



# A review of UNHCR's utilisation of the Central Emergency Response Fund

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## Acronyms

ACT	Action by Churches Together
CERF	Central Emergency Response Fund
CHF	Common Humanitarian Fund
CNA	Comprehensive Needs Assessment
DFID	Department for International Development
DRRM	Donor Relations and Resource Mobilisation
ERC	Emergency Relief Coordinator
ERF	Emergency Response Fund
FTS	Financial Tracking Service
GPC	Global Protection Cluster
GSP	Global Strategic Priorities
HC/RC	Humanitarian Coordinator/Resident Coordinator
HCT	Humanitarian Country Team
IASC	Inter-Agency Standing Committee
IDP	Internally Displaced Person
IFRC	International Federation of the Red Cross and Red Crescent Societies
IOM	International Organisation for Migration
IOM-FOM	Inter-Office Memorandum – Filed office Memorandum
IP	Implementing partner
LWF	Lutheran World Federation
NFI	Non-food Items
NGO	Non-Governmental Organisation
OFDA	Office for Foreign Disaster Assistance
OL	Operating Level
OP	Operations Plan
OR	Operational Reserve
PAF	Performance and Accountability Framework
RC/HC	Resident Coordinator/Humanitarian Coordinator
RR	Rapid Response
SB	Supplementary Budget
SRSP	Sarhad Rural Support Programme
UFE	Under-funded Emergencies
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children’s Emergency Fund
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
WASH	Water, Sanitation & Hygiene
WHO	World Health Organisation
WFP	World Food Programme

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# Executive summary

## Introduction

### *Scope of the review and methodology*

The review seeks to assess the extent to which factors internal to United Nations High Commissioner for Refugees (UNHCR) or to CERF, including partnerships and policies, influence the effectiveness of the CERF funding towards UNHCR's protection and assistance programmes, identify whether there are any major gaps and challenges and make appropriate recommendations to address them. The review does not attempt to assess the effectiveness or impact of UNHCR's CERF-funded protection and assistance programmes *per se*, but rather to assess factors pertaining to the UNHCR-CERF relationship that affect the *process* of funding UNHCR programmes and resulting funding trends in the past five years.

The research draws on an analysis of CERF funding to UNHCR and from meetings in Geneva, New York, Kenya, Uganda and Pakistan. Input was elicited from a range of key informants through interviews with UNHCR staff at headquarters and in CERF recipient countries, Non-governmental Organisations (NGO) partner staff, CERF secretariat staff, United Nations (UN) agency staff and sector/thematic specialists. This was supplemented by an online survey which was targeted at UNHCR CERF focal points in countries with a recent history of participation in CERF processes. A literature review was undertaken which included CERF country reviews and evaluations, evaluations of recent UNHCR humanitarian responses and sector-specific and country-specific documents. Data from secondary documentation and key informant interviews was complemented by a comparative case study analysis of UNHCR approaches to CERF utilisation in Kenya, Uganda and Pakistan.

### *An introduction to the CERF*

The CERF was created on 12 December 2005 and launched in March 2006. It expanded the previous Central Emergency Revolving Fund (created in December 1991) by adding a grant component to the existing loan component. The purpose of the expanded CERF is to ensure the rapid and coordinated response of UN agencies to emergencies, to promote early action and response to reduce loss of life; to enhance response to time-critical requirements based on demonstrative needs and; to strengthen the core elements of humanitarian response in under-funded crises. Funding from the CERF's grant facility is split into two windows – rapid response (RR) window and under-funded emergencies (UFE) window. RR grants promote early action and response to reduce loss of life, and enhance response to time-critical requirements. UFE grants aim to strengthen core elements of humanitarian response in underfunded crises. Only UN funds, programmes and specialised agencies and the International Organization for Migration (IOM) are eligible to apply for funding under the grant facility of the CERF.

### *An overview of the contribution that CERF funding makes to UNHCR*

Between March 2006 and March 2014, the CERF has contributed \$398m to UNHCR's emergency operations<sup>1</sup> and has provided an annual average of 2.6% of UNHCR's total funding between 2006 and 2013.<sup>2</sup> Since the CERF was launched UNHCR has consistently been in the top 4 recipients of its funds and it has received just over 12% of the total CERF funding. Over this time, CERF has gained prominence within the organisation as an increasingly important source of funding for emergencies; the total funds disbursed to UNHCR in 2013 was US\$70.4 million which is similar to that of 2012 and significantly greater than CERF contributions from prior years.<sup>3</sup> Since its establishment over 90% of CERF funding to UNHCR has gone to 3 sectors; multi-sector, protection and shelter/Non-Food Items (NFI). In terms of geographical distribution of funding, Kenya, DRC and Pakistan are the top 3 recipients of UNHCR CERF allocations, each receiving in excess of \$28m since 2006. The greatest number of grants have been received by Chad (23) followed by DRC and Myanmar (22 each). Since 2006 UNHCR has received 361 CERF allocations for 57 countries with an average allocation size of approximately \$1.07m.

### **Findings of the Review**

An overview of the findings of the review is provided below. A detailed set of recommendations is provided in under the final chapter of this report.

#### *Relevance*

The CERF is of considerable relevance to UNHCR. Given its humanitarian mandate which requires a timely response to crises, the CERF is considered by many to be unique in the speed and predictability of its mobilisation. The prioritisation process was considered to offer an important opportunity to strengthen coordination as well as highlighting gaps in response. While the difference between UNHCR's programme-based approach and the CERF secretariat's project-based approach requires an investment of time and resources to manage CERF funds, the benefits to UNHCR far outweigh the costs.

From a sectoral perspective, UNHCR's three most significant sectors; multi-sector, protection and shelter are all beneficiaries of CERF funds. Despite it being located outside of the clusters, multi-sector has attracted considerable funding and CERF has offered the opportunity for UNHCR to advocate to the wider humanitarian community about refugee needs and to involve them in decision-making when inclusive approaches have been adopted for CERF prioritisation. Protection is a more complex case but studies suggest that the CERF funding to protection is in line with humanitarian donors and can provide important support in the earliest stages of a response. As convener for the shelter cluster for conflict situations, UNHCR has an important role to play in resource mobilisation and there has been a steady increase in UNHCR's share of shelter funding over time, a significant majority received through the CERF RR window.

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<sup>1</sup> Source: OCHA, Total CERF funding by agency – summary (01 March 2006 – 19 March 2014). Accessed on 19/03/14.

<sup>2</sup> Source: UNHCR (2014) Annual Headquarters report on the use of CERF funds 2013, March 2013.

<sup>3</sup> Data provided by UNHCR (data accessed on 27/01/14).



### *Timeliness and efficiency*

CERF is considered by UNHCR staff to make an important contribution to timely humanitarian response in comparison with other fund sources and is complementary to UNHCR's own systems of resource mobilisation such as its Operational Reserve (OR). From an efficiency perspective, despite the need for an offline system to manage CERF funding (which is also the case for other earmarked contributions), there was an acknowledgement of the comparatively light application and reporting processes.

### *Partnership*

According to information provided from country-level RC/HC CERF reports, UNHCR passes a third of its CERF funding to partners and in many countries it benefits from having an established set of partners who are often able to respond to crises quickly and across sectors. While there is still scope for strengthening the reliability of the data, analysis from the CERF secretariat suggests that UNHCR performs extremely well in the timeliness of its sub-granting although its own pre-financing tools are often supplemented by the willingness of its partners to pre-finance their own activities. Organisational systems to scale-up partnerships to respond to new crises were considered to be broadly effective and where country-defined CERF processes permitted, UNHCR engages with its partners in agreeing priorities and designing projects.

### *Effectiveness of CERF implementation*

While the review did not seek to assess the results of CERF funding on beneficiary populations and hence cannot make any judgments on programme effectiveness, the data held by the CERF secretariat on procedural compliance suggest that UNHCR has been a responsible steward of CERF funding which it uses in a timely way and that it has systems in place to spend to budget and within project timeframes. There is a lack of evidence to show that CERF has been successful in leveraging additional income for UNHCR and there was some suggestion that the opposite may be true.

There is currently a strong cadre of CERF-aware staff in the organisation and there is little evidence of missed opportunities for participating in CERF processes. One of the most significant risks to UNHCR's performance is the loss of knowledge due to the policy of staff rotation and there would be benefit in the agency undertaking a more rigorous process of skills assessment to identify the gaps that exist and for the agency to invest more strategically in addressing these. The review highlighted the important role played by UNHCR Representatives both as advocates for UNHCR's populations of concern and to support and guide CERF processes as a member of the Humanitarian Country Team (HCT).

### *Coherence*

A number of UNHCR's systems lend themselves to facilitating CERF implementation but there are some important caveats to this, most notably the lack of predictability and timeliness with which increases in spending authority can be negotiated (either through an Operating Level increase or approval of a Supplementary Budget). That this isn't specific to CERF but affects UNHCR humanitarian operations more broadly makes it all the more urgent to address the issue. Where UNHCR has global cluster leadership, the same issue can also complicate UNHCR's ability to disburse funds to its cluster partners.

There has been a strong relationship fostered between UNHCR's Donor Reporting and Resource Mobilisation team and the CERF secretariat, doubtless strengthened by the loan of a senior UNHCR staff member to the secretariat's Programme Unit which has added value both to the work of the CERF secretariat but also to its engagement with UNHCR. There is little doubt that in addition to contributing to the effectiveness of the secretariat, this secondment has played an important role in helping to strengthen mutual understanding between the two organisations.

## **Conclusion**

UNHCR operations have benefited significantly from CERF funding and its systems have provided an enabling environment for effective CERF prioritisation, disbursement and implementation across UNHCR's core sectors for both itself and its partners. While there are some important actions that could be taken by UNHCR to increase the capacity of its teams to engage in CERF processes and to fine-tune systems to better complement and/or co-exist with those of the CERF, the findings of the review on UNHCR's utilization of the CERF are broadly positive. Implementing the recommendations of the review will help ensure that UNHCR is able to maximise the effectiveness of CERF funding in the future.

# The Scope of the review & methodology

## The scope of the review

1. The review was commissioned by UNHCR<sup>4</sup> in response to the 5-year evaluation of the CERF which recommended that UN agencies should conduct an evaluation of their use of CERF funds within 18-months to determine what internal factors, including partnerships, policies and practice, influences the effectiveness of CERF projects.<sup>5</sup> It seeks to assess the extent to which factors internal to UNHCR or to CERF, including partnerships and policies, influence the effectiveness of the CERF funding towards UNHCR's protection and assistance programmes, identify whether there are any major gaps and challenges and make appropriate recommendations to address them. The review does not attempt to assess the effectiveness or impact of UNHCR's CERF-funded protection and assistance programmes *per se*, but rather to assess factors pertaining to the UNHCR-CERF relationship that affect the *process* of funding UNHCR programmes and resulting funding trends in the past five years.

## Methodology

2. The research draws on an analysis of CERF funding to UNHCR to identify and examine trends. Input was elicited from a range of key informants through interviews with UNHCR staff in Geneva and CERF recipient countries, NGO partner staff, CERF Secretariat staff, UN agency staff and sector/thematic specialists (see annex 1 for a list of review participants). This was supplemented by an online survey which was targeted at UNHCR CERF focal points in countries with a recent history of successful CERF applications. A literature review was undertaken which included CERF country reviews and evaluations, evaluations of recent UNHCR humanitarian response and sector-specific and country-specific documents (see annex 3 for a list of documents reviewed). A summary of the evidence that the findings of the review are based on is provided in figure 1 below.

Figure 1: Overview of information and analysis techniques and participation in the review

Activity/location	Description	# interviews
UNHCR Geneva interviews	4-day trip for an initial set of interviews with headquarters-based staff	11
CERF secretariat interviews	Initial set of scoping interviews and a 3-day trip towards the end of the study for more in-depth discussion	6
UNHCR country offices	A series of telecons with UNHCR staff responsible for CERF submissions in 6 country programmes	8
Key informant interviews	Telecons and face-to-face Interviews with (i) UNHCR secondees to the CERF secretariat, (ii) cluster/sector specialists, (iii) UN agency headquarters staff (iv) NGO staff	13

<sup>4</sup> The review was commissioned by UNHCR's Policy Development and Evaluation Section and overseen by Guido Ambroso, Senior Policy Development and Evaluation Officer.

<sup>5</sup> Source: Channel Research (2011) 5-year Evaluation of the Central Emergency Response Fund, Final Synthesis Report, 11 August 2011.

Case study 1: Kenya	UNHCR staff (4), NGO staff (1), UN Agency staff (5), government representatives (1)	11
Case study 2: Uganda	UNHCR staff (11), NGO staff (3), UN Agency staff (9), government representatives (0)	23
Case study 3: Pakistan	UNHCR staff (6), NGO staff (6), UN Agency staff (3), government representatives (1)	16
Online survey	13 CERF-recipient UNHCR country offices	13
Literature review	A review of (i) UNHCR policy documents, (ii) data on CERF allocations to UNHCR (iii) CERF policies, procedures and analysis (iv) previous evaluations and policy documents on the CERF, 2010 – 2014 (v) Resident Coordinator/ Humanitarian Coordinator Annual CERF Reports (vi) evaluations of UNHCR humanitarian programmes, 2010 - 2013 (vi) UN agency CERF evaluations	50 documents

3. Data from secondary documentation and key informant interviews was complemented by a comparative case study analysis which focused on three countries each with a distinct humanitarian context, a different approach to humanitarian coordination (and by extension, CERF processes). The case studies were also representative of the use of CERF for different pillars of UNHCR's mandate (see figure 2 for a description of the CERF profile and country context for each of the case study countries).

Figure 2: Overview of case study countries<sup>6</sup>

Country	CERF Profile	UNHCR activities	CERF-funded
Kenya	Kenya has received CERF funding every year since the establishment of the CERF in 2006 with the exception of 2012. It's been in the top 10 CERF recipient countries on 6 years in the last 8 and is the 6 <sup>th</sup> largest recipient of CERF funds in absolute terms. The Office for the Coordination of Humanitarian Affairs (OCHA) coordinates the CERF on behalf of the Resident and Humanitarian Coordinator (RC/HC). At the time of the review a CERF application was under discussion for a total of \$4.6m to support an influx of refugees from South Sudan. <sup>7</sup>	Kenya is UNHCR's largest recipient of CERF funding with 17 grants for \$31.9m with an estimated 94% of this funding being for refugee response. The remaining 6% was for Kenyans displaced as a consequence of post-election violence in 2008.	
Uganda	Uganda received CERF funding in 2007, 2008 and 2009 and more recently in 2012, 2013 and 2014. In January 2014, CERF allocated US\$4 million from its UFE window to assist humanitarian partners sustain emergency aid operations and in February 2014 the country received a Rapid Response grant of \$7 million for South Sudanese refugees. There is neither an HCT nor an OCHA presence and the CERF is managed by the Resident Coordinator (RC) with applications and submissions coordinated by the UNHCR Deputy	Uganda is UNHCR's 14 <sup>th</sup> largest recipient of CERF funding with 6 grants received for \$8.8m. While CERF funding applications in 2007 and 2008 were for internally displaced persons (IDP), grants received more recently have been for refugee/multi-sector assistance	

<sup>6</sup> Unless otherwise stated, all CERF funding figures were obtained from the CERF website (<http://www.unocha.org/cerf/>).

<sup>7</sup> Source: Private communication with Humanitarian Affairs Officer, OCHA Kenya, 28/02/14

	Country Representative on behalf of the UN Programme Management Team. <sup>8</sup>	
Pakistan	Between 2006 and 2014 Pakistan has been the 5 <sup>th</sup> largest recipient country of CERF funding every year to date apart from 2006 funding response to both natural disasters and internal displacement. At the time of the review OCHA was coordinating the submission of a \$9.5m application for CERF funds for the UFE window. <sup>9</sup>	Pakistan is UNHCR's 3 <sup>rd</sup> largest recipient of CERF funding with 13 grants received since 2006 for a total of \$28.15m. While Pakistan hosts the largest refugee population in the world, all but one of the CERF grants has been for IDPs (\$1.1m for care and maintenance of Afghan refugees in 2006).

4. The country case studies were selected in order to achieve a satisfactory level of representativeness from a list of 13 countries which were assessed against the following sampling criteria:

- Recent use of CERF instruments (underfunded and rapid response grants);
- Types of emergency (refugee/IDP);
- Current security and emergency situation allowing or hampering field work;
- Geographic coverage.

5. For each of the case studies and for the review more generally a standard approach was used to elicit input from UNHCR staff, OCHA CERF-focal points, cluster/sector staff, members of the HCT, government representatives and UNHCR implementing partners.

6. Details of the approach were outlined in an Inception Report which was submitted to UNHCR and shared with OCHA and the CERF secretariat for feedback prior to the commencement of the review.

<sup>8</sup> The Programme Management Team reports to the UN Country Team.

<sup>9</sup> Source: CERF Underfunded Emergencies Round 1 (as of 21 Jan 2014). Available at <http://reliefweb.int/report/world/cerf-underfunded-emergencies-2014-round-1-21-jan-2014>.



# Analysis of UNHCR's utilisation of the CERF

## Introduction to the CERF<sup>10</sup>

7. The CERF was created on 12 December 2005 and launched in March 2006. It expanded the previous Central Emergency Revolving Fund (created in December 1991) by adding a grant component to the existing loan component. The purpose of the expanded CERF is to ensure the rapid and coordinated response of UN agencies to emergencies, with the following objectives:

- To promote early action and response to reduce loss of life;
- To enhance response to time-critical requirements based on demonstrative needs and;
- To strengthen the core elements of humanitarian response in under-funded crises.

8. The CERF includes two components: a loan facility of up to \$30 million and a grant facility with a target of \$450 million. Funding from the grant facility is split into two windows – rapid response window and under-funded emergencies window:

- Rapid response grants to promote early action and response to reduce loss of life, and to enhance response to time-critical requirements.
- Underfunded emergency grants to strengthen core elements of humanitarian response in underfunded crises.

9. Only UN funds, programmes and specialised agencies and the International Organization for Migration (IOM) are eligible to apply for funding under the grant facility of the CERF. The Emergency Relief Coordinator is the fund manager and in addition also plays a role in advocacy and fund-raising for the CERF. As one element of the financing pillar of the humanitarian reform agenda, the CERF would be expected to contribute to other pillars, including the development of effective partnerships between UN and non-UN humanitarian actors.

