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United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General

Middle East Regional Office

The Bureau of Population, Refugees and Migration's Internally Displaced Persons Program in Pakistan

Report Number MERO-I-11-01, January 2011

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PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H. W. Geisel".

Harold W. Geisel
Deputy Inspector General

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KEY FINDINGS

- From August 2008 to January 2010, the Bureau of Population, Refugees and Migration's (PRM) main partners, the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC), assisted more than 2.7 million internally displaced persons (IDP) in Pakistan with camp accommodations, emergency shelters, non-food items, food, and medical assistance. OIG found no evidence of assistance being diverted for illegitimate purposes.
- The international community's support to the Government of Pakistan in providing IDP assistance achieved the short-term goal of preventing outbreaks of disease and starvation. However, OIG could not determine the overall effectiveness of PRM's assistance because neither UNHCR nor ICRC reports performance results against performance targets and indicators, such as the planned number of beneficiaries or planned standards of service for IDP assistance in Pakistan.
- PRM has not held UNHCR accountable to reporting performance as specified in the framework agreement between the two organizations. UNHCR has developed global strategic objectives, performance targets, and indicators in accordance with its framework agreement with PRM. However, these global targets and indicators do not measure the specifics of IDP assistance in Pakistan. UNHCR does not evaluate its results toward achieving its assistance targets at the country level.
- UNHCR also faces challenges monitoring performance and coordinating the needs of other organizations in the three assistance groups (clusters) it leads. Consequently, UNHCR has been unable to measure performance of the three clusters it leads, and implementation of a system to monitor and report on protection of IDPs has been delayed. One organization within the cluster tried to appeal a second time for assistance material it had already received from UNHCR.

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- ICRC only assesses its performance in particular areas of assistance. Actual progress against established performance targets and program objectives is measured internally only for its economic security, water, and habitat assistance sector; this progress is not formally reported to donors. Although ICRC includes updated assistance targets in its requests for donor contributions, these targets are not included in its progress reports, and the reporting format is difficult to understand.
- UNHCR's planning for procurement of supplies and materials is inefficient because it does not establish program-level plans to guide the amounts to be purchased. Amounts of supplies and materials ICRC procures are based on the availability of resources, rather than assistance requirements. Both organizations ensure the quality and low cost of supplies and materials through their procurement policies and procedures.

INTRODUCTION

In 2008 and 2009, militant attacks and ensuing security operations in northern Pakistan led to mass movements of people seeking safety away from their homes. From August 2008 to January 2010, more than 3 million people fled their homes. To assist these internally displaced persons (IDP),¹ the Department of State's (Department) Bureau of Population, Refugees and Migration (PRM), from October 2008 to March 2010, contributed a total of \$80.5 million to the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC). Using PRM and other donor contributions, UNHCR and ICRC provide humanitarian assistance including IDP camp management, emergency shelters, food, non-food items, and medical assistance to IDPs.

The Middle East Regional Office (MERO) of the Office of Inspector General (OIG) initiated this performance evaluation under the authority of the Inspector General Act of 1978, as amended² to determine whether PRM and its main partners, UNHCR and ICRC, are effectively managing IDP assistance in Pakistan. Specifically, the objectives of this review were to determine: (1) whether assistance is reaching intended targets; (2) if program performance measures were established and achieved; and 3) how procurement strategies are planned and implemented.

OIG conducted this performance evaluation from February to October 2010. OIG interviewed key personnel from PRM in Washington, DC; the Department's regional refugee coordinator in Islamabad; the Department's refugee and migration affairs section at the U.S. Mission to the United Nations in Geneva; and staff from UNHCR, ICRC, and various Government of Pakistan organizations and other implementers involved in the IDP response. The OIG team conducted a site visit to the largest IDP camp in Pakistan at Jalozi in Peshawar and observed assistance operations. OIG reviewed relevant PRM policy documents as well as PRM's actions related to the IDP assistance effort.

¹The 1951 Refugee Convention defines a refugee as someone who "owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality, and is unable to, or owing to such fear, is unwilling to avail himself of the protection of that country." IDPs are those who have been displaced from their homes for similar reasons as refugees (for example, armed conflict, generalized violence, or human rights violations), but who have not crossed an internationally recognized border.

²5 U.S.C. App. 3.

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EXECUTIVE SUMMARY

RESULTS

Since August 2008, militant attacks and government security operations have caused waves of IDPs in northern Pakistan. From August 2008 to January 2010, more than 3 million IDPs fled their homes. UNHCR and ICRC, along with other humanitarian organizations and in partnership with the Government of Pakistan, assisted more than 2.7 million IDPs with camp accommodations, humanitarian supplies, emergency shelters, food, and medical assistance. By January 2010, approximately 1.6 million IDPs, including 185,000 from IDP camps, returned to their homes, allowing for the closure of 19 of 35 IDP camps. By April 2010, PRM had contributed a total of \$80.5 million to UNHCR and ICRC to support their efforts in Pakistan's IDP crisis. OIG found no evidence of assistance funds or material being diverted from either UNHCR or ICRC for illegitimate purposes.

U.S. Government officials reported that PRM's key partners, UNHCR and ICRC, reached the short-term goal of humanitarian assistance by preventing outbreaks of major epidemics, malnutrition, or starvation while assisting more than 2.7 million IDPs. However, OIG could not determine the overall effectiveness of assistance either UNHCR or ICRC provides to IDPs in Pakistan because neither organization reports its performance results against performance targets or indicators, such as the planned number of beneficiaries or planned standards of assistance.

In accordance with the framework agreement between PRM and UNHCR, UNHCR adopted global strategic objectives, as well as performance indicators and targets, and agreed to report performance against these indicators. However, OIG noted these indicators are set at an overall global operational level and cannot be used to measure the effectiveness of IDP assistance in Pakistan. UNHCR has not established country-level baselines and performance indicators to measure the specifics of IDP programs in Pakistan. PRM has taken no action to hold UNHCR accountable for reporting performance as specified in the framework agreement. Furthermore, although UNHCR has developed specific performance indicators and expected outputs and impacts of the three clusters³ it leads for inclusion in appeals prepared by the UN Office for the Coordination of Humanitarian Affairs (OCHA), these indicators have not been integrated into UNHCR's own performance measures. Since OCHA does

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not have the authority to monitor other organizations, each cluster lead is responsible for adopting measurable performance indicators and monitoring overall cluster performance. UNHCR officials stated that because assistance organizations in clusters are not obligated to provide and have not provided assistance needs or performance information to cluster leads, UNHCR has been unable to establish the cluster-level baselines and performance targets needed to report on progress. Challenges in monitoring performance and coordinating the needs of organizations in the clusters have led to a number of problems. UNHCR is unable to measure performance of the three clusters it leads, and its implementation of an overall protection monitoring system has been delayed. Furthermore, one organization within the cluster tried to appeal for funding a second time for assistance material it had already received from UNHCR.

ICRC measures actual results against performance targets or indicators only for the particular areas of assistance it identifies as economic security, water, and habitat. Furthermore, these results are not formally reported to donors. ICRC includes updated quantitative and qualitative assistance targets in its annual and subsequent requests for donor contributions, but it does not include this information in annual and mid-term progress reports. The achievements noted in progress reports are difficult to interpret because they lack targets, indicators, and a consistent reporting format. Although ICRC officials in Pakistan reported they track performance against specific targets and indicators for the Economic Security, Water, and Habitat section of the Pakistan field office, they would not allow OIG access to these documents, citing their use only for internal ICRC management.

UNHCR's planning for procurement of supplies and materials is inefficient because it does not establish program-level plans to guide the amounts to be purchased. Instead, UNHCR's procurement planning is based on general assumptions made by the humanitarian community about the needs of those requiring assistance. OIG was unable to find any planned targets for specific areas of assistance except for emergency shelters. However, OIG found that UNHCR ensures the quality and low cost of goods through its purchasing policies and procedures. For procurement of services, UNHCR mostly uses Pakistani non-governmental organizations (NGO) that are screened and selected based on experience. The amount of goods ICRC is able to procure and the number of IDPs it can assist are determined by the availability of resources and its capacity. ICRC also has purchasing policies and procedures to ensure the quality and low cost of supplies and materials. For procurement of services, ICRC does not have any direct implementing partners, but contributes funds and materials to the Pakistan Red Crescent Society (PRCS).

³ Clusters are specific assistance areas deemed critical for humanitarian assistance. See background section for more information.

