Contents

EXECUTIVE SUMMARY ..................................................................................................................................... 1

VALUE-ADDED OF THE CERF ..................................................................................................................................... 1

TIMELINESS OF CERF FUNDING ................................................................................................................................. 1

INCLUSIVENESS AND TRANSPARENCY OF ALLOCATION PROCESS ........................................................................ 1
SECTION 7: ADDITIONAL ISSUES..................................................................................................................... 17

  7.1  CHRONIC NATURE OF EMERGENCIES IN KENYA.................................................................................. 18

  7.2  CERF FUNDING TO NGOs.................................................................................................................. 18

RECOMMENDATIONS ................................................................................................................................. 19

ANNEX 1: SUPPORTING EVIDENCE ............................................................................................................. 21

ANNEX 2: METHODOLOGY ......................................................................................................................... 45

ANNEX 3: TERMS OF REFERENCE ............................................................................................................. 48

ANNEX 4: CERF PERFORMANCE AND ACCOUNTABILITY FRAMEWORK......................................................... 55
Figures

FIGURE 1: CERF FUNDING TO KENYA: 2006-2010 ........................................................................................................... 21
FIGURE 2: CERF FUNDING TO IOM LEADING TO ADDITIONAL FUNDING ........................................................ 25
FIGURE 3: STEPS FOR THE PRIORITISATION OF THE JANUARY 2010 UFE ALLOCATION TO KENYA .......... 37

Tables

TABLE 1: CERF FUNDING TO KENYA BY AGENCY: 2006-2010 ................................................................................................. 21
TABLE 2: CERF AND NON-CERF FUNDING TO KENYA APPEALS: 2006-2010 ........................................................ 21
TABLE 3: UNICEF KENYA EMERGENCY FUNDING IN 2009 (AS OF 27 NOV) ......................................................... 23
TABLE 4: CERF FUNDING TO UNHCR’S KENYA PROGRAMME AS SHARE OF FUNDING RECEIVED ........ 24
TABLE 5: SUMMARY OF UN AGENCY POLICIES ON INDIRECT SUPPORT COSTS FOR IMPLEMENTING NGOS ...26
TABLE 6: NUMBER OF WORKING DAYS TO APPROVE CERF GRANTS FOR KENYA AND DISBURSE FUNDS IN 2009 ................................................................................................................................. 26
TABLE 7: UNHCR’S CERF FUNDING TO NGOS ........................................................................................................ 33
TABLE 8: PROPOSED AND ACTUAL IMPLEMENTATION FOR UNICEF PROJECT 09-CEF-029B ............................. 34
TABLE 9: UNICEF FUNDING TO NGOS FROM CERF GRANT 09-CEF-038C ......................................................... 35
TABLE 10: NO-COST EXTENSION REQUESTS FOR CERF GRANTS TO KENYA: 2006-2009 ............................... 36
TABLE 11: SUMMARY OF M&E PROCEDURES OF UN AGENCIES AND IOM IN KENYA ................................. 39
TABLE 12: UN AGENCY REPORTING REQUIREMENTS FOR NGOS AND MONITORING PROCEDURES ...... 41
TABLE 13: LIST OF ORGANISATIONS CONSULTED ............................................................................................ 45
At the request of the CERF Advisory Group, the CERF Secretariat developed a draft Performance and Accountability Framework (PAF) in 2009. The CERF Advisory Group supported the proposal to introduce annual independent reviews. It requested the CERF Secretariat to commission a pilot, with the results to be presented at its April 2010 meeting. After analysing CERF funding, the CERF Secretariat determined that Kenya was the most appropriate country for this. This is because it has been consistently one of the highest recipients of CERF funding and is the fourth largest recipient since the inception of the CERF.

This review aimed to assess individual indicators in the PAF and to test the PAF’s overall feasibility. The review demonstrated that it is perfectly feasible to use the draft PAF for country reviews and found that the indicators are a helpful way to structure the review. The report makes only a few recommendations related to specific indicators (see below). This suggests that it is worth continuing to use the PAF as the basis of independent country reviews. The indicators follow a logic model in the PAF but this report groups them into key themes.

This report is based on interviews with UN agencies, IOM, NGOs and government representatives in Nairobi and with the CERF Secretariat and UNICEF and WFP representatives in New York. It also draws on a document review and funding information from the CERF Secretariat, UN agencies and the FTS.

Value-Added of the CERF

The review found that the CERF has added value for UN agencies by providing funding early on in the year; filling funding gaps; enabling agencies to leverage funding from other donors; complementing other donor funds; and being flexible. However, NGOs face several constraints in delivering humanitarian assistance when they receive CERF funding channelled through UN agencies. These include: delays with funding agreements; funding in instalments; funding limits on programmes; limits on Indirect Support Costs (ISC); and limited flexibility. These are due to the standard internal procedures of UN agencies (many of which are not adapted to emergency situations) rather than CERF funding.

Timeliness of CERF Funding

An analysis of CERF Secretariat data on processing times and timelines for 10 randomly selected grants shows that the CERF Secretariat has processed applications very quickly once it has received the final proposal from UN agencies. UN agencies can begin implementation as soon as the Letter of Understanding (LOU) is signed and are quick to transfer funds to country offices. However, the time taken to implement grants can vary. When the CERF was established, Rapid Response grant recipients had 3 months from the date that the Controller disbursed funds to complete implementation. However, UN agencies found this timeframe very challenging so the Secretariat has had an informal agreement since early 2007 that they could use 3 months to commit funds and a further 3 months to complete implementation. This will be formalised in the revised Secretary-General’s Bulletin. In Kenya, IOM has been completing implementation within 3 months while other agencies have used the traditional 3 months to commit or disburse funds and a further 3 months to complete implementation.

An analysis of requests for No Cost Extensions (NCEs) by UN agencies in Kenya shows that, of the 78 grants that the CERF made between 2006 and 2009, only 7 required NCEs. However, NGOs may request NCEs from the UN agencies providing CERF funding or apply implementation periods that exceed the CERF grant implementation period but these do not result in NCE requests to the CERF Secretariat.

Inclusiveness and Transparency of Allocation Process

Interviews in Nairobi revealed that the degree of inclusiveness and transparency of the CERF allocation process varies across sectors (Clusters), with the Nutrition Technical Forum cited as an example of good
practice (the effectiveness of the sectors depends on the government co-chairs as well as the Cluster lead agency co-chair). The RC/HC has tried to include the Ministry of State for Special Programmes (MoSSP) in the allocation process by sharing the priorities decided by the KHPT and inviting comments and input. Given the Government’s role in humanitarian response, this is an example of good practice.

In Kenya, sector leads play a dominant role in deciding priorities and selecting proposals so there are potential conflicts of interest in the allocation process. Also, although PAF indicator 6 suggests that the allocation process should take account of both past performance and absorptive capacity, this has not happened in Kenya (despite OCHA’s attempt to introduce a review process for the Under-Funded Emergency allocation in 2010).

Once the RC/HC has submitted a CERF application, there is currently no systematic way of informing NGOs and government representatives about which grants have been approved and for how much.

**Reporting and Accountability**

The CERF Secretariat has simplified both narrative and financial reporting formats since the CERF’s inception and the UN agencies and IOM in Kenya found CERF proposals and reports very straightforward compared to other sources of funds. Nevertheless, the OCHA office has to spend some time following up with agencies to obtain their input into the RC/HC’s report. Although the CERF Secretariat has a very short period to follow-up on discrepancies in narrative reporting before the RC/HC annual reports are published online, it is working to make increasing use of the information and analysis in the reports.

While international aid agencies provide reports to their donors, a senior government representative in Kenya expressed frustration at the lack of information on what is being done with CERF and other international funds and accountability to the government. The government has tended to use OCHA as a central source of information but this has limitations (both due to OCHA’s lack of presence outside Nairobi and because its remit does not extend to following up on the implementation of CERF grants).

A brief exploration of UN agency M&E and accountability procedures (to address PAF indicator 13) suggests that humanitarian contexts may be more challenging than development ones and that accountability processes may be focused more on governing bodies than beneficiaries. However, this requires further evidence. Some UN agencies in Kenya have undertaken a few humanitarian evaluations but there was widespread agreement that an independent and system-wide review of the response to a humanitarian crisis would be very helpful in identifying lessons. This would be more useful than trying to track the CERF dollar and its impact because assessing the outcomes of funding from a single donor is very difficult, especially when several factors (which may be beyond the control of an individual organisation) interact to determine the impact and outcome of a donor’s funding.

**Support to Humanitarian Reform and Response**

The review found that the CERF has supported coordination (when sector groups come together to discuss priorities for CERF funding) and the HC’s role in Kenya. It has played less of a role in strengthening partnership. Given the short-term nature and size of CERF funding, it appears to be unrealistic to expect it to strengthen humanitarian response capacity.

**Additional Issues**

The Kenya review raised two issues that are beyond the scope of the current PAF. The first is the nature of the humanitarian situation in Kenya, which is due to chronic food insecurity and emergencies caused by climate change. Due to the short-term nature of their funding, humanitarian agencies are under pressure to treat each successive emergency separately, rather than as parts of an on-going chronic
situation. Long-term investment to address the underlying causes is missing. This chronic situation is a challenge for the CERF, which is predicated on the notion of rapid, short-term, life-saving activities, and those allocating CERF funds need to be careful not to undermine alternative, longer-term solutions.

