

How Can Innovation Deliver Humanitarian Outcomes?

Challenges and Approaches for Humanitarian Innovation Policy

In the humanitarian field, innovation is seen as key to plugging the humanitarian response gap. For humanitarian innovation to be effective, placing the end-user at the centre is vital. Policies must be created that encourage, direct and reward private/humanitarian partnerships that move beyond short-term concerns and demand accountability, evidence of impact, market creation and conscious approaches to ownership.

Brief Points

- Humanitarian innovation is essential to the delivery of effective outcomes to the humanitarian sector.
- The humanitarian market is unable to absorb and harness innovation due to a short-term focus resulting in narrow, ineffectual and sometimes harmful impacts.
- Policies must guide humanitarian innovation to put the needs of crisis-affected people first.
- Assessments of humanitarian innovation must be evidence based.
- There can be no innovation without responsible, ethical and effective data management.

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Innovation and the Humanitarian Response Gap

Despite the expansive growth of the humanitarian sector globally, there is an increasing operational and financial deficit in the capacity of governments and humanitarian organizations to respond to growing humanitarian needs. This has led to sector-wide calls for changes in the way such crises are understood and managed.

Humanitarians currently use the term ‘humanitarian innovation’ to describe how technologies, products and services from the private sector and new collaborations can improve the delivery of humanitarian aid. This implies that humanitarian innovation can refer to anything from product innovation (such as new water filters), to service innovation (such as cash-transfers or fuel supply) and process innovation (such as new monitoring and evaluation procedures for humanitarian staff).

As a result, ‘innovation’ has become a significant buzzword in the humanitarian field, appearing in donor speeches, policy documents, and media coverage. Humanitarian innovation units have emerged in most humanitarian organizations, and ‘Transformation through Innovation’ is a main theme for the World Humanitarian Summit in 2016. This focus has been further reiterated in the UN ‘Agenda for Humanity’, which states that to deliver collective outcomes, the humanitarian sector must promote a strong focus on innovation (Agenda for Humanity, Annex to the Report of the Secretary General 2016, core responsibility four).

The Need for Principled Policy

Policy is needed to support and guide innovation within the humanitarian sector. However, the unique characteristics of the humanitarian innovation field pose multiple challenges for policy development. The humanitarian sector has only recently moved from a discussion of whether humanitarian innovation is necessary towards asking ‘how’ humanitarian innovation should happen.

This ‘how’ is complicated by a set of structural tensions that often go unacknowledged. These tensions arise from the multiple stakeholders’ interests, which any policy written to foster humanitarian innovation must consider. The stakeholders collaborating to meet demand in the humanitarian sector include those in trade, in the field of industrial and economic policy, as well as established foreign policy. New cross-sectoral collaborations may also increase the complexity of the humani-

tarian sector in ways that challenge traditional accountability models. Structural tensions also result from how the humanitarian market tends to favour short-term focused innovations that have commercial objectives rather than humanitarian goals. At the same time as the sector is increasingly looking to private enterprise and academia to develop and deliver innovative solutions, there is a dearth of evidence that validates the impact of humanitarian innovation initiatives. This confluence of factors leads many humanitarian market stakeholders to conclude that innovation for the humanitarian sector is a waste of financial and human resources.

As this short-term focused, low-impact model of humanitarian innovation becomes the standard, there is a clear need to guide this conversation towards effective models for intervention. This policy brief identifies three key principles for policy development:

- While innovation is frequently explained as a process, the potential of innovation is better understood through its impact. Improved delivery of humanitarian outcomes with and for crisis-affected communities must be the end result of humanitarian innovation on all levels.
- The tensions and competing interests that underpin the humanitarian market and the humanitarian supply chain must be accounted for in policy development. In not considering the particular attributes of emergencies, the humanitarian sector risks adopting ineffective commercial and market-based approaches and rationales.
- The added value of private sector collaboration in the struggle to deliver better collective outcomes must be emphasized without compromising humanitarian action or the values of the humanitarian enterprise. The imperative to provide aid according to need and to do no harm, guided by the humanitarian principles, must remain the paramount goal.

The Humanitarian Market: Structural Challenges to Innovation

The humanitarian market is a quasi-market that consists of suppliers and humanitarian customers that seek to fill the needs of crisis-affected people globally. While crisis-affected communities are increasingly often referred to as “customers” or “clients”, the humanitarian customer is the humanitarian actor. It is necessary to acknowledge the struc-

tural constraints to innovation in the humanitarian market, in order to alleviate these concerns:

- Contemporary humanitarian responses are usually budgeted and planned for one to two years, which impedes the human-centred innovation models commonly applied by private enterprises. These innovation models and technological innovations are based on background research and longer term monitoring than what can be allowed within this two-year limit. The success or failure of an innovation may only be identifiable in the durable solutions or transitional/development phase. Once the international focus on the emergency has lessened, the original stakeholders may have left or changed, and follow-up is not a priority. Without evidence to support impacts after this initial phase, iterative and user-centred innovation processes will fall short. This is because user-centred innovation requires a thorough understanding of the end-users in context.
- There is a perceived value-related mismatch between business sector profit rationales and the humanitarian objectives of protecting the dignity and well-being of people affected by an emergency.
- Discrepancies in the objectives of innovation: While donors and many private enterprises still think of humanitarian innovation at a product and service level, the humanitarian sector also calls for innovation at a strategic level. This means that we need to rethink how aid is delivered – at a structural level.
- Innovation is currently inspired more often by policy trends or reports from financial institutions describing priorities, or the availability of cost-effective technological solutions to solve short-term operational needs for the humanitarian sector. There is insufficient attention to independent research to find out what type of innovation can improve humanitarian aid. This includes evidence on the effect of delivered solutions on local industrial capacities or market places, or who is responsible for facilitating partnerships for longer term impact.