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OIG observed that warehouse operations and records were adequately maintained by UNHCR. UNHCR confirmed that no items went missing during transport and attributed discrepancies to miscounts caused by human errors. PRM officials stated that UNHCR has a good track record of auditing and monitoring its implementing partners and that, to their knowledge, assistance resources or operations have not been diverted to any illegal organizations or for illegitimate purposes. OIG noted that UNHCR requires all its implementing partners to be direct agents in assisting IDPs, and that they maintain UNHCR's funds in a separate bank account. In addition, OIG's review of documents and interviews with ICRC and PRM officials revealed no unlawful instances of ICRC's assistance being diverted.

PRM continually contributes a significant amount of funding to UNHCR and ICRC for IDP assistance in Pakistan. Although there are challenging circumstances, it is still crucial for both organizations to plan, monitor, and measure the effectiveness of IDP assistance in Pakistan to determine whether it is reaching its intended targets and objectives. Regular reporting of progress against planned targets or planned standards of assistance would enhance donors' understanding of IDP assistance in Pakistan and improve future budget decisions.

RECOMMENDATIONS

Recommendation 1: The Bureau of Population, Refugees and Migration should encourage the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC) to regularly and consistently report to donors on the progress toward specific targets for assistance to internally displaced persons in Pakistan. The bureau should also encourage UNHCR and ICRC to provide updates on performance measurement plans when baselines and targets change significantly. (Action: PRM)

Recommendation 2: The Bureau of Population, Refugees and Migration should encourage the United Nations High Commissioner for Refugees to provide written, regular updates to Embassy Islamabad on the funding and assistance material needs of all organizations within the three clusters it leads in Pakistan. (Action: PRM)

Recommendation 3: The Bureau of Population, Refugees and Migration should advocate with the United Nations High Commissioner for Refugees, the United Nations Office for the Coordination of Humanitarian Affairs, and other U.S. Government entities engaged in humanitarian assistance reform to encourage all organizations participating in the cluster system to establish up-to-date and agreed upon assistance targets and indicators for achieving cluster objectives, and report the results of performance against these targets and indicators to the cluster leads. (Action: PRM)

MANAGEMENT COMMENTS AND OIG RESPONSE

Embassy Islamabad and PRM provided formal written comments on a draft of this report, generally concurring with the report's recommendations. PRM disagreed with recommendation 2 relating to UNHCR's provision of funding and assistance requirements for organizations within the clusters it leads in Pakistan.

Embassy Islamabad responded to recommendation 1 by noting that it would welcome more frequent and detailed reporting by UNHCR and ICRC about their assistance to IDPs in Pakistan. Although Embassy Islamabad stated its support of recommendation 2, it was noted that a UN cluster lead can request, but has no means to enforce reporting requirements with other cluster members. PRM stated that UNHCR should not be held accountable for reporting the performance or coordinating the needs of other cluster members, which are not its implementing partners and with which UNHCR has no contractual agreement. OIG understands the inherent structural limitations to improving coordination among international

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organizations. However, as the world's largest donor to humanitarian assistance programs, the U.S. Government wields significant influence with international organizations. Since no international organization, including OCHA, has a clear mandate to enforce accurate reporting, this recommendation aims to leverage U.S. funding to prevent cluster members from soliciting donors multiple times for humanitarian assistance. This action will also help minimize the risk of waste or fraud. PRM has a responsibility to ensure the proper use of U.S. Government-donated funds. By encouraging the cluster lead, UNHCR, to provide updates to PRM on funding and material requirements of its cluster members, UNHCR and PRM will be able to better track assistance requirements of its cluster members and better account for assistance provided to each member.

OIG considers all comments received to be responsive to the intent of the recommendations. Technical corrections, including adjustments to recommendations 1 and 2, have been made as applicable. Embassy Islamabad and PRM comments are included in their entirety in Appendices II and III, respectively.

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BACKGROUND

INTERNALLY DISPLACED PERSONS IN PAKISTAN

During 2008, militant groups in Pakistan threatened and attacked citizens in the North-West Frontier Province (NWFP)⁴ and the Federally Administered Tribal Areas (FATA) in Pakistan. In August 2008, the Government of Pakistan responded to this threat with major security operations in the Bajaur Agency and later in the Mohmand Agency, both in the FATA. The militant threat and government security operations led to waves of IDPs. From mid-2008 to April 2009, approximately 580,000 people fled their homes in the FATA.

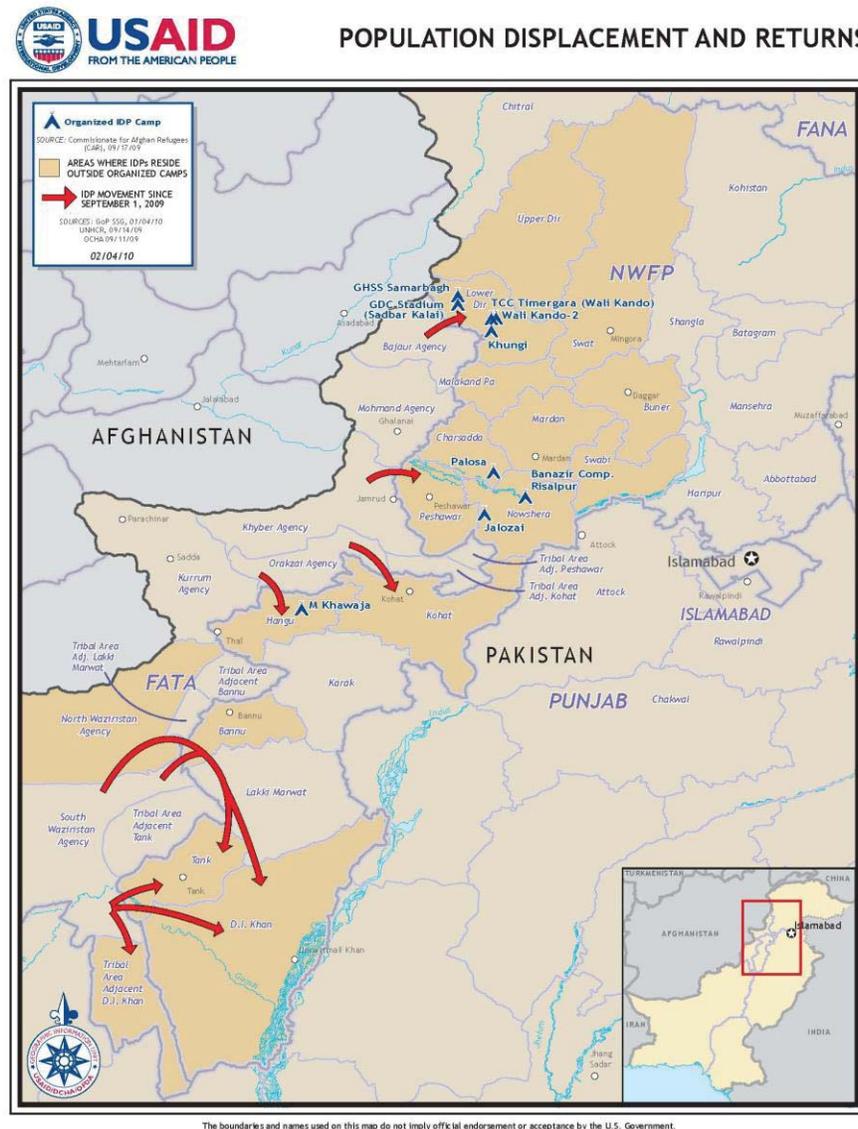
From April to July 2009, new security operations in the Lower Dir, Buner, and Swat districts in the NWFP caused a sudden and massive movement of people to safer areas of the province, including the low-lying districts of the Peshawar valley. The movement of IDPs peaked with an initial estimate of 2.7 million people fleeing their farms, businesses, and homes. By July 2009, the number of IDPs was adjusted to 2.3 million as the National Database and Regional Authority in Pakistan verified the IDPs' status and information. In the same month, the Government of Pakistan declared many areas in the Swat and Buner districts safe for return and initiated the return process. The Government of Pakistan provided transportation, security, and essential supplies to returnees, with the assistance of humanitarian organizations. By October 2009, more than 1.6 million IDPs who had been living in camps and host communities returned to their homes.

The displacement crisis in Pakistan is not over. Despite the significant number of returnees, many IDPs are unable or unwilling to return due to fear for their safety, lack of basic services, or limited prospects for restoring incomes. Moreover, from September to December 2009, continuing security operations in the Khyber, South Waziristan, Orakzai and Kurrum Agencies in the FATA displaced an estimated additional 400,000 IDPs, expanding the number of remaining IDPs to approximately 1.6 million. As of January 2010, the total number of IDPs, including those who had returned home and those who were still displaced, was 3.2 million.