The second is the issue of funding to NGOs, which deliver the bulk of humanitarian assistance. The report highlights the significant challenges that they experience with UN agency procedures, despite UN agency efforts to improve and streamline them. These challenges are not restricted to CERF grants but have implications for the delivery of CERF-financed assistance. NGOs compared the UN agency procedures unfavourably with those that OCHA uses for Emergency Response Funds (ERFs). NGOs have accepted that they cannot receive CERF funding directly but they requested that the CERF Secretariat should examine whether funding can be channelled through OCHA, as its procedures are more supportive of timely and flexible humanitarian response.

This poses a challenge because the Secretary-General's Bulletin has established the rule that OCHA cannot receive CERF grants (though it can take loans), based on the implicit directions in CERF-related General Assembly Resolutions. The CERF Secretariat has been looking at ways to improve the channelling of funds to NGOs (including using ERFs, with UNDP administering funds), but has not found an efficient mechanism. If donors want to improve procedures for CERF funding to NGOs, one possible option is to examine whether and how to use OCHA as a pass-through mechanism.

Recommendations

The recommendations listed at the end of each section of the report are listed below but grouped according to whether they relate to the PAF, are Kenya-specific or general. For ease of reference, the recommendation numbers below are not sequential but correspond to the numbers in the main report.

Performance and Accountability Framework (PAF)-Related

1. The draft PAF envisions 3-5 country reviews a year. The CERF Secretariat should move ahead with these, as they will help to build on the findings in this review and develop a strengthened evidence base on the use of CERF funding.
2. PAF indicators 17-19 and 21 highlight various ways in which the CERF adds value to the humanitarian response of UN agencies. In addition, the review found that UN agencies in Kenya value the CERF’s flexibility. The Secretariat should add an indicator to the PAF to test if this is the case globally or add a more general indicator to elicit the different ways in which CERF funding adds value in various contexts.
11. Once the IASC has reached a conclusion on approaches to accountability to affected populations, PAF indicator 26 should be amended to reflect this.
12. As the CERF is a part of the overall humanitarian reform of 2005, it is expected to “strengthen core elements of humanitarian response in underfunded crises”. Since CERF funding is only a small proportion of total humanitarian funding, it is probably ambitious to expect it to achieve additional objectives such as supporting humanitarian reform processes and strengthening humanitarian response capacity (even though it is likely to support coordination and the HC’s role, as it has done in Kenya). Therefore, it would be more realistic for the CERF to focus on its first two objectives and enabling response in under-funded crises. The Secretariat should amend PAF indicator 23 accordingly.

Kenya-specific

5. OCHA focal points should provide information on the timeframe for CERF allocation and grant approval processes to the NGO and government participants in sector groups. Once CERF grants have been approved, the focal points should also provide information on what has been
approved (including information on funding to NGOs listed in budgets). This will considerably improve the transparency of the CERF funding process. It is not sufficient for OCHA or the CERF Secretariat to publish this information on websites because NGOs and government officials lack knowledge about where to look for this information and the time to seek it out.

6. There is a need to avoid potential conflicts of interest during the allocation process. This should be done by getting sector leads to submit proposals to the KHPT for final selection or by appointing full-time sector leads who can set aside agency loyalties (as has been done in Zimbabwe).

13. When finalising its Terms of Reference, the KHPT should ensure that both short-term and long-term aspects of the humanitarian situation in Kenya are within its remit and that it addresses both, particularly when deciding priorities for CERF funding.

**General**

3. The CERF Secretariat should state the rules for both RR and UFE grants in the letter to the RC/HC that lists the applications that have been approved. The CERF Secretariat is planning to do this for round I of the UFE window of 2010 but, given the high turnover of staff at field level, it would be useful if this was standard practice for all CERF grants. The RC/HC’s office/OCHA should then ensure that this information is disseminated to both UN agencies and their implementing partners (through the IASC and Clusters/sector working groups).

4. OCHA’s analysis of previous CERF funding to assist the KHPT with prioritisation is helpful and OCHA offices in countries receiving CERF UFE grants should consider following its example.

7. Although the CERF Secretariat has emphasised its own timeliness in disbursing funds, the timeliness of humanitarian response depends on the organisations acting with CERF funds. Therefore, it would be useful to include a section on the timing of the implementation for CERF grants in the narrative report format. This need not be an onerous requirement as it would be based on basic project management information.

8. The ERC should consider using CERF funding to support independent and holistic reviews of the humanitarian response in countries that are major recipients of CERF funding.

9. It would be reassuring for donors to the CERF (who extend well beyond those that have seats on UN agency Executive Boards) to have a better understanding of the M&E and accountability procedures that UN agencies have in place for their humanitarian activities. Therefore, the forthcoming CERF Five-Year Evaluation should gather and present this information, with an emphasis on explaining the systems. As this review could not examine the arrangements that all the UN agencies for NGO reporting and monitoring, it would be helpful if the CERF Five-Year Evaluation could fill in the gaps.

10. The CERF Five-Year Evaluation should also gather and present information on the systems that CERF recipients have in place to ensure accountability to crisis-affected populations, examining how these work at country level, as there will be variations across contexts.

14. When considering the CERF’s added value, the Advisory Group should clarify its role in chronic emergencies and whether it is appropriate for the CERF to exclude preparedness and mitigation activities when these may save more lives than responding to a disaster once it has occurred.

15. Given that NGOs provide the majority of humanitarian aid and that UN procedures for funding them to do this with CERF grants are not sufficiently adapted to emergency situations, the CERF Advisory Group should consider ways to improve funding arrangements for NGOs, including whether to use OCHA as a pass-through mechanism.
General Assembly Resolution 60/124 led to the establishment of the CERF in December 2005. Paragraph 19 calls for ‘the establishment of an appropriate reporting and accountability mechanism to ensure that the funds allocated through the Fund are used in the most efficient, effective and transparent manner possible’. Consequently, the CERF Advisory Group, at its meeting on 12 October 2006, called for the development of a Performance and Accountability Framework (PAF). In addition, the 2008 CERF Two-year Evaluation’s Key Recommendation 4 was that: ‘The multiple lines of accountability for CERF need to be clarified, in consultation with the UN Controller and the operational agencies, to specify the roles of each actor.’ In response, the CERF Secretariat has been developing a Performance and Accountability Framework (PAF), and circulated a first draft in 2009. Following comments from the CERF Advisory Group, UN agencies and NGOs, it has developed a revised draft.

The draft CERF PAF proposes the introduction of an annual independent review in a sample of three to five countries as determined by the ERC. The CERF Advisory Group supported the inclusion of an independent country-level mechanism and requested the CERF Secretariat to commission a pilot evaluation, with the results to be presented at its April 2010 meeting.

The CERF Secretariat reviewed the countries receiving CERF funding (from both the Rapid Response and Under-Funded Emergency windows) and determined that Kenya was the most appropriate country in which to pilot this review. This is because Kenya has been consistently one of the highest recipients of CERF funding and is the fourth largest recipient since the inception of the CERF (see figure 1 in Annex 1). Section 1 of Annex 1 contains additional analysis of CERF funding by agency and sector.

The Kenya review aimed to assess the individual indicators in the PAF and to test the overall feasibility of the PAF. It found the indicators a helpful way to structure the review and, despite the large number of indicators (31), it is perfectly feasible to use the PAF for a review of this type. The review resulted in only a few minor recommendations related to specific indicators. This suggests that it is worth continuing to use the draft PAF as the basis of independent country reviews.

In the PAF, the indicators follow a logic model. However, when it came to organising the review report, it was more useful to group the indicators around key themes. This report addresses all the indicators in the PAF except those that are already tracked by the Secretariat, such as indicator 14 on providing adequate guidance on CERF reporting standards and indicator 22 on the percentage of CERF funding to Flash Appeals within two weeks of publication.

The report is based on a review of documents and interviews in Nairobi and New York (see Annex 2 for the methodology, including the questions developed to measure the PAF indicators). Annex 3 contains the Terms of Reference (ToR) for this review. This report seeks to answer the key questions raised in the ToR succinctly (one of the main requirements). Therefore, it does not go into the details of how the CERF operates at a global level. Information on the establishment of the CERF, guidelines (e.g., the Life-Saving Criteria), application and reporting formats etc are all available from the CERF website: ochaonline.un.org/cerf. To keep the main report short, supporting evidence is contained in Annex 1.
Recommendations

1. The draft PAF envisions 3-5 country reviews a year. The CERF Secretariat should move ahead with these as they will help to build on the findings in this review and develop a strengthened evidence base on the use of CERF funding.
Section 2: Value Added of the CERF

2.

This section focuses on the extent to which the CERF has added value to humanitarian response in Kenya. It addresses indicators 17, 18, 19 and 21 of the PAF. It shows that the CERF has added value for UN agencies in various ways but that NGOs face several constraints in delivering humanitarian assistance when they receive CERF funding channelled through UN agencies. This is due to the internal procedures of UN agencies (though some are more suited to humanitarian contexts than others).

Five UN agencies and IOM participated in this review. They have found that the CERF has supported their humanitarian response in the following ways:

- **By providing funding early on in the year**, before funding from other donors has arrived. UNICEF’s analysis of its humanitarian funding in 2009 shows that a CERF Rapid Response grant that arrived in May was the first that it received for the WASH sector. As of mid 2009, 42% of UNICEF Kenya’s humanitarian funding came from the CERF. This fell to 25% by the end of the year because other donors made significant contributions in October and November (see table 3 in Annex 1).

