

Multilateral Aid Review: Assessment of the Central Emergency Response Fund (CERF)

Summary	
Organisation: UN Central Emergency Response Fund (CERF)	Date: February 2011
Description of Organisation	
<p>The Central Emergency Response Fund (CERF) is a humanitarian fund established by the United Nations to enable more timely and reliable humanitarian assistance to those affected by natural disasters and armed conflicts.</p> <p>CERF is a tool created by the United Nations to pre-position funding for humanitarian action. It was established in December 2005 (Resolution 60/124) to upgrade the current Central Emergency Revolving Fund by including a grant element based on voluntary contributions by Governments and private sector organisations such as corporations, individuals, and NGOs. The CERF contains up to US \$500 million, including a grant facility of up to US \$450 million and a loan facility of US \$50 million. Within the grant element of the CERF there are two pots of money: one for rapid response humanitarian emergencies (two-thirds of the funds) and one for under-funded or 'forgotten' emergencies (one-third of the funds). Rapid response grants are considered in the days after an unforeseen emergency strikes i.e. the timeframe is flexible, whilst grants from the under-funded emergencies window are considered in two rounds each year i.e. the timeframe is set.</p> <p>The CERF was approved by a resolution of the United Nations General Assembly to achieve the following objectives:</p> <ul style="list-style-type: none"> ▪ promote early action and response to reduce loss of life; ▪ enhance response to time-critical requirements; ▪ strengthen core elements of humanitarian response in underfunded crises. 	
Contribution to UK Development Objectives	Score (1-4)
<p>1a. Critical role in Meeting International Objectives</p> <ul style="list-style-type: none"> + CERF is the only system-wide global fund which pre-positions donor funding for timely humanitarian response. + Independent evaluations have shown that it has made considerable progress towards meeting its principal objectives. + There is widespread evidence that much of what it does has been critical in delivering humanitarian objectives in the past and this is expected to continue. - CERF can only be directly accessed by UN agencies/IOM but not by NGOs so it is not a comprehensive solution to pre-financing humanitarian response. 	<p>Strong (4)</p>

<p>= CERF has been scored a 4 because it is genuinely unique, valuable and can be shown to deliver in line with its objectives despite the issue of lack of direct NGO access.</p>	
<p>1b. Critical Role in Meeting UK Aid Objectives</p> <ul style="list-style-type: none"> + CERF strongly meets UK objectives (the UK was instrumental in establishing the CERF because we saw it as a mechanism which would be able to make a critical contribution to delivering humanitarian priorities). + CERF enables DFID to deliver on the overarching humanitarian objectives from DFID's 2007 Humanitarian Policy. - We still have some question marks over whether all the activities funded from the under-funded/forgotten emergencies window should be considered priorities for CERF funding e.g. CERF funds have sometimes been used to address recovery needs and issues of underdevelopment rather than core emergency humanitarian needs. However, we are content that this concern relates to a relatively minor percentage of the overall funds. = CERF has proved that to be a valuable mechanism which has improved the speed and coverage of the international response to humanitarian emergencies. It has also leveraged positive changes in the international humanitarian system since its inception in 2006 by for example, encouraging better partnership behaviour between UN agencies. 	<p>Strong (4)</p>
<p>2. Attention to Cross-Cutting Issues:</p> <p>2a. Fragile Contexts</p> <ul style="list-style-type: none"> + CERF is designed to be used in fragile contexts. Within its "life-saving criteria," the CERF is a flexible instrument that can support a range of approaches appropriate to different contexts. The CERF Secretariat carefully examines each proposal in the light of the specific context and the needs on the ground. = The top 10 recipient countries of CERF funds are all fragile contexts, demonstrating that CERF works well in these environments. <p>2b. Gender Equality</p> <ul style="list-style-type: none"> + Sex disaggregated data is requested in CERF applications and is included in the reporting format. This information is analysed on an annual basis for trends which may impact on CERF policy development. - CERF has no specific policy on gender. The extent to which gender considerations are factored into 	<p style="text-align: center; vertical-align: top;">Strong (4)</p> <p style="text-align: center; vertical-align: bottom;">Satisfactory (3)</p>

<p>= Despite having no specific gender policy, gender considerations are integrated into CERF practice and implementing agencies have strong gender policies which are applied to their CERF funded programmes as well as their broader work so CERF has scored 3.</p> <p>Climate Change & Environmental Sustainability</p> <ul style="list-style-type: none"> - CERF guidelines and templates do not make specific reference to environmental considerations. - The 3 largest recipient agencies of CERF funds have scored UNHCR (3), WFP (2) and UNICEF (2). A score of 2 is awarded on the basis of the average of these scores. <p>= CERF has scored 2 rather than a 3 as CERF does not have an environmental policy and makes no reference to environmental considerations in its application and reporting processes.</p>	<p>Weak (2)</p>
<p>3. Focus on Poor Countries¹</p> <ul style="list-style-type: none"> + CERF is designed to smooth out imperfections in the way the international community funds humanitarian disasters. CERF's role is to target funds effectively to meet critical life saving needs in both quick onset emergencies and underfunded emergencies. We are content that it largely meets this requirement. - There are some concerns over the way that a small proportion of funds from the under-funded window are targeted. <p>= Overall satisfaction with the way that CERF targets humanitarian need is high which is why we have awarded it a score of 4.</p> <p><i>[Note: CERF was not judged against the UN Country Appeals/ECHO crisis index as the other organisations were as the rationale behind CERF is that it is critical in plugging the gaps where others have failed to fund. Therefore distribution of CERF funds according to these criteria is neither expected nor desirable.]</i></p>	<p>Strong (4)</p>
<p>4. Contribution to Results</p> <ul style="list-style-type: none"> + CERF has been successful in improving the responsiveness and timeliness of the overall humanitarian response, especially where funds have been provided from the rapid response window (two- 	<p>Satisfactory (3)</p>