⁴During the drafting of this report, the Government of Pakistan officially renamed NWFP, Khyber Pakhtunkhwa. OIG recognizes this change, but uses the more familiar NWFP in this report.

PRM provides assistance to IDPs in Pakistan by supporting the work of its primary international partner organizations, UNHCR and the ICRC. UNHCR and ICRC, along with other UN and international organizations and non-governmental organizations (NGO), in partnership with the Government of Pakistan, have provided assistance, food, and humanitarian supplies, and established and managed IDP camps.

Figure 1: Map showing North-West Frontier Province and the Federally Administered Tribal Areas in Pakistan



Source: USAID

CONTRIBUTIONS BY THE BUREAU OF POPULATION, REFUGEES AND MIGRATION TO ASSISTANCE PROGRAMS FOR INTERNALLY DISPLACED PERSONS IN PAKISTAN

From October 2008 to April 2010, PRM contributed a total of \$80.5 million to UNHCR and ICRC for Pakistan IDP assistance.⁵ In the same timeframe, PRM's overall contribution to both organizations for annual operational funding and all other global appeals, including Pakistan IDP funding, was more than \$1.1 billion. Annually, PRM strives to meet approximately 25 percent of UNHCR's appeals⁶ and approximately 20 percent of ICRC's appeals.⁷ For Pakistan IDP assistance, PRM mainly contributed to UNHCR through the UN consolidated appeal for the Pakistan Humanitarian Response Plan (PHRP),⁸ and by directly responding to UNHCR global and supplementary appeals for IDP assistance. PRM responded to ICRC's budget extension appeals for Pakistan, which were added to its emergency appeals for the country. Table 1 (see next page) summarizes PRM funding of both organizations for IDP assistance in Pakistan.

⁵ PRM manages two accounts, Migration and Refugee Assistance and the Emergency Refugee and Migration Assistance Fund, both of which were established through the Migration and Refugee Assistance Act of 1962, as amended, to support multilateral humanitarian response. These accounts are funded through annual Department of State, Foreign Operations, and Related Programs Appropriations Acts. The multilateral emphasis of PRM's mission is also derived from the Migration and Refugee Assistance Act of 1962, as amended, which authorizes appropriations for contributions to UNHCR, ICRC, and the International Organization for Migration. This act authorizes funding for U.S. international assistance to refugees, migrants, and certain other persons of concern through "contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under its mandate or persons on behalf of whom it is exercising its good offices, and for contributions to the International Organization for Migration, the International Committee of the Red Cross, and to other relevant international organizations."

⁶ UNHCR funding appeals are requests for donor contributions to respond to IDP needs and include global and supplementary appeals. UNHCR global appeals alert donors, organizations, and individuals to the plights of refugees and other people of concern to UNHCR. Supplementary appeals cover emergency situations and operations and additional budget needs.

⁷ Each year, ICRC issues an emergency appeal that outlines its funding requirements and planned activities for the upcoming year. ICRC also issues a number of appeals for budget extensions when an operation requires substantial additional resources to address escalated emergency needs.

⁸ The PHRP is a common plan and an implementation framework that addresses humanitarian assistance needs and includes a strategic overview of needs, responses, and gaps in assistance.

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Table 1: PRM Contributions to UNHCR and ICRC for IDP Assistance in Pakistan

Contribution Date	UNHCR Appeals	Amount Contributed (in millions)	ICRC Appeals	Amount Contributed (in millions)	Total
Nov-08	PHRP 2008	\$4.3	Pakistan Budget Extension - Oct 2008	\$1.0	
Apr-09	PHRP 2008-2009	3.3	Pakistan Budget Extension - Mar 2009	6.0	
Jun-09	PHRP revision - May 2009	10.0			
Jul-09	PHRP revision - May 2009	23.0	Pakistan Budget Extension - Jun 2009	12.0	
	FY 09 Subtotal:	\$40.6^a	FY 09 Subtotal:	\$19.0	\$59.6
Dec-09	UNHCR Global Appeal - Pakistan IDPs	10.0			
Mar-10	PHRP 2010	10.9			
	FY10 Subtotal:	\$20.9			\$20.9
Total Funded as of April 2010^b:					\$80.5

^a Does not include \$1 million provided to UNHCR in response to a supplementary appeal for assistance for IDP global clusters.

^b This chart only reflects obligations through April 2010. After April 2010, PRM obligated additional funding to UNHCR and ICRC for Pakistan IDPs in FY 2010.

Source: OIG analysis of PRM contributions

ROLES OF THE BUREAU OF POPULATION, REFUGEES AND MIGRATION AND INTERNATIONAL ORGANIZATIONS

PRM's stated mission is to provide protection, ease suffering, and resolve the plight of persecuted and uprooted people around the world by providing life-sustaining assistance, building global partnerships, promoting best practices in humanitarian response, and ensuring humanitarian principles are integrated into U.S. foreign and national security policy. PRM assists and protects refugees and IDPs and advocates for humanitarian assistance by supporting its international organization partners, UNHCR and ICRC. PRM channels its contributions to these international organizations through the refugee and migration affairs section of the U.S. Mission to the UN in Geneva, Switzerland. Through program and policy interface, the refugee and migration affairs section liaises between PRM and PRM's major international organization partners. In addition, PRM supports the refugee affairs section at Embassy Islamabad,

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which is led by the refugee coordinator; the section supports regional and in-country policies and programs, and coordinates and monitors PRM-funded programs.

The bureau also works closely with the U.S. Agency for International Development (USAID)⁹ in providing humanitarian assistance in conflict situations.¹⁰ USAID's Bureau of Democracy, Conflict, and Humanitarian Assistance and PRM have joint funding guidelines, which outline the division of responsibilities for humanitarian assistance. In July 2008, following discussions on an initial IDP needs assessment between representatives from PRM and USAID's Office of Foreign Disaster Assistance (OFDA) in Pakistan and Washington, DC, PRM agreed to contribute to UNHCR and ICRC. USAID, as the lead U.S. Government agency on IDP response, agreed to fund other UN organizations, NGOs, and Government of Pakistan responders.

The UN Office for the Coordination of Humanitarian Affairs (OCHA) is the arm of the UN Secretariat that brings together humanitarian assistance organizations to coherently respond to complex emergencies and natural disasters. OCHA launches appeals, assesses needs on the ground, and provides a framework for overall response efforts. OCHA developed the PHRP as a common and coordinated plan to identify needs and implement IDP assistance in Pakistan. OCHA, led by an in-country humanitarian coordinator, coordinates the assistance of all humanitarian organizations in Pakistan, including UN agencies, international organizations, and NGOs.

In 2005, principals from the Inter-Agency Standing Committee, which is composed of UN and non-UN humanitarian partners, accepted the "cluster approach" as a mechanism to help address identified gaps in response and enhance the quality of humanitarian action. It is part of a wider reform process aimed at improving the effectiveness of humanitarian response by ensuring greater predictability and accountability, while at the same time strengthening partnerships among NGOs, international organizations, the International Red Cross and Red Crescent organizations, and UN agencies. Clusters are composed of groups of UN agencies,

⁹ In June 2010, USAID OIG issued a report, *Review of USAID's Internally Displaced Person Programs in Pakistan*.

¹⁰ In September 2008, PRM coordinated with the Bureau of South and Central Asian Affairs, the Department's Director of U.S. Foreign Assistance, and the USAID Office of Foreign Disaster Assistance (OFDA) on proposed contributions to the ICRC and UNHCR. USAID's OFDA allocated a total of \$4.1 million in response to the civil conflict and flood disasters to be channeled through NGOs and international humanitarian assistance organizations operating in the affected areas. OFDA had proposed allocating \$1 million to ICRC and \$500,000 to UNHCR as part of its immediate response. However, OFDA agreed not to contribute these funds, provided that priority sectors such as protection, water/sanitation, and health were covered by PRM contributions.

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international organizations, and NGOs; they cover 11 specific areas deemed critical in any humanitarian response. Organizations within these clusters may also have direct implementing partners. The cluster approach is designed to: (1) ensure that humanitarian partners operate in an inclusive, consultative, and transparent manner; (2) establish leadership and responsibilities at the sector level; (3) cover all relevant at sectors and cross-cutting issues; and (4) improve humanitarian partners' interventions and accountability. A designated organization leads the cluster and develops detailed plans with organizations in the cluster to implement its objectives. Table 2 shows the 11 clusters and lead organizations in Pakistan for conflict-affected IDPs.