- **By filling funding gaps.** A $5 million CERF grant in December 2009 allowed WFP to avoid a break in its pipeline and to distribute 7,442 MT of maize to around 807,000 beneficiaries in January and February 2010. So the CERF has added value to WFP’s response even though it contributes a very small portion of WFP’s annual budget for Kenya (5% or $13.8 million of the total requirement of $213.5 million in 2009). The CERF has also prevented significant funding shortfalls for UNHCR’s country programme. As table 4 in Annex 1 shows, CERF funding has comprised 9-18% of funding received for UNHCR’s Kenya programme from 2006-2009.

- **By enabling agencies to leverage funding from other donors.** In IOM’s case, a CERF Rapid Response grant for protection in 2008 provided seed money for a programme that has grown to include conflict prevention activities and a livelihoods component and been funded by the Japanese and Norwegian governments. A 2008 CERF grant for shelter enabled IOM to attract funding from the Japanese government and the African Development Bank to build over 15,000 shelters from 2009-2011 (see figure 2 in Annex 1). FAO was able to secure $400,000 from the Rockefeller Foundation to continue work begun with its CERF grant in 2009. WHO obtained funding from the Italian government because CERF funding enabled it to demonstrate its ability to respond to emergencies.

- **By complementing other donor funds.** In 2009, FAO used its CERF grant to begin work on a programme also supported by the EC. Without CERF funding, it would have had to spread the EC money more thinly to ensure coverage. Also, the sums allocated to NGOs in the CERF grant were within the limits for which FAO Kenya has derogated authority so it could begin implementing while its headquarters processed the EC funding.

- **By being flexible.** This means both allowing UN agencies to claim costs retroactively when they have advanced their own funds to begin programme activities and allowing agencies to adapt to changing needs. When FAO received its CERF grant in 2009 (LOU signed 2 October), the failure of several successive rains was due to end with the start of the short rains. Therefore, instead of the
planned destocking activities, FAO’s partners wanted to help communities to re-stock. The CERF Secretariat was flexible about accepting this change of activities.

2.2 NGO Perspectives

The 8 NGOs consulted for this review found CERF funding useful for filling gaps and for starting up activities in new geographical areas, which contributed to saving lives (see section 2.2 of Annex 1 for details) but they also highlighted several limitations. These are summarised below and relate mainly to the internal rules of the UN agencies that provide CERF funding to them (some of which are less well adapted to humanitarian contexts than others).

- **Potential delays with funding agreements:** UN agencies apply their standard agreements when providing CERF funding to implementing NGOs. UNHCR and WFP have standard agreements that cover their funding to an NGO for the whole year so they do not have to sign an agreement for CERF funding specifically. Although this means that the implementers do not know the source of the agency’s funds (CERF or otherwise), it reduces transaction costs and, potentially, the time required to transfer funds. Other agencies, such as UNICEF and FAO, sign separate agreements for funding from different donors. This can lead to delays though FAO has been able to sign agreements with NGOs within a couple of weeks. UNICEF has addressed the problem of delays in signing PCAs by allowing NGOs to begin implementation and claim costs retrospectively. (see section 2.2 of Annex 1 for details).

- **Funding in instalments:** All UN agencies pay implementers in instalments, even though they receive 100% funding in advance. NGOs are used to receiving the majority of funding (e.g., 80%) in advance, with the balance paid upon submission of a final report. However, some UN agencies, such as FAO and WHO, pay NGOs in 3 or more instalments. The payment of each is dependent on the submission of a report or funding request (see table 12 of Annex 1 on reporting requirements). UNICEF has made an exception in the case of a CERF Rapid Response grant because it was nearly at the end of its 3-month limit to commit funds by the time it signed PCAs with some NGOs. In this case, it provided 100% funding in advance to an NGO.

- **Funding limits on programmes:** Both FAO and WHO have limited derogated authority at country level to finance NGO partners. In FAO’s case, the amount has increased from $50,000 to $100,000, the same as WHO’s limit. This means that the NGOs have to artificially squeeze their programmes into this restricted amount. The UN agencies try to compensate for this by procuring items like laboratory equipment, animal vaccines or seeds for the implementers but this can lead to delays and other problems (see section 2.2 of Annex 1).

- **Limits on indirect support costs (ISC):** Although UN agencies receive 7% of CERF grants for indirect support costs, the extent to which NGOs could claim these costs varied (see table 5 in Annex 1 for summary of UN agency policies). The inability of many NGOs to claim realistic indirect support costs even though they are key deliverers of humanitarian assistance on the ground has potentially serious implications for future humanitarian response capacity.

- **Limited flexibility:** An FAO partner did not receive its funding agreement until 4 months after FAO had received a CERF UFE grant. This is because all NGO proposals go through a technical clearance process and this can take time. This meant that the humanitarian needs had changed. The NGO wanted to change its activities but it had to wait until it submitted its first progress report to request the change (see table 12 of Annex 1 for details of UN agency reporting requirements). Otherwise, the proposal would have had to go through the technical approval process again.
Recommendations

3. PAF indicators 17-19 and 21 highlight various ways in which the CERF adds value to the humanitarian response of UN agencies. In addition, the review found that UN agencies in Kenya value the CERF’s flexibility. The Secretariat should add an indicator to the PAF to test if this is the case globally or add a more general indicator to elicit the different ways in which CERF funding adds value in various contexts.

This section outlined the several constraints that NGOs face with funding from UN agencies. These are discussed in more detail in later sections so recommendations to address them are presented in section 7.2.

Section 3: Timeliness of CERF Funding

This section examines the timeliness of CERF funding from the submission of agency proposals to the completion of implementation. It addresses indicators 8, 9, 10, 11, 12 and 20 of the PAF. While the CERF Secretariat has processed applications very quickly once it has received the final proposal, the timelines for 10 grants in Annex 1 show that the time taken to implement the grants varies.

3.1 Timeliness of the CERF Secretariat

The CERF’s objectives are to:

- Promote early action and response to reduce loss of life;
- Enhance response to time-critical requirements;
- Strengthen core elements of humanitarian response in under-funded crises.

This focus on life-saving and time-critical emergency response has led the Secretariat to emphasise the timeliness of CERF funding. Table 6 in Annex 1 shows the number of working days that the CERF Secretariat took to approve CERF grants to Kenya in 2009 from the date an agency submitted its final proposal. Unsurprisingly, Rapid Response (RR) grants are processed more quickly and these took 2-4 days to approve. Under-Funded Emergency (UFE) grants took longer because the Secretariat has to process grants from all recipient countries at the same time but these were still processed within 13-16 working days.

Once the ERC has approved a grant, the agency needs to sign a Letter of Understanding (LOU). Table 6 shows that the time taken for this varies from 1 day for 3 UFE grants to UNICEF to 16 days for an UFE grant to IOM. Agencies took between 2-10 days to sign LOUs for RR grants.

Once the LOU is signed, the Controller’s Office disburses funding. Table 6 shows that, in 2009, all grants for Kenya were disbursed within 4-6 working days. The one exception is a RR grant to UNHCR, which took 16 days.

Overall, table 6 shows that the CERF Secretariat is quick to process applications, once they have been finalised, and that the Controller’s Office disburses money very quickly as well. Nevertheless, based on a Review of the UFE process in 2009 (which was recommended in the Two-Year Evaluation), the Secretariat has reduced both processing times and the timeframe for selecting the countries by 3 weeks in 2010. Each underfunded round now has a closure date (31 March for round I and 30 September for round II) which ensures that both the Secretariat and the country team quickly process and review applications (in 2008, the Secretariat reviewed and approved the last round I project at the end of May...
so, by 2010, the Secretariat will have shortened its UFE approval process by two months). In addition, in 2010 the ERC has decided to front-load UFE allocations by providing $97 million in the first round. This is to ensure that CERF funding is available early on the in the year (which, as section 2.1 noted, has been found to add value to humanitarian response). In 2009, the round I allocation was for $73.4 million and round II was for $55 million.

The Secretariat has also developed an umbrella Letter of Understanding (see section 3.1 of Annex 1 for details). This will not remove the requirement for an LOU for individual CERF grants because the Controller and the regulations of some UN agencies require a signature for the receipt of funds. However, the LOU will be of a lower order and should reduce delays.

3.2 Timeliness of Implementation

The CERF has separate timeframes for committing funds and implementing activities for Rapid Response and Under-Funded Emergency (UFE) grants. When the CERF was established, for Rapid Response grants, recipients had 3 months from the date that the Controller disbursed funds to complete implementation. However, the UN agencies found this timeframe very challenging so the Secretariat has had an informal agreement since early 2007 that they could use 3 months to commit funds and a further 3 months to complete implementing activities, leading to a total grant implementation timeframe of 6 months. This agreement will be formalised in the revised Secretary-General’s Bulletin. For UFE grants, recipients have to complete implementation by 31st December for grants allocated in the first UFE round and 30th June of the following year for grants allocated in the second UFE round.