¹ Humanitarian agencies have been assessed according to their focus on countries with the greatest humanitarian need

<ul style="list-style-type: none"> + The guarantee of CERF funds has allowed UN agencies to release funds immediately from emergency reserves. – Responsiveness of CERF is sometimes undermined by delays in passing CERF funds from UN agencies to implementing NGOs. = A score of 3 reflects the improvements that CERF has made to the overall system and is consistent with the delivery scores for the three largest recipient agencies of CERF funds: WFP scored 3 (35.5% of total CERF funds), UNICEF scored 3 (24%) and UNHCR scored 4 (10.7%). 	
Organisational Strengths	Score (1-4)
<p>5. Strategic and Performance Management</p> <ul style="list-style-type: none"> + CERF has a clear mandate, leadership is strong, the CERF Advisory Group is effective and evaluation findings are taken seriously and acted upon. CERF has clear criteria for judging and approving applications. – CERF has a performance and accountability framework but it is not able to report systematically on results at the beneficiary level. This is the responsibility of the implementing UN agencies. = Although CERF is strong on strategic management, its lack of a results framework makes it difficult to demonstrate results as the country level systematically. 	<p>Weak (2)</p>
<p>6. Financial Resources Management</p> <ul style="list-style-type: none"> + CERF is well administered and CERF management has made a number of improvements to the transparency and timeliness of the aid allocation processes over the past 5 years. CERF has increased the predictability of the humanitarian financing system. – It is not clear that the financial accountability mechanisms at the UN Secretariat level add much to the financial management procedures of the individual UN agencies receiving CERF funds. These agencies tend to use CERF to part fund broader programmes, and therefore the same policies and processes for financial accountability are applied as for the rest of an agency’s programmes. The three largest recipient agencies, UNHCR, WFP and UNICEF, all scored 3 for financial management. = A score of 3 for CERF is consistent with the scores for the individual agencies and reflects the improvements which have been made to the transparency and predictability of CERF fund transfer. 	<p>Satisfactory (3)</p>

<p>7. Cost and Value Consciousness</p> <ul style="list-style-type: none"> + Associated support costs for CERF at UN agency headquarters level is capped at 7% which is lower than for a number of other UN agencies. Procurement responsibility lies with UN agencies. WFP, UNHCR and UNICEF all score a 3 on cost control. - However, in addition there is a 3% management charge levied by the UN Secretariat bringing the overall administration charge to 10% for CERF funds. Although this is still lower than the admin charge used by a number of UN agencies, the costs of running the CERF Secretariat are nearer to 1% than 3% so we have some misgivings about the necessity for a 3% charge in this case. - We are concerned about the lack of standardisation around the percentage of programme support costs that is passed on to implementing NGOs. = Given the additional 3% management charge levied against CERF funds, CERF is judged to be marginally weaker on this aspect than the agencies it funds. 	<p>Weak (2)</p>
<p>8. Partnership Behaviour</p> <ul style="list-style-type: none"> + One of the key strengths of the CERF is that it reinforces joined up working in country between UN agencies - needs assessments and CERF applications are developed through the cluster process. + UN agencies and donors are generally positive about CERF in that it reduces the administrative burden for both. - CERF has been less successful in delivering timely interventions where NGOs are implementing on behalf of UN agencies. There has been little standardisation in the administrative arrangements between UN agencies and NGOs, and NGOs report long delays in some cases. = CERF has scored a 3 to reflect the fact that CERF is set up in such a way that encourages and supports joined up working between UN agencies, NGOs and other humanitarian partners at the country level, but there are sometimes delays in CERF funding reaching the beneficiaries where NGOs are implementing on behalf of UN agencies. 	<p>Satisfactory (3)</p>
<p>9. Transparency and Accountability</p> <ul style="list-style-type: none"> + CERF provides a greater degree of transparency at the global level around funding decisions, funds approved and reporting on CERF specific outcomes than the agencies which it funds. + All documents relating to policy and practice, are publicly available on the easy to navigate CERF 	<p>Weak (2)</p>

<ul style="list-style-type: none"> - CERF does not provide additional accountability safeguards to those provided by the individual recipient agencies. WFP, UNICEF and UNHCR all score 2. - CERF Advisory Group membership is limited to 16 individuals appointed in their personal capacity. = Despite being quite strong on transparency, CERF is less strong on accountability and does not have a robust governance structure with universal membership and therefore merits an overall score of 2. 	
Likelihood of Positive Change	Score (1-4)
<p>10. Likelihood of Positive Change</p> <ul style="list-style-type: none"> + CERF has made good progress over the past 5 years. Many of the systems and improved processes are now in place and beginning to bed down. + We expect that CERF management, now under the leadership of a new Emergency Relief Coordinator (Valerie Amos), will continue to be receptive to ideas for making the CERF even more effective. - Many of the restrictions faced by CERF are structural. They relate to CERF's status as a UN fund managed by OCHA, as part of the UN Secretariat. The Emergency Relief Coordinator's ability to make changes for the better is therefore dependent to a large extent on the cooperation of UN agencies. = CERF has scored a 2 to reflect the fact that its capacity for change is hampered in this way. 	Uncertain (2)