Table 2: Clusters and Lead Organizations

Cluster	Lead Organization
AGRICULTURE	Food and Agriculture Organization of the United Nations
CAMP COORDINATION AND CAMP MANAGEMENT	UNHCR
COORDINATION	OCHA
EDUCATION	United Nations Children's Fund (UNICEF)
EARLY RECOVERY	United Nations Development Programme
FOOD ASSISTANCE	United Nations World Food Programme (WFP)
HEALTH	United Nations World Health Organization
LOGISTICS SUPPORT SERVICES	WFP
NUTRITION	UNICEF
PROTECTION	UNHCR
EMERGENCY SHELTER	UNHCR
WATER, SANITATION AND HYGIENE (WASH)	UNICEF

Source: OIG analysis of OCHA's PHRP

UNHCR is responsible for leading three clusters—Camp Coordination and Camp Management, Protection, and Emergency Shelter. At the global level, UNHCR leads interagency groups to build overall capacity, set common standards, and develop policies and tools to support field operations within these clusters. In Pakistan, UNHCR, with its 20 direct implementing partners including the Sarhad Rural Support Program, Relief International, the Government of Pakistan Commissionerate for Afghan Refugees, International Rescue Committee, NWFP Social Welfare Department, Pakistan Community Development Program, and the Foundation for Integrated Development Action, establishes IDP camps and ensures coordinated and effective service delivery in camps and other communal settings. UNHCR provides tents and non-food items such as plastic sheets, sleeping mats, mosquito

nets, blankets, kitchen sets, water coolers, and jerry cans to affected people inside and outside of camps. UNHCR also offers technical support and funding to provincial authorities to identify and register IDPs. Finally, UNHCR provides transitional shelters in return areas. These activities are coordinated with the Government of Pakistan.

Since August 2008, ICRC has provided assistance in insecure areas where most other assistance organizations, including UN agencies, have been unable to operate. ICRC was the first humanitarian organization to re-enter parts of the Swat valley where fighting was still underway. In cooperation with its Pakistani national partner, the Pakistan Red Crescent Society (PRCS), ICRC provides medical assistance, food, essential household items and other emergency assistance to people in IDP camps and host communities, and, where possible, to people trapped by fighting. ICRC and PRCS also administer several camps inaccessible to UN organizations, trace missing family members, and reunite families.

PLANNING AND PERFORMANCE MEASURES

PRM's monitoring and evaluation framework mandates close attention to performance measures and outcomes, given the emphasis on performance management and transparency expected of the humanitarian assistance community. Since 2008, when a framework agreement between PRM and UNHCR was first established,¹¹ UNHCR has committed to reporting progress against global strategic objectives and performance targets. In this framework agreement, UNHCR has also committed to improving its effectiveness by instituting a results-based management system.

The humanitarian community and UNHCR provide IDP assistance and set performance measures at the cluster level. The PHRP, developed by OCHA and participating humanitarian organizations, includes performance indicators and expected outputs and impacts for all 11 clusters to achieve at cluster level. UNHCR global appeals and global strategic objectives also include monitoring and evaluation at the cluster level.

¹¹ *Framework for Cooperation Between the Office of the United Nations High Commissioner for Refugees and the Bureau of Population, Refugees, and Migration, U.S. Department of State.* The framework agreement for 2008 was signed on November 29, 2007; the framework agreement for 2009 was signed on May 18, 2009; and the framework agreement for 2010-2011 was signed on April 21, 2010.

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ASSISTANCE TO INTERNALLY DISPLACED PERSONS IN PAKISTAN

According to OCHA, the strategic objectives of the PHRP are to provide life-saving assistance to IDPs, promote and improve protection of IDPs, and support returnees restarting their lives. Between August 2008 and January 2010, more than 3 million people were displaced from their residences in Pakistan. Officials from the United States, the United Kingdom, and OCHA in Pakistan noted that, during this period, the humanitarian assistance community met the short-term goal of assistance by preventing outbreaks of major epidemics, malnutrition, or starvation while providing assistance. U.S. Government officials stated that, since saving lives was the overriding goal, preventing these dire consequences shows humanitarian assistance was successful.

UNHCR reported that, by the end of January 2010, more than 2.7 million IDPs inside and outside of camps, including an estimated 270,000 IDPs in 21 camps, received non-food item kits and tents.¹² UNHCR also reported providing social welfare and referral services to IDPs and training for implementing staff and local authorities. ICRC reported it provided more than 1.7 million IDPs with food rations and essential household items. IDPs also received sanitation services and potable water, shelters, agriculture livelihood assistance (for example, seeds and tools), and medical and other types of assistance.

By October 2009, the Government of Pakistan and international humanitarian organizations had assisted approximately 1.6 million individuals in returning to their homes, including 185,000 IDPs who had been temporarily in camps. Nineteen of the 35 formal and informal IDP camps were closed as a result of people returning to their homes. However, approximately 1.6 million people remained displaced as of January 2010, including an estimated 115,400 in IDP camps. According to surveys conducted by UNHCR's implementing partner, the International Rescue Committee, nearly half of the IDPs had not returned to their homes because of a perceived lack of security in the home community, a lack of infrastructure or homes to return to, or for other reasons.

¹²See *UNHCR IDP Operation in Pakistan, Report 2009* (covers operations from January 1, 2009 to January 31, 2010).

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PERFORMANCE TARGETS, INDICATORS, AND MONITORING

Although humanitarian community representatives and U.S. Government officials stated that the overall short-term goal of IDP assistance in Pakistan had been achieved, OIG could not determine the extent or effectiveness of this assistance because neither UNHCR nor ICRC reports its performance results against planned targets and indicators. UNHCR global strategic indicators do not measure specific aspects of IDP operations in Pakistan, and UNHCR has not adopted the cluster-specific performance indicators noted in PHRP. ICRC's performance management system is internal to the organization and measures only particular areas of assistance.

According to PRM's monitoring and evaluation procedures, successful monitoring and evaluation requires well-defined and measurable objectives for the project and its components; and a structured set of quantitative or qualitative indicators that measure input, process, output, and the impact of achieving an objective. For indicators to be effective, baseline information¹³ and targets need to be established to track progress toward the desired outcome.

Currently, UNHCR does not report performance results against specific targets or indicators for Pakistan IDP assistance to donors. Except for the provision of emergency shelters, UNHCR progress reports do not include any targets or indicators for assistance such as tent distribution, tent insulation, kitchen construction, training, and protection. UNHCR has established global strategic objectives, performance targets, and indicators in accordance with its framework agreement with PRM. However, indicators are set on a global operational level and fail to measure success at the country level, or performance of the entire cluster.

UNHCR staff in Pakistan reported difficulty using these global performance indicators to measure the progress of IDP assistance in Pakistan. OIG noted that UNHCR's *Standards and Indicators Reports*¹⁴ do not contain country-specific indicators for IDP assistance and are not submitted to PRM. Although UNHCR assisted OCHA

¹³ Baseline information is collected before or at the start of a project or program, such as the current population needing assistance, which provides a basis for planning and assessing subsequent progress and impact.

¹⁴ UNHCR's *Standards and Indicators Reports* have been in place since 2004; the report is part of the baseline for UNHCR's results-based management system.

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in developing the specific performance targets and indicators in the PHRP for the three clusters it leads, it did not transfer these indicators to its own performance measures. Since OCHA does not have the authority to monitor other organizations, each cluster lead is responsible for adopting the performance indicators noted in the PHRP and monitoring overall cluster performance. Without specific targets and indicators to measure outputs or outcomes of assistance, OIG could not determine whether UNHCR achieved its intended objectives in each area of assistance.

UNHCR officials stated that, because other assistance organizations within the cluster are not obligated to report to the cluster lead, UNHCR cannot collectively assess the needs of the cluster, or establish comprehensive baselines to report over-all cluster level performance. UNHCR staff noted the necessity of establishing contractual agreements to obligate other organizations within the cluster to report performance to the cluster lead, as UNHCR is able to do with its direct implementing partners.