In order to examine the timeliness of CERF funding from the time that an agency signs the LOU and receives funds to the completion of implementation, this review tracked 1-2 grants per participating organisation, based on information provided by the organisations. The resulting 10 timelines are in section 3.2 of Annex 1, together with information on implementation where relevant and available. While some dates still need to be completed, the timelines show that:

- The UN agencies use different timeframes for completing implementation of CERF Rapid Response grants. For example, IOM disburses and implements strictly within 3 months from the date of disbursement. UNICEF disburses funds in 3 months and uses a further 3 months to complete implementation. UNHCR commits funds in 3 months and then uses a further 3 months to complete implementation.
- UN agencies can start implementing activities as soon as the LOU is signed and do not have to wait until the Controller’s office disburses funds. Headquarters usually transfer funds quickly to the field office (in UNICEF’s case, before they have received funds from the Controller’s office).
- The time taken to sign agreements with implementing NGOs varies, both within an agency and across agencies. UNHCR and WFP sign annual agreements with implementers so WFP, at least, does not have to sign separate agreements for CERF grants. UNHCR does not have to sign additional agreements for activities that are within the Annual Budget that UNHCR agrees with implementers at the beginning of each year (usually CERF UFE grants) but it does need to sign a supplementary agreement for funding that is additional to this (e.g., CERF Rapid Response grants). This can take some time.
- When gathering information for the timelines, it was clear that WFP and UNHCR implementers do not know when they are receiving CERF funding. In WFP’s case, this is because they are not signing additional agreements. In UNHCR’s case, even when NGOs sign supplementary agreements, they did not seem to know the source of funding (though UNHCR is very decentralised and this information may be shared by UNHCR sub-offices with the local offices of NGOs).
• Once an agreement is signed with an implementing NGO, some UN agencies can transfer funds in 1-2 weeks whereas others take longer (this can vary within an individual agency as well as across agencies).

• NGOs may request No-Cost Extensions (NCEs) or apply implementation periods that exceed the CERF grant implementation period but the UN agencies do not request NCEs from the CERF Secretariat (see timelines for 09-HCR-019, 09-CEF-029B and 09-CEF-038C as examples).

No Cost Extensions (NCEs)
Section 3.2 of Annex 1 also has a summary of the No Cost Extensions that UN agencies in Kenya have requested. Of the 78 grants that the CERF made between 2006 and 2009, only 7 required NCEs. Although FAO was able to implement the 3 Rapid Response grants that it received in 2006 without requiring NCEs, it required NCEs for both the Rapid Response grants that it received in 2007 and 2008. In 2009, it did not apply for a RR grant. This substantiates one staff member’s view that UFE grants are more suited to the seasonal nature of FAO’s work than RR grants.

IOM did not receive funding in Kenya till 2008, when it received 3 RR grants. Of these, it required NCEs for two. In 2009, IOM received 2 RR grants, one small one of $89,237 for health and a more substantial one of $2.6 million. Although it requested a NCE for the latter grant, this is because it was using a strict interpretation of the RR implementation rule. If it had used the interpretation of disbursement within 3 months and a further 3 months for implementation, it would not have needed to request the NCE. It was not possible to go back and analyse the 2008 RR grants for which IOM requested extensions but the situation may well have been the same. The Secretariat’s formalisation of the 6 month rule for RR grants will help clarify the situation and should reduce NCE requests.

Recommendations

4. The CERF Secretariat should state the rules for both RR and UFE grants in the letter to the RC/HC that lists the applications that have been approved. The CERF Secretariat is planning to do this for round I of the UFE window of 2010 but, given the high turnover of staff at field level, it would be useful if this was standard practice for all CERF grants. The RC/HC’s office/OCHA should then ensure that this information is disseminated to both UN agencies and their implementing partners (through the IASC and Clusters/sector working groups).

Section 4: Inclusiveness and Transparency of Allocation Process

This section examines the extent to which CERF allocation processes in Kenya are inclusive of key stakeholders and transparent. It addresses indicators 1, 2, 3, 6 and 25 of the PAF. It shows that the degree of inclusiveness and transparency varies across sectors but the Nutrition Technical Forum is cited as an example of good practice. Figure 3 demonstrates that sector leads play a dominant role in deciding priorities and selecting proposals so there are potential conflicts of interest in the allocation process. Once the HC has submitted an application, NGOs and government representatives have no information about when grants are approved and for how much.

Figure 3 in Annex 1 describes the process used to allocate the UFE round of CERF funding to Kenya in January 2010. This is very similar to the process used for previous CERF allocations though, based on experience, the OCHA field office introduced some new procedures, designed to improve the
inclusiveness of the process and also support the Kenya Humanitarian Partnership Team (KHPT) with prioritisation. This included presenting an analysis of previous CERF funding to Kenya to the KHPT (by sector and by Appeal) and requesting sector leads to provide minutes of meetings with partners to ensure consultation. OCHA has also appointed humanitarian affairs officers as focal points for the sectors and these officers attended the sector meetings at which the CERF allocation was discussed. The UN agencies and IOM were very appreciative of OCHA’s facilitation role in the CERF allocation process.

An analysis of the allocation process reveals the following:

- Asked to rate the inclusiveness of the allocation process on a scale from 1-5 (with 1 as non-inclusive and 5 as extremely inclusive), all the UN agencies participating in the review and IOM rated it at 3.5-4.
- NGO perceptions of inclusiveness depended on the sector working groups in which they participate. The effectiveness of the sector groups depends on the capacity of the government co-chairs as well as UN agency capacity. The Nutrition Technical Forum, which is an example of good practice, was rated as 4. The Agriculture and Livestock sector is one of the weaker sectors though it used to function well until mid-2009. Since then, FAO called partners on a one-to-one basis to discuss funding, until the 2010 CERF allocation, when FAO called a coordination meeting to provide feedback from the inter-sectoral meeting and discuss allocations with partners. As a result, its inclusiveness was rated at 2.5.
- The transparency of funding allocations to sector participants also varies across sector groups. The Nutrition Technical Forum was cited as an example of a fair, systematic allocation on the basis of priority areas of need as well as the availability of funding. In at least two other sectors, the NGOs did not know how funding was decided and it seemed to be the sole decision of the UN co-chair.
- The UN agencies (except for WFP which has standard agreements) felt that the requirement to list NGO implementers in the CERF application is helpful because discussions about who will implement what activities take place at the beginning and this speeds up the process of onward funding once a grant is approved. Nevertheless, not all NGOs are aware when they are listed in an application.
- Sector participants are not always clear about the timeframe and full process of a CERF application. One NGO interviewee was frustrated that the organisation had been asked to submit a project proposal within 24-48 hours in August but then had heard nothing about funding for months. Then, when it was contacted again, it was required to provide immediate answers to questions on the proposal though it took several additional weeks to finalise the funding agreement. The NGO argued that this delay did not hamper project implementation because it was using a DRR approach and also had other funding to continue its activities while awaiting CERF funding but the lack of knowledge of the real timeframe for CERF funding places undue pressure on NGOs.
- The RC/HC has tried to include the Ministry of State for Special Programmes (MoSSP) in the allocation process by sharing the priorities decided by the KHPT and inviting comments and input. Given the role of the Government of Kenya in humanitarian response, this is an example of good practice.
- PAF indicator 6 states “UN agency/IOM performance (capacity to implement within the timeframe of the grant, past performance, speed of distribution and absorptive capacity) is considered when developing proposal”. OCHA introduced a discussion of the implementation of round II of the 2009 UFE allocation to Kenya in the very first meeting of sector leads (see figure 3 in Annex 1) but none of the sector leads mentioned any challenges with implementation or absorptive capacity even though the timelines in Annex 1 indicate that there have been delays. The KHPT has no independent sources of information on agency performance when discussing priorities and, in any case, it does not discuss specific proposals. Even the Nutrition Technical
Forum, which is a well functioning sector group, does not discuss how sector members have used previous CERF funds when allocating funds. This information remains with UNICEF as the contracting agency.

- Although the KHPT provides guidance on priorities, figure 3 demonstrates that sector leads play a dominant role in deciding priorities and selecting projects for funding. This means that a potential conflict of interest is inherent in the process because those applying for funds decide priorities and select projects for funding.

- Despite OCHA’s facilitation role, the KHPT’s guidance on priorities and the inclusion of government and NGO partners in sector discussions, when sector leads come together to finalise the allocation of CERF funds, the process becomes a negotiation with each sector lead trying to maximise the share for his/her own sector. As one interviewee expressed it, the process is “more painful and less scientific”. Another interviewee pointed out that, even if there is a genuine desire to focus on priorities at the beginning of the process, “by hour three of the meeting”, participants are reduced to bargaining. This may be because it is difficult ‘to prioritise the priorities’ or because every organisation wants a ‘share of the pie’.

- Once the RC/HC has submitted a CERF application, there is no systematic way of informing NGOs and government partners about when the proposals are approved and for how much. This can lead to misunderstandings, such as one government representative arguing that CERF funding had been slow to arrive. However, the delay was with the UN sector co-chair’s onward funding processes, not the CERF Secretariat.

**Recommendations**

5. OCHA’s analysis of previous CERF funding to assist the KHPT with prioritisation is helpful and OCHA offices in countries receiving CERF UFE grants should consider following its example.

6. OCHA focal points should provide information on the timeframe for CERF allocation and grant approval processes to the NGO and government participants in sector groups. Once CERF grants have been approved, the focal points should also provide information on what has been approved (including information on funding to NGOs listed in budgets). This will considerably improve the transparency of the CERF funding process. It is not sufficient for OCHA or the CERF Secretariat to publish this information on websites because NGOs and government officials lack knowledge about where to look for this information and the time to seek it out.

