiencing the fastest urbanisation rates in the world (UN DESA, 2014). Donors should take into account the urban specificities of humanitarian action in urban contexts. People living in urban areas affected by a crisis are likely to seek refuge or relocate in another urban context, as towns and cities are economic and political centres, offer livelihood opportunities, and may be perceived as places of sanctuary or anonymity. In middle-income countries, urban contexts also apply to secondary cities that may be far from the capital.

Cities also offer unique opportunities for increased coherence and effectiveness. Cities can offer better access to basic services and economic networks, better human capacities and knowledge, and often access to an organised civil society. Taking advantage of those opportunities requires donors to understand that cities function through networks as well as according to their geography, and through both formal and informal governance actors, power brokers and economies/livelihoods (OECD, 2017a). Services and national capacities are also concentrated in urban areas, and humanitarian assistance should aim to work with these resources and not undermine them.

**A cash-based response and electronic money transfers are good modalities**

Donors should consider the routine use of electronic money transfers or other electronic payment modalities in middle-income countries. These can build better coherence between humanitarian and development responses and can link with government social protection systems and safety nets (OECD, 2017b).

Economies are mainly cash-based in middle-income countries. Even in crisis or conflict contexts, such as in Ukraine or Libya, cash transactions are the norm and markets are functioning, even if they are following a war economy model (Al-Mahmoud, 2015). As a result, when properly managed, a cash-based humanitarian response can be more efficient and effective than in-kind
assistance (i.e. direct provision of relief commodities such as food and non-food items such as hygiene kits, kitchen sets and tarpaulins). In middle-income countries access to a bank account can be difficult, particularly for refugees, but most people do have a mobile phone. This creates a potential for the use of digital payments and information technologies such as mobile transfers and card-based systems, which can provide a safer and more efficient way to deliver aid.

**Plan for multi-year humanitarian funding**

As mentioned above, crises in middle-income countries are also likely to be protracted. Humanitarian needs will be present for years. Responding to long-term humanitarian needs with longer-term humanitarian funding cycles will incentivise better multi-year planning and co-ordination among humanitarian and development actors. It also encourages partners to invest in activities that require high up-front costs, such as specialised training or rehabilitation work.

Therefore, donors should, when possible, consider multi-year humanitarian funding that can help to make humanitarian aid more cost-efficient and effective. Better outcomes are also possible for beneficiaries (Cabot Venton, 2013).

**Prepare to invest in line with relatively high living standards**

Donors responding to a crisis in a middle-income country should be prepared for higher per capita costs that align with the country’s living standards and the cost of living (Rohwerder, 2016). In middle-income countries, the presence of a skilled local workforce can raise the costs of materials and labour used in humanitarian projects. But these investments may also incentivise aid localisation and help support the local economy. Humanitarian standards, such as the Sphere standards, are not always relevant for middle-income contexts. Tensions may arise with the local population if humanitarian organisations start operations in a middle-income country with the approach and references from their operations in low-income countries with rural populations.

**4 Co-ordination**

In a middle-income country, the aid system relies to a great extent on the bilateral relations between development donors and the partner government. Such bilateral relations do not incentivise donor co-ordination beyond information sharing. In crisis contexts, the situation is further complicated when a growing number of multilateral agencies and relief organisations start to operate. For the affected government, the multiplication of stakeholders can blur its overall view on the aid flows, and sometimes overwhelm its capacity to co-ordinate. To complicate matters, the embassy staff in a middle-income country are often not familiar with complex humanitarian architecture.
Donors should train their development staff in the field on humanitarian issues, or deploy a humanitarian adviser to new and escalating crisis situations. This will allow them to participate in the humanitarian co-ordination mechanisms that will be put in place, generally by the UN Humanitarian Country Team. Doing so yields many benefits. First, it facilitates shared analysis and coherence between the humanitarian aid and the development co-operation in a given country. Second, this can facilitate the inclusion of the government’s plans and systems by the humanitarian community. Third development and political context will be shared with the new, incoming humanitarian actors.

5 Managing risks

Risks should be assessed on their likelihood and possible consequences. Middle-income countries are contexts with specific risks that can be mitigated by careful analysis and programme design at the planning stage. The following table show potential risks associated with crises in middle-income countries and examples of mitigation measures.