The lack of cluster monitoring in the current cluster system has led to three problems. First, the Joint Protection Monitoring System¹⁵ has not yet been set up. Because UNHCR could not assess overall assistance needs or progress in other specialized protection areas such as gender-based violence protection and training, an overall protection system could not be established. Second, UNHCR staff conveyed challenges in measuring performance results or success of overall camp coordination and camp management. Third, the lack of cluster monitoring has led to potential “double dipping.” UNHCR, as the lead for the Emergency Shelter cluster, provides needed assistance material to other partner organizations in the cluster. At least one international organization within the Emergency Shelter cluster tried to appeal to donors a second time for the assistance material it had already received from UNHCR. Although U.S. Government officials were able to stop this second appeal, OIG is not assured that further similar incidents will be prevented. Moreover, UNHCR officials communicated that the organizations within the cluster do not always coordinate their needs with the cluster lead, and bilaterally appeal and receive funding and assistance material from donors. It should be noted that PRM funds UNHCR’s cluster leadership costs and supports UNHCR’s role in the cluster approach.

¹⁵ The PHRP states that the Joint Protection Monitoring System will be established for the Protection cluster. The Joint Protection Monitoring System brings all humanitarian partners together in an agreed and consolidated reporting and intervention mechanism. The system aims for a structured, coordinated monitoring and reporting approach to address primarily social protection issues and security-related problems in the most timely and non-confrontational manner.

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ICRC's measures performance for only particular areas of assistance. PRM responds to ICRC's multiple appeals for funding, and for each appeal, ICRC includes updated quantifiable and qualitative targets to achieve its assistance objectives. However, ICRC does not include these targets in its mid-term or annual progress reports. Furthermore, the targets in the appeals are presented in various categories and varied formats, making it difficult for donors to follow or track. ICRC headquarters in Geneva, Switzerland, tracks expenditures to the sub-program level, but actual progress against set targets or standards is only measured internally and is not formally reported to donors. According to ICRC senior staff in Pakistan, ICRC's Economic Security, Water and Habitat section in Pakistan tracks performance against set targets to measure progress and the impact of distribution of food and non-food items, as well as agriculture livelihood assistance. However, ICRC would not share these documents with the OIG team, stating that they were for internal use only. Without documentary evidence to support the results of performance measures, OIG is not able to determine how effectively ICRC's assistance met overall objectives.

Numerous humanitarian assistance officials noted the difficulty of measuring performance in the rapidly changing circumstances of an emergency relief situation. Continued violence, a constant outpouring of IDPs with parallel returns, and fluid movements of people cause constantly fluctuating numbers of IDPs. Security issues also pose challenges to gathering and verifying appropriate data. Thus, the humanitarian assistance community has adopted a flexible planning approach, and the targets included in appeals and plans are considered guidelines rather than solidly defined performance measures. Given these conditions, flexible planning is appropriate. Nevertheless, proper monitoring and evaluation calls for updating plans when baselines change. The *UNHCR Handbook for Emergencies*¹⁶ states that operations plans must be updated to take into account new assessments and progress in implementation; the more critical the situation, the more important it is to plan and determine the standards to which assistance should be delivered.

PRM officials stated they work through international partner organizations, UNHCR and ICRC, to support refugee and IDP assistance programs. PRM contributes funding to UNHCR and ICRC as part of a larger multilateral humanitarian response effort. As an engaged and responsible donor, PRM stated that it coordinates with UNHCR and ICRC; broadly monitors and assesses their activities, transparency, accountability, effectiveness, and use of resources; and strategizes to optimize their humanitarian efforts. OIG noted that PRM engages daily with UNHCR and ICRC, conducts limited site visits to camps, and issues cables noting interactions. However,

¹⁶ *UNHCR Handbook for Emergencies*, Third Edition, Geneva, Switzerland: United Nations High Commissioner for Refugees, 2007.

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senior representatives from the donor community, including PRM, noted that in the humanitarian assistance community, putting as few conditions as possible on funding to allow more flexibility is considered good donor practice. Currently, donors only coordinate to fill the gaps in assistance funding. Other donors noted the difficulty in determining whether international organizations are delivering assistance as planned. PRM is making continual large contributions towards UNHCR and ICRC's funding appeals, but the absence of achievable and measurable performance indicators makes it difficult to measure overall effectiveness or ascertain whether the U.S. Government's investment in humanitarian assistance is well spent.

ASSISTANCE PROCUREMENT STRATEGIES

OIG noted that UNHCR procurement planning is based on general assumptions about assistance needs garnered from the humanitarian community. ICRC's procurement plans are based on the availability of resources, rather than assistance needs. Both organizations have procurement policies and processes for goods and services that ensure the quality and low cost of goods.

UNHCR's planning for procurement of assistance materials and supplies is inefficient because there is no planning at the program level to determine how much material should be purchased. UNHCR procurement plans are based on general assumptions made by the humanitarian community about assistance needs. OIG could not find any planned targets for specific areas of assistance, except for emergency shelters. The planned target to procure and construct 25,000 emergency shelter units was based on the findings of UNHCR's *Conflict Early Recovery Initial Needs Assessment for the Swat District in NWFP*, and on the circumstances of displacement and return in other areas of the NWFP and the FATA. PRM officials commented that "planning" is a misnomer in emergency situations because humanitarian organizations simply try to procure as much as possible to distribute. UNHCR staff stated that, in an emergency, international organizations need to stock supplies to support 500,000 people. Without planning figures, OIG could not determine the efficiency of UNHCR's procurement of assistance materials and supplies.

UNHCR ensures the quality and low cost of large procurements through purchasing policies and a procurement approval process. OIG noted that UNHCR directly purchases from vendors, maximizes purchasing locally, and institutes purchasing penalties to ensure timely delivery. For any procurement of goods by a field office valued over \$1,000, UNHCR requires a comparison of at least three formal quotations. Procurement of goods over \$5,000 must go through a formal competitive bidding process, and goods over \$20,000 require approval by UNHCR's local contracts committee, which is established by the UN headquarters' contracts committee. Goods over \$150,000 require approval from UNHCR headquarters' contracts committee, which must consult with program specialists, technical support, and supply management sections to ensure price compatibility and compliance with technical requirements. U.S. Government officials with firsthand knowledge described UNHCR as having good procurement procedures.

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OIG observed that UNHCR's warehouse in Peshawar is adequately maintained and that assistance materials are approved for distribution. The UNHCR office in Pakistan and its implementing partner, the Sarhad Rural Support Program, conduct daily, weekly, and monthly stock reports of goods received and goods going out for distribution. OIG verified the presence of records on top of each stack of non-food items, showing the total number of items remaining after each stock release for distribution. Official from the Sarhad Rural Support Program and UNHCR confirmed that no items went missing during transport. Discrepancies were attributed to miscounts caused by human errors. UNHCR officials reported they could not conduct a physical inventory of all items during 2009 because of the large number of items constantly coming in and going out during the IDP emergency, but they stated an inventory of all assets and properties was being conducted at the time of OIG's site visit.

UNHCR does not have a bidding process to select its implementing partners for procurement of services. However, most implementing partners are national-level Pakistani NGOs that are screened and selected based on their experience. Significant numbers of provincial-level NGOs are excluded because of rudimentary levels of development. UNHCR headquarters has a set of standards to pre-screen and certify these organizations. The UNHCR Peshawar office also confirms the validity of organizations by checking official registrations with the Government of Pakistan and conducting site visits. PRM officials stated that UNHCR has a "good track record of auditing and monitoring its implementing partners," and that to their knowledge no organizations have been compromised. OIG noted that UNHCR's sub-project agreements require all implementing partners to be direct executing agents and maintain UNHCR's funds in a separate bank account.¹⁷

ICRC procurement plans are based on history, experience, and information gathered from ICRC and PRCS staff on the ground. The availability of resources determines the number of IDPs ICRC can support. Levels of assistance and the amount of materials and supplies to be procured are determined by ICRC's capacity. For example, ICRC plans to reach 80 percent of people in need rather than 100 percent, and it measures the actual percentage assisted against this lower target. PRCS also determines the number of people to assist or the level of assistance based on available resources. PRCS conducts needs assessments by collecting information from the Pakistan National Disaster Management Authority and by sending out trained teams of volunteers to communities to verify this information. Survey forms are used to quantify needs, identify vulnerable groups, and determine the number of people required for support. PRCS conducts assessments in areas ICRC cannot access; joint PRCS-ICRC assessments are conducted in other areas.

¹⁷When UNHCR discovered an organization diverting UNHCR funds, it ceased conducting business with the organization.