7. There is a need to avoid potential conflicts of interest during the allocation process. This should be done by getting sector leads to submit proposals to the KHPT for final selection or by appointing full-time sector leads who can set aside agency loyalties (as has been done in Zimbabwe).

**Section 5: Reporting and Accountability**

This section focuses on reporting on, and accountability for, CERF grants. It addresses indicators 13, 14, 15, 16, 27 and 28 of the PAF. The CERF Secretariat has simplified both narrative and financial reporting formats and the UN agencies in Kenya find CERF proposals and reports very straightforward. A brief exploration of UN agency M&E and accountability procedures shows that humanitarian contexts may be more challenging than development ones but this is an issue for further exploration. Table 12 shows that review NGOs face significant reporting demands from the UN agencies covered by the review. UN agencies also audit and monitor NGO implementers.
When UN agencies and IOM receive CERF funding, their country offices are expected to contribute a
narrative report on their activities to the annual report that the RC/HC submits to the ERC through the
CERF Secretariat. This annual report is due on 30th March for the previous calendar year (i.e. funding
received between January and December 2009 is reported on by 30th March 2010). The agency
headquarters provides a separate financial report on each CERF grant received. Since the CERF
Secretariat views the annual narrative reports from each country as a vehicle for providing General
Assembly Members with the transparency they expect, it publishes them on its website (thereby
allowing interested actors to compare allocations against the reporting).

The CERF Secretariat has simplified reporting requirements since the CERF’s inception to make the
process easier for CERF recipients (see section 5 of Annex 1) so it is unsurprising that UN agency and
IOM interviewees in Kenya said that they found the CERF application and reporting requirements very
straightforward compared to other funding sources. In fact, staff members from 3 UN agencies said that
they were able to complete the annual narrative report in a few hours. Nevertheless, the OCHA office in
Kenya had to spend some time emailing and calling the agencies to ensure that they provided their input
into the RC/HC’s report.

Though narrative reporting has improved from year to year, the CERF Secretariat still faces some
challenges. It is working to make increasing use of the information and analysis contained within the
reports.

- The Secretariat has to process narrative reports very quickly in order to be able to publish them
  online soon after the deadline for their submission. This means that the small number of staff
  members working on the reports have very little time to ask questions of clarification and follow
  up on the content of the reports. In fact, until 2009, the Secretariat did not have the capacity to
  follow up immediately on reporting discrepancies but, in 2010, that process is already
  underway. Staff members working on reporting are working closely with the programme unit
  that makes allocations to identify rapidly any issues that require follow-up.
- Since recipients do not finish implementing grants from round II of the UFE allocation till 30th
  June of a given year, these are not reported on till 31st March of the following year, which is 9
  months after the completion of activities. This makes it very difficult for the Secretariat to get
  clarifications or follow up on particular issues so the CERF Secretariat is encouraging UN
  agencies to provide initial reporting in their annual report. For example, FAO in Kenya only
  received one grant from the round II UFE allocation of 2009 but it provided an interim report in
  March this year.
- The CERF Secretariat asks UN agencies to list lessons learned in their annual reports on CERF
  funding. A review of the reports that UN agencies and IOM in Kenya provided in March 2010
  shows that agencies do not always identify lessons. When they do, they can range from process
  issues to broader humanitarian response issues. Section 5 of Annex 1 lists some examples. The
  first three are from UNICEF’s report and represent good practice.
- For the first time, the CERF Secretariat will be able dedicate staff resources to undertake a
  comprehensive review and analysis of all the RC narrative reports. Good examples and Key
  findings will be used to bolster the substantive sections of the Secretary-General’s annual report
  on the CERF, as well as the CERF Secretariat’s own annual report to its stakeholders.
- Although the Secretariat has adapted the financial reporting format used by the Controller’s
  office to reflect agency formats better, it is still a challenge to obtain financial reports on every
  single CERF grant (see section 5 of Annex 1).
While the CERF Secretariat receives reporting from UN agencies, a senior government representative in Kenya expressed frustration at the lack of information on what is being done with CERF and other international funds and accountability to the government. The government has tended to use OCHA as a central source of information but this has limitations (both due to OCHA’s lack of presence outside Nairobi and because its remit does not extend to following up on the implementation of CERF grants).

5.1 UN Agency Monitoring and Evaluation (M&E) and Accountability

To address PAF indicator 13 “UN agencies/IOM receiving grants have internal evaluation and accountability mechanisms”, the review sought to get an understanding of the monitoring and evaluation procedures for humanitarian activities of the agencies receiving CERF grants in Kenya. Although it was not possible to explore them in depth, table 11 in Annex 1 summarises the findings. It shows that the UN agencies have systems in place to monitor the work of implementing NGOs (in UNICEF’s case, this is being strengthened and made more systematic). They also undertake evaluations of major emergency responses, such as to Post-Election Violence in 2008, or to unusual situations from which they feel they can learn lessons (like WHO’s evaluation of its response to Rift Valley Fever). These evaluations use either internal evaluators (from headquarters and/or regional offices) or a mixture of internal and external evaluators. Since the evaluations are not specifically of CERF-financed activities, the agencies do not share the reports with the Secretariat.

Although some UN agencies have undertaken a few humanitarian evaluations, there was widespread agreement amongst interviewees that an independent and holistic review of the response to a humanitarian crisis would be very helpful in identifying lessons. This would be far more useful than trying to track the CERF dollar and its impact because assessing the outcomes of funding from a single donor (whether the CERF or a bilateral donor) is very difficult. Several factors (which may be beyond the control of an individual organisation) and the actions of different actors interact to determine the impact and outcome of a donor’s funding.

UN agencies have been firm in pointing out that they have systems in place for accountability to their Executive Boards, though a brief discussion with UNICEF revealed that this may be more challenging in humanitarian contexts than in development ones. WFP has pointed out that it provides regular information on how it utilises resources to its Executive Board through mechanisms such as evaluations, internal and external audits, as well as yearly Standard Project Reports. But there is no direct channel to provide information or accountability to beneficiaries. Due to time constraints, this review was unable to explore this latter issue of accountability to affected populations but it would be useful if future reviews could address this gap. The IASC is currently discussing the application of the Humanitarian Accountability Project’s approach to accountability to crisis-affected populations and the outcome of this discussion will influence (and perhaps change) the approach of all humanitarian organisations.

5.2 UN agency oversight of NGO implementers

Most UN agencies receiving CERF grants provide humanitarian assistance through NGOs. In Kenya, some implement through the government as well but this section focuses on information that the review was able to gather on the reporting and accountability that UN agencies require from NGOs. Table 12 in Annex 1 summarises information on FAO, UNHCR, UNICEF and WHO reporting requirements and monitoring arrangements. This suggests that UN agencies make significant reporting demands on NGOs and supplement this with monitoring visits and audits. However, UN agency reports to the CERF Secretariat do not reflect this level of detailed information. NGO interviewees also pointed out that they discuss problems/challenges only with the UN agency funding them rather than in sector groups so
there is a risk of missing opportunities to address identify common lessons learned and address common challenges.

**Recommendations**

8. Although the CERF Secretariat has emphasised its own timeliness in disbursing funds, the timeliness of humanitarian response depends on the organisations acting with CERF funds. Therefore, it would be useful to include a section on the timing of the implementation for CERF grants in the narrative report format. This need not be an onerous requirement as it would be based on basic project management information.

9. The ERC should consider using CERF funding to support independent and holistic reviews of the humanitarian response in countries that are major recipients of CERF funding.

10. It would be reassuring for donors to the CERF (who extend well beyond those that have seats on UN agency Executive Boards) to have a better understanding of the M&E and accountability procedures that UN agencies have in place for their humanitarian activities. Therefore, the forthcoming CERF Five-Year Evaluation should gather and present this information, with an emphasis on explaining the systems. As this review could not examine the arrangements that all the UN agencies for NGO reporting and monitoring, it would be helpful if the CERF Five-Year Evaluation could fill in the gaps.

11. The CERF Five-Year Evaluation should also gather and present information on the systems that CERF recipients have in place to ensure accountability to crisis-affected populations, examining how these work at country level as there will be variations across contexts.

12. Once the IASC has reached a conclusion on approaches to accountability to affected populations, PAF indicator 26 should be amended to reflect this.

**Section 6: Support to Humanitarian Reform and Response**

This section examines the extent to which CERF funding has supported other elements of humanitarian reform and strengthened humanitarian response. It addresses indicators 23, 24, 29, 30 and 31 of the PAF. The review found that the CERF has supported coordination and the HC’s role in Kenya though it has played less of a role in strengthening partnership. Given the nature and size of CERF funding, it appears to be unrealistic to expect it to strengthen humanitarian response capacity.

This section reviews the extent to which the CERF has supported the other elements of the reform process, i.e., coordination, the role of the Humanitarian Coordinator (HC) and partnership, in Kenya. It also touches briefly on the issue of CERF funding strengthening humanitarian response capacity in recipient agencies.

### 6.1 Coordination

In Kenya, humanitarian aid is coordinated by sector working groups co-chaired by a government line ministry and the global Cluster lead agency. The sector groups correspond closely to the Cluster approach.
The process of allocating CERF funding supports coordination because sector groups come together to discuss priorities. As noted earlier, the requirement to name partners in the CERF application provides an incentive to engage with partners prior to submission. Also, OCHA’s requirement that sector leads provide minutes of meetings at which CERF funding was discussed and its decision to send OCHA staff to the meetings meant that some sector groups met for the first time in many months. A WHO interviewee argued that its ability to mobilise CERF funding gives it visibility and authority in the health sector group, which “lubricates” sector coordination and enables WHO to leverage partnerships.