## Overview of UNHCR's mandate and activities

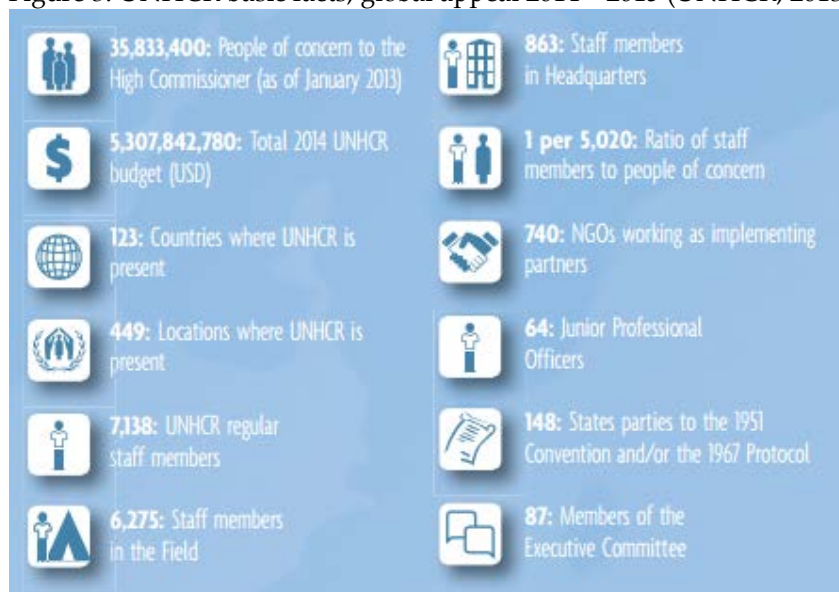
10. The Office of the United Nations High Commissioner for Refugees was established on December 14, 1950 by the United Nations General Assembly. The agency is mandated to lead and co-ordinate international action to protect refugees and resolve refugee problems worldwide. Its primary purpose is to safeguard the rights and well-being of refugees. It strives to ensure that everyone can exercise the right to seek asylum and find safe refuge in another State, with the option to return home voluntarily, integrate locally or to resettle in a third country. It also has a mandate to help stateless people.<sup>11</sup> UNHCR's Executive Committee and the UN General Assembly have authorized involvement with other groups which include former refugees who have returned to their homeland, internally displaced people and people who are stateless or whose nationality is disputed (see figure 3 for an overview of basic facts about UNHCR).'

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<sup>10</sup> This section is adapted from: Dohoo Faure S & Glaser M (2007) Central Emergency Response Fund: Interim Review, final report, 19 September 2007.

<sup>11</sup> Adapted from <http://www.unhcr.org/pages/49c3646c2.html>.

Figure 3: UNHCR basic facts, global appeal 2014 – 2015 (UNHCR, 2013)



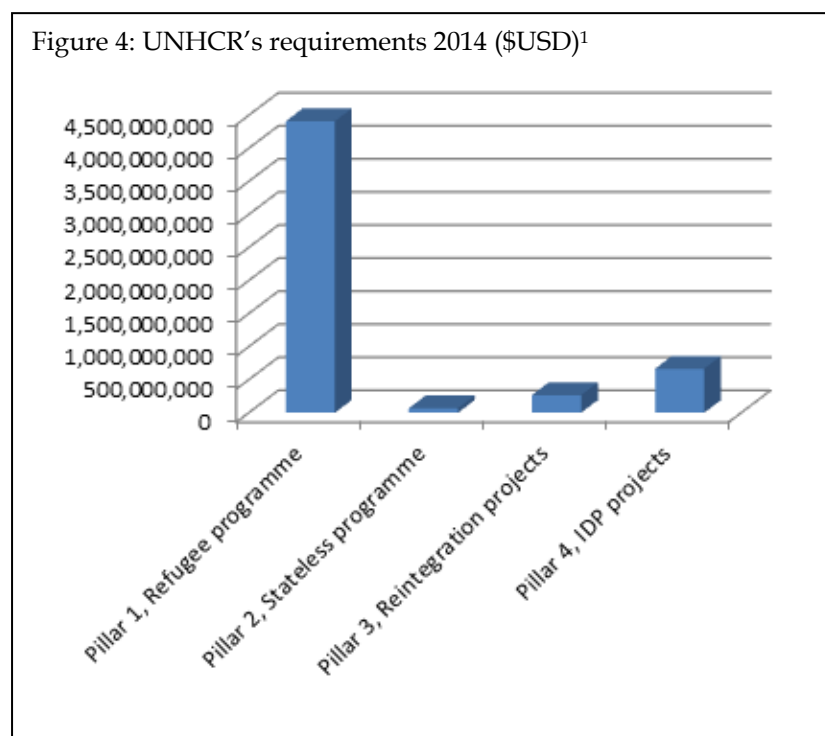
### *UNHCR's annual planning process*

11. UNHCR's operations are determined by its Global Strategic Priorities which are linked to a set of Support and Management priorities which seek to enhance organisational effectiveness. These are determined as part of an annual Global Appeal process.<sup>12</sup> A series of Comprehensive Needs Assessments (CNA)

provides the basis for its planning and budgeting process and provides a picture of what is required to meet the basic needs of populations of concern to UNHCR. The planning process starts in each country with assessments by multifunctional teams of the needs of the people

that UNHCR is mandated to protect and assist.<sup>13</sup> Each assessment builds on previous partner and inter-agency assessments, as well as on protection monitoring reports and other relevant sources of data.

At the beginning of each year UNHCR will not know the exact level of voluntary contributions that will be received which means that a phased approach to the implementation of activities is required based on a prioritisation and management of income



and budgets. As income levels change during the course of the year budgets are reviewed and areas of intervention are gradually expanded. UNHCR's requirements for 2014 by population group (or Pillar) are outlined in figure 4.

<sup>12</sup> The 2014 – 2015 Global Appeal is available at <http://www.unhcr.org/ga14/index.xml>.

<sup>13</sup> UNHCR's 'people of concern' are grouped under 4 'pillars' for budgeting purposes: Pillar 1 – Refugee programme; pillar 2 – Stateless programme; pillar 3 – Reintegration projects, and; pillar 4 – IDP projects.



## *UNHCR's involvement in Humanitarian Reform and the Transformative Agenda*

12. Humanitarian Reform was a process initiated by the Emergency Relief Coordinator, together with the Inter-Agency Standing Committee (IASC) in 2005 to improve the effectiveness of humanitarian response through greater predictability, accountability, responsibility and partnership. Following on from this and based on an analysis of lessons learned from the international humanitarian response to crises in Haiti and Pakistan, the Transformative Agenda identified a set of actions to address challenges in humanitarian leadership and coordination as well as to enhance accountability for the achievement of collective results.

13. In response to these important changes in humanitarian architecture, financing and response, UNHCR launched its own process to strengthen, adapt and align its emergency response systems with those of the IASC. UNHCR's leadership role in refugee emergencies is recognised in the Transformative Agenda and for reasons of mandate but also in order to deliver protection and assistance to refugees in the most efficient and integrated way, the cluster approach is not applied by UNHCR to refugee response.<sup>14</sup> For the purposes of responding to IDP needs, UNHCR leads three clusters; protection, emergency shelter and camp coordination/camp management. One of the organisation's priorities in 2014-15 is to make clusters more effective by improving coordination with its cluster partners and strengthening its engagement with national authorities' response for IDPs.<sup>15</sup>

### **UNHCR's utilisation of the CERF, 2006-2013**

14. In 2013, the CERF was UNHCR's 12<sup>th</sup> largest funding source<sup>16</sup> which is broadly representative of its position relative to other donors since the CERF was established (see figure 5). Since 2006 the annual contribution that CERF makes to UNHCR has remained relatively static, averaging between 2% and 4% between 2006 and 2012. In comparison with other pooled funds, the CERF's contribution to UNHCR has been very prominent albeit with a decline between 2009 and 2012 (UNHCR received funding from 5 pooled funds in 2006; 9 in 2008; 11 in 2010, and; 8 in 2012) followed by a significant increase in 2013 which is explained in part by a reduction in UNHCR's funding from some of the larger Common Humanitarian Funds (CHF).<sup>17</sup>

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<sup>14</sup> Source: UNHCR Inter-Office Memorandum No. 003/2013, 14 January 2013.

<sup>15</sup> Source: UNHCR (2013) UNHCR Global Appeal 2014 – 2015, Introduction, Engaging with IDPs, pp. 60.

<sup>16</sup> Source: UNHCR, Contributions to UNHCR for Budget Year 2013 as at 27 January 2014.

<sup>17</sup> Source: UNHCR (2014) Annual Headquarters report on the use of CERF funds 2013, March 2013.

15. When CERF is viewed as a proportion of the total voluntary contributions made to UNHCR it offers important context to the role that it plays. Contributing an average of 2.6% of UNHCR's funding between 2006 and 2013, in 2012 the CERF's contribution as a percentage of UNHCR's budget rose to 3.1% but in 2013 it dropped back to 2.4%, slightly

below average as a consequence of an increase in the total contributions to UNHCR from \$2.36bn in 2012 to \$2.97bn in 2013.<sup>18</sup> In absolute terms, the total funds disbursed to UNHCR in 2013 was US\$70.4 million which is on a par with 2012 and significantly greater than CERF contributions from prior years.<sup>19</sup>

Figure 5: The relative importance of CERF funding in comparison with other UNHCR donors, 2006-13<sup>20</sup>

	2006	2007	2008	2009	2010	2011	2012	2013
CERF rank by total funding received by UNHCR <sup>21</sup>	13 <sup>th</sup>	9 <sup>th</sup>	11 <sup>th</sup>	13 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	9 <sup>th</sup>	12 <sup>th</sup>
CERF as percentage of total allocations to UNHCR from UN pooled funds	45.8	67.6	68.3	62.9	61.8	56.3	57.7	74.2
CERF as a percentage of total contributions to UNHCR	2.1	3.4	2.8	2.2	2.5	2.4	3.1	2.4

16. Since its launch UNHCR has consistently been in the top 4 recipients of CERF funding, and has been in the top 3 for 7 of the last 9-years (see figure 6). Over this time, CERF has gained prominence within the organisation as an increasingly important source of funding for emergencies.

Figure 6: Absolute funding levels, % annual share and ranking by UN agency, 2006-13<sup>22</sup>

Sector/Year	2006	2007	2008	2009	2010	2011	2012	2013	2006-13
UNHCR CERF funding (\$m)	34.135	34.348	45.898	37.284	46.6	50.435	70.523	70.4	389.623
UNHCR % of total CERF	13.27%	9.73%	10.70%	9.38%	11.22%	11.81%	14.41%	14.51%	11.88%
Rank by size	3	4	3	3	4	3	3	3	3

<sup>18</sup> Source: UNHCR (2014) Annual Headquarters report on the use of CERF funds 2013, March 2013.

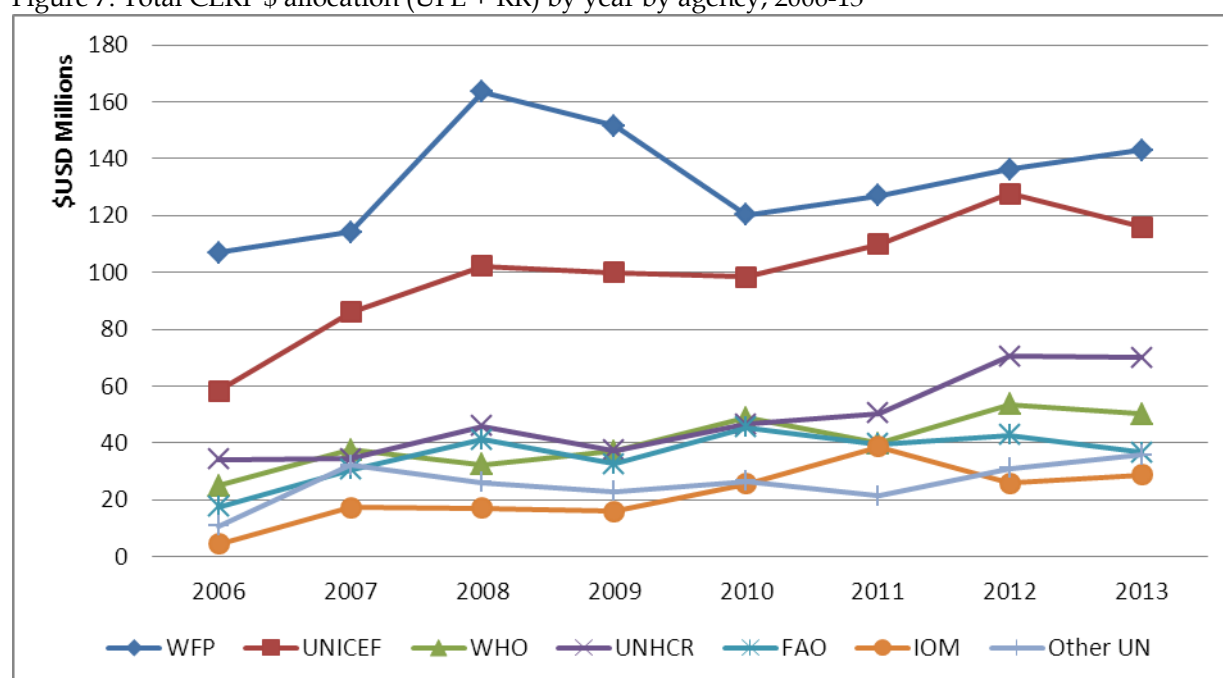
<sup>19</sup> Data provided by UNHCR (data accessed on 27/01/14).

<sup>20</sup> Data provided by UNHCR. Note that UNHCR and OCHA have reported allocations differently but for the purposes of comparison of the CERF with UNHCR donors, the UNHCR data has been used.

<sup>21</sup> This compares total annual CERF funding against other contributions to UNHCR. It is important to acknowledge that many of UNHCR's bilateral donors provide funding directly to UNHCR as well as through CERF allocations.

<sup>22</sup> Source: 2006 – 2012 data was provided by the CERF secretariat (data accessed on 28/02/2014). 2013 data was provided by UNHCR (data accessed on 27/01/2014).

Figure 7: Total CERF \$ allocation (UFE + RR) by year by agency, 2006-13<sup>23</sup>



17. Between 2006 and 2013 UNHCR has increased its share of total CERF funding. While the World Food Programme (WFP) has consistently been the largest recipient of CERF funding (accounting for 32.71% of funds between 2006 – 2013)<sup>24</sup> and UNICEF (United Nations Children’s Emergency Fund) has consistently been next in line (accounting for 23.86% of funds between 2006-2013)<sup>25</sup>, WFP’s proportion has reduced slightly over the years and UNICEF’s and UNHCR’s share have both increased by several percentage points. UNHCR’s CERF funding has also seen a steady increase in absolute terms (see figure 7 above).

18. In terms of the relative funding received by UNHCR from the UFE and RR windows, it is more difficult to identify specific trends. It is noteworthy that apart from 2007, the RR window has consistently accounted for over 50% of UNHCR’s total CERF allocation (with it being between 60-70% in 4 of the last 5 years – see figure 8). This is consistent with the global profile of the CERF with the average percentage split between the RR and UFE over CERF’s lifetime being 66.9% and 33.1% respectively.<sup>26</sup>

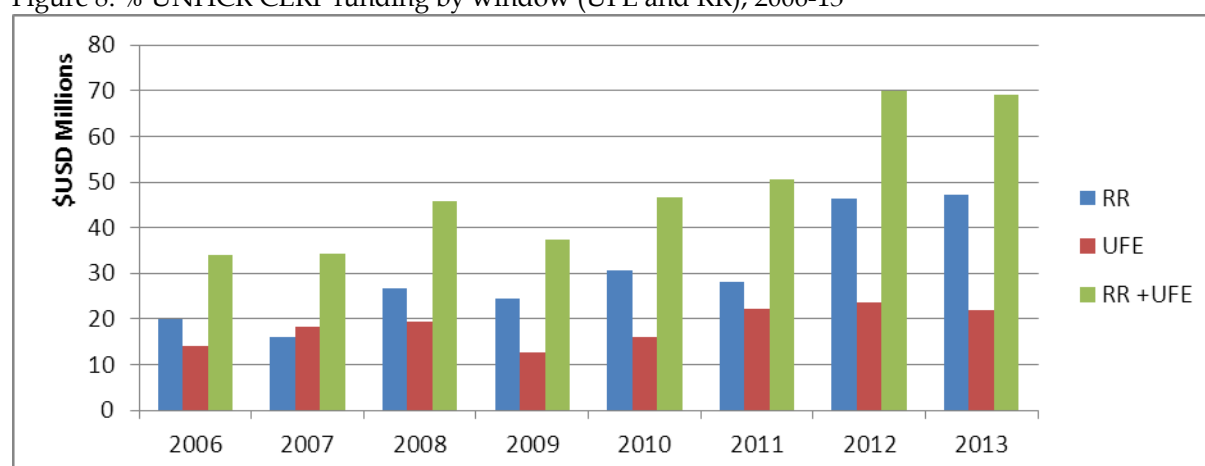
<sup>23</sup> Ibid

<sup>24</sup> See <http://www.unocha.org/cerf/cerf-worldwide/allocations-agency>

<sup>25</sup> Source: 2006 – 2012 data was provided by the CERF secretariat (data accessed on 28/02/2014). 2013 data was provided by UNHCR (data accessed on 27/01/2014).

<sup>26</sup> Ibid.

Figure 8: % UNHCR CERF funding by window (UFE and RR), 2006-13<sup>27</sup>



19. Figure 9 shows the percentage allocation of CERF funding by sector between 2006 and 2013. As a consequence of UNHCR's mandate, the sectors in which it derives the majority of its CERF funding are relatively well-defined and the trends shown above provide an indication of the limits within which UNHCR operate. With the vast majority of UNHCR's budget ring-fenced for refugees, multi-sector offers the greatest potential for CERF funding but the scale of allocations is very much dependent on global refugee needs. While UNHCR's mandate also includes IDPs and its global leadership of the shelter, protection and camp coordination and camp management clusters offers significant potential for CERF funding, this aspect of UNHCR's work receives far less support (see figure 4). It is also worthy of note that there are some sectors for which there is very little potential for UNHCR to obtain funding; in recent years over one-third of CERF allocations have been made to the food and agriculture sectors which is outside of UNHCR's areas of competence and its lack of a mandate for response to natural disasters also limits its potential for CERF funding.

<sup>27</sup> Source: CERF secretariat (data accessed on 10/12/2013).