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ICRC has purchasing policies and procurement approval procedures to ensure the quality and low cost of goods. ICRC purchases 53 percent of goods locally, except medical supplies which require higher quality standards. ICRC directly procures goods from vendors, checks the quality of goods in the ICRC warehouses or through lab tests, and compares all suppliers' prices to pick the lowest cost. All purchases between \$5,000 and \$30,000 require quotations from a minimum of three selected suppliers. Any purchases above \$30,000 require a restricted bidding process for a minimum of three selected suppliers; offers are analyzed and signed by a minimum of two ICRC evaluators. Any corporate purchases require an open international bid; offers are analyzed and approved by several ICRC evaluators. For procurement of services, ICRC has no direct implementing partners; the PRCS is a "co-operational" partner since PRCS also receives contributions from other donors. ICRC purchases non-food items, food, and medicine for PRCS and contributes financially to PRCS's operational and regional budgets. OIG's review of documents and interviews with officials involved in day-to-day operations revealed no unlawful instances of assistance being diverted to illegitimate organizations.

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CONCLUSION

From August 2008 to January 2010, PRM's main partners, UNHRC and ICRC responded successfully to the emergency situation in Pakistan by providing humanitarian assistance to IDPs. Although the short-term goal was reached—preventing outbreaks of disease and starvation—OIG could not determine the effectiveness of assistance because neither organization reports performance results against specific targets and indicators. PRM's significant and continual contributions to IDP assistance should mandate more regularized performance monitoring. Although there are challenges, these organizations should be able to measure the effectiveness of assistance by setting performance standards, updating their performance plans, and assessing whether the assistance is reaching intended targets and achieving its objectives. As evidenced by the recent flooding in Pakistan, it is highly likely that IDPs will remain a priority for the international community, and that the Department will continue funding humanitarian assistance efforts. UNHRC's and ICRC's regular reporting to PRM of performance results against targets and indicators for Pakistan IDP assistance would enhance the Department's understanding of the value of its contributions and help in making informed future budget decisions.

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ABBREVIATIONS

Department	Department of State
FATA	Federally Administered Tribal Areas
ICRC	International Committee of the Red Cross
IDP	internally displaced person
MERO	Middle East Regional Office (Office of Inspector General)
NGO	non-governmental organization
NWFP	North-West Frontier Province
OCHA	UN Office for the Coordination of Humanitarian Affairs
OFDA	Office of Foreign Disaster Assistance (USAID)
OIG	Office of Inspector General
PHRP	Pakistan Humanitarian Assistance Plan
PRCS	Pakistan Red Crescent Society
PRM	Bureau of Population, Refugees and Migration
UNHCR	United Nations High Commissioner for Refugees
UNICEF	UN Children's Fund
USAID	U.S. Agency for International Development
WFP	UN World Food Programme

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APPENDIX I

PURPOSE, SCOPE, AND METHODOLOGY

The Middle East Regional Office (MERO) of the Office of Inspector General (OIG) performed this evaluation under the authority of the Inspector General Act of 1978, as amended, to determine whether PRM and its main partners, UNHCR and ICRC, are effectively managing IDP assistance in Pakistan. Specifically, the objectives of this review were to determine: (1) whether assistance is reaching intended targets; (2) if program performance measures were established and achieved; and 3) how procurement strategies are planned and implemented.

OIG conducted this performance evaluation from February to October 2010. OIG did not use computer-processed data to perform this evaluation. OIG conducted this performance evaluation in accordance with the quality standards for inspections and evaluations issued in January 2005 by the Council of Inspectors General on Integrity and Efficiency.

The OIG team interviewed key officials in Washington, DC; Geneva, Switzerland; and Islamabad, Pakistan. In Washington, DC, OIG interviewed officials from PRM. In Geneva, OIG met with officials from the refugee and migration affairs section at the U.S. Mission to the UN and senior representatives from UNHCR, ICRC, and OCHA. In Islamabad, OIG interviewed the PRM refugee coordinator, and other U.S. Government officials involved in IDP assistance, including a USAID official. In addition, OIG met with senior officials from UNHCR and UNHCR's direct implementing partners, ICRC, PRCS, and OCHA. OIG met with senior representatives from the Government of Pakistan, including the National Database and Regional Authority in Pakistan, the Pakistan Ministry of States and Frontier Regions, and the Commissionerate for Afghan Refugees. OIG met with other donors including officials from the United Kingdom Department for International Development, European Commission – Humanitarian Aid & Civil Protection, Canadian International Development Agency, and the Japanese embassy in Pakistan. The OIG team conducted an on-site visit to the Jalozai IDP camp in Peshawar, Pakistan and observed operations at the UNHCR warehouse in Alzehara, Pakistan.

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OIG reviewed PRM's, UNHCR's, and ICRC's objectives, assistance plans, and appeals. OIG reviewed PRM's coordination with USAID for IDP assistance, contribution letters to UNHCR and ICRC, the framework agreement with UNHCR, PRM monitoring and evaluation procedures, and reports of interaction with UNHCR and ICRC. OIG analyzed UNHCR's and ICRC's appeals and progress reports to assess actual assistance provided. OIG also reviewed strategic planning and cluster performance indicators noted in the PHRP. OIG was given a demonstration of UNHCR's results-based management system, reviewed UNHCR's global performance targets and indicators, and gathered testimonial evidence from ICRC staff for performance measures. In addition, OIG reviewed UNHCR's and ICRC's procurement policies and procedures.

This report was prepared under the direction of Richard "Nick" Arntson, Assistant Inspector General for MERO. The following staff members conducted the evaluation and/or contributed to the report: John Acree, David Bernet, Patrick Dickriede, Regina Grider, Kelly Herberger, and Kelly Moon.

APPENDIX II

COMMENTS FROM EMBASSY ISLAMABAD



*Embassy of the United States
Islamabad, Pakistan*

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December 9, 2010

FROM: Embassy Islamabad, Deputy Chief of Mission Stephen Engelken

SUBJECT: Embassy Comments to the Recommendations in the OIG Performance Evaluation of PRM's IDP Programs in Pakistan

We appreciate this opportunity to comment on the Office of the Inspector General, Middle East Regional Office (OIG/MERO) recommendations contained in its Performance Evaluation of the Bureau of Population, Refugees and Migration's Internally Displaced Persons Program in Pakistan.

Regarding OIG/MERO Recommendation 1: We would welcome UNHCR and ICRC more frequent and detailed reporting to all donors about their assistance to IDPs in Pakistan. We note, however, that UNHCR and ICRC are already providing periodic updates on the assistance they provide. As international organizations that are supported by many donors, UNHCR and ICRC have developed standardized reports to inform all donors at the same time and with the same documents. We particularly value UNHCR and ICRC for their capacity to respond rapidly to changing humanitarian needs. In complex emergencies, the needs of the IDPs are influenced by the magnitude of the displacement and its duration. As it is very difficult to predict how conflict affects these two variables, developing meaningful targets and requiring UNHCR and ICRC to report on progress towards their attainment can be very difficult and only of marginal utility. The same is true with respect to the development of targets for IDPs returning to their homes. The decision to return must be voluntary, based on the IDPs' own assessment of security and living conditions in places of return. While developing specific targets for assistance is very important for USG implementing partners working on specific projects, the value of UNHCR and ICRC is in their capacity to support the IDPs on an ongoing basis and with great flexibility.

Post can support OIG/MERO Recommendation 2 and 3, but notes that a UN cluster lead can request but has no means to enforce reporting requirements on other members of the cluster.

Attachment: OIG/MERO Recommendations included in the Performance Evaluation of PRM's IDP Program in Pakistan.