The role of the KHPT the inter-sectoral group in deciding priorities and allocations for CERF funding has given two UN agencies an incentive to engage more with their UN colleagues on humanitarian issues. Normally, they work closely with the government and would have operated in isolation from other UN agencies but they have realised that participation is necessary to access CERF funds.

Since government line ministries co-chair the sector groups, their capacity and engagement is a critical determinant of the success of sector coordination and this is beyond the control of the CERF. This capacity and engagement varies, with the Nutrition Technical Forum an example of good practice but other sectors much weaker. Other success factors are also beyond the CERF’s influence. The sector groups are either weak or non-existent at district level and this makes it very difficult to ensure information exchange between Nairobi and the field and to involve field-based partners in coordination. OCHA could support coordination at district level if it had a field presence but it has a very limited travel budget to send staff to the field.

6.2 Role of the Humanitarian Coordinator (HC)

UN sector leads and government representatives felt that the CERF has strengthened the role of the HC. The fact that he has to endorse CERF applications provides an assurance that he is informed about issues and funding levels. This has resulted in greater interest in humanitarian issues, with the HC requesting sector leaders to provide briefing papers on specific issues such as responding to cholera outbreaks in Kenya. Those who have been involved in CERF applications since 2006 believe that the HC’s role has become more prominent in recent years.

6.3 Partnership

In Kenya, partnerships with government and implementing organisations are both important in effective humanitarian response. One interviewee felt that the country has a supportive environment for partnerships because there is a strong government as well as a vibrant NGO community. However, although sector leads were vaguely aware of the Principles of Partnership, NGOs seemed less aware and it was not clear whether they are actively applied (e.g., in the Kenya Food Security Group – see below).

NGO perceptions of partnership depend on the sector group in which they participate and, to some extent, the UN agency with which they deal. While NGOs play an active role in deciding priorities and funding allocations in the Nutrition Technical Forum, the Kenya Food Security Group puts emphasis on partnership between WFP and the government and there is no consensus building with NGOs about priorities. This is because WFP and the government are the sole providers of the food pipeline and the only two partners who appeal for the funds necessary for food procurement. WFP has argued that CERF funds are so small compared to its overall operational needs that the debate which takes place among the UN agencies already takes care of the prioritisation in the food sector. The reporting and accountability requirements described in section 5 suggest that UN-NGO funding relationships emphasise the NGOs’ implementing role (such as activity plans, reporting and monitoring).
Nevertheless, a number of the NGOs that receive funding from UNHCR and UNICEF regarded the relationship as a partnership.

6.4 Strengthened Humanitarian Response Capacity

Indicator 23 of the PAF states “Response capacity is strengthened given knowledge that CERF is a reliable source of funding”. The review consulted UN agencies about whether CERF funding had contributed to strengthening their response capacity. They argued that although CERF funding is predictable once they have signed an LOU, they cannot rely on it without an agreement. This is understandable because Rapid Response grants are, by definition, unpredictable. UFE grants depend on the Secretariat’s analysis and the extent to which other countries are under-funded. Even when the Secretariat has allocated an envelope to a country, the Secretariat may request budget reductions. In addition, given the short-term nature of CERF funding and the restrictions on what it can fund (e.g., training and capacity building), UN agencies cannot commit to the cost of long-term additional response capacity.

In the case of the NGOs, previous sections have highlighted the fact that UN agency funding procedures mean that they do not always receive funds on time, have restrictions on indirect support costs (which could be used to build internal capacity) and are burdened with significant reporting demands. While these conditions are beyond the control of the CERF, they suggest that NGOs in the frontline of humanitarian delivery face considerable constraints on their ability to respond, rather than any support for strengthening response capacity.

Recommendations

13. As the CERF is a part of the overall humanitarian reform of 2005, it is expected to “strengthen core elements of humanitarian response in underfunded crises”. But CERF funding is only a small proportion of total humanitarian funding so it is probably ambitious to expect it to achieve additional objectives such as supporting humanitarian reform processes and strengthening humanitarian response capacity (even though it is likely to support coordination and the HC’s role, as it has done in Kenya). Therefore, it would be more realistic for the CERF to focus on its first two objectives and enabling response in under-funded crises. The Secretariat should amend PAF indicator 23 accordingly.

Section 7: Additional Issues

This section addresses two specific issues raised by the Kenya pilot review. The first is the nature of the humanitarian situation in Kenya, which is chronic and requires longer-term funding. The second is the issue of funding to NGOs, which deliver the bulk of humanitarian assistance. This section lays out options for improving procedures for CERF funding to NGOs for the CERF Advisory Group to consider.

The PAF indicators were the basis of the interviews for this review but discussions and findings have raised two issues that are beyond the scope of the current PAF. One of these is related to the context in Kenya though it has implications for CERF funding in other countries. The other is due to the funding arrangements that UN agencies have for financing NGOs and poses a global challenge for the CERF. In both cases, this section lays out options for the Advisory Group and CERF Secretariat to consider.
7.1 Chronic Nature of Emergencies in Kenya

Humanitarian agencies in Kenya are grappling with the challenges of chronic food insecurity and emergencies caused by climate change with short-term funding. As a result, there is pressure to treat each successive emergency separately rather than as parts of an on-going chronic situation. One UN agency staff member pointed out that humanitarian funding softens the peaks of the crises but that long-term investment to address the underlying causes is missing.

This kind of a chronic situation is a challenge for the CERF, which is predicated on the notion of rapid, short-term, life-saving activities. Disaster mitigation and preparedness activities may well save more lives in the long run in Kenya than reactive responses to crises but the CERF cannot fund them. It is not the CERF’s responsibility to finance every aspect of a humanitarian response but, when allocating CERF funds, the KHPT and CERF Secretariat should be careful to ensure that they are not supporting activities that create dependency amongst aid recipients and undermine alternative, longer-term solutions. For the KHPT, this will be a challenge because, currently, it focuses on “short-term” emergencies rather than discussing how to address underlying causes. According to one interviewee, the UN Country Team is also not addressing these questions because humanitarian issues are the remit of the KHPT.

7.2 CERF Funding to NGOs

Section 2.2 and tables 5 and 12, as well as funding data under the timelines in section 3.1 of Annex 1, have highlighted the following challenges with UN agency procedures for funding NGOs. These are not restricted to CERF grants because UN agencies use their standard procedures for funding NGOs but long-standing concerns. However, these issues have come under the spotlight due to this review and the fact that UN agencies are providing more detail on their onward funding.

- In many cases, it takes several weeks or even 2-3 months to sign agreements and transfer funds. In the case of CERF grants, this may extend the implementation period.
- NGOs get limited amounts of indirect support costs (or none at all) because of agency rules. In the case of CERF grants, this may also because of small budgets. This is despite the fact that they are the frontline providers of humanitarian assistance.
- Most UN agencies have burdensome reporting requirements for NGOs that are in stark contrast to the reporting that they provide to donors. In addition, they have demanding monitoring and audit rules even though NGOs may be receiving funding from a number of donors at the same time.

At the request of the IASC, UNICEF, UNHCR and WFP have established a task force together with INGOs to address these challenges. UNICEF, WFP, UNDP and UNFPA have also developed a Harmonised Approach to Cash Transfers (HACT) to implementing partners with the aim of moving from a system of rigid controls to a risk management approach. This applies to NGOs (as well as government) and all programme countries so it should be used in emergency settings. But there have been delays with implementing it and it did not appear to be operating in Kenya. As many of the NGO concerns with UN agency procedures have not yet been resolved, it is not surprising that they compared these procedures unfavourably with those that OCHA uses for Emergency Response Funds (ERFs) (some NGOs have experience of this from other countries as well as Kenya). NGOs have accepted that they cannot receive CERF funding directly but they requested that the CERF Secretariat should examine whether funding can be channelled through OCHA, as its procedures are more supportive of timely and flexible humanitarian response.
This poses a challenge because the Secretary-General’s Bulletin (SGB) of October 2006 stipulates that OCHA cannot receive CERF grants though it can take loans from the CERF’s loan element. This is based on the implication in CERF-related General Assembly Resolutions. Section 7.2 sets out the text from the relevant Resolutions and explains how the SGB rule came about.

To overcome the challenge, the CERF Secretariat has experimented with channelling funds through ERFs in Iraq and Somalia, using UNDP as a pass-through mechanism. However, this was unsuccessful as UNDP was unable to disburse funds in a timely way and also faces significant challenges with financial reporting on the CERF grants. This still leaves the following options for improving procedures for funding NGOs:

- The SGB rule that OCHA cannot receive CERF grants is based on General Assembly wishes. So, although it is possible to revise an SGB (the October 2006 one is being amended to formalise practice on the implementation period for Rapid Response grants, incorporate the umbrella LOU etc), donors need to decide whether they wish to use OCHA as a pass-through mechanism to finance NGOs. If this is the case, they should request the CERF Secretariat to examine what steps the Secretary-General and/or the General Assembly will have to take to make this possible.
- If donors do not wish to use OCHA as the pass-through mechanism for NGOs, the CERF Secretariat could explore whether another UN organisation that is eligible to receive CERF funding can act as an effective administrator for NGO funds. It will be challenging for the Secretariat to find an organisation that is both cost-effective and has procedures flexible enough to support emergency response.
- If donors do not want use OCHA as a pass-through mechanism and the Secretariat is unable to identify a suitable administrator for the NGO funds, donors may want to consider providing more funding to ERFs that operate in many of the countries that receive CERF allocations. However, this should not be at the expense of funding to the CERF but in recognition of the fact that ERFs have proved to be effective in providing quick and flexible funding for rapid response (which has meant that the ERF in Haiti has received over $70 million, including $50 million from Saudi Arabia).