Figure 9: % CERF funding by sector, 2006 - 2013<sup>2829</sup>

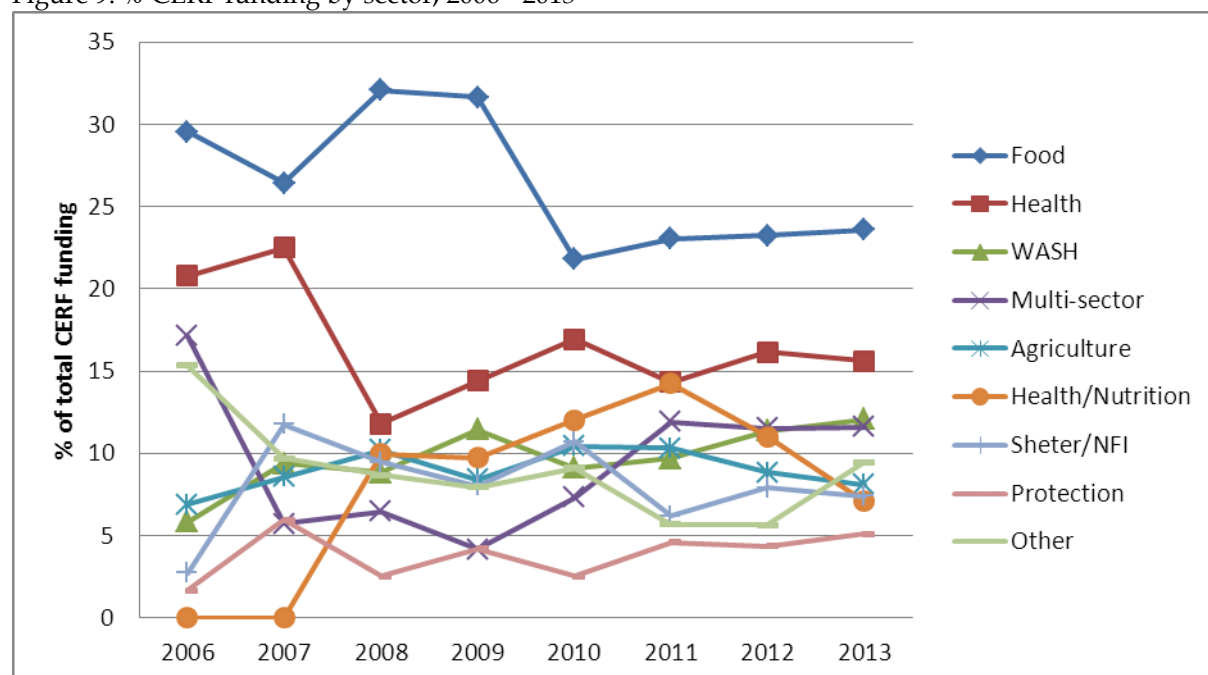
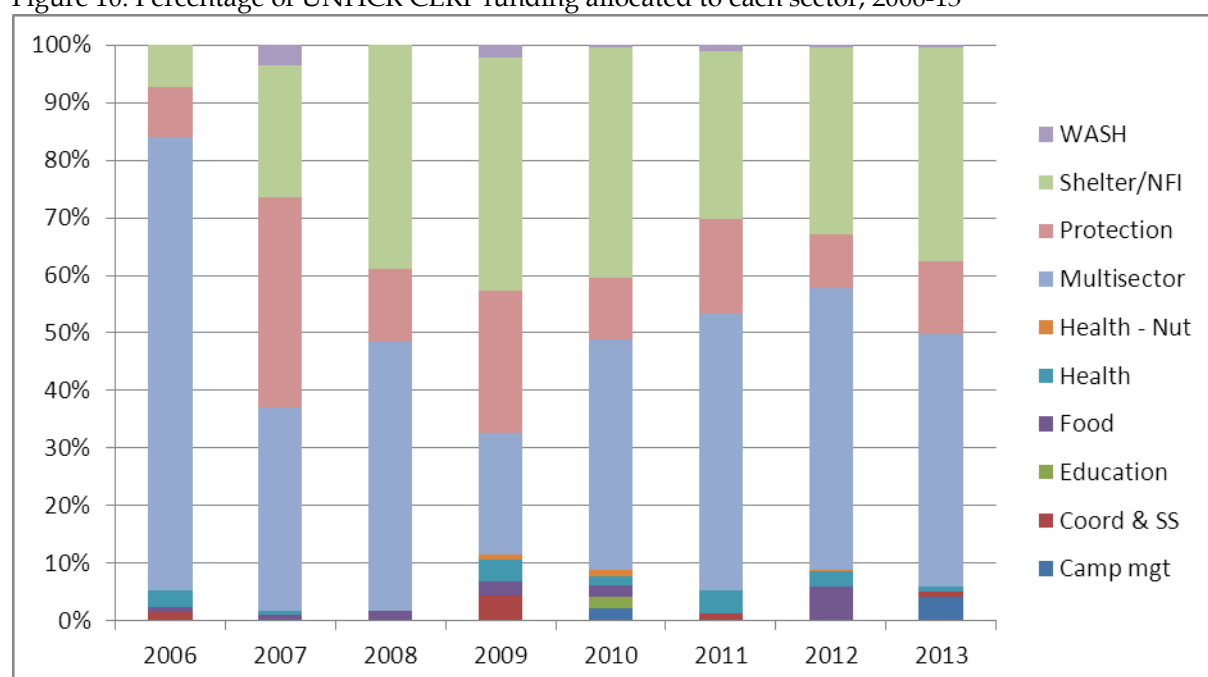


Figure 10: Percentage of UNHCR CERF funding allocated to each sector, 2006-13<sup>3031</sup>



<sup>28</sup> Source: CERF secretariat (data accessed on 04/04/14).

<sup>29</sup> The line in the graph entitled 'other' refers to all sectors that have received less than 4% of the CERF between 2006 - 2014. Included in this are the Coordination and Support Services (UNHAS), Coordination and Support Services (Logistics), Education, Camp Management, Economic Recovery, Security, Coordination and Support Services (Telecoms and Data), mine Action and Coordination and Support Services.

<sup>30</sup> Ibid

<sup>31</sup> For 2006 and 2007 CERF expenditure for nutrition was included in the health sector. For 2008 onwards a separate category was created for nutrition which is referred to as health/nutrition.

20. The relative distribution of CERF funding to UNHCR by sector provides a complicated picture albeit with the most visible trend being that the vast majority of funding goes to 3 UNHCR sectors; multi-sector, protection and shelter/NFI (see figure 10). Of these 3 sectors, overall CERF contributions to multi-sector and protection have tended to increase their share of funding against other sectors between 2006 and 2013 albeit with fluctuations throughout this period (see figure 11).

Figure 11: % CERF share for key UNHCR sectors for all CERF-funded agencies, 2006-13<sup>32</sup>

Sector/Year	2006	2007	2008	2009	2010	2011	2012	2013	2006-13
Protection % of total CERF for all agencies	1.68%	5.94%	2.55%	4.16%	2.54%	4.59%	4.36%	5.10%	3.87% Cluster rank 8 <sup>th</sup>
Multi-sector % of total CERF for all agencies	17.14%	5.72%	6.46%	4.19%	7.34%	11.93%	11.52%	11.46%	9.47% Cluster rank 4 <sup>th</sup>
Shelter/NFI % of total CERF for all agencies	2.71%	11.74%	9.46%	8.04%	10.72%	6.20%	7.91%	7.39%	8.02% Cluster rank 7 <sup>th</sup>

21. Since 2010, UNHCR has a budget structure which makes it possible to break down budgets and expenditure according to its populations of concern. Combined with the information on the CERF an analysis of the data shows that whilst the CERF in absolute terms provides slightly more funding to UNHCR's refugee operations than its IDP operations (56% and 44% respectively between 2010 and 2013), in relative terms CERF funds a greater percentage of IDP operations, contributing 6.6% of UNHCR's IDP funding between 2010 – 2013 as opposed to 1.7% of its funding for refugees (see figure 12).

Figure 12: CERF contribution to UNHCR by population of concern<sup>33</sup>

	Refugees	% of CERF	IDPs	% of CERF	Total
2010 CERF by refugee/IDP	25,477,852	53%	22,625,774	47%	48,103,627
CERF as a % of expenditure	1.7%		5.6%		2.6%
2011 CERF by refugee/IDP	26,632,817	53%	23,521,859	47%	50,154,677
CERF as a % of expenditure	1.5%		6.2%		2.3%
2012 CERF by refugee/IDP	42,336,631	60%	27,686,869	40%	70,023,501
CERF as a % of expenditure	2.1%		8.1%		3.0%
2013 CERF by refugee/IDP	39,477,476	56%	30,958,662	44%	70,436,139
CERF as a % of expenditure	1.6%		6.9%		2.4%
	<b>133,924,776</b>	<b>56%</b>	<b>104,793,164</b>	<b>44%</b>	<b>238,717,940</b>
	<b>1.7%</b>		<b>6.6%</b>		<b>2.5%</b>

<sup>32</sup> Source: CERF secretariat (data accessed on 28/02/2014). See <http://www.unocha.org/cerf/cerf-worldwide/funding-sector/funding-sector-2012>

<sup>33</sup> Source: UNHCR (2014) Annual Headquarters report on the use of CERF funds 2013, March 2013.

22. Figure 13 shows the value of UNHCR CERF grants by country over the last 8-years alongside the total number of grants received by each country. Kenya, DRC and Pakistan are the top 3 recipients of UNHCR CERF allocations, each receiving in excess of \$28m. The greatest number of grants have been received by Chad (23) followed by DRC and Myanmar (22 each). Since 2006 UNHCR has received 361 CERF allocations for 57 countries with an average allocation size of approximately \$1.07m.

Figure 13: Top 20 UNHCR CERF recipient countries by value (\$), 2006-13<sup>34</sup>

#	Country	No. of grants	Value (\$)	#	Country	No. of grants	Value (\$)
1	Kenya	17	31,923,609	11	Sudan	13	15,054,836
2	DRC	22	30,932,324	12	Jordan	5	11,190,442
3	Pakistan	19	28,148,973	13	Iraq	4	9,298,353
4	Chad	23	22,574,655	14	Uganda	6	8,794,038
5	Sri Lanka	20	22,062,676	15	Somalia	7	8,508,052
6	Ethiopia	18	19,511,107	16	Afghanistan	4	7,395,087
7	Syria	10	17,983,916	17	Philippines	9	6,453,434
8	South Sudan	3	17,541,972	18	Central African Republic	14	6,257,240
9	Yemen	18	17,399,009	19	Republic of Congo	11	5,588,124
10	Myanmar	22	17,260,542	20	Lebanon	2	5,485,462

23. When the data on CERF allocations to UNHCR refugee operations is analysed, it provides a different picture, with African countries receiving the 5 largest allocations between 2006 and 2013 (see figure 14).<sup>35</sup>

Figure 14: Top 5 country recipients of refugee-related CERF allocations to UNHCR<sup>36</sup>

#	Country	No. of grants	Value (\$)	#	Country	No. of grants	Value (\$)
1	Kenya	13	30,103,400	4	DRC	8	17,345,691
2	Ethiopia	18	19,511,107	5	South Sudan	2	13,041,971
3	Chad	16	18,835,258				

<sup>34</sup> Source: CERF secretariat (data accessed on 10/12/2013). See <http://www.unocha.org/cerf/cerf-worldwide/funding-sector/funding-sector-2012>

<sup>35</sup> Analysis of the specific contribution that the CERF has made to refugee operations using data from the CERF secretariat is complex as it does not easily distinguish between refugee and non-refugee operations; while there is a field in the spreadsheet to categorise the type of emergency, refugee response is found in several of the categories and while multi-sector responses are most often related to refugees, some IDP responses have also been categorised as multi-sector. Allocations to other sectors may also be targeted to refugee responses.

<sup>36</sup> Source: CERF secretariat (data accessed on 10/12/2013).





## Relevance

24. The relevance criterion seeks to assess the extent to which CERF processes strengthen or complement UNHCR targeting and needs assessment and how CERF project-based funding is incorporated into wider UNHCR programmes. Analysis of the extent to which CERF funds key UNHCR sectors is presented and trends and changes over time are highlighted and explained.

### **Relevance of the CERF prioritisation process**

25. A CERF RR grant request is based on a field-driven process and it is anticipated that the grant development process should be inclusive and transparent. The process typically takes place within the HCT (e.g. Pakistan) and includes a range of humanitarian stakeholders although for countries where this forum does not exist, the prioritisation process may occur within a subset of the United Nations Country Team (e.g. Uganda) or with a small group of agencies selected for their relevance to a response by OCHA on behalf of the RC/HC (e.g. Kenya).

26. For the UFE window the planning process starts in October/November for the first round and April/May for the second round. A guidance note is shared with UFE focal points from recipient agencies' headquarters and based on comprehensive analysis by the CERF secretariat and following consultations with agency focal points, the ERC selects recipient countries and decides on funding envelopes. Announcements of the country allocations usually takes place in January and July at which time the prioritisation process takes place in each country over a 4-week period, under the leadership of the RC/HC.

27. The extent to which this process was considered to add value by UNHCR staff depended to a large extent on the CERF window, the nature of the response and the timing of the allocation. While the feedback was mixed, the general view expressed was that for RR allocations, particularly for new refugee influxes or in response to IDP movements where UNHCR was part of a coordinated response, the prioritisation process added significant value as it brought together key parts of the humanitarian community and assisted in the process of determining where the greatest needs were and how best to prioritise the use of limited resources. In the case of Uganda for example, the process was used to bring in new partners to the response as capacity had been stretched to the limit. The CERF prioritisation process is also considered to present a good opportunity for UNHCR to advocate for refugee needs, particularly in countries where there is a HCT. For IDP responses, the prioritisation process offered an important opportunity to agree on how to best coordinate a response, particularly in the clusters where there was more than a single CERF-recipient agency such as shelter/NFI.

28. For the UFE window there was a lack of clarity about the process of decision-making and prioritisation process at the global level which reflects the findings of the 5-year CERF evaluation. Each of the 3 case study countries visited during the review had benefited significantly from UFE funding and there was a feeling that UNHCR was in a strong position to prepare proposals as a result of the UNHCR exercises such as the Comprehensive Needs Assessment and Country Operations Planning process, however

there was also some frustration that some of UNHCR's most frequently under-funded activities such as protracted refugee responses rarely received UFE funding (see section 3.3).

### Complementarity of the CERF project approach with UNHCR's programme-based approach

29. For UNHCR which has an explicit responsibility to meet the needs of a defined set of beneficiary groups (refugees, returnees, stateless persons and IDPs), programmes must work across sectors and on some occasions, across national boundaries. This programme-based approach is different to the approach taken by the CERF which funds projects. While there is not a universally accepted definition of the terminology, a recent study on behalf of the IASC Humanitarian Financing Group has made some progress in this regard (see figure 15).

Figure 15: Definitions of project and programme approach terminology<sup>37</sup>

**Programme** - a grouping of activities and partners linked within a cohesive strategy to achieve specific, measurable humanitarian outcomes for a sector or a defined beneficiary population

**Project** - a typically short-range endeavour consisting of one or more aid activities designed to produce a specific output (or outputs)

**Programme-based approach** - a means of strategic planning, resource mobilisation and reporting based on programmes as the basic unit of organisation

30. A discussion of the relative merits of the different approaches is outside of the terms of reference for the study but what is of interest are the challenges that result from the different approaches: From UNHCR's perspective, the key challenge is the administrative complexities associated with trying to fit a relatively modest and time-bound earmarked grant into a far-larger programme. This requires additional effort because UNHCR's programming software proportionally attributes personnel and admin costs to objectives rather than to a set of defined projects. This means that field offices have to keep offline tracking systems to record income against the budget.

31. While new emergency responses often receive a range of earmarked funding from other funding sources which require managing in a similar way to CERF, the problems can be more pronounced for UNHCR country offices which launch modest emergency responses, have less capacity for fund management or which receive allocations from UFE window to fund existing under-funded operations. A further implication of fitting CERF projects into UNHCR programmes is that it can be difficult to track specific CERF activities and as a consequence these may be reported as an apportionment of the whole programme. Whilst under the circumstances this would appear to be a reasonable approach to take, questions about the veracity of the results have been raised in the past by the CERF secretariat. UNHCR is not the only agency which works in this way and interviews with WFP raised similar issues.

<sup>37</sup> Source: Stoddard, A (2011) Prospects for integrating a Programme-based approach in CAPS and Common Humanitarian Funds: A Scoping Study, Humanitarian Outcomes (internet). Available at <file:///C:/Users/Andy/Downloads/PBA%20STUDY%20FINAL.pdf>

32. Interviews with UNHCR CERF-focal staff suggested that the additional workload required to manage CERF funding tended to vary from country-to-country depending on the resources that were available to support work-around solutions and there was an acknowledgement that the increasing predilection for donors to earmark funding means that this is now a fairly common requirement for many of UNHCR's programmes. It is of interest that the response to this issue in the online survey was equally split between those that suggested it helped and those that suggested it hindered. While it would be easy to focus on the shortcomings there are also some advantages to CERF of UNHCR's programme approach the most significant being that by incorporating an earmarked fund such as CERF into its programmes means that any gaps in the funding provided tend to be covered by UNHCR's own resources. This is not always the case with UN agencies that use a project-based approach.

33. Another impact of the different approach taken to programme implementation is the existence of different procedures that UNHCR staff must comply with that can at times cause confusion. An example of this is the greater flexibility that UNHCR's programme approach has for modifying implementation (which can include changes in location of the assistance and the nature of the assistance provided) than is permissible for CERF projects. As a likely consequence of this, there is anecdotal evidence of instances when UNHCR country offices have unilaterally made changes to the scope, scale or geographic location of CERF projects which would have been acceptable under UNHCR procedures but which should have been submitted for approval under CERF guidelines. A recent example occurred in a CERF-funded refugee response in 2013 where funds were initially reprogrammed without making a formal reprogramming request.<sup>38</sup> While this would have been permissible under UNHCR's programme-based approach, the same changes require formal authorisation under CERF procedures. Since CERF grants (ideally) represent a collective prioritisation by the HC/HCT/partners in selecting the most critical activities for CERF funding, any significant changes to the activities funded by CERF should also be endorsed by the HC to ensure that these are still within the range of priorities agreed by the HCT

34. While the two approaches are different, there was consensus that the support that CERF funding provided far outweighed the additional workload required to manage the funds and beyond programme and project distinctions, there was little doubt of the relevance of CERF to UNHCR operations, particularly at times when there was a need to scale-up programmes to meet new crises or the escalation of existing needs.