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OIG Recommendations

Recommendation 1: The Bureau of Population, Refugees and Migration should require the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC) to regularly and consistently report to the bureau on the progress toward specific targets for assistance to internally displaced persons in Pakistan. The bureau should also require UNHCR and ICRC to provide updates on performance measurement plans when baselines and targets change significantly. (Action: PRM)

Recommendation 2: The Bureau of Population, Refugees and Migration should require the United Nations High Commissioner for Refugees to provide written, regular updates to Embassy Islamabad on the funding and assistance material needs of all organizations within the three clusters it leads in Pakistan. (Action: PRM)

Recommendation 3: The Bureau of Population, Refugees and Migration should advocate with the United Nations High Commissioner for Refugees, the United Nations Office for the Coordination of Humanitarian Affairs, and other U.S. Government entities engaged in humanitarian assistance reform to encourage all organizations participating in the cluster system to establish up-to-date and agreed upon assistance targets and indicators for achieving cluster objectives, and report the results of performance against these targets and indicators to the cluster leads. (Action: PRM)

Approved: DCM – Stephen Engelken

Drafted: Refugee Section – Rafael Foley, ext. 7-2689, cell: (+92) 301-8545-019

Cleared: ASSIST – Francisco Gonzalez

APPENDIX III

COMMENTS FROM THE BUREAU OF POPULATION, REFUGEES AND MIGRATION



United States Department of State

Washington, D.C. 20520

December 13, 2010

MEMORANDUM

TO: OIG-MERO – Nick Arntson, Assistant Inspector General, Middle East Region

THROUGH: PRM – David Robinson, Principal Deputy Assistant Secretary

FROM: PRM/ECA – Tom Hushek, Director

SUBJECT: **Draft FY 2010 Performance Evaluation – PRM IDP Program in Pakistan**

The Bureau of Population, Refugees, and Migration (PRM or the Bureau) would like to thank the Office of the Inspector General – Middle East Regional Office (OIG-MERO) for the opportunity to provide comments on the draft Performance Evaluation (Report Number MERO-I-11-01, _____ 2010) regarding “The Bureau of Population, Refugees and Migration’s Internally Displaced Persons Program in Pakistan.” As in the case of OIG-ISP earlier this year in the “FY 2010 Inspection of Embassy Islamabad and Constituent Posts, Pakistan,” PRM appreciates the attention paid by OIG to humanitarian assistance issues in Pakistan.

PRM also appreciates the time and attention OIG-MERO placed on the question of whether assistance being provided through the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC) had been diverted for illegitimate purposes. OIG-MERO’s findings that there was no evidence of diversion are extremely important. PRM will continue to work to ensure that our funds are being used as intended for humanitarian response.

PRM agrees that both UNHCR and ICRC should provide (not only to the U.S. Government but to all donors) more standardized and regular performance reporting on their humanitarian assistance to IDPs within Pakistan. However, PRM cannot mandate (or “require”) bilateral reporting tied to specific targets, because of the multilateral nature of our funding and because doing so would run contrary to the principles of Good Humanitarian Donorship as explained below.

In addition, the premise that the “effectiveness” of humanitarian assistance to IDPs in Pakistan could not be ascertained is incorrect. The effectiveness of the humanitarian response was evidenced by the fact that our partners, in conjunction with the Government of Pakistan,

sheltered those who needed sheltering and prevented widespread mortality and morbidity; as OIG-MERO acknowledges, “The international community’s support to the Government of Pakistan in providing IDP assistance achieved the short-term goal of preventing outbreaks of disease and starvation.” This humanitarian response to one of the world’s largest and fastest displacements is widely accepted to have been effective as measured against these objectives. “Efficiency” of the humanitarian response in a complex emergency such as the one in Pakistan is much more difficult to measure. The rapidity and unpredictability of conflict-engendered displacement and subsequent return, the dynamics of a complex emergency characterized by armed conflict in varying locations, the changing conditions of access due to shifting insecurity and governmental restrictions, and the unpredictability of available resources dependent on yet-to-be made donor contributions made it impossible for humanitarian assistance organizations to have “planned” and fixed targets of assistance against which to measure efficiency. However, in a developing crisis—particularly one of massive scale, speed, and insecurity—effectiveness, not efficiency, is the appropriate standard against which to evaluate the response; and this humanitarian response was very effective .

In our comments below, PRM provides further context on the appeals process in which the U.S. Government is only one of many donors contributing to the activities of UNHCR and ICRC. Because of the nature of the multilateral donor system and PRM’s efforts to provide flexible, voluntary contributions to international organizations (in response to appeals) to allow these organizations to respond nimbly to emergency needs, PRM does not direct the scope of work of these organizations. PRM is concerned that a reader unfamiliar with multilateral donor support provided through voluntary contributions to international organizations might not understand the broader multilateral context in which PRM is working. PRM is not a sole source funder of these multilateral organizations, which are instead supported by many governments. PRM also does not provide its funds to UNHCR and ICRC through grants or cooperative agreements and does not have the prerogatives of such a funder. As the report recognizes, PRM has a very cooperative relationship with the organizations it funds and is in constant contact on questions of strategy, performance, and beneficiary needs. However, it cannot mandate (“require”) these organizations’ actions or reporting.

PRM practices and promotes the principles of Good Humanitarian Donorship¹⁸ – an initiative supported by 37 donor governments, including the USG -- which is committed to achieving efficient and principled humanitarian assistance. Accordingly, the Bureau strives to provide timely, flexible funding on the basis of needs assessments and according to the principles of universality, impartiality, and human dignity. By providing reliable, “fair share” contributions to international organizations in response to appeals, we leverage U.S. Government influence, and promote accountability and responsibility-sharing. Principles 11 and 12 are of particular relevance: “11. Recognising the necessity of dynamic and flexible response to changing needs in humanitarian crises, strive to ensure predictability and flexibility in funding to United Nations agencies, funds and programmes and to other key humanitarian organizations. 12. While stressing the importance of transparent and strategic priority-setting and financial planning by implementing organisations, explore the possibility of reducing, or enhancing the flexibility of, earmarking, and of introducing longer-term funding arrangements.” These principles ultimately seek to strengthen the international humanitarian response system, of which UNHCR and ICRC are key components, to allow that system to respond rapidly and effectively to humanitarian crises.

PRM has included more specific comments below keyed to the draft report’s narrative and recommendations. In offering more complete context of PRM’s humanitarian assistance efforts benefiting IDPs in Pakistan and more broadly, PRM hopes that the final report will be a useful tool to continue to improve the delivery of humanitarian assistance in such emergency situations. The Bureau would like to extend its appreciation to OIG-MERO’s Sam Bernet and Kelly Moon for the discussion held on Monday, October 25, 2010, to review OIG-MERO’s findings.

1. OIG Recommendations

Recommendation 1: PRM agrees with the intent of this recommendation with two caveats. First, the Bureau is one of many donors contributing to these international organizations and cannot “require” bilateral reporting. Second, the evolving nature of the complex emergency in Pakistan causes targets to fluctuate constantly. The Bureau will work with UNHCR and ICRC through the Refugee and Migration Affairs Section at the U.S. Mission in Geneva with the aim of improving and standardizing the reporting provided by these organizations to all donors. It should be noted that the new targets and actual beneficiaries assisted are reported by UNHCR and ICRC in supplemental appeals, annual reports, and periodic operational updates.

¹⁸ *Principles And Good Practice Of Humanitarian Donorship*, endorsed at a meeting in Stockholm, Sweden on June 17, 2003 by Germany, Australia, Belgium, Canada, the European Commission, Denmark, the United States, Finland, France, Ireland, Japan, Luxemburg, Norway, the Netherlands, the United Kingdom, Sweden, and Switzerland.

Recommendation 2: As OIG-MERO recognizes, UNHCR, as lead of three clusters, has worked with its cluster members to develop specific performance indicators and expected IDP response for inclusion in Pakistan Humanitarian Response Plans prepared by the UN Office for the Coordination of Humanitarian Affairs (OCHA). UNHCR coordinated the formation of cluster strategy and coordinated and compiled the proposals of cluster members to meet humanitarian assistance needs covered under the three clusters. It is inaccurate to assume, however, that UNHCR is or should be accountable for “reporting the performance or coordinating the needs of other organizations.” UNHCR cannot be held accountable for the performance of the many NGO cluster members which are not its implementing partners and with which it has no contractual agreement. UNHCR also has neither the authorization nor the mandate to report to donors on the funding requirements of UNHCR-led cluster members. PRM refrains from mandating (“requiring”) frequent UNCHR reports specifically designed for a single donor (PRM) among many, since doing so would also undermine the organization's efficiency and run contrary to Good Humanitarian Donor principles.

Recommendation 3: The Bureau will undertake this recommendation to advocate with UN and U.S Government entities to encourage organizations participating in the cluster system to report to cluster leads on performance against agreed-upon cluster targets and indicators with the understanding that organizations would have to update their targets and indicators regularly in the case of an evolving emergency.

2. Performance Targets and Reporting

PRM finds fault with OIG-MERO's premises that “neither UNHCR nor ICRC reports performance results against performance targets and indicators, such as the planned number of beneficiaries or planned standards of service for IDP assistance in Pakistan.” Although UNHCR and ICRC generally estimate the numbers of IDPs and other conflict victims they plan to assist through their annual appeals, the emergency response nature of UNHCR and ICRC's work, the changing level of funding and resources available to them, the dynamics of the complex emergency, and particularly the armed conflict, in Pakistan, and the changing access restrictions imposed by the Government of Pakistan and/or caused by insecurity in certain conflict-affected areas caused performance targets to fluctuate continuously. UNHCR and ICRC regularly reevaluate the situation and recalculate their resources and recalibrate their response accordingly. Contrary to statements in OIG-MERO's report, new targets and actual beneficiaries assisted are reported in supplemental appeals, annual reports, and periodic operational updates.