**Recommendations**

14. When finalising its Terms of Reference, the KHPT should ensure that both short-term and long-term aspects of the humanitarian situation in Kenya are within its remit and that it addresses both, particularly when deciding priorities for CERF funding.

15. When considering the CERF’s added value, the Advisory Group should clarify its role in chronic emergencies and whether it is appropriate for the CERF to exclude preparedness and mitigation activities when these may save more lives than responding to a disaster once it has occurred.

16. Given that NGOs provide the majority of humanitarian aid and that UN procedures for funding them to do this with CERF grants are not sufficiently adapted to emergency situations, the CERF Advisory Group should consider ways to improve funding arrangements for NGOs, including whether to use OCHA as a pass-through mechanism.
Annex 1: Supporting Evidence

Section 1

This section contains analysis of CERF funding to Kenya. Figure 1 provides an overview of CERF funding to Kenya, divided into Rapid Response and Under-Funded Emergencies (UFE) grants. This shows that Kenya has received most of its funding from the Rapid Response window. 2010 is an exception because the review was conducted early in the year and Kenya had only received an allocation of $10 million from the UFE window.

Figure 1: CERF Funding to Kenya: 2006-2010

Table 1 below shows CERF funding by agency, including funding provided under the first UFE round of 2010. This shows that WFP is far the largest recipient of CERF funding in Kenya (as it is globally). UNHCR and UNICEF are the second and third largest recipients.

| Table 1: CERF Funding to Kenya by Agency: 2006-2010 |
|---------------------|-----|-----|-----|-----|-----|
|                     | 2006 | 2007 | 2008 | 2009 | 2010 | TOTAL |
| WFP                 | 11,802,477 | 500,011 | 9,478,453 | 13,842,158 | | 35,623,099 |
| UNHCR               | 5,605,780 | 1,402,235 | 7,751,914 | 2,835,144 | 1,700,053 | 19,295,126 |
| UNICEF              | 5,909,237 | 773,216 | 2,423,250 | 4,457,885 | 3,397,986 | 16,961,574 |
| FAO                 | 2,598,586 | 1,187,246 | 3,335,725 | 950,000 | 1,519,931 | 9,591,488 |
| WHO                 | 1,170,840 | 1,006,811 | 1,476,504 | 1,377,090 | 2,664,300 | 7,695,545 |
| IOM                 | 1,162,529 | 2,874,408 | 699,193 | | | 4,736,130 |
| UNFPA               | 100,000 | 77,040 | 341,904 | | | 518,944 |
| TOTAL               | 27,186,920 | 4,946,559 | 25,970,279 | 26,336,685 | 9,981,463 | 94,421,906 |

Table 2 below shows CERF and non-CERF funding against the amounts requested in each Appeal and also the percentage funded by each source. In 2006, there were two Appeals (including a Flash Appeal to respond to floods) but there was no appeal in 2007. This is why there are two tables for 2006 and none for 2007.

| Table 2: CERF and non-CERF Funding to Kenya Appeals: 2006-2010 |
|---------------------|-----|-----|-----|-----|
|                     | 2006 'Kenya Appeal' |
|                     | Requests | CERF | Non-CERF | CERF | Non-CERF |
| Agriculture         | - | - | - | - | - |
| Coordination and Support | 3,459,335 | 294,498 | 1,835,070 | 8.5% | 53.0% | 61.6% |
|----------|---------------------------|-------------------------------------------------|------------------------------------------------|
|          | Requests                  | CERF                | Non-CERF             | CERF                | Non-CERF             | Total              | Requests                  | CERF                | Non-CERF             | CERF                | Non-CERF             | Total              | Requests                  | CERF                | Non-CERF             | CERF                | Non-CERF             | Total              |
| Agriculture | 6,600,000                | 2,220,412            | 33.6%                | 0.0%                | 0.0%                | 0.0%               | 12,821,000                | 3,335,725            | 2,669,155             | 26.0%                | 20.8%                | 46.8%               | -                   | -                   | -                   | -                   | -                   |
| Coordination and Support Services | 6,610,000                | -                   | -                    | 0.0%                | 0.0%                | 0.0%               | 9,155,813                | 443,868              | 4,419,345             | 4.8%                | 48.3%                | 53.1%               | -                   | -                   | -                   | -                   | -                   |
| Food | 19,276,656                | 3,276,656            | 25,027,100           | 17.0%                | 129.8%              | 146.8%             | 99,969,328                | 9,478,453            | 80,352,958             | 9.5%                | 80.4%                | 89.9%               | -                   | -                   | -                   | -                   | -                   |
| Health | 7,655,419                | 2,099,340            | 200,000              | 27.4%                | 2.6%                | 30.0%             | 12,170,899                | 6,912,648            | -                    | 0.0%                | 27.0%                | 33.7%               | -                   | -                   | -                   | -                   | -                   |
| Protection/Human Rights/Rule of Law | 578,690                | 178,690              | -                    | 30.9%                | 0.0%                | 30.9%             | 7,723,681                | 1,003,487            | 4,178,976             | 13.0%                | 54.1%                | 67.1%               | -                   | -                   | -                   | -                   | -                   |
| Sector Not Yet Specified | -                   | -                   | 717,312              | -                    | -                   | -                 | 23,544,473                | 5,210,283            | 2,013,110             | 22.1%                | 38.3%                | 60.4%               | -                   | -                   | -                   | -                   | -                   |
| Shelter and Non-Food Items | 6,000,000                | -                   | -                    | 0.0%                | 0.0%                | 0.0%               | 10,398,890                | 1,278,990            | 3,641,047             | 12.3%                | 35.0%                | 47.3%               | -                   | -                   | -                   | -                   | -                   |
| Water and Sanitation | 6,623,874                | 1,623,874            | -                    | 24.5%                | 0.0%                | 24.5%             | 11,930,790                | 1,749,000            | -                    | 0.0%                | 26.0%                | 26.0%               | -                   | -                   | -                   | -                   | -                   |
Table 3 below shows CERF funding to UNICEF Kenya in the context of other donor funding in 2009. This highlights the fact the CERF funding arrived much earlier in the year than funding from other donors.

<table>
<thead>
<tr>
<th>Donor Name</th>
<th>Date Grant Received</th>
<th>Total Contribution (US $)</th>
<th>Nutrition</th>
<th>wash</th>
<th>health</th>
<th>child protection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CERF - RR Refugee nutrition</strong></td>
<td>16-Jan</td>
<td>470,800</td>
<td>470,800</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA (USAID) OFDA</td>
<td>14 March</td>
<td>307,300</td>
<td>307,300</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Commission/ECHO</td>
<td>30 May</td>
<td>1,125,176</td>
<td>1,125,176</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CERF - RR cholera</strong></td>
<td>21-May</td>
<td>486,850</td>
<td>433,350</td>
<td>53,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CERF - RR nutrition</strong></td>
<td>21-May</td>
<td>1,011,150</td>
<td>1,011,150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA (USAID) OFDA</td>
<td>09-Jun</td>
<td>1,207,250</td>
<td>1,207,250</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SIDA - Sweden</td>
<td>14 Jul</td>
<td>537,640</td>
<td>360,218</td>
<td>177,422</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td>17 Aug</td>
<td>351,123</td>
<td>351,123</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CERF - Underfunded cholera</strong></td>
<td>19 Sept</td>
<td>293,548</td>
<td>293,548</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CERF - underfunded WASH</strong></td>
<td>19 Sept</td>
<td>895,537</td>
<td>895,537</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CERF - underfunded nutrition</strong></td>
<td>19 Sept</td>
<td>1,300,000</td>
<td>1,300,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA (USAID) OFDA</td>
<td>26 Sept</td>
<td>649,547</td>
<td>649,547</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Commission/ECHO</td>
<td>7 Oct</td>
<td>581,396</td>
<td>581,396</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SIDA - Sweden</td>
<td>31 Oct</td>
<td>1,423,900</td>
<td>1,423,900</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The United Kingdom</td>
<td>19 Nov</td>
<td>6,633,480</td>
<td>3,316,740</td>
<td>1,658,370</td>
<td>1,658,370</td>
<td></td>
</tr>
</tbody>
</table>
Table 4: CERF Funding to UNHCR’s Kenya Programme as Share of Funding Received

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$21,355,702</td>
<td>$22,505,894</td>
<td>$35,775,082</td>
<td>$57,239,005</td>
<td>$136,875,683</td>
</tr>
<tr>
<td>CERF Funding</td>
<td>$5,605,779</td>
<td>$1,402,235</td>
<td>$7,751,914</td>
<td>$2,835,144</td>
<td>$17,595,073</td>
</tr>
<tr>
<td>% Share</td>
<td>17.8%</td>
<td>14.3%</td>
<td>14.7%</td>
<td>9.3%</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

As demonstrated by table 1, UNHCR is the second largest recipient of CERF funding in Kenya. Table 4 above shows CERF funding to UNHCR’s Kenya programme as a proportion of total funding received. At the beginning of each year, the High Commissioner allocates a budget to each country programme, based on funds pledged and expected to arrive in the year. This budget is usually not fully funded at the start of the year and CERF contributions to a country programme help to fill this gap.