### **Relevance of CERF to key UNHCR sectors<sup>39</sup>**

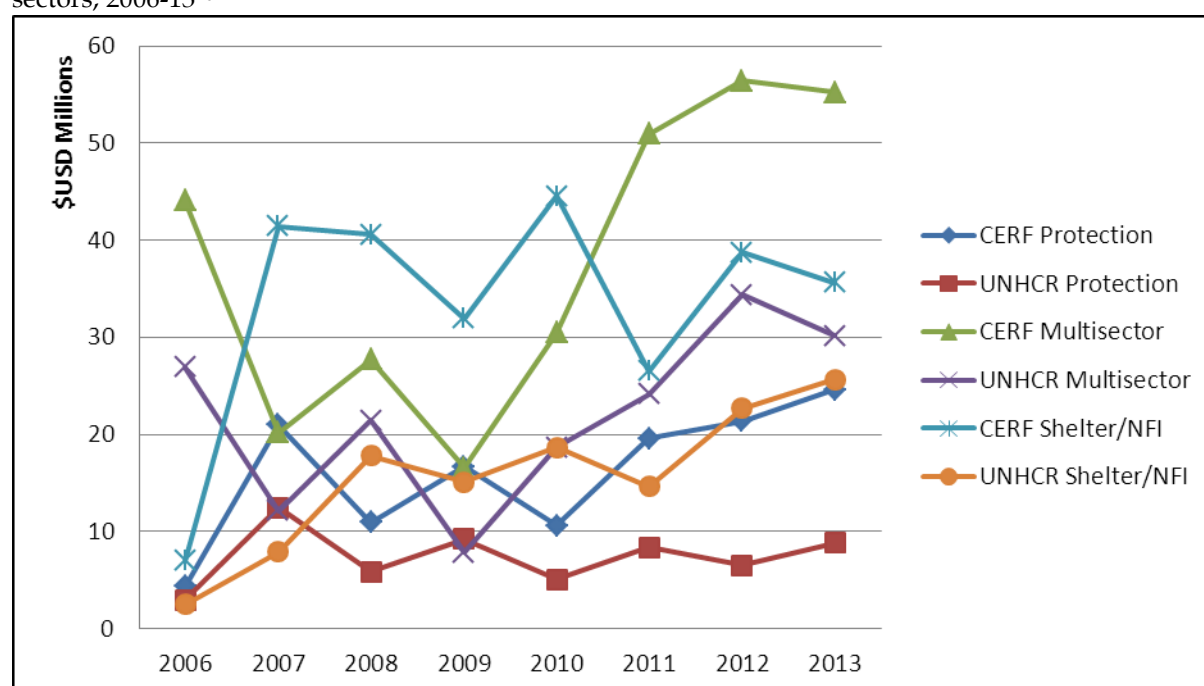
35. Together, the three sectors of protection (15.26%), shelter/NFI (32.19%) and multi-sector (45.28%) accounted for 92.7% of total UNHCR CERF allocations between 2006 and 2013. While the relative proportions of funding to these three sectors have changed over time, they have consistently accounted for over 90% of UNHCR's CERF allocation since 2006. The line graph compares the total CERF funding allocated to UNHCR in these three sectors with the total CERF funding in the same sectors (see figure 16). An analysis of the trends is provided for each of the sectors in the section below.

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<sup>38</sup> A re-programming request was later submitted by UNHCR in addition to a no cost extension both of which were authorised by the Emergency Relief Coordinator.

<sup>39</sup> The questions in the ToR relating to sectoral coordination will also be addressed in this section.

Figure 16: Comparison of UNHCR CERF funding for key sectors with total CERF funding in the sectors, 2006-13<sup>40</sup>



### Multi-sector

36. During discussions with headquarters-based UNHCR staff a question had been posed about the impact of the non-clusterisation of multi-sector on CERF funding; the concern being that it may not be prioritised as a consequence of it being considered a parallel coordination system to the clusters and not directly accountable to the RC/HC. It has also been the case that in other pooled funds, multi-sector has been omitted from the standard allocations as a consequence of its large funding requirements compared to the size of the pooled fund and UNHCR's perceived ability to fundraise for multi-sector independently such as for the South Sudan Common Humanitarian Fund in 2012/3.<sup>41</sup>

37. Between 2009 and 2012<sup>42</sup> CERF funding to UNHCR multi-sector activities was 35.9% funded from UFE and 64.1% funded from RR. Over the same period, the relative proportions of UFE CERF funding to RR CERF funding was 36.5% to 63.5%. These findings suggest that UNHCR multi-sector is funded in roughly equal proportions to the two CERF windows. Furthermore, with the exception of 2013 there has been a year-on-year increase in CERF funding to multi-sector with a step-change in 2011 where it changed from being the 7<sup>th</sup> largest sector by CERF funding to the 4<sup>th</sup> largest sector, a position that it has maintained to date.<sup>43</sup> While global refugee numbers have remained relatively stable between 2006 and 2013,<sup>44</sup> the increase in CERF multi-sector funding is consistent with the major refugee

<sup>40</sup> Source: CERF secretariat (data accessed on 10/12/2013).

<sup>41</sup> Source: Featherstone, A (2012) Reflections on the establishment and operation of the South Sudan Common Humanitarian Fund, submitted as an accompanying document to the project completion review of DFID's 2012 humanitarian portfolio (document not publicly available).

<sup>42</sup> At the time the analysis commenced in December 2013, full data was not available for the year.

<sup>43</sup> Source: CERF secretariat, accessed 14/03/14.

<sup>44</sup> UNHCR Statistical Yearbooks, 2006 – 2012, show that at the end of 2006 there were an estimated 9.88 million refugees, the same number as for the end of 2012 (see <http://www.unhcr.org/pages/4a02afce6.html>)

influxes into Jordan, Lebanon, Turkey and Iraq caused by the Syria crisis which have received generous CERF allocations.

38. Interviews with UNHCR staff suggested that for the RR window where there were significant refugee needs, support to multi-sector had been given adequate prioritisation. This view is supported by the 2011 Country Review for the CERF in Ivory Coast, Ghana and Liberia which provides an example of the importance that CERF funding can play for refugee-related emergencies.

‘The CERF ended up being the major donor for refugee response in Ghana and the only external source of funding for the UNHCR projects in Benin, Guinea and Togo. In these two cases in particular, the CERF clearly represented a lifeline.’<sup>45</sup>

39. Moreover there was a perception from within UNHCR country-based staff and NGO partners that the cross-sectoral oversight that UNHCR had of refugee needs provided an opportunity to present a more coherent case during CERF prioritisation processes. 5 of the 13 countries that participated in the survey considered that this had significantly helped UNHCR access to and utilisation of CERF funding (2 of 13 considered it was a hindrance). For the UFE window, the situation was less clear particularly in protracted refugee situations such as in Pakistan where UNHCR has often found itself a lone advocate for the inclusion of refugees in UFE applications. There was a similar perception in other countries that it was more difficult to fundraise for protracted refugee needs. In these situations, there was some frustration that multi-sector was often considered to be a poor fit with the CERF life-saving criteria although the 2013 UFE grant of almost \$4 million for refugee return to Afghanistan from Pakistan and Iran offers some cause for optimism.

40. While there is little evidence to suggest that the non-clusterisation of multi-sector has militated against UNHCR receiving CERF funding for refugees, the lack of coherence between UNHCR’s coordination mechanism and the clusters has at times made it difficult to obtain a comprehensive picture of vulnerability as reported in the 2012 Country Review of the CERF in Kenya.

‘Ultimately the way in which UNHCR controls the response in Kenya is in keeping with its usual approach and is firmly rooted in its mandate...Ultimately for a mechanism such as the CERF, the dual and largely unconnected coordination mechanisms which result, make allocation challenging. There is simply no complete set of data nor any means of comparing vulnerability, risk or needs across Kenya.’<sup>46</sup>

41. The example highlights a practical challenge of the parallel coordination systems for refugees and other crisis-affected communities and makes a strong case for ensuring that a coherent approach to measuring and reporting vulnerability and humanitarian need is adopted. In this there has been some important progress made and a number of examples are provided of inclusive refugee CERF prioritisation processes in section 6.2 of this report.

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<sup>45</sup> Source: Spaak M (2012) Independent Review of the Value Added of the Central Emergency Response Fund (CERF) in Cote D’Ivoire, Liberia and Ghana, June -September 2012.

<sup>46</sup> Source: Taylor, G (2012) Independent Review of the Value added of the Central Emergency Response Fund (CERF) in Kenya, Humanitarian Outcomes, pp.8.

## Protection

42. While it is difficult to identify trends in the data, between 2010 and 2013 CERF funding for protection more than doubled and accounted for approximately 5% of total funding in 2013 (see figure 11 in section 2). UNHCR's allocation of CERF funding over the same period has remained relatively static in absolute terms but the percentage share of CERF funding for protection compared with other sectors has varied considerably from year to year (in 2007, 36% of UNHCR's CERF funding was protection-related while in 2012 it was just 9.3% with an average between 2006 and 2013 of 15.26%). Of note is the decrease in UNHCR's share of total CERF funding for protection over time.

43. The significant variation in UNHCR's CERF funding for protection makes analysis extremely difficult and feedback during the review was similarly mixed; in the online survey 7 of the 13 countries that participated either agreed or agreed strongly that protection is under-prioritised in country-level CERF submissions and 4 countries disagreed with the statement. There was a perception from many UNHCR country offices that participated in the review that protection is difficult to fundraise for through CERF with specific concerns raised by UNHCR cluster participants about the negative impacts of mainstreaming protection and the challenges that protection-related activities have in successfully being prioritised by HCTs. This feedback echoes the findings of the 2013 DRC CERF Country Review.

'Despite repeated communication by the CERF secretariat on the issue, there was a sense in UNHCR at the Kinshasa level that the CERF did not include protection as "lifesaving" and that protection monitoring is generally not funded.'<sup>47</sup>

44. In 2013 the CERF secretariat undertook its own analysis of protection funding to provide Advisory Group members with information related to the definition, trends, challenges and perceptions of CERF-funded protection activities. While noting the fact that in some instances, protection was not always considered a priority by the field during the process of a CERF submission, it confirmed the general trend of approximately 4% of the total CERF funding being allocated to protection activities and that between 2006 and September 2013 UNHCR was the largest recipient of these funds.<sup>48</sup>

Figure 17: Shifting definitions? A comparison of UNHCR's CERF funding to protection in 2007 and 2012<sup>49</sup>

In 2007, UNHCR received \$12,468,357 for protection-categorised activities. The three largest grants were for DRC (\$3.25m) and Republic of Sudan (\$2.87m) and (\$1.84m). Over the year, UNHCR received 5 CERF allocations in excess of \$1m with a total of 10 allocations (5 RR and 5 UFE) during the year of an average size of \$1.2m. 2 of the 12 CERF allocations categorised as multi-sector included protection in the project title. In 2012 UNHCR received \$6,526,929 in CERF funding for protection-categorised activities. The three largest grants were for Mauritania (\$1.64m), the Philippines (\$900k) and Jordan (\$747k). UNHCR received allocations for 15 protection projects (7 RR and 8 UFE) with an average grant size of \$435k. In the same year 14 out of 17 multi-sector grants included protection in the project title.

<sup>47</sup> Source: Hidalgo S (2013) Independent Review of the Value Added of the Central Emergency Response Fund (CERF) in the Democratic Republic of the Congo (DRC), Dahlia, pp. 14.

<sup>48</sup> Source: CERF secretariat (2013) CERF funding specific sector protection, 27 September 2013.

<sup>49</sup> Source: CERF secretariat (data accessed on 10/12/2013).

45. A comparative analysis of CERF protection grants received by UNHCR in 2007 and 2012 gives a picture of an increase in the overall number of grants but a decrease in the average value of each of the grants and a significant reduction in the total amount of funding received (see figure 17). It also suggests that protection is increasingly included as part of UNHCR's multi-sector CERF applications which may have contributed to the relatively static nature of UNHCR's CERF funding for protection. Prompted by a perceived decline in protection funding, the Global Protection Cluster (GPC) commissioned a study which sheds important light on the state of protection funding:

'We found that protection is usually underfunded in relation to the amounts requested in the consolidated appeals, and "more underfunded" relative to most other clusters. But we also found that overall protection funding (including the amounts flowing outside the appeals) has remained steady since at least 2010, and that funding relative to appeals picked up in 2012. The picture is made more complex by the fact that so much protection funding is not recorded as such, and there are significant variations between countries, as well as between years. The problem then is not so much that protection funding is reducing, but that it flows in different ways, it fluctuates, and also concentrates in some emergencies more than others'<sup>50</sup>

46. The challenge of easily defining and categorising protection was raised in interviews as a key obstacle to correctly reporting protection spending; protection can be labelled as the goal underlying the whole humanitarian response, an approach or lens for humanitarian action, or a set of more narrowly-defined activities that aim to prevent and mitigate threats to vulnerable persons. It is the last set of 'activities' which are most easily defined and tend to lend themselves more easily to categorisation which suggests that protection may suffer from significant under-reporting of expenditure as a consequence.

47. The difficulties in defining protection also make it very difficult to discuss the subject, both internally with members of the humanitarian community and externally with governments that may be reticent to show-case protection-related issues. For these reasons, UNHCR Representatives have an important role to play in 'championing' protection in HCT and where possible with relevant authorities in order to create an understanding of and enabling environment. Where there is a proactive UNHCR Representative, a RC/HC who has an understanding of the important role that protection plays in underpinning humanitarian assistance and where there is a strong cluster that can clearly articulate tangible protection outcomes, then there is the greatest chance of prioritising protection in CERF submissions and of receiving funding. While defining protection is troublesome, it is even more difficult to quantify to what extent protection is mainstreamed although there have been some recent efforts to more clearly categorise this for CERF applications. In Pakistan the OCHA team were seeking to address the challenge by working across clusters to identify and label protection-related expenditure in order both to better identify protection funding and capture protection-related results.

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<sup>50</sup> Source: Murray, J & Landry, J (2013) Placing protection at the centre of humanitarian action: Study on protection funding in complex humanitarian emergencies, an independent study commissioned by the Global Protection Cluster, Julian Murray Consulting, pp.4 (internet). Available at <http://reliefweb.int/report/world/placing-protection-centre-humanitarian-action-study-protection-funding-complex>



48. Despite the definitional challenges, the GPC-commissioned study considered that 'pooled funds are significant donors to protection, in approximately the same proportion as bilateral donors (3-4% of all humanitarian funding).' Given that the study also notes a comparative lack of funding for protection in the first year of a response as it is 'generally not considered as life-saving' then there may be cause for some optimism concerning CERF funding given that a significant proportion of its protection-funding is provided for the first 6-months of a response and that in 2013 the percentage allocated was in excess of the bilateral average, at 5%.

49. Interviews with UNHCR staff in some countries revealed that there may also be some self-censorship as a consequence of the low expectations of successful protection-related CERF applications; because protection was perceived as unlikely to attract funding proposals are not always prepared. Feedback from the Kenya field trip and interviews with Myanmar echoed this, noting the difficulties that can exist in defining protection and adequately quantifying outputs.

#### *Shelter/NFI*

50. The Shelter Cluster is co-chaired by the International Federation of the Red Cross and Red Crescent Societies (IFRC) and UNHCR at the global level. IFRC is convener of the Shelter Cluster in disaster situations while UNHCR leads the Shelter Cluster in the areas of conflict. The trend in CERF funding for UNHCR in shelter/NFI has been an overall increase in the total amount of funding with time and an increase in the percentage share of overall CERF funding towards shelter/NFI from 35% in 2007, to 41% in 2010, to 72% in 2013 (the trend is shown in figure 16).<sup>51</sup>

51. Feedback during the review suggested that the CERF RR window was considered the most relevant and the allocations made to the cluster over the last 3-years show that it has made a far greater contribution than the UFE with RR funding accounting for 81.5% of the cluster contribution in 2013,<sup>52</sup> 85.4% in 2012, 57.9% in 2011 and 83.6% in 2011.<sup>53</sup>

52. The shelter cluster benefits from strong support globally and is often well-organised and resourced at a country-level (e.g. Pakistan). Significant progress has been made in recent years in designing emergency shelter modules for rapid response after crisis, standardising one room shelters in response to large-scale natural disasters and in incorporating cross-cutting issues such as gender, age, disability and accountability to affected communities. In some countries, there is also considerable experience in agreeing standardised costs and in determining benchmarks with which to estimate value for money. The level of organisation and coordination that exists means that the cluster is generally well-placed to compete for CERF funding albeit with a bias towards the RR window.

53. Where the country-level humanitarian architecture does not include clusters (e.g. Uganda) responsibility for emergency shelter programming is often shared between UNHCR and IOM and less frequently, UN-Habitat. For the purposes of CERF applications it is these three agencies that are the three recipients of CERF funding. While there is often good coordination and clear separation of duties (either by geographic focus or according to competence), this is not always the case and the CERF country reviews highlight several

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<sup>51</sup> Source: CERF secretariat (data accessed on 10/12/2013).

<sup>52</sup> The data is correct to 10/12/2013.

<sup>53</sup> Source: CERF secretariat.



instances where competition for funding had led to coordination lapses with the Pakistan review highlighting that on occasions ‘these [CERF prioritisation] discussions actually made for discord between UN agencies and weakened trust within HCT and clusters as a result.’<sup>54</sup> A similar issue was raised in 2 of the UNHCR country office interviews and in the online survey. The more positive aspect of the presence of several agencies eligible for CERF funding in a single cluster is that it also tends to drive up programme quality.

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<sup>54</sup> Source: Featherstone, A (2012) Independent Review of the Central Emergency Response (CERF) Fund in Pakistan.



## Timeliness and efficiency

54. The timeliness and efficiency criteria explores 2 areas; the contribution that CERF makes to timely humanitarian action, which for UNHCR needs to be examined in the context of its procedure of advancing funding to emergency operations. The second area of interest is process efficiency and timeliness and the extent to which UNHCR field teams and headquarters staff considers CERF proposal writing, submission and reporting requirements manageable in the context of humanitarian scale-up.

### **The contribution that CERF funding to UNHCR makes to timely humanitarian response<sup>55</sup>**

55. There was broad agreement of the important role that CERF RR funding played in facilitating timely response to humanitarian crises. UNHCR CERF focal points in each of South Sudan, Myanmar, Yemen, Pakistan, Uganda and Kenya all emphasised the success of CERF funding in kick-starting humanitarian programming. The online survey endorsed this view with 9 of the 12 countries that responded to the question indicating that CERF generally provided timelier funding than bilateral humanitarian donors and other pooled funds.

56. While UNHCR has only limited influence over the timeliness of CERF processes which are dependent on the in-country system established on behalf of the RC/HC, the organisation's humanitarian mandate and enabling procedures play important roles in allowing UNHCR to commence operations while CERF applications are being developed. The agency has standby human resource capacity (Emergency Response Team roster) and stockpiles of relief items strategically placed in Copenhagen and Dubai. As the Transformative Agenda has placed an emphasis on strengthening leadership and coordination, UNHCR has established a Senior Corporate Emergency Roster comprising senior staff to strengthen leadership of UNHCR operations and has also strengthened its leadership and coordination training. A number of changes have also been made to UNHCR's emergency response capacity since April 2012 with a series of guidance papers issued to align UNHCR's policies and systems more closely with inter-agency approaches.<sup>56</sup>

57. The facility which offers the greatest complement to CERF implementation is UNHCR's Operational Reserve (OR). Each year an amount is made available for emergency response with a set of procedures for authorisation and access to it. This allows country offices, in coordination with the relevant Bureau Director to access funds for humanitarian response in advance of the arrival of CERF funding to allow a rapid scale-up to meet emergency needs.<sup>57</sup> When CERF funds are approved (or other donor funds are secured), they can be used retrospectively to refund the advance. An alternative to the OR is to increase the spending authority of a UNHCR country office through the establishment of a Supplementary Budget (SB) which can be achieved through a formal request to the Bureau which needs then to be approved by senior management and endorsed by the Budget

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<sup>55</sup> This section focuses on CERF funding to UNHCR. The sub-granting of UNHCR CERF funding to implementing partners is dealt with in section 5 of this report.