Humanitarian Customers, Suppliers and End-Users

Choices made by humanitarian customers are dependent on donor funding and donor policies.

Further, humanitarian customers do not know in which situation the purchased technology or service is going to be used. Instead of focusing on innovation that is based on contextual needs, a dependence on low-cost and one-size-fits-all solutions influences how enterprises innovate for this market.

Humanitarian actors often work on budgets that are 12 to 24 months long, while the needs of crisis-affected people stretch beyond this time frame. Purchasing sustainable technologies and services becomes a challenge when budgets are focused on the immediate situation. The lack of willingness to invest in longer-term, potentially higher-impact innovations is worsened by the fact that humanitarian customers want to minimize their risk and responsibility when a new solution is introduced.

For commercial actors, excluding corporate social responsibility (CSR), there is a lack of sustainable market opportunities in the humanitarian market. This is because it is too difficult to find long-term market opportunities since the humanitarian sector often purchases products and services on a basis of cost and availability, and cannot make long-term agreements with private enterprises. Enterprises say they avoid working with the market as it is too unpredictable in terms of stakeholder involvement and commitment. This, in turn, reduces ability and interest in investing in the necessary research and testing that is required to learn and innovate.

There is no simple access point for end-user input on their experience with the product or service. This lack of consumer feedback affects the potential for improved innovation. This means that crisis-affected people cannot directly influence which products are accessible to them. End-users have few means of effectively making complaints or airing grievances. They cannot hold the humanitarian customer or supplier responsible for lack of impact or even harmful innovations. Finally, it can be difficult to gauge who the intended beneficiaries of humanitarian innovations are; are the innovations meant to improve the conditions of humanitarian staff and reduce costs of operations, or are they designed to improve the well-being of crisis-affected populations?

The Structure of the Humanitarian Supply Chain

The short-term aspect of the humanitarian market and its inability to provide the evidence needed for people-centred and contextualized innovations is a result of the structure and purpose of the humanitarian supply chain. The humanitarian supply chain

is structured to support humanitarian activities with the most necessary equipment and services in order to save lives and respond to needs (The Sphere Handbook: *Humanitarian Charter and Minimum Standards in Humanitarian Response*. Geneva: The Sphere Project, 2011).

An emergency is typically divided into four phases: preparedness phase, immediate emergency phase, recovery phase and transitional/durable solutions phase. The mandate of saving and protecting lives is most urgent and gains the most attention from international donor countries in the immediate emergency phase. This results in the humanitarian system being easier to mobilize to finance assistance for the first two phases, while the recovery phase and durable solutions phase is plagued by donor fatigue and lack of resources. In the preparedness phase, equipment is stockpiled in preparedness shelters. At the onset of an internationally recognized emergency, these preparedness shelters are used to supply service providers with the necessary items needed to meet urgent needs, often guided by the Humanitarian Charter and Minimum Standards in Humanitarian Response. Hence, enterprises which desire to enter the humanitarian market adjust their products and services to the logistical requirements of these preparedness shelters.

Lack of Evidence on Innovations for Durable Solutions

The typical innovation process for the humanitarian market leaves out the centrality of local partners' role in maintenance and supply. This is because innovators create products or services with no specific idea in mind of where this equipment will be used or maintained; this is a result of the strong emphasis on filling preparedness shelters with equipment. This process also neglects the necessary gathering of evidence about the user-phase and end-of-life of a product that can provide important information about the sustainability or feasibility of a service or product in a given context (place). Illustrations of how structural issues affect innovation negatively can therefore be divided into challenges related to the lack of knowledge-based innovation processes, and finally challenges related to a lack of consideration of local partners in innovations.

The need to spend as much funding as possible in the first two phases of an emergency in other words leads to private/humanitarian partnerships which overlook their responsibility to monitor the impact of innovations.

Absence of Local Partners in Innovation Processes

The ineffectiveness of current innovation practices for humanitarian markets may have negative effects that go beyond the disconnect with end-users. An innovation may for example conflict with host country policies or threaten local market actors. This could lead to local communities boycotting or working against the innovation. A lack of resources for the creation of longer-term solutions will leave a gap between external decision makers and innovators, and local partners. In the worst cases, resistance to the innovations may develop among local partners and industries. They may realize little benefit from the innovations. Innovations will be more likely to succeed if partners are included in sustainable market simulations or exit strategies from the beginning. Enterprises that invest in added services or service provision conducted by the local populations seem to be more successful in the humanitarian market, and hence lead the way into a more locally connected innovation model. Yet these enterprises keep knowledge about needs within their enterprise, and there is a need for policies determining how this knowledge about local conditions can be shared and used in a wider humanitarian innovation context.