3. UNHCR

Since 2008, PRM and UNHCR, through a mutually agreed-upon framework agreement, have identified several UNHCR global strategic priorities and targets against which UNHCR will report progress. PRM holds UNHCR accountable for reporting performance as specified in the framework agreement twice per year (meetings are held in Geneva in June and December). This framework agreement focuses on larger institutional issues rather than on country-specific operations; thus, global indicators are not delineated to the country level. UNHCR's specific targets for IDP assistance in Pakistan are included in UNHCR's Global Appeal for Pakistan and its Pakistan Country Operations Plan (COP). The COP, which is now included in UNHCR's performance management database (Focus), outlines UNHCR's program goals, objectives, and priorities for its operation in Pakistan. PRM conducts a yearly review of the COP through our Refugee Coordinators in the field. PRM's Refugee Coordinator in Islamabad participated in this review in March/April 2010. The COP report generated by the Refugee Coordinator looks into the percentage of impact indicators that are being met by UNHCR, and why certain indicators are not being met. The results of this review are shared with UNHCR headquarters staff in Geneva, who in turn follow up with UNHCR field offices to address PRM's concerns and findings. In addition, PRM monitors UNHCR activities through the Refugee and Migration Affairs Section at the U.S. Mission in Geneva; through regular coordination by our Refugee Coordinator with UNHCR country and field offices on strategy, performance, and humanitarian assistance needs; and through site visits by both the Refugee Coordinators and Washington-based staff to UNHCR-supported IDP camps, activities, and warehouses.

UNHCR often conducts rapid assessments at the onset of an emergency (based on needs) to estimate required procurements and then may do a more thorough assessment after the emergency phase to reflect evolving needs and market conditions. UNHCR has a policy of ensuring that its regional stocks have supplies for up to 500,000 people in order to ensure that the organization is prepared to respond if an emergency occurs. This policy is not a standard for all international organizations but part of UNHCR's contingency planning. UNHCR's emergency stockpiles are not intended to reflect the agency's situation-specific planning figures for populations in need—even if only estimates—at the onset of an emergency. Pre-positioning relief supplies allows for quicker emergency responses and is widely regarded as a UNHCR strength.

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Regarding the cluster system, PRM would like to draw attention to the Inter-Agency Real Time Evaluation of the Humanitarian Response to Pakistan's 2009 Displacement Crisis¹⁹, which was commissioned by the Inter-Agency Standing Committee and undertaken by a team of three evaluators in May and June of 2010. The report discusses the overall success of the humanitarian response, problems with the current UN Humanitarian Reform process, cluster performance, the dangerous environment for humanitarian workers, and several other factors that provide important context for PRM's role as one of many donors funding the assistance provided in response to the IDP crisis in Pakistan. PRM would also like to point out that the impact of insecurity on humanitarian assistance in Pakistan cannot be underemphasized; during the time period covered by OIG-MERO's report, the volatile security situation in Pakistan cost the life of three UNHCR staff members, limited access to vulnerable populations, resulted in a required drawdown of staff, increased stress, and severely taxed the time of remaining UNHCR staff to ensure assistance implementation.

The Bureau finds fault with the premise that "PRM has not held UNHCR accountable to reporting performance and coordinating the needs of other organizations in the three assistance groups (clusters) it leads." UNHCR, like many UN organizations, faced challenges coordinating assistance as a cluster lead during the time period covered by this report when humanitarian assistance needs were high and many new and untested humanitarian actors entered the scene. PRM does not earmark for "cluster leadership costs" or fund them 100% as OIG-MERO seems to imply.

OIG-MERO has correctly identified several weaknesses with the cluster system, including the lack of clear monitoring. The UN humanitarian response mechanism through the cluster system is a work in progress, and PRM uses every opportunity to remind its partners of the importance of cluster accountability. PRM agrees that UNHCR should be able to explain what steps it has taken as cluster lead (in terms of coordinating, soliciting improved implementation, advocating for additional resources/partners, etc.) when a sector has not reached its indicators and will continue to urge (as opposed to "require") UNHCR to provide such explanations as appropriate with the caveats indicated above. However, it appears that OIG-MERO is placing a great deal of criticism at UNHCR's feet for the weaknesses and failures of the cluster system. While UNHCR perhaps can be held accountable for its leadership of the three clusters it headed

¹⁹ *Inter-Agency Real Time Evaluation (LARTE) of the Humanitarian Response to Pakistan's 2009 Displacement Crisis*, Commissioned by the Inter-Agency Standing Committee, Final Report Version 1.95, August 9, 2010

for the IDP response, attempting to hold the agency accountable for the performance of an entire sector or of its cluster members mischaracterizes UNHCR's role in the cluster system. It also fails to acknowledge the coordination, reporting, and assessment responsibilities of OCHA overall.

4. ICRC

While PRM agrees that ICRC's reporting format sometimes makes it difficult to monitor and rate the effectiveness of ICRC's operations, ICRC does clearly report performance results against performance targets in its mid-year and annual reports. ICRC's results-based management system measures areas of assistance that fall under the standard list of seven target populations and four main activities (protection, assistance, prevention, and cooperation with national societies) defined by ICRC. These are listed and explained in the front part of the Emergency Appeal. As stated above, ICRC reported performance targets and performance results in its annual reports, emergency appeals, and budget extension appeals. For example, in ICRC's 2009 Emergency Appeal for Pakistan, it lists the target population, problem, objective, plan of action, and indicators by program. Results are given in ICRC's 2009 Midterm Report and in ICRC's 2009 Annual Report under the chart titled "Main Figures and Indicators" and in the accompanying narrative.

ICRC has a large logistics network in Pakistan, which includes 130 warehouses and a logistics base. In liaising with the relevant cluster, ICRC will present a realistic estimate of what portion of the overall need it can cover, but its response is not merely based on available resources. ICRC requests donor funding based on assessed humanitarian need, its own capacity, and determination of where it would have comparative advantages in providing assistance. Then, if later ICRC does not have sufficient resources to meet new needs, the organization will make an effort to generate resources, most often by issuing a budget extension appeal. Only from the limited perspective of the procurement office is procurement based on availability of resources. The resources available have been solicited based on a budget that reflects ICRC's strategy for Pakistan. Like other humanitarian organizations, ICRC will prioritize needs (i.e. assist the most vulnerable) if it lacks sufficient resources to meet all of the identified needs on the ground until it can find further resources.

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5. PRM Funding

Table 1 (“PRM Contributions to UNHCR and ICRC for IDP Assistance in Pakistan”) leaves out key information, including the total amount of the appeal and UNHCR’s component of broader UN appeals, such as the Pakistan Humanitarian Response Plan (PHRP). The following chart provides more context to a reader unfamiliar with the international organization appeal system:

UNHCR

Contrib. Date	Appeal	Total Appeal Request (millions)	Revised UNHCR Requirements* (millions)	PRM Contrib. (millions)
Nov-08	UN PHRP 2008	55.1	17.2	4.3
Apr-09	UN PHRP 2008-2009 revision	126.8	15.9	3.3
Jun-09	UN PHRP revision – May 2009	543.2	105	10
Jul-09				23
FY 09 Subtotal:				\$40.6**
Dec-09	UNHCR Global Appeal for Pakistan 2010-2011	131.1 (IDP pillar only)	N/A	10
Mar-10	UN PHRP 2010	537.8	69.7	10.9
FY 10 Subtotal:				\$20.9***
UNHCR Total				\$61.5

* These figures reflect new UNHCR requirements at time of revision.

** Does not include \$1 million provided to UNHCR in response to a supplementary appeal for assistance for IDP global clusters.

*** This chart only reflects obligations through April 2010. PRM obligated additional funding to UNHCR for Pakistan IDPs in FY 2010 after April.

ICRC

Contrib. Date	Appeal	Total Appeal Request (millions)	PRM Contrib. (millions)
Nov-08	Pakistan Budget Extension Appeal – Oct. 2008	3.9	1
Apr-09	Pakistan Budget Extension Appeal – Mar. 2009	24.2	6
Jul-09	Pakistan Budget Extension Appeal – June 2009	37.2	12
ICRC Total			\$19*

* This chart only reflects obligations through April 2010. PRM obligated funding to ICRC for Pakistan IDPs in FY 2010 after April.

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