<sup>56</sup> Source: IOM/077 – FOM/078/2012.

<sup>57</sup> Source: Annex 2: Guidance on the Resource Allocation Process for Emergencies.

Committee.<sup>58</sup> In theory this process requires only 2-days and results in an increase in spending authority.<sup>59</sup> Similar to the OR, it is important to note that authorisation of a SB will come with an expectation that funds will be raised against it. Anecdotal evidence from UNHCR headquarters suggests that when a CERF application is in the pipeline there is a greater willingness to use these tools.

58. While the OR is considered an essential budgetary tool to facilitate rapid response to a crisis and a request for a SB is generally reserved for a significant unanticipated response, for a more modest humanitarian response which is within the spending authority of a UNHCR country office and which has a strong likelihood of being funded, a decision may be taken to temporarily use a 'local advance' from existing funds. The two key drivers for this decision will be the scale of the response and the likelihood that the office will be able to secure an increase in its Operating Level (this issue is dealt with in greater detail in section 7 of this report).

59. Given that one of the more important recommendations of the CERF 5-year evaluation was for UN agencies that do not use internal advance mechanisms in conjunction with CERF to find ways to speed up the start of projects, and given the potential humanitarian impact of delayed implementation, UNHCR's access to its OR mechanism should be considered a strength and assists in maximising the effectiveness of CERF funding.

60. While the use by UNHCR of its OR and/or SB is broadly complementary to CERF funding, where problems have been encountered is on occasions when it has taken longer than 6-weeks for RR CERF funding to be approved.<sup>60</sup> In such circumstances the initial response remains a liability against the respective UNHCR country office's budget.<sup>61</sup> A second risk in using the OR and/or SB in this way is that there is no indication at the earliest stages of a response of how much CERF (or other) funding will be raised and hence it is difficult to gauge the potential scale of the organisation's liability.

### **The efficiency of CERF processes of prioritisation, application and reporting**

61. From an efficiency perspective, a significant majority of UNHCR respondents considered that CERF RR processes of prioritisation, application and reporting were favourable when compared with those of bilateral donors and other pooled funds. While the CERF process depends in large part on the in-country humanitarian architecture, the three field visits offered three different approaches to CERF prioritisation and submission<sup>62</sup> and in

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<sup>58</sup> The Budget Committee is the central corporate body that takes strategic decisions on the financial aspects of resource allocation and reallocations and ensures the application of relevant parameters...in response to unforeseen situations that develop during the course of a year (Source: Terms of Reference of the Budget Committee).

<sup>59</sup> Source: Annex 2: Guidance on the Resource Allocation Process for Emergencies.

<sup>60</sup> Subject to approval, the CERF RR window can fund project activities and costs up to a maximum of 6-weeks prior to the grant disbursement date.

<sup>61</sup> As an example, at the time the Uganda field trip was conducted in mid-February, a CERF application was being developed in response to an influx of South Sudanese refugees which UNHCR had been supporting since mid-December 2013. The \$2m grant to UNHCR was approved on 13/02/14 and disbursed on 24/02/14, over 8-weeks after the response commenced meaning that the first 2-weeks of the response would not be covered by the CERF.

<sup>62</sup> In Kenya the process is coordinated by OCHA on behalf of the RC/HC and participation tends to include only relevant UN agencies; in Uganda the process is coordinated by UNHCR on behalf of the RC and involves relevant UN agencies, and; in Pakistan the process is coordinated by OCHA on behalf of the RC/HC and includes HCT and the strategic participation of clusters.

each the feedback was similarly positive. Feedback from other countries was also broadly positive.

62. Concerning the duration of CERF-funded projects, there was generally a good understanding of the mandate of the CERF and knowledge of project timeframes by UNHCR CERF-focal staff. UNHCR considers itself first and foremost a humanitarian organisation and as a consequence of this its mandate is a good fit with the CERF.

63. UNHCR staff also considered CERF's reporting regime less burdensome than that of many donors. The results of the online survey on CERF reporting elicited positive feedback in comparison with other humanitarian donors (bilateral and pooled funds). While UNHCR's programme-based approach does not easily lend itself to project-based reporting, solutions such as tagging of budget line items and apportionment of programme outcomes allows reports to be prepared and submitted. While some members of the CERF secretariat raised concerns about the lack of granularity in UNHCR's reporting as a consequence of the mismatch in systems, there was an acknowledgement that UNHCR performed well in meeting spending targets and in the submission of timely reports.

64. The CERF Performance and Accountability Framework states that UN Agencies are accountable to their Executive Boards for their use of CERF funds.<sup>63</sup> To this end UNHCR bears the primary responsibility for monitoring, evaluation and reporting on its CERF funding. At a country-level monitoring of CERF results is incorporated into UNHCR's broader results based management system which guides the planning, budgeting and reporting processes at all levels through a software package called Focus. This incorporates the results framework, indicators and standards as well as the pillar budget structure and links together financial material, human resources and operational needs. At a field level, as part of the High Commissioner's Structured Dialogue on NGO-IFRC-UNHCR Partnership there has been a renewed focus on facilitating joint monitoring and review of activities an activity that the draft revised Project Agreement considers a core project management undertaking rather than being optional. To this end a Guidance Note (subject to consultation and approval) has been drafted on Joint Monitoring and Partner Feedback.<sup>64</sup> The 2011 Ethiopia CERF Country Review considered that 'UNHCR, UNICEF and IOM appear to have the most robust monitoring procedures'. The review also provided a summary of UNHCR's approach;

'UNHCR field officers monitor implementing partners against a sub-agreement that has a detailed budget, planned results, agreed outputs and a work plan. They use physical checking, coordinating meetings with partner offices and support missions of technical UNHCR staff (like health, protection, and environment) from the Representation office in Addis Ababa. Day to day problems faced by the IP in implementing the targeted activities are discussed at field and Addis level so that any deviations from the target work plan can be reflected through amendments to the sub-agreements. In addition, UNHCR and the Administration for Refugee Return Affairs programme staff travel to

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<sup>63</sup> Source: CERF secretariat (2010) Performance and Accountability Framework (PAF) for the Central Emergency Response Fund (CERF), pp. 3, (internet). Available at <https://docs.unocha.org/sites/dms/CERF/Pakistan%20PAF%20Review%202013.pdf>.

<sup>64</sup> UNHCR (2013) Enhancing the UNHCR Framework for Implementation with Partners: Implementing Partnership Management. Guidance Note Joint Monitoring and Partner Feedback, version dated: 04 June 2013 (Draft subject to consultation and approval).

the field to hold review meetings with all partners concerned about once every 3 months.’<sup>65</sup>

65. Interviews with UNHCR’s Donor Reporting and Resource Mobilisation (DRRM) team suggested that the costs of administration, including monitoring, evaluation and reporting were covered by the 7% Programme Support Costs which are included in CERF budgets.

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<sup>65</sup> Source: Mowjee, T (2011) Independent Review of the Value Added of the Central Emergency Response Fund (CERF) in Ethiopia, July 2011, Policy 2 Practice team, pp.42.

## Partnership

66. This section reviews UNHCR's partnership arrangements for CERF implementation and draws on CERF sub-granting data for 2011 and 2012 as context for assessing issues of timeliness; while the focus is on CERF, UNHCR's approach to partnership does not distinguish by funding source although the discussions with partners in-country used CERF as a reference point. An assessment of UNHCR's engagement with partners for the purposes of CERF prioritisation is provided although it is important to note that the quality of this is dictated by the in-country HCT-led process rather than by individual CERF-recipient agencies.

Figure 18: CERF 2012 sub-granting amounts reported by agency

Agency	% Sub-grants share of total
FAO	12.4
IOM	4.1
OHCHR	39.3
UN Habitat	15.6
UN Women	0.0
UNAIDS	35.9
UNDP	18.0
UNESCO	0.0
UNFPA	16.6
UNHCR	30.0
UNICEF	29.8
UNOPS	42.3
UNRWA	0.0
WFP	5.1
WHO	18.3
	<b>17.8</b>

### Analysis of UNHCR Sub-granting of CERF

67. UNHCR's global sub-granting profile shows a steady increase in the total number of partners and a larger proportion of funding implemented by UNHCR's partners between 2010 and 2013 with provisional data in 2013 suggesting that 38.8% of UNHCR's expenditure is implemented by partners with national NGOs accounting for a third of this.<sup>66</sup>

68. Analysis undertaken by the CERF secretariat is relatively consistent with the global figures and shows that about one-third of CERF funding to UNHCR is sub-granted to implementing partners (see figure 18)<sup>67</sup> and that between 2009 and 2011 the trend has been for this figure to increase each year; in 2009 the sub-granting share of CERF projects that reported sub-grants was 29.4%, in 2010 it was 33.80 and in 2011 it was 36.05%.<sup>68</sup>

69. A comparison of sub-grant analyses from 2011 and 2012 (see figure 19) suggests that a similar overall proportion of CERF funds were sub-granted in the two years but that there was a change in partners with an

increase in international NGO sub-grants seemingly at the expense of government and national NGO partnerships. The Red Cross Movement accounted for a relatively small proportion of sub-granted expenditure (2.4%), the majority of which was sub-granted to the Syrian Arab Red Crescent.

<sup>66</sup> Source: UNHCR sub-granting data, received on 04/04/14.

<sup>67</sup> The table is adapted from CERF Secretariat (2013) UN Agency Sub-Granting of CERF Funds to Implementing Partners in 2012, October 2013.

<sup>68</sup> Source: CERF secretariat (2012) UN Agency Sub-Granting of CERF Funds to Implementing Partners, May 2012.

Figure 19: Analysis of UNHCR sub-granting by sub-grantee, 2011 – 2012<sup>69</sup>

Year	Percent of CERF funding reported as sub-granted to partners				% Sub-grants share of CERF
	% Gov	% INGO	% NNGO	% Red Cross	
UNHCR 2011	6.2	15.6	8.4	n/a	30.2
CERF Avge 2011	3.6	8.1	5.7	n/a	17.5
UNHCR 2012	2.5	20.9	4.0	2.5	30
CERF Avge 2012	2.8	10.7	3.6	0.8	17.8

70. From a procedural perspective, UNHCR sub-granting for CERF purposes is relatively straightforward as most of its activities are implemented by its existing partners which because of UNHCR's multi-sector mandate, tend to have a broad-based set of competencies which offers UNHCR a high degree of flexibility when responding to new emergencies. UNHCR has an annual cycle of partner selection which is de-linked from specific grants or contributions and it is relatively rare for it to have to set up new partnerships to deliver CERF-funded projects.

71. When there is need to respond in a new area or to significantly scale-up its response there may be a need to take on new partners and while there are procedures in place to compress the timeframe for the selection process, this can take time. In the event that there is a compelling reason why the compressed timeframe is still too slow the Head of Office can seek a waiver based on a written justification which must receive a response within 48-hours and may be granted for a maximum of one programme cycle.<sup>70</sup> The UNHCR team in Uganda offered an example of where a compressed process was undertaken and spoke of the drawbacks that this presented as thresholds were applied to the partner until the full partnership process could be completed which required greater involvement and oversight of UNHCR staff. The process, however, did permit a timely response.

#### *The timeliness of UNHCR's CERF sub-granting*

72. A review undertaken by the CERF secretariat on UN Agency sub-granting which provides an analysis of the comparative timeliness of the sub-granting process in 2011 (see figure 20). Of the 55 sub-grants made by UNHCR, the average time it took for the first instalment for its RR grants was 12.7-days which was the quickest reported by any UN Agency by 3-weeks. The estimated date of implementation by its partners was 5.3-days which suggested that some of UNHCR's partners were able to pre-finance RR projects thereby reducing the delay between CERF disbursement, first installment and project commencement. Sub-granting of UFE funding to partners was slower, taking on average 29.8-days and it took an average of 20.3 days for UNHCR's partners to start project implementation.

73. Of the UNHCR RR sub-grants in 2012 for which data is available, on average there were 12-days between UNHCR receiving the CERF funds and forwarding them to their partner. The number of days between UNHCR receiving the funds and its partners commencing work is 1.8-days, suggesting that partners pre-financed their response (or

<sup>69</sup> Source: CERF secretariat (2013) UN Agency Sub-Granting of CERF Funds to Implementing Partners in 2012, October 2013 & CERF secretariat (2012) UN Agency Sub-Granting of CERF Funds to Implementing Partners.

<sup>70</sup> Source: UNHCR (2013) Implementing Partnership Management Guidance Note No. 1: Selection and Retention of Partners for Project Partnership Agreement, July 2013 pp. 15.



received pre-financing). For the UFE allocations in 2012 for which there is a complete data set, on average there it took 23.1 days for UNHCR to forward funds to the partner and there were 17.6 days between UNHCR receiving the funds and partners starting the projects. For both RR and UFE windows, UNHCR's sub-granting is consistently 4-weeks ahead of the average.

Figure 20: Timeliness of 2011 and 2012 CERF sub-grants by UNHCR<sup>71</sup>

Year	No. of sub-grants reported	Average number of working days from CERF disbursement to first instalment forwarded to partner			Average number of working days from CERF disbursement to estimated implementation start by partner		
		RR	UFE	All	RR	UFE	All
2011	55	12.7	29.8	22.6	5.3	20.3	14.0
2012	70	12.0	23.1	17.8	1.8	17.6	10.1

74. It is important to note that sub-granting data held by the CERF Secretariat is considered to be of limited reliability as the figures used are those reported from each country and the data has not been verified from headquarters or tested. As a consequence of this, it is possible that there are discrepancies between the way agencies report and the way countries report. The existence of considerable variances in the data suggests the presence of inconsistencies and also limits the utility of using averages (which this review has done).

75. The review examined sub-granting processes in a single agency and highlighted considerable scope for different interpretations of how to report on issues of timeliness. If the CERF secretariat wants to increase the reliability of the data it would be beneficial to provide more detailed guidance to agencies on how to report the information.

#### *Linking the sub-granting analysis to UNHCR's policies and practices*

76. While the results of the sub-granting analysis are impressive, the nature of UNHCR's programme-based approach which co-mingles different sources of funding to meet a common set of objectives and the imperative to meet the basic needs of UNHCR's persons of concern from the day of their displacement or arrival in-country means that CERF-funded projects are invariably reported as commencing as soon as UNHCR or a partner establishes a programme that CERF funding will ultimately contribute to. The CERF report is blind to whether the partners pre-finance themselves or receive pre-financing from UNHCR and in reality the picture is mixed.

77. UNHCR finances its implementing partners on the basis of sub-agreements which, in a typical non-emergency operation, are signed at the start of the year. If there is a need to respond to an emergency in an existing area of operation a Letter of Intent can be issued to the partner which provides an in-principle agreement to an increase in the budget for a specific set of activities.<sup>72</sup> The contract can then be amended at a later stage (usually in the middle or at the end of the year as part of the review process). Interviews with national and international partners in Kenya, Uganda and Pakistan highlighted a level of satisfaction with these procedures which was also linked to trust which had been built from working in

<sup>71</sup> Source: CERF secretariat (2012) UN Agency Sub-Granting of CERF Funds to Implementing Partners, May 2012 & CERF secretariat (2013) UN Agency Sub-Granting of CERF Funds to Implementing Partners in 2012, October 2013.

<sup>72</sup> Some UNHCR international NGO partners that participated in the review considered the Letter of Intent unnecessary given their long history of partnership (and their ability to pre-finance humanitarian response).

partnership over a number of years. This view is echoed by the 2012 CERF Country Review for Ivory Coast, Liberia and Ghana;

‘Several national NGOs had been working with UN agencies for development programmes. A relationship based on trust had developed as a result of long standing partnerships (e.g. the National Catholic secretariat, which had worked for 21-year with UNHCR) and enabled NGOs to take financial risks.’<sup>73</sup>

78. While the OR, SB or local advance referred to earlier in this report can be mobilised for UNHCR and its partners, this is not always the case. Two international NGO partners of UNHCR in Uganda spoke of their need to pre-finance their response to the influx of refugees from South Sudan which at the time of the review was the subject of an ongoing CERF application. Both agencies had been able to successfully fundraise and hence were able to initiate their responses weeks in advance of receiving CERF funding. As both agencies had successfully pre-financed the response themselves, they did not require advance funding from UNHCR. This finding echoes UNHCR’s own evaluation conclusions from South Sudan and Ethiopia.<sup>74</sup>

79. While the availability of the OR, SB and/or the practice of making advances locally are key tools for UNHCR, the decision to use a mechanism of advancing funds and the choice of which mechanism to use is context-specific. In the worst case scenario, a decision may be taken at headquarters not to approve the use of the OR and at country-level it may not be possible for UNHCR to advance funding to its partners in which case the possibilities to respond rapidly will be more limited and there will be a greater reliance on partners to pre-finance their own projects or the response will be delayed. The variance in the range of the number of days between UNHCR’s receipt of CERF funds and project commencement reflects this reality.<sup>75</sup>

80. It is also important to note that the issue of pre-financing in the context of CERF is contentious. It would be easy to draw conclusions that if a response is pre-financed (either by an NGO partner or by a UN Agency) then this diminishes the added value of the CERF – particularly when the pre-financing arrives significantly in advance of the funding as it can suggest that CERF funds are displacing other internal funds. While this cannot be ruled out (particularly where a humanitarian appeal is launched), in the majority of the instances, it is the case that a revolving fund of one sort or another has been deployed as a short-term gap-fill concurrently with fundraising efforts. CERF funding is used to repay these short-term loans. The predictability of CERF funding plays an important role in giving UNHCR and/or its partners a level of confidence to use their revolving funds to initiate their responses.

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<sup>73</sup> Source: Spaak M (2012) Independent Review of the Value Added of the Central Emergency Response Fund (CERF) in Cote D’Ivoire, Liberia and Ghana, June -September 2012, pp. 41.

<sup>74</sup> Source: Ambroso, G (2013) Review of findings and recommendations from evaluations of recent emergency operations, UNHCR.

<sup>75</sup> The range of workdays is between 0 to 31 days.