Further, products that are dependent on a particular type of fossil fuel or designed for certain cultural practices will not fit in many circumstances, due to the aforementioned challenges of a preparedness shelter focused industry. Many innovations that depend on local supply chains therefore do not have the intended impact on humanitarian objectives.

Innovation Must Happen, but How?

As the humanitarian sector is strongly influenced by donor expectations and mandates, and other stakeholders are influenced by other needs and concerns, the 'how's of humanitarian innovation need clarity. This is where policy can provide positive direction. Informed policies can also inspire industrial, private, public and humanitarian sector partnerships to assume fundamental humanitarian innovation challenges, in the face of the tensions and difficulties identified above. This humanitarian commitment to accountability to affected populations requires a people-centred business plan, an evidence-based approach, and sound management of humanitarian data.

People-Centred Business Plans: Impact and Accountability

Private sector/humanitarian partnerships must balance sustainability of humanitarian action with the fulfilment of the humanitarian imperative of assisting crisis-affected people. A business plan is only people-centred, and will only align with humanitarian accountability, if it can provide sufficient evidence that the innovation fits with researched and clearly identified needs.

An example of an innovation that attempts to balance local service systems with need in a people-centred way is the cash transfer system, including credit cards and mobile money. The use of cash-transfers instead of donations of food and equipment represents a potential shift towards making crisis-affected people responsible for their own investments and income gathering opportunities. This approach favours people-centred business plans as a central part of humanitarian innovation.

With people-centred business plans there will also be significant impact on the relationship between crisis-affected people assisted by humanitarian stakeholders and the surrounding communities. People-centred business plans can target and foster local ownership, local entrepreneurship and bottom-of-the-pyramid market creation. The bottom-of-the-pyramid concept can alleviate poverty and reduce dependency in humanitarian relief and development settings.

Moreover, it is the role of humanitarian actors to act as spokes-agents for crisis-affected people. Currently, end-users cannot hold the customer or supplier responsible when innovations do not meet their needs. The cash-transfer system is only one innovation where the evaluation of needs versus fulfilment is a challenge. Policy must be used to identify who is responsible for delivering and measuring humanitarian outcomes through innovation.

Humanitarian innovation policy should build on and reinforce the humanitarian sector's commit-

ment to accountability. The Oxford Draft Principles for Ethical Humanitarian Innovation (2015) refers to an ethical obligation 'to be ultimately accountable to recipients': this 'provider/recipient' is the 'primary relationship for humanitarian innovation'. Policies must require accountability to the recipients as a non-negotiable premise for all humanitarian innovations.

Humanitarian innovation policies must:

- Require that private/humanitarian partnerships focus on research and monitoring including follow-up and the continuing iterative innovation cycle.
- Test data must be used to improve the innovation in order to serve the need of crisis-affected people, which is key before scaling up.
- Include a frame to ensure that proposed business plans are people-centred.

No Innovation without Data

Monitoring and evaluating humanitarian innovation without requiring additional resources to cover this effort depends on a clear idea of gathering, using and sharing data in a responsible and ethical manner. Effective management of data 'in field' and on a decision making level requires collaboration from legal institutions, service-providers and local expertise. It further depends on sound management of 'power-related issues' at an organizational level. One example of a power-related issue is how openly the failure or success of innovations are criticized or rewarded within a humanitarian organization. Only rewarding success will leave out the necessary and important information about why innovation fails; yet it is regarded as risky to be the one revealing failure of innovations resulting from private and humanitarian sector collaborations. Such issues prevent transparency and, subsequently, meaningful data sharing. Finally, sound data management requires flexibility. The humanitarian market is characterized by its unpredictability. This

requires tools that can manage unpredictability and be transferable to and between multiple user groups and situations. These are all context-dependent and inter-sectoral challenges and opportunities to improve data usage that must be mapped and understood.

Towards an Evidence-Based Approach

A key principle of humanitarian innovation policy should be the requirement that innovation initiatives are evidence based. Openness about impact and learning are preconditions for humanitarian innovation. Knowing about their impact on communities is a shared responsibility between humanitarian actors and their private sector partners.

Policies that encourage evidence-based approaches should include:

- **Transparency:** There must be transparent practises in the humanitarian market in order to learn from and accept failed innovations. Both failures and successful innovations must be viewed as a learning opportunity.
- **Distribution of responsibility:** There must be a framework that can describe how evidence can be gathered and shared and by whom. This will facilitate innovation and provide an invitation to private enterprise to participate.
- **Resources:** The allocation of resources must be dependent on the inclusion of assessments and testing both pre- and post-innovation dissemination.
- **Alignment with local systems:** Innovations in protracted emergencies must include incentives for affected communities by either including them in the business plan or in other ways contributing to their resilience. ■

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THE PROJECT

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