<table>
<thead>
<tr>
<th>Risks</th>
<th>Example of mitigation measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contextual risks</strong></td>
<td>• Ensure humanitarian response take into consideration host population’s needs</td>
</tr>
<tr>
<td></td>
<td>• Link with long-term development programming to ensure that the host population benefits from the response</td>
</tr>
<tr>
<td></td>
<td>• When relevant, support co-ordination between social safety net targeting and humanitarian cash-based response targeting to ensure coherence and no-one is left behind.</td>
</tr>
<tr>
<td><strong>Programmatic risks - localisation</strong></td>
<td>• Assess the robustness of the national crisis response plan. Consider direct support to the Government national response plan when relevant, including National Disaster Management Agencies (NDMA), in delivering humanitarian aid efficiently and according to humanitarian principles</td>
</tr>
</tbody>
</table>

International humanitarian aid duplicates or hampers national or local response mechanisms.
At the onset of a crisis, donors, humanitarian agencies and large international NGOs may not have a good knowledge of local capacity.

- Donors partnering with national or local actors for development activities will have already established working relationships, and thus can rely on this partner in case of emergency.
- Donors and international partners should avoid overloading local partners beyond their absorption capacity. This can be done through dialogue and donor dialogue and co-ordination.
- Like-minded donors can harmonise reporting formats and capacity assessments so that local organisations can focus on programming and delivering aid instead of filing different assessment and reporting forms.
- Donors should allow their local partners, including local development partners, to build humanitarian response capacity as a preparedness measure.

<table>
<thead>
<tr>
<th>Programmatic risks – use of cash-based response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-based economy in middle-income countries makes humanitarian cash-based response relevant in most cases. There is a risk of improper coordination amongst aid providers and over-reliance on technologies that can leave the most vulnerable unserved.</td>
</tr>
<tr>
<td>- Ensure co-ordination mechanisms are in place and link support with participation in those co-ordination mechanisms</td>
</tr>
<tr>
<td>- Ensure partners undertake programme review, accurate targeting and providing the right amount of cash to meet the identified needs</td>
</tr>
<tr>
<td>- Ensure flexibility for partners to adapt their programme</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Programmatic risks – long-term response</th>
</tr>
</thead>
<tbody>
<tr>
<td>In middle-income countries, development and emergency needs are often intertwined, calling for</td>
</tr>
<tr>
<td>- Development funding and mechanisms should be the primary vehicle to address long-term issue and the root causes of</td>
</tr>
</tbody>
</table>
long-term humanitarian response and durable solution for affected people. There is a risk that multi-year humanitarian funding can support repeated annual activities rather than supporting a true multi-year strategy.

<table>
<thead>
<tr>
<th>Institutional risk - Risk Transfer and major context modification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local humanitarian responders are often the only option when access is not granted to international organisations for security or political reasons. In those cases, those local humanitarian responders bear most of the security risks.</td>
</tr>
</tbody>
</table>

- In high risk environments, donors should ensure that appropriate risk mitigation measures are taken by the local humanitarian responder, and that risks are shared across partnerships.
- Local humanitarian responders should not be pushed to operate in overly risky environments. They should be provided capacity to design security plans and training, cover security costs, including insurance against risks faced by its staff, at the same level an international organisations would have in a similar environment.
- Ensure flexibility for partners to adapt aid modality to evolving situation and needs.
NOTES


3 Further information on the annual evaluation can be found at ::www.google.fr/url?sa=t&rct=j&q=&esrc=s&source=web&cd=7&cad=rja&uact=8&ved=0ahUKEwjvzMLEoZDWAhWIWhoKHcPBAbAQFghUMAY&url=http%3A%2F%2Fdatabase.worldbank.org%2Fdata%2Fdownload%2Fsite-content%2FOGHIST.xls&usg=AFQjCNHm2NJeOJ-6QpsKE3Er6BjWuVIUSQ.


5 For more on how donors can support cash-based humanitarian response, see “Cash-based programming” in this series at www.oecd.org/development/humanitarian-donors/.

6 Established in 1997, the Sphere Project is a voluntary initiative that brings together a wide range of humanitarian agencies to look at ways to improve the quality of humanitarian assistance and the accountability of humanitarian actors to their constituents, donors and affected populations. Its best-known outputs are the sphere standards. These sometimes are criticised as not being applicable to middle-income countries crisis contexts; the Sphere Project is reviewing its standard in 2018. See www.sphereproject.org/.

7 The Humanitarian Country Team (HCT) is a strategic and operational decision-making and oversight forum established and led by the Humanitarian Coordinator (HC) who can also be the UN Resident Coordinator. The HCT includes representatives from the UN, IOM, international NGOs, and the Red Cross/Red Crescent Movement. The HCT is responsible for agreeing on common strategic issues related to humanitarian action. See www.humanitarianresponse.info/en/about-clusters/who-does-what.
BIBLIOGRAPHY


World Bank (2016a), The Global Concessional Financing Facility provides development support on concessional terms to middle-income countries impacted by refugee crises across the world, online information sheet,