### *The participation of UNHCR partners in CERF processes*

81. The participation of partners in the CERF prioritisation process depends as much on the ways of working established by the RC/HC as they do individual UN agencies. In Kenya discussions about CERF funding tended to be restricted to OCHA and relevant UN agencies with minimal participation of partners.<sup>76</sup> In Uganda a similar process was followed to that of Kenya albeit coordinated by UNHCR rather than OCHA and with the tacit knowledge of implementing partners who were aware that their assessment data and proposals were used to inform and strengthen UNHCR's CERF application. In Pakistan the process was the most inclusive of the three and included HCT participation (with NGO representation) and input from the relevant clusters. While not all partners felt that they participated as equal members, interviews with representatives from international and national NGOs working in Pakistan highlighted their involvement in preparing CERF proposals as part of an OCHA-coordinated process. 2 examples of UNHCR's partnership for CERF funding are given in figure 21 and 22).

Figure 21: Case study of UNHCR's CERF partnership with a national NGO in Pakistan<sup>77</sup>

The NGO Sarhad Rural Support Programme (SRSP) is a Pakistan NGO working in Khyber Pakhtunkhwa and parts of FATA and was established in 1989. SRSP has been a partner of UNHCR since 2008 and works across a number of sectors including distribution and IDP return. In the 2009 IDP crisis, SRSP delivered NFIs to over 300,000 households as part of a UNHCR-funded response.

In 2013 as a result of fighting in the Tirah Valley, over 14,000 families were displaced into existing camps and host communities. SRSP was one of 2 partners that received CERF funding from UNHCR for an NFI distribution. Due to difficulties in accessing the area as a result of insecurity, the process of preparing the CERF application was relatively protracted but in May the CERF secretariat indicated its willingness to receive a submission to fund a response to the new displacement.

Following initial guidance on allocations provided by OCHA on behalf of the RC/HC, the Peshawar-based Humanitarian Regional Team (including SRSP and cluster coordinators) prepared a CERF application which was approved by the HCT and submitted to the CERF secretariat. Following a positive response, UNHCR received a grant of \$400k which was approved on 16<sup>th</sup> March 2013 and disbursed on 29<sup>th</sup> March 2013.

An additional budgetary allocation was made by UNHCR to SRSP in April 2013 (supported by a Letter of Authorisation/Intent) and SRSP also mobilized resources from existing funds to supplement this in order to respond prior to the disbursement of CERF funds.

<sup>76</sup> At the time of the review a discussion was ongoing about the possibility of a CERF application for an influx of refugees into Kenya from South Sudan and one partner who participated in the review was surprised to be told that an earlier response his agency had participated in as a partner of UNHCR had been funded from the CERF.

<sup>77</sup> Source: Meeting with Programme Officer for Humanitarian Response, Sarhad Rural Support Programme, Islamabad, 17<sup>th</sup> February 2014 with additional information from UNHCR Peshawar.

Figure 22: Case study of UNHCRs CERF partnership with an international NGO in Uganda<sup>78</sup>

The Lutheran World Federation (LWF) is one of the largest of UNHCR's partners and has had a very long relationship with UNHCR both in Uganda and globally. On 16<sup>th</sup> December 2013 there was an influx of refugees into Uganda's West Nile region from South Sudan and LWF have played an important role in distributing NFI's and supporting water and sanitation needs.

Discussions about a CERF response were coordinated by UNHCR which included relevant UN Agencies in initial discussions about a Rapid Response allocation. Although NGOs did not participate in these discussions, the LWF proposal for assistance to camp-based refugees was used to support prioritization. LWF pre-financed its response based on an appeal through the Action by Churches Together (ACT) Alliance and has a policy of co-mingling its own funding with that of UNHCR to provide it with a degree of operational independence.

On 13/02/2014 a CERF Rapid Response allocation of \$2,033,625 was approved which was disbursed to UNHCR 9-days later. Coordination meetings about the response to refugee needs have been regular and are considered effective and there has been an agreement made to divide the camp up between the 3 agencies that have received WASH funding (LWF, IOM and UNICEF).

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<sup>78</sup> Source: Meeting with Lutheran World Federation Country Representative for Uganda and Burundi Programs, Kampala, 14<sup>th</sup> February 2014.

## Effectiveness of CERF implementation

82. An analysis of UNHCR's compliance against key CERF indicators is presented using available data from the CERF secretariat to corroborate feedback received during the review and to highlight any significant aspects of the process where UNHCR practice can be strengthened. Recent approaches to UNHCR's participation in and coordination of CERF processes are documented as a means of highlighting good practice. Secondary data (CERF Country Reviews and RC/HC Annual reports) is used to obtain evidence of the effectiveness of CERF in leveraging donor funding for UNHCR projects and the familiarity of UNHCR's field staff with CERF processes is examined with a view to making recommendations about how this can be strengthened to maximise opportunities for utilising the fund in the future.

### **Compliance with CERF procedures**

83. While the review did not seek to assess the results of CERF funding on beneficiary populations and hence cannot make any judgments on programme effectiveness, the data held by the CERF secretariat on procedural compliance does give an indication of UNHCR's performance against its contractual obligations. Areas of analysis include the delivery of CERF projects within the permitted timeframe, in accordance with agreed budgets and the timeliness of the sub-granting process.

#### *No cost extensions*

84. Of the 392 no-cost extension/reprogramming of activities/redeployment of funds requests made to the secretariat between 2006 and November 2013, only 21 of these were made by UNHCR with 20 of them being approved (only Colombia was turned down in 2012) giving it one of the best compliance ratings of any UN agency.<sup>79</sup> While this is impressive, it is worthy of note that there have also been a few occasions when UNHCR has reprogrammed funds without recourse to the prescribed mechanism of approval (see section 3.2). While these are largely anecdotal as they are generally addressed in-country and hence not documented there is one recorded instance from 2013.

#### *Variance analysis*

85. A variance analysis of 10% of CERF-funded projects completed in 2012 was undertaken which involved a review of financial reports to check that the expenditure per budget category matched what was approved in the proposal. The results of the exercise show that of the 7 UNHCR projects selected for scrutiny out of a total of 69 completed, UNHCR had a zero variance and no unliquidated obligations.<sup>80</sup>

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<sup>79</sup> Source: CERF secretariat, CERF NCE Tracking, 2006 – November 2013.

<sup>80</sup> An unliquidated obligation is an obligation that has been incurred but not paid for.

### *Sub-granting analysis*

86. While sub-grants analysis is at best imprecise, the results from a study undertaken by the CERF secretariat in 2012 indicate that when compared with its sister UN Agencies, UNHCR passes funding to its partners extremely quickly. Moreover, the use of its Operational Reserve and/or local advance mechanism and/or its partners' ability to pre-finance CERF projects means that projects are often started well in advance of CERF funds being disbursed (see section 5.2 for a more detailed discussion of sub-granting practices).

### **The evolution of coordination processes for refugee-related CERF applications**

87. Given UNHCR's mandate requires that it works outside of the clusters when implementing refugee-related programmes and the consequent challenges that this can present in obtaining a comprehensive picture of vulnerability in a country, the incorporation of UNHCR's refugee mandate into HCT/cluster prioritisation processes offers some lessons on inclusive processes. During the review, CERF processes in Uganda, South Sudan, Jordan and Lebanon were cited as examples of CERF processes for refugee-related emergencies which were considered to benefit from inclusive processes. These are outlined in brief below for the purpose of lessons-learning;

#### *Uganda*

88. In Uganda, UNHCR has been responsible for coordinating CERF applications, the majority of which are refugee-related, on behalf of the RC. The sudden influx of refugees from DRC in May 2012 necessitated the opening of a new refugee settlement in a relatively short period of time and created a response gap and a funding gap which went beyond UNHCR's capacity to fill. UNHCR was the focal point for the CERF submission and used the opportunity presented by the CERF process to bring additional partners into the response by organising a consultation and coordination meeting to reach out to NGO partners. The inclusive process was expected to open up additional partnership opportunities. As a result, some traditional NGO partners for refugee operations who were at that time not involved in refugee issues in Uganda approached both UNHCR and Office of the Prime Minister to identify areas of support.

89. Several rounds of consultation and coordination took place with UNHCR leading the process to discuss the priorities and for agencies to indicate where they can make their technical expertise available at relatively short notice. Some of the UN agencies managed to conduct their assessment missions with the support of UNHCR staff on the ground, while other UN agencies utilised the priority gaps already identified by UNHCR sector specialists. Close coordination took place to agree on sectoral priorities and to avoid overlap of submission between agencies. Furthermore, it was agreed that existing partners should be prioritised for the provision of lifesaving activities to permit a timely response and to reduce on the transaction/overhead costs. Reflecting on the response, the RC/HC's annual report concluded that 'the excellent coordination mechanism in place between UNHCR, OPM and the respective agencies resulted into timely delivery of assistance.'<sup>81</sup>

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<sup>81</sup> Source: Eziakonwa-Onochie, A (2012) Resident/Humanitarian Coordinator Report 2012 on the use of CERF Funds in Uganda, UNOCHA.

### *South Sudan*

90. The formula adopted in South-Sudan for the submission of the RR CERF application for the refugee emergency in July 2012 offered a good example for lessons-learning. Significant numbers of Sudanese refugees fled fighting and food shortages in Unity State and Blue Nile. In response a CERF application was initiated. Applications were received through an HCT peer review mechanism that determined both usage and impact of the funding based on areas of most urgent need.<sup>82</sup> The mechanism not only assisted in effective allocation of resources but also ensured good quality project design and ultimately implementation.

91. The delegation of the coordination of the submission by the HC and OCHA team to UNHCR for the CERF submission resulted in both a high quality submission and a mechanism which took into account UNHCR's specific refugee mandate as well as incorporating the strong humanitarian coordination system already in place.

### *Jordan and Lebanon*

92. The countries affected by the arrival of Syrian refugees, in particular Jordan and Lebanon demonstrated an interesting and creative approach in putting forward a refugee-related CERF submission under the leadership of UNHCR in May 2012.<sup>83</sup> As there was no HCT or sector/clusters in Lebanon at the time of the CERF proposal, in order to prioritize project areas for CERF, a meeting was called by the HC with the UN humanitarian agencies for discussion of priorities. The Regional Response Plan (a regional plan to respond to the Syrian refugee crisis) was used as the core document and was used to identify geographic areas and priority needs. Under the leadership of the HC, the agencies quickly agreed on priority needs and activities as well as on the allocation of funds between sectors. The proposal review process was also conducted quickly, allowing a rapid disbursement of funds.

93. Due to the significant increase of Syrian arrivals in Jordan which placed enormous pressure on available resources during the first quarter of 2012, CERF RR funding was provided for urgent humanitarian needs in Syria. The CERF planning process was initiated in Jordan through the Inter-Agency Task Force meeting, followed by a separate meeting dedicated to the CERF submission process. The parameters, geographical area, scope of involvement, basic figures and sectors for inclusion were discussed on 26<sup>th</sup> April 2013. UNHCR was led the process, under the auspices of the RC. The UNHCR Focal Point was responsible for coordinating the process and for the consolidation of data. In view of the urgency and the immediate need of the affected population, the UN Country Team presented a submission for RR CERF funding for eight projects on 9<sup>th</sup> May 2013.

94. While this review has highlighted the challenges that can exist when UNHCR multi-sector coordination mechanisms exist in parallel to the model of HC-leadership and cluster coordination (see section 3.3), the examples offered above provide some case studies of good practice in seeking to ensure that refugee-focused CERF processes support an inclusive approach to prioritisation of needs which balances UNHCR's mandate with broader participation of UN agencies and humanitarian partners. It is important to note that the

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<sup>82</sup> Source: Lanzer, T (2012) Resident/Humanitarian Coordinator Report 2012 on the use of CERF Funds, South Sudan, UNOCHA.

<sup>83</sup> Source: Garelli JM (2013) Loan to UNOCHA – CERF Secretariat, 01 January – 31 December 2012, End of year Report.

approaches are consistent with UNHCR's Refugee Coordination Model<sup>84</sup> which highlights the importance of inclusive strategic planning and offers the possibility of using cluster capacity to deliver, particularly in situations where refugees and IDP populations are located in the same geographic areas.

### **Institutional knowledge of CERF procedures and strategic engagement with the secretariat**

95. While UNHCR have a centrally-held capacity for support to CERF applications in DRRM, knowledge outside of Geneva is less comprehensive. In each of the case study countries and in countries that receive a high volume of CERF funding there was a single focal person who had a good understanding of CERF and who had significant experience in preparing and submitting applications and overseeing CERF-funded projects. There was often also a good knowledge of CERF implementation within other members of the team. However, the need for greater consistency in knowledge of CERF procedures was a pervasive issue raised throughout the review and in the online survey where 9 of the 13 countries that participated said that they had not received training on CERF processes and 11 countries agreed that additional training would be beneficial.

96. The training opportunities that UNHCR staff had most frequently participated in were either provided by OCHA or the CERF secretariat and offices tended to be opportunistic in nominating country-based staff for attendance when there were country-based or regional training events. UNHCR also has a customised training programme for field-based fundraising which is implemented in at least three regions each year and includes aspects of pooled funding and CERF (it was held in East Africa and for staff involved in the Syria response in 2013).

97. While there is significant guidance available for the CERF, much of which is easily accessible on the CERF website, there was a view that it would be beneficial for UNHCR to take a more strategic approach to identifying staff that require training and in finding ways to deliver this. Staff rotations make this a particularly important activity as it will be likely that within the next 2-years the cadre of 'CERF-aware' staff that participated in the review will change jobs.

98. A frequent suggestion for UNHCR to ensure adequate support for CERF applications was to develop a cadre of CERF-trained staff at regional and/or country-level with a view to being able to loan them to UNHCR offices embarking on CERF applications to ensure that UNHCR was able to organise itself to maximise the utility of the grant and to assist in capacity-building of country-based staff. A similar approach has been adopted by UNICEF who considers it an effective way to ensure that knowledge is shared and minimum standards are attained in CERF applications and project management.<sup>85</sup>

99. Beyond the provision of training, the guidance prepared by the CERF secretariat and made available on their website also plays an important role in supporting staff information needs. While some of this information is replicated on UNHCR's intranet, this is several years out of date and should be updated. With a view to maximising the potential value of the guidance there would also be scope for the site to host UNHCR-specific guidance such

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<sup>84</sup> Source: UNHCR (2013) UNHCR Refugee Coordination Model: Adaptation of UNHCRs refugee coordination in the context of the Transformative Agenda, November 2013.

<sup>85</sup> Source: Interview with UNICEF CERF Focal Point, New York, 21/03/14.



as on processes for inclusive multi-sector CERF application processes, offline systems for CERF monitoring and reporting and good practice CERF protection submissions. The preparation and dissemination of internal guidance and good practice is an approach that some other UN agencies use including UNICEF who considers it an essential tool for their in-country staff.<sup>86</sup> This would offer an additional resource to staff.

### *Optimising UNHCR's access to the CERF*

100. Beyond the importance of staff having a working knowledge of CERF there is a more fundamental issue of attitudes towards CERF that arose during initial scoping discussions for the review with headquarters. While the review process was more focused on CERF recipient countries, to investigate the counterfactual, a review was undertaken of all CERF UFE and RR applications from 2012 and 2013 with a view to identifying countries where UNHCR had a presence and worked with CERF-targeted beneficiaries but had not participated in a submission. In 2012 and 2013 there were 14 countries for which UNHCR did not participate in CERF applications (not including 2 potential missed opportunities in 2013). The failure to participate was justified for 3 reasons;

- UNHCR was not present in the country (e.g. 2013 RR in Madagascar);
- UNHCR had no mandate (e.g. 2013 RR in Occupied Palestinian Territories), or;
- UNHCR had no role for the specific type of emergency response (most frequently
- natural disasters, e.g. 2013 RR to address food insecurity in Senegal, 2012 RR to
- floods in Zimbabwe).

101. The review of 2012 applications highlighted no missed opportunities and the 2013 review highlighted 2 potential refugee responses where UNHCR did not receive an allocation: In Yemen, a \$2m RR allocation was made in response to an outbreak of wild poliovirus in the Somali refugee population which was disbursed to WHO and UNICEF. This is most likely explained by the health focus of the response (for a CERF-funded response to the effects of wild poliovirus in Kenya, UNHCR received a modest allocation in support of its coordination role). The second omission was for a \$3m CERF first round UFE allocation to assist Ivory Coast refugees in Liberia in 2013. Beyond these isolated instances, the lack of any obvious missed opportunities linked to a growth in UNHCR's CERF allocations over time suggests that there is a satisfactory level of institutional interest and engagement.

102. As the case studies focused on countries which have engaged in CERF processes, it can offer only limited insight into attitudes towards the pooled fund and participation in the mechanisms that govern it. What interviews did reveal, however, is the importance of UNHCR participating in HCT and in coordination mechanisms as a means of influencing the CERF; the influence that Representatives can have over CERF priorities (and broader humanitarian issues) through regular attendance of meetings and engagement with HCT should not be under-estimated. Advocacy at an HCT-level on priority refugee issues and the importance of protection should be considered an essential part of the Representatives role. Written guidance from headquarters on issues of HCT engagement, key advocacy points for Representatives for UNHCR sectors and tips for UNHCR CERF focal points on good practice for preparing successful CERF proposals and budgets that are relevant to UNHCR sectors and systems would provide important support for this.

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<sup>86</sup> Source: Ibid.

### *Strategic engagement with the CERF secretariat*

103. UNHCR has made a strategic investment in the CERF secretariat through a senior staff secondment into the post of Head of the Programme Unit. Interviews suggest that the experience has been positive from both the perspective of UNHCR and the secretariat with the role offering additional capacity to the secretariat in addition to a helpful insight into UNHCR's operations and ways of working which has been welcomed. Given the onus placed by the Transformative Agenda on strengthened leadership capacities at all levels of a response and the significant pressure this places on UN Agencies to keep talented senior staff for their own operations, the commitment by UNHCR is impressive. While it offers no tangible financial or funding return, the linkages that it creates between UNHCR and the secretariat are doubtless significant and for this reason it is strongly recommended that the arrangement continues, based on the existence of mutual benefit.

104. Beyond the secondment, strategic engagement is managed by UNHCR's DRRM which includes members who have previously worked within the secretariat and who have an excellent understanding of the CERF. It is difficult to over-emphasize the importance of this relationship to ensuring that if concerns arise that they are resolved.

### **The performance of the CERF in leveraging additional income for UNHCR**

105. Finding evidence to indicate the effectiveness of the CERF in leveraging additional funds for UNHCR is difficult. During the field trips and country interviews, while participants generally considered that the CERF had provided timely funding (RR) and had met critical gaps in humanitarian service provision (UFE) there was far less evidence of its success in leveraging income for UNHCR.

106. In the online survey which accompanied the review the feedback from UNHCR country offices was mixed with 5 countries considering that the CERF had not been particularly successful in raising additional income and an equal number suggesting that it had been successful but that it was difficult to substantiate this. A single country considered CERF successful in leveraging income and was able to provide evidence of this.

107. From a review of the 2012 and 2013 CERF Country Reviews and the 2012 RC/HC Annual Reports for countries in which UNHCR received significant CERF funding there is mixed feedback on the leveraging effect of CERF on UNHCR's funding. While the Yemen Country Review provided explicit evidence of funding being received, the Country Review for Ivory Coast, Liberia and Ghana found no evidence. The other 7 Reviews undertaken in 2012 and 2013 made no reference to UNHCR. The RC/HC annual reports provided even less evidence, with UNHCR in South Sudan expressing uncertainty, UNHCR in Afghanistan reporting no additional funding and all the other reports making no explicit reference to UNHCR's funding (see figure 23).

Figure 23: Analysis of CERF's success or otherwise in leveraging additional income for UNHCR

**Yemen Country Review, 2013<sup>87</sup>**

UNHCR was also able to start work in Abyan with CERF funding in August 2012. This enabled it to apply for funding when European Commission Humanitarian Office issued a Call for Proposals at the end of July 2012. However, it only received this funding in November 2012 and, due to its financial year-end, was unable to use the funding for implementation until January 2013. Similarly, in November 2012, the Japanese government expressed interest in funding UNHCR because local authorities had acknowledged its presence on the ground (made possible by CERF funding). This funding was approved in early April 2013.

**Ivory Coast, Liberia and Ghana Country Review, 2012<sup>88</sup>**

The CERF ended up making the greatest contribution to the refugee response in Ghana and the only external source of funding for the UNHCR projects in Benin, Guinea and Togo. In these two cases in particular, the CERF clearly represented a lifeline. There is no clear evidence that CERF funding made it easier for agencies to leverage additional funding from donors for their projects, even though a number of emergency projects did receive subsequent donor contributions.

**South Sudan RC/HC Annual Report, 2012<sup>89</sup>**

UNHCR Multi-sector: It is difficult to establish whether this CERF allocation led to increase in mobilization of funds. It is certain, however, that the CERF funding was instrumental in inciting other donors to scale-up support towards the humanitarian crisis in South Sudan's Upper Nile and Unity States. These funds were received at a time when funding was depleting particularly towards the end of the year which would have affected continuity of the project.

**Afghanistan Annual Report, 2012<sup>90</sup>**

None of the other agencies/clusters reported that CERF explicitly improved resource mobilisation from other sources. UNHCR for Emergency shelter/NFIs provided the best explanation that while resources had already been mobilized from other sources throughout 2012, the CERF funds had a positive impact on reporting, given that resources were mobilized together, maximizing efficiency and ensuring timely distribution thus enabling life-saving items to reach vulnerable individuals across Afghanistan, immediately before the onset of winter

**Sahel Country Review 2013, DRC Country Review 2013, Pakistan Country Review 2013. Philippines Review 2012, Horn of Africa Review 2012 (includes Kenya, Somalia and Ethiopia)**

No explicit reference is made to CERF leveraging additional funding for UNHCR

**RC/HC Annual Reports, 2012 for Jordan, Lebanon, Yemen, Pakistan, Kenya, Uganda, Myanmar, Chad, Ethiopia, Colombia**

No explicit reference is made to CERF leveraging additional funding for UNHCR

108. Rather than leveraging income, some interviews suggested that CERF allocations may reduce the likelihood of funding from other sources. In one country there was a perception that a 2012 UFE allocation may have militated against further funding by donors as they considered that the CERF had made up the shortfall and so there was less pressure on them

<sup>87</sup> Source: Mowjee, T (2013) Independent Review of the Value Added of the Central Emergency Response Fund (CERF) in Yemen, July 2013.

<sup>88</sup> Source: Spaak M (2012) Independent Review of the Value Added of the Central Emergency Response Fund (CERF) in Cote D'Ivoire, Liberia and Ghana, June -September 2012.

<sup>89</sup> Source: Lanzer, T (2012) Resident/Humanitarian Coordinator Report 2012 on the use of CERF Funds, South Sudan, UNOCHA.

<sup>90</sup> Source: Bowden, M (2012) Resident/Humanitarian Coordinator Report 2012 on the use of CERF Funds, Afghanistan, UNOCHA.

to supplement this with funding of their own. If this is considered the case then there is an argument for a greater emphasis being placed on the importance of following-up UFE allocations with targeted lobbying of in-country donors to meet funding deficits.

109. While a CERF secretariat-Commissioned study on donor behaviour falls short of concluding that UFE funding might adversely affect donor behaviour, it does suggest that many donors consider that they have contributed to a crisis through CERF allocations and concludes that 'CERF funding is not an important factor in donor decision making' and goes on to endorse the recommendation made above to strengthen targeted donor lobbying at headquarters-level and in Embassies and country offices.<sup>91</sup>

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<sup>91</sup> Source: Mowjee, T and Poole, L (2014) Study of the Central Emergency Response Fund (CERF) and Humanitarian Donor Decision Making, January 2014, Policy to Practice Team.

## Coherence

110. For the coherence criterion, the review analyses the extent to which CERF procedures are complementary to those of UNHCR and where this is not the case, makes recommendations for how to strengthen compatibility or optimise co-existence. Procedures that have already been discussed earlier in the report (UNHCR's programme approach, its Operational Reserve facility and its approach to working with partners and sub-granting funds) will not be repeated in this section.

### **Incorporating CERF funding into UNHCR's budgeting process**

111. UNHCR has a budgeting process which provides important assurance to country offices in order to allow them to maintain programme activities while at the same time providing them with a fundraising target. In each country where UNHCR has a programme an annual OP is submitted and authorised by headquarters. This is divided into two parts; operational priorities for UNHCR which define the Operating Level (OL) and additional financial requirements which are needed to close the gap between the priority programmes and the needs identified in the Comprehensive Needs Assessment which defines the Operations Plan (OP). The OL represents the limits that an office can spend up to and a target for its fundraising activities. At the beginning of the year the OL will include all earmarked funding assigned to it but beyond this it represents a target for headquarters and Representatives to fundraise against.

112. Funding that is raised for planned priority activities generally contributes to the OL. Given that the focus of the CERF UFE is on supporting under-funded humanitarian priorities then it follows that this should contribute to the OL. However, it is in allocating CERF RR funding that the review highlighted a number of issues. By definition, a rapid response is unplanned and so there is a justification for it to go above the OP as a SB or at the very least for it to go above the pre-emergency OL but this is not always the case. There were numerous examples given by UNHCR country-based staff of occasions when it was not possible to negotiate a SB or an OL increase to take account of the increased needs and so the CERF funds were incorporated within the existing OL.<sup>92</sup> While there were a minority of UNHCR staff that participated in the review who considered that they were able to navigate the process effectively, many felt that it was both time-consuming and that the outcome was very difficult to predict making the decision to take CERF funding a complex one.

113. The complexities of this process can serve as a disincentive for UNHCR's participation in CERF applications. During the review there was an example cited of a scoping discussion for a CERF RR grant for a refugee response which the UNHCR CERF-focal point was not keen to support because of the strong likelihood that it would need to be absorbed within the OL as had been the case in previous years. The implications of this for the UNHCR office would be that planned activities would need to be re-organised and funding for priorities that had been identified as part of the Comprehensive Needs Assessment would need to be changed which represented considerable work for limited additional benefit.

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<sup>92</sup> 6 countries out of 13 considered that irrespective of the CERF window, the funding was always incorporated within OL rather than as part of an increase in the OL.

114. The time-consuming nature of the process for UNHCR staff at different levels, the lack of predictability in its outcome and concerns about administrative delays appears consistently in UNHCR's internal evaluation of its humanitarian responses including for the 2012 South Sudan response,<sup>93</sup> the 2011 Liberia and Ivory Coast response<sup>94</sup> and the 2011 Ethiopia response.<sup>95</sup> During the review it was raised by stakeholders at all levels of the organisation; at headquarters, by senior country staff and by members of the CERF secretariat. In the responses received to the online survey, the ambiguity of the process and lack of clarity surrounding decision-making was raised on successive occasions with 2 countries considering the resolution of the issue to be the single most important action that could be taken to maximise UNHCR's access to or utilisation of CERF funding. It is worthy of note that in some sister UN agencies CERF allocations lead to an immediate increase in the budget ceiling.<sup>96</sup>

115. From an internal policy perspective, there is a document and internal process flow diagram which clarifies the steps in the process of negotiating an additional emergency resource allocation (Inter-Office Memorandum [IOM]-28-Field Office Memorandum [FOM] - 029-2011 Annex 1) and a guidance note which outlines who needs to take action and provides a 'max timeframe' for each step (IOM-28-FOM-029-2011 Annex 2). The findings of the review show that the application of this policy within UNHCR is weak and it will be important to ensure that the policy is fit for purpose and that it is systematically applied.

### **The interplay between UNHCR's year-end procedures and CERF funding**

116. UNHCR's financial year coincides with the calendar year and towards year-end there are a series of processes to close one year and plan the year to come. At this time field office accounts are closed and partnership agreements come to an end and new agreements are negotiated for the year ahead. While this is a necessary process, it does have implications for CERF funding, particularly the UFE window the second round of which unless sequenced carefully, clashes with year-end.<sup>97</sup> RR funding allocations that are made in the latter half of the financial year can suffer from a similar problem. Interviews found that offices may seek to negotiate work-around solutions such as using the funds either side of the end of the year, or in one case an explicit effort is made to avoid allocations from the second round of the UFE. Where implementation does span two financial years, there was concern about the administrative burden this presented in the online survey;

'Program Cycle: UNHCR's calendar year programme cycle often conflicts with the funding of the CERF projects. MSRP recording is problematic (some funds

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<sup>93</sup> Source: Ambroso G, Janz J, Lee V & Salomons M (2013) Flooding Across the Border: A Review of UNHCR's response to the Sudanese Refugee Emergency in South Sudan, UNHCR, pp.10.

<sup>94</sup> Source: Dian Balde M, Crisp J, Macleod E & Tenant V (2011) Shelter from the storm: A real-time Evaluation of UNHCR's Response to the Emergency in Cote D'Ivoire and Liberia, UNHCR, pp.35.

<sup>95</sup> Source: Richardson L, Bush A & Ambroso G (2013) An Independent Review of UNHCR's Response to the Somali Refugee Influx in Dollo Ado, Ethiopia, 2011, UNHCR, pp.35.

<sup>96</sup> Such as UNICEF.

<sup>97</sup> The UFE window has two rounds each year, timed to coincide with the annual CAP launch and the mid-year review in each country. This arrangement is premised on the fact that funding shortages are felt most acutely at the beginning of the financial / programmatic year; and that the mid-year review of the CAP provides the best opportunity to compensate for changed funding predictions or operational circumstances.

are recorded one year with the balance another year) which causes carry-over issues.’<sup>98</sup>

117. A review of CERF allocations to UNHCR does little to substantiate the perceived reticence of its staff to participate in the 2<sup>nd</sup> UFE round. While UNHCR received a larger percentage of UFE funding in round 1 than round 2 in 2013, the reverse was true in 2012 with the most significant allocations being made to UNHCR in the second round. Participation will clearly be dependent on the context in the country but there would be value in seeking to compile and disseminate guidance for staff on good practice in sequencing year-end practices alongside CERF funding in order to ensure that this does not act as a disincentive.

### **UNHCR’s cluster responsibilities and CERF funding**

118. UNHCR’s cluster responsibilities are outlined earlier in this report and in addition to its leadership of multi-sector for refugees, UNHCR also has global leadership of 3 clusters. As a cluster lead and UN Agency, in instances when projects are delivered by clusters partners UNHCR may choose to coordinate the submission of funding proposals. While in most cases cluster partners can receive funding directly, UNHCR has chosen in the past to receive CERF funding on behalf of the cluster which in one instance has proved problematic (Yemen in 2013 – see figure 24) but there were concerns raised in several other countries that participated in the review that a similar situation may arise in the future.

Figure 24: The challenge of balancing cluster priorities with administrative procedures

#### Lessons from the 2013 UFE grant to Yemen<sup>99</sup>

As cluster lead for the shelter and protection clusters in Yemen, in order to comply with the criterion to channel CERF funding through NGOs, UNHCR invited cluster members to submit proposals. The process led to the identification of additional projects and implementing partners to those that had been budgeted for in its OP and prioritised within its OL. In order to comply with the decisions that had been taken in the cluster UNHCR had to accommodate these new partners into its budget and because it was initially advised to absorb the CERF funding into its OL UNHCR had to reduce planned partnerships or remove them.

The process of signing new agreements was time-consuming, particularly where the NGOs did not have adequate systems in place to comply with UNHCR’s requirements and this has had a knock-on effect on the speed of implementation which in some cases was delayed by 2-3-months.

As a result, UNHCR felt that there was a tension between its responsibilities as a cluster lead and its internal rules. Given these internal challenges, the Country Review commended UNHCR for its determination to work with NGOs with the access and delivery capacity to meet urgent needs.

119. In clusters for which UNHCR play a leadership role, interviews suggested that traditional partnering relationships and systems were unsatisfactory and a lighter process of funding to cluster partners would be beneficial. For these partners it was considered that

<sup>98</sup> Response to Question 4: What extent do specific aspects of UNHCR’s mandate, ways of working and internal systems help or hinder access to and utilisation of CERF funding?

<sup>99</sup> Source: Adapted from Mowjee, T (2013) Independent Review of the Value Added of the Central Emergency Response Fund (CERF) in Yemen, July 2013.

UNHCR plays more of an intermediary role and that as a consequence accountabilities were different to the more traditional UNHCR-implementing partner relationship. There was concern that if clusters play a more prominent role in determining pooled funding priorities (for CERF but also Emergency Response Fund [ERF] and CHF), UNHCR may in the future need to pass funding to its partners and that this may require modifications in its approach to sub-granting. Clarity about how UNHCR's cluster leadership responsibilities can be accommodated by its partnership procedures would be the first step in resolving the issue. If this was linked to greater predictability in and timeliness of the process of approving a SB or OL increase, then there would be less scope for a recurrence of the problem experienced in Yemen.

### **UNHCR systems, the Financial Tracking Service (FTS) and CERF UFE**

120. While it does not have any impact on its utilisation of the CERF, UNHCR's flexible approach to the use of its un-earmarked funding complicates the process of determining how to allocate UFE funding as highlighted in a recent review of the fund:

'[A] proportion of UNHCR funding comes in as un-earmarked contributions and is only allocated against countries and programmes at the end of the financial year (earmarked contributions are reported earlier). This partly accounts for the fact that FTS funding figures are less specific in real time and change significantly quarter by quarter and year by year. From 2000-2011, between 26 and 48 percent of contributions have been counted either towards 'multi-sector' or 'sector not yet specified' in FTS. Allocations going to regional crises often fall into this category, and are not only unclassified in terms of sector, but in terms of the particular country as well.'<sup>100</sup>

121. As un-earmarked funding may be retrospectively allocated by UNHCR and not entered into FTS in a timely way it is not possible for the CERF secretariat to accurately assess the level of under-funding. As FTS is considered to be one of the critical components of the UFE selection process for CAP countries, the ambiguity in the reporting is considered problematic. Since the UFE review was undertaken, there has been progress made by UNHCR in the timeliness and frequency of reporting, particularly at a country-level, however reporting on regional appeals that are not recorded against a specific country is more problematic.

122. Rather than allocate un-earmarked funding at the time it is received (which would best serve the needs of the FTS), one of the reasons for leaving it unallocated is to offer UNHCR the flexibility to use it according to institutional priorities or to fill gaps in UNHCR's own under-funded operations. As earmarked and un-earmarked funding will arrive throughout the year the picture of funding and under-funding are dynamic and the flexibility to allocate un-earmarked funding throughout the year permits UNHCR to ensure that priority activities receive support. It is also important to note that the trend for UNHCR's un-earmarked funding is one of decline; in 2012, 20% of contributions to UNHCR were un-earmarked while in 2013 this had decreased to 16%. While this does not resolve the problem, it does provide important context.

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<sup>100</sup> Source: Taylor, G & Stoddard, A (2012) Independent Review of the Underfunded Emergencies Window off the Central Emergency Response Fund (CERF), Humanitarian Outcomes, pp.14.



123. It will be in finding a compromise that can meet FTS' need for regional appeal funding to be allocated against countries with UNHCR's desire to use the flexibility offered by un-earmarked funding that this tension will be addressed.

#### **The importance of a structured dialogue between UNHCR and the CERF secretariat**

124. While the review has highlighted a number of UNHCR's systems which maximise the effectiveness of CERF funding for issues of partnership, sub-granting, the provision of advance funding and early response, it has also revealed some systems that are less compatible with CERF and which complicate UNHCR's use of the fund and, at times, the relationship with the CERF secretariat. While fine-tuning will offer mutual benefit, there are also systems for which change is not in the best interests of UNHCR. Discussions with the CERF secretariat revealed a relatively good knowledge of these systems issues but interviews with both organisations suggest that in some cases this could be further strengthened. Consequently it is in the best interests of both agencies to ensure that there continues to be effective and regular communication both about specific operations and strategic issues.

125. The annual consultation between UN agencies and the CERF secretariat provides a regular opportunity for structured dialogue and it will be in systematically discussing the issues raised in this report (and operational issues that arise in the course of the year) that will go some way to ensuring that unresolved issues can be addressed and that there is a shared understanding of actions being taken to strengthen the complementarity of agency systems and where this is not possible, the steps that have been taken to ensure constructive coexistence.



## Conclusion and recommendations

### Conclusion

126. In the years since its establishment, the CERF has played an increasingly important role in UNHCR's response to humanitarian crises. While in 2013 it ranked as the 12<sup>th</sup> largest funding source, this belies its strategic value in providing timely funding for rapid onset crises and in providing urgently-needed support to under-funded emergencies. UNHCR has been successful in increasing its share of the total CERF funding over the last 5-years, its allocation rising from 9.3% in 2009 to 14.5% in 2013.

### *Relevance*

127. The CERF is of considerable relevance to UNHCR. Given its humanitarian mandate which requires a timely response to crises, the CERF is considered by many to be unique in the speed and predictability of its mobilisation. The prioritisation process was considered to offer an important opportunity to strengthen coordination as well as highlighting gaps in response. While the difference between UNHCR's programme-based approach and the CERF secretariat's project-based approach requires an investment of time and resources to manage CERF funds, the benefits to UNHCR far outweigh the costs.

128. From a sectoral perspective, UNHCR's three most significant sectors; multi-sector, protection and shelter are all beneficiaries of CERF funds. Despite it being located outside of the clusters, multi-sector has attracted considerable funding and CERF has offered the opportunity for UNHCR to advocate to the wider humanitarian community about refugee needs and to involve them in decision-making when inclusive approaches have been adopted for CERF prioritisation. Protection is a more complex case but studies suggest that the CERF funding to protection is in line with humanitarian donors and can provide important support in the earliest stages of a response. As convener for the shelter cluster for conflict situations, UNHCR has an important role to play in resource mobilisation and there has been a steady increase in UNHCR's share of shelter funding over time, a significant majority received through the CERF RR window.

### *Timeliness and efficiency*

129. CERF is considered by UNHCR staff to make an important contribution to timely humanitarian response in comparison with other fund sources and is complementary to UNHCR's own systems of resource mobilisation such as its Operational Reserve. From an efficiency perspective, despite the need for an offline system to manage CERF funding (which is also the case for other earmarked contributions), there was an acknowledgement of the comparatively light application and reporting processes.

### *Partnership*

130. According to information provided from country-level RC/HC CERF reports, UNHCR passes a third of its CERF funding to partners and in many countries it benefits from having an established set of partners who are often able to respond to crises quickly

and across sectors. While there is still scope for strengthening the reliability of the data, analysis from the CERF secretariat suggests that UNHCR performs extremely well in the timeliness of its sub-granting although its own pre-financing tools are often supplemented by the willingness of its partners to pre-finance their own activities. Organisational systems to scale-up partnerships to respond to new crises were considered to be broadly effective and where country-defined CERF processes permitted, UNHCR engages with its partners in agreeing priorities and designing projects.

### *Effectiveness of CERF implementation*

131. While the review did not seek to assess the results of CERF funding on beneficiary populations and hence cannot make any judgments on programme effectiveness, the data held by the CERF secretariat on procedural compliance suggest that UNHCR has been a responsible steward of CERF funding which it uses in a timely way and that it has systems in place to spend to budget and within project timeframes. There is a lack of evidence to show that CERF has been successful in leveraging additional income for UNHCR and there was some suggestion that the opposite may be true.

132. There is currently a strong cadre of CERF-aware staff in the organisation and there is little evidence of missed opportunities for participating in CERF processes. One of the most significant risks to UNHCR's performance is the loss of knowledge due to the policy of staff rotation and there would be benefit in the agency undertaking a more rigorous process of skills assessment to identify the gaps that exist and for the agency to invest more strategically in addressing these. The review highlighted the important role played by UNHCR Representatives both as advocates for UNHCR's populations of concern and to support and guide CERF processes as a member of the Humanitarian Country Team (HCT).

### *Coherence*

133. A number of UNHCR's systems lend themselves to facilitating CERF implementation but there are some important caveats to this, most notably the lack of predictability and timeliness with which increases in spending authority can be negotiated (either through an OL increase or approval of a SB). That this isn't specific to CERF but affects UNHCR humanitarian operations more broadly makes it all the more urgent to address the issue. Where UNHCR has global cluster leadership, the same issue can also complicate UNHCR's ability to receive funds on behalf of its cluster partners.

134. There has been a strong relationship fostered between DRRM and the CERF secretariat, doubtless strengthened by the loan of a senior UNHCR staff member to the secretariat's Programme Unit which has added value both to the work of the CERF secretariat but also to its engagement with UNHCR. There is little doubt that in addition to contributing to the effectiveness of the secretariat, this secondment has played an important role in helping to strengthen mutual understanding between the two organisations.

## **Recommendations**

135. UNHCR operations have significantly benefited from CERF funding and its systems have provided an enabling environment for effective CERF prioritisation, disbursement and implementation. While there is some fine-tuning required to ensure that country offices can get authorisation for resource requirements in a timely and predictable way and that CERF

funding can be used efficiently to support UNHCR's cluster responsibilities, these are known issues that have a far wider impact on UNHCRs funding than CERF. Implementing the recommendations outlined below will help ensure that UNHCR is able to maximise the effectiveness of CERF funding in the future.

## **Recommendations for UNHCR**

### *Recommendation 1: Develop and disseminate CERF guidance*

136. UNHCR should develop internal guidance to strengthen CERF implementation in the context of its mandate and systems. This should include the following;

- How to sequence UNHCR end-of-year processes alongside CERF implementation (particularly the UFE second round and RR allocations made in the second half of the year).
- How to coordinate inclusive multi-sector CERF application processes that are consistent with UNHCRs mandate and in line with recent guidance provided on the adaptation of UNHCR's refugee coordination in the context of the Transformative Agenda.
- Offline systems for CERF monitoring and reporting including good practice examples.
- Good practice in preparing CERF protection submissions including protection activities that are considered to be a good-fit with the CERF life-saving criteria.
- Good practice engagement guide for UNHCR Representatives on CERF processes in reformed humanitarian architecture including advocacy messages in support of UNHCR's key sectors.

137. UNHCR should disseminate this guidance and the most recent CERF guidelines and analysis via its intranet.

### *Recommendation 2: Support capacity assessment and staff development for CERF implementation*

138. A CERF training needs assessment would assist in ensuring a basic level of core skills exist in countries that are most likely to receive CERF funding and can be used to target internal training and participation in OCHA CERF training in the future. Training of Regional External Relations Officers in CERF processes should be prioritised in order for them to provide support to country-based staff.

### *Recommendation 3: Create an enabling environment to leverage CERF funding for protection*

139. UNHCR should seek to create an enabling environment for protection through the following actions;

- Representatives should consistently advocate to HCT colleagues on the important role that protection plays from the earliest stages of a humanitarian response to strengthen knowledge and understanding.
- UNHCR should engage with the CERF secretariat in coordination with other protection agencies to determine protection activities that offer the best fit with the CERF life-saving criteria to maximise the likelihood of prioritisation by HCTs.
- A document which outlines core messages on the importance of protection in CERF applications and activities that are considered the best-fit with the CERF life-saving

criteria should be disseminated via the UNHCR intranet.

*Recommendation 4: Rigorously implement UNHCR's resource allocation policy to maximise the effectiveness of CERF funding*

140. The timeliness and predictability of negotiating increases in spending authority needs to improve. A clear process exists but compliance needs to be strengthened. UNHCR should;

- Improve the predictability of the process by rigorous implementation of the process note on emergency resource allocation which outlines a logical flow to determine and justify the needs for an increase in spending authority.<sup>101</sup>
- Improve the timeliness of the process by strictly adhering to the timeline outlined in its existing guidance on the resource allocation process in emergencies which outlines a 48-hour submission process, a 24-hour approval process, and a 24-hour clearance process.<sup>102</sup>

*Recommendation 5: Fine-tune systems to ensure that they are supportive of passing CERF-funding to partners as part of UNHCR's cluster leadership responsibilities*

141. The decision by UNHCR to pass CERF funding to cluster partners does not fit well with its traditional model of partnership. As a consequence, efforts to pass CERF funds in this way have been laboured. The issue will be dealt with in part by implementing recommendation 4 (above) but UNHCR should determine the need to develop explicit guidance for passing CERF funding through the clusters.

*Recommendation 6: Engage with the CERF secretariat on the progress made towards addressing the issues raised in this review*

142. It will be important for UNHCR to use the annual consultation with the CERF secretariat to discuss issues raised in this report to ensure there is a shared understanding and to provide an update on progress made in implementing the recommendations.

## **Recommendations for the CERF secretariat**

*Recommendation 7: Provide more detailed guidance to CERF-recipient agencies and countries to ensure consistency in reporting sub-granting practices*

143. The review examined sub-granting processes in a single agency (UNHCR) and highlighted considerable scope for different interpretations of how to report on issues of timeliness. There would be value in the CERF secretariat providing more detailed guidance to agencies on how to report this information in order to increase the reliability of the data.

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<sup>101</sup> UNHCR/IOM/028/2011, UNHCR/FOM/029/2011 Annex 1: Internal Process Flow for New or Additional Activities/Requirements

<sup>102</sup> UNHCR/IOM/028/2011, UNHCR/FOM/029/2011 Annex 2: Guidance on the Resource Allocation Process for Emergencies

## **Recommendations for the CERF secretariat and RC/HCs**

*Recommendation 8: Place greater emphasis on in-country advocacy as a complement to UFE allocations*

144. The review found little evidence to suggest that the CERF had successfully leveraged income for UNHCR. Given that this is considered to be an explicit part of the role of the UFE, greater emphasis should be placed on partnering UFE allocations with targeted lobbying of in-country donors to meet funding deficits.





## **Annex 1: Review participants**

### **UNHCR Geneva (04 – 06 December 2013)**

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## **Annex 2: Terms of reference**

### **A Review of UNHCR'S utilization of the Central Emergency Response Fund (CERF)**

#### ***Background***

The Central Emergency Response Fund (CERF) was launched on 9 March 2006 and represents an important international multilateral funding instrument. Its objective is to save lives by providing rapid initial funding for life-saving assistance at the onset of humanitarian crises, and critical support for poorly funded, essential humanitarian response operations. Each year, The Emergency Relief Coordinator (ERC), acting as its manager, allocates through the CERF more than US\$400 million annually.

CERF has three objectives:

- Promote early and coordinated action and response to save lives
- Enhance response to time-crucial requirements based on demonstrable needs
- Strengthen core elements of humanitarian response in under-funded crises

The proposal to carry out this evaluation stems from a 2011 independent evaluation report commissioned by OCHA called *"5 Year Evaluation of the Central Emergency Response Fund"* which Included the following recommendations to UN agencies:

- Conduct an evaluation of their use of CERF funds within 18 months to determine what internal factors, including partnerships, policies and practice, influence the effectiveness of CERF projects.
- Ensure the development and implementation of emergency procedures for disbursing funds to implementing partners.
- UN agencies that do not use internal advance mechanisms in conjunction with CERF funding should establish interactivity and complementarities between these and the CERF in order to speed up the start of projects.

Subsequently OCHA approached UNHCR to enquire whether it was interested in carrying an evaluation along the above lines and the proposal was endorsed by UNHCR's senior management.

CERF disbursed funds to 14 UN agencies and IOM during 2012. WFP, UNICEF and UNHCR were the top three recipients of CERF funds in 2012, collectively accounting for nearly 70 per cent (\$336 million) of funding. The total funds disbursed to UNHCR increased in 2012 to a total of US\$ 70,023,500 with CERF the eighth-largest source of funding for UNHCR for the year (at the time the ToR was prepared). In this period the UNHCR allocations primarily went to assist people uprooted by emergencies, especially in South Sudan, Syria, Pakistan, Myanmar and Yemen.

#### ***Scope and objectives***

The review will assess the extent to which factors internal to UNHCR or to CERF, including partnerships and policies, influence the effectiveness of the CERF funding towards UNHCR's protection and assistance programmes, will identify whether there are any major gaps and challenges and make appropriate recommendations to address them.

This review will not attempt to assess the effectiveness or impact of UNHCR's CERF-funded protection and assistance programmes *per se*, but rather to assess factors pertaining to the UNHCR-CERF relationship that affect the *process* of funding UNHCR programmes and resulting funding trends in the past five years. Therefore while two or three field trips to selected country operations are envisaged, these will not be to assess CERF-funded programmes, but to interview

key stakeholders, including key UNHCR officials, key actors in the Humanitarian Country Team (RCs/HCs) and cluster coordinators. For country operations which will not be covered by field trips, phone interviews will be considered. On the other hand this review will not cover the governance of the Fund at the global level, e.g. issues related to which organisations and programmes should be eligible for funding, is evidently beyond UNHCR's control and hence will not be covered in this evaluation. Operational and coordination processes will be studied from the perspective of documenting significant constraints to the effectiveness of CERF-funded projects, but a thorough, documented analysis of these processes is beyond the scope of this evaluation.

### ***Methodology***

The review will adopt a mixed methodology including document and literature review, an analysis of UNHCR's funding data through its online Contribution Details Reports and Funding Application documents, existing reviews of the added value of CERF in Yemen, Pakistan, Burkina Faso, Kenya and Ethiopia published on the CERF website, interviews with key stakeholders in UNHCR, OCHA and the CERF secretariat and the field; a questionnaire for UNHCR staff involved in CERF funding in a selected number of countries operations which received substantial CERF funding both from the Rapid Response and the Underfunded Emergencies instruments [tentatively Ethiopia, Kenya, South Sudan, Liberia, Burkina Faso, Pakistan, Syria, Jordan, Yemen, Myanmar].

The review will be undertaken by a qualified expert consultant familiar with these issues who will work closely with a staff member from UNHCR's Policy Development and Evaluation Service (PDES) who will be the evaluation manager and in consultation with the CERF secretariat and the OCHA Evaluation Department.

After the first month of data analysis, the review will select 15 -20 representative case studies that will receive a questionnaire and for a limited number undertake a field trip to interviews with key stakeholders, including key UNHCR officials, key actors in the Humanitarian Country Team (RCs/HCs) and cluster coordinators, or do phone interviews.

It is envisaged that the consultancy will last approximately four months, including a preparatory phase (desk/literature review), a research phase (data analysis, interviews with key stakeholders in Geneva, New York and the field, preparation and distribution and analysis of the questionnaire and 2-3 field trips) and the drafting of the report.

### ***Overarching evaluation question***

The review will assess the extent to which factors internal to UNHCR or to CERF, including partnerships and policies, influence the effectiveness of the CERF funding towards UNHCR's protection and assistance programmes. It will identify whether there are any major gaps and challenges and make appropriate recommendations to address them.

### ***Relevance***

1. Does the collective approach of the CERF application processes at country level encourage better prioritization and needs assessment than other funding sources do?
2. Are CERF-funded projects relevant to and/or integrated into a larger UNHCR response to a given disaster or crisis?
3. How relevant are the different CERF windows to particular sectors or activities of UNHCR's programme? Are these corroborated by an analysis of the data?

### ***Timeliness and efficiency***

4. Does timely CERF disbursement to UNHCR translate into more timely interventions by UNHCR as compared to other sources of funding?
5. Are UNHCR projects being implemented within the timeframes given by the CERF?
6. How rapid is UNHCR in preparing proposals and reports? Do these proposals contain realistic timelines and consideration of UNHCR and its partners' capacity to implement projects?
7. Are CERF proposals quickly reviewed and funding decisions made in a timely fashion? Once funding allocations are decided upon, are funds rapidly transferred to UNHCR? How does CERF compare with other donors in terms of timely decision-making and disbursement of funds?
8. Are the costs of supporting, administering, monitoring, evaluating and reporting on CERF funds well covered by CERF?

### ***Partnerships***

9. With which partners does UNHCR collaborate most frequently in the implementation of CERF-funded projects? How are roles, responsibilities divided and allocated amongst the partners and what arrangements exist to facilitate potential bottlenecks such as contracting?
10. Do UNHCR's emergency procedures take into due account partnerships and maximize the timely disbursement of CERF funding?
11. Does UNHCR involve its implementing partners in CERF prioritization processes and consultations?
12. How does CERF funding interact with UNHCR's procedures for preparing and disbursing sub-projects with implementing partners?

### ***Coordination***

13. Has CERF funding strengthened UNHCR's sectoral coordination role and its participation in clusters?
14. Has the cluster/sector based approach of CERF processes at field level posed specific challenges for UNHCR's multisectoral programmes?

### ***Effectiveness of CERF implementation***

15. What are the main challenges faced by UNHCR in implementing and reporting on CERF-funding projects?
16. Is the quality of UNHCR interventions and deliverables funded by the CERF constrained by CERF regulations in any way, e.g. limits on project duration? Do these regulations provide sufficient time for procurement, beneficiary selections, delivery and monitoring?
17. Were CERF funds effective in leveraging funding from other donors?

### ***Coherence***

18. How well does the CERF mandate, criteria and implementation timelines fit UNHCR programmes? Are UNHCR field staff sufficiently aware of CERF as a mechanism and of CERF procedures and processes?
19. What are the respective roles of UNHCR's headquarters and country offices in project design and management for the underfunded and rapid response windows?
20. How do UNHCR's own financial mechanisms (e.g. core funding, advance mechanisms) relate to CERF funding. What are the challenges and opportunities associated with the interplay of the two? What, if any, remedial measure could be proposed?
21. What are the mechanisms for UNHCR to engage with the CERF at the strategic level and how effective are they?

Aspects the **evaluation will not cover** include the following:

- The governance of the Fund at the global level, e.g. issues related to which organisations and programmes should be eligible for funding, is evidently beyond UNHCR's control and hence will not be covered in this evaluation.
- Operational and coordination processes will be studied from the perspective of documenting significant constraints to the effectiveness of CERF-funded projects, but a thorough, documented analysis of these processes is beyond the scope of this evaluation.
- An assessment of the results of CERF-funded UNHCR projects results on the affected population is not within the scope of this evaluation.
- This review will not attempt to assess the effectiveness or impact of UNHCR's CERF-funded protection and assistance programmes per se, but rather to assess factors pertaining to the UNHCR-CERF relationship that affect the process of funding UNHCR programmes and resulting funding trends.

### **Annex 3: Sources of information**

#### **UNHCR documents**

- Loan to UNOCHA, CERF secretariat, 01 January – 31 December 2012, End of year report
- Detailed guidance on budgeting for 2014-15
- Final Package of Guidance Notes on Emergencies
- Enhancing Implementing Partnership, UNHCR Annual Consultation with NGOs, 13 June 2013
- Implementing Partnership Management Guidance Note: Joint Monitoring and Partner Feedback, 04 June 2013 Draft subject to consultation and approval)
- Implementing Partnership Management Guidance Note No. 1: Selection and Retention of Partners for Project Partnership Agreements, July 2013 (Ref. UNHCR/FP/S1-2)
- UNHCR Results Framework
- UNHCR CERF Data (proposals and approval letters for RR and UFE), 2009 – 2013
- UNHCR Inter-Office Memorandum No. 003/2013, 14 January 2013
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- UNHCR, Contributions to UNHCR for Budget Year 2013 as at 27 January 2014
- UNHCR (2014) Annual Headquarters report on the use of CERF funds 2013, UNHCR, March 2013
- UNHCR (2013) UNHCR Refugee Coordination Model: Adaptation of UNHCRs refugee coordination in the context of the Transformative Agenda, November 2013.

#### **UNHCR Evaluations**

- Ambroso, G (2013) Review of findings and recommendations from evaluations of recent emergency operations, UNHCR
- Crisp J, Garras G, McAvoy J, Schenkenberg E, Spiegel P & Voon F (2013) From Slow Boil to Breaking Point: A Real-time evaluation of UNHCR's response to the Syrian Refugee Emergency, UNHCR
- Ambroso G, Janz J, Lee V & Salomons M (2013) Flooding Across the Border: A Review of UNHCR's response to the Sudanese Refugee Emergency in South Sudan, UNHCR
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