IOM

Figure 2 below shows how CERF funding to IOM enabled the organisation to leverage funding from other donors and considerably expand its humanitarian response. A CERF Rapid Response grant for protection to post-election violence victims in January 2008 had four components, including psycho-social support (PSS). The Norwegian government then gave IOM $500,000 to expand its psycho-social services from 4 counsellors to 50 for a 6 month period. The Norwegian government was unable to fund a continuation of this programme but the Japanese government stepped in and provided funding in 2009 for support not just to victims of post-election violence but also to address food insecurity (caused by displacement and high food prices). This funding enabled IOM to expand its geographical coverage from North Rift Valley to all of Northern Kenya and to add livelihoods (LLH) and counter-trafficking (CT) activities.

A CERF Rapid Response grant of $500,079 for shelter, paid in September 2008, enabled IOM to build 700 shelters. The Japanese government then provided $6.3 million to enable IOM to build a further 8,473 shelters as well as undertake livelihoods and peace-building activities. For 2010-2011, the Ministry of State for Special Programmes requested an additional 19,000 shelters. The African Development Bank has given IOM $4 million to build 6,700 shelters while GOAL and the Danish Refugee Council will build the remaining 12,300.
Section 2.2 NGO Perspectives on Value Added of CERF Funding

NGOs have used CERF money to establish programmes in new areas of humanitarian need, which then enabled them to access additional funding. For example, one of the NGOs interviewed established a 6-month nutrition programme in Kajiado, which was deemed to be a priority as there was no emergency nutrition programme running at the time. It then obtained funding from OFDA to continue and expand its work from 6 to 15 sites. Another NGO that started a nutrition programme in West Pokot with CERF funding argued that, without this funding, malnutrition fatalities in the district would have been considerably higher.
CERF money may also be useful to enable NGOs to fill funding gaps. One NGO described how the Nutrition Technical Forum came to decide which partners should be allocated funds from the 2010 UFE application to the CERF. First, Forum members decided which districts were above emergency thresholds and most critically in need. They identified 4 such districts. Then the Forum examined the funding levels of each of the partners in a district and when they would be forced to close their programme if they did not receive additional funding. One NGO would have had to close an important programme by April so Forum members decided that it should receive CERF funding.

**UN agency agreements with implementing organisations**

UNICEF has a Partnership Cooperation Agreement (PCA) which it begins negotiating as soon as it is notified that it has received a CERF grant. Proposals go through a review process before the PCA is drawn up. UNICEF pointed to two reasons why it does not put PCAs in place as soon as it applies for CERF funding. One is that the level of CERF funding is unpredictable because the Secretariat does not always approve the amount requested (particularly in the case of Rapid Response applications). So, the agency does not know how much money it will receive till the grant is approved and the LOU signed. The second reason is that the same staff member is responsible both for CERF proposals and for negotiating PCAs so s/he simply doesn’t have the time to do the tasks simultaneously. Although UFE grants are more predictable (because the money available is clear from the beginning), due to the longer implementation period, UNICEF can focus more on the quality of NGO project proposals. This can lead to a back and forth process with the NGOs and delay the transfer of funds to them.

FAO asks NGOs to submit concept notes when it is applying for a CERF grant so that it can include their activities and costs in the budget. Once it receives the funding, NGOs submit full proposals. FAO’s technical unit vets the proposals and this process can take some time though FAO has signed agreements within a couple of weeks in some cases (see timeline for grant 09-FAO-021 in section 3.2 below).

**Funding limits on NGO programmes**

One NGO interviewee pointed out that when a UN agency can only provide $100,000 in funding, even if a programme realistically costs $200,000, it is left to the NGO to decide whether to halve the timeframe for the programme or the inputs. This makes a mockery of considerations of outcome and impact.

To overcome the limitations of derogated authority at field level, FAO and WHO undertake procurement for implementing organisations and cover some other costs directly. This can cause delays, particularly if the UN agency has to source internationally because its rules preclude local purchase. These procurement rules can cause more serious problems as well. For example, FAO may have to purchase veterinary drugs from pharmacies in Nairobi when NGOs are supporting the establishment of rural veterinary pharmacies. This undermines and may even destroy the rural pharmacies.

**Limitations on indirect support costs (ISC)**

Table 5 below summarises the policies of 5 participating UN agencies on the indirect support costs that implementing NGOs are allowed to charge. IOM has stated that, in Kenya, it does not implement CERF grants through NGOs so the review did not cover its policies for implementers.
### Table 5: Summary of UN Agency Policies on Indirect Support Costs for Implementing NGOs

<table>
<thead>
<tr>
<th>Agency</th>
<th>Policy</th>
<th>Examples/Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FAO</strong></td>
<td>NGOs are only allowed to charge direct support costs, for which they have to provide receipts.</td>
<td>If an NGO wants to claim costs for its headquarters, even for technical support, it has to provide staff timesheets as evidence of time spent on FAO project.</td>
</tr>
<tr>
<td><strong>UNHCR</strong></td>
<td>UNHCR financial guidelines state that it can pay 7% overhead costs to international NGOs but only if the procurement component within their budget is less than 30% of the total budget. The 7% is payable to international NGO headquarters in recognition of the support they provide to the local office. Local NGOs do not receive the 7% overhead costs but UNHCR covers direct support costs (against verifiable expenses). UNHCR may also contribute towards the salaries of permanent staff members and purchase consumables, such as stationery, to support the national office.</td>
<td>An international NGO partner explained that it undertakes a lot of procurement so the ISC that it is able to charge on the rest of its budget makes it difficult to cover its costs fully. UNHCR Kenya argued, however, that some INGOs charge more than 7% in ISC. In the case of local NGOs, UNHCR has made an exception and paid ISC in at least one case.</td>
</tr>
<tr>
<td><strong>UNICEF</strong></td>
<td>As of January 2010, NGOs can include indirect costs of 7% in all PCAs. Before this, UNICEF negotiated the rate with NGOs individually and tried to persuade them to include indirect costs, to the extent possible, as direct programme costs.</td>
<td>One NGO said that it had not claimed indirect support costs on a CERF-financed project in 2009 because the budget was very small and had to cover a lot of activities. Another NGO partner received 3% for ISC for a PCA signed in Jan 2010.</td>
</tr>
<tr>
<td><strong>WFP</strong></td>
<td>WFP pays NGOs for food distribution on the basis of the agreed rate per metric ton, as per the signed field-level agreement and corresponding budget. Some fixed partner costs are not linked to this rate but discussed separately and included in the budget.</td>
<td></td>
</tr>
<tr>
<td><strong>WHO</strong></td>
<td>NGOs are allowed to charge ISC in Agreement of Performance of Work (APW) contract. The rate depends on the NGO but is usually 5-7%.</td>
<td></td>
</tr>
</tbody>
</table>

### Section 3.1  
**Timeliness of the CERF Secretariat**

#### Table 6: Number of Working Days to Approve CERF Grants for Kenya and Disburse Funds in 2009

<table>
<thead>
<tr>
<th>Project number</th>
<th>Window</th>
<th>Final submission</th>
<th>USG Approval</th>
<th>LoU Signed</th>
<th>Funds Disbursed</th>
<th>Final Submission to USG Approval</th>
<th>USG Approval to LoU Signed</th>
<th>LoU Signed to Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>09-WHO-026</td>
<td>RR</td>
<td>06-May-09</td>
<td>12-May-09</td>
<td>26-May-09</td>
<td>01-Jun-09</td>
<td>4</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>09-WHO-027</td>
<td>RR</td>
<td>11-May-09</td>
<td>12-May-09</td>
<td>26-May-09</td>
<td>01-Jun-09</td>
<td>1</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>09-IOM-015</td>
<td>RR</td>
<td>06-May-09</td>
<td>12-May-09</td>
<td>20-May-09</td>
<td>27-May-09</td>
<td>4</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>09-WFP-031</td>
<td>RR</td>
<td>06-May-09</td>
<td>12-May-09</td>
<td>20-May-09</td>
<td>27-May-09</td>
<td>4</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>09-CEF-029-A</td>
<td>RR</td>
<td>06-May-09</td>
<td>12-May-09</td>
<td>15-May-09</td>
<td>22-May-09</td>
<td>4</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>09-CEF-029-B</td>
<td>RR</td>
<td>06-May-09</td>
<td>12-May-09</td>
<td>15-May-09</td>
<td>22-May-09</td>
<td>4</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>09-HCR-019</td>
<td>RR</td>
<td>07-May-09</td>
<td>12-May-09</td>
<td>22-May-09</td>
<td>01-Jun-09</td>
<td>3</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>09-HCR-023</td>
<td>RR</td>
<td>18-Jun-09</td>
<td>22-Jun-09</td>
<td>24-Jun-09</td>
<td>16-Jul-09</td>
<td>2</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>09-IOM-018</td>
<td>RR</td>
<td>18-Jun-09</td>
<td>22-Jun-09</td>
<td>29-Jun-09</td>
<td>06-Jul-09</td>
<td>2</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>09-CEF-038-A</td>
<td>UFE</td>
<td>25-Aug-09</td>
<td>16-Sep-09</td>
<td>17-Sep-09</td>
<td>25-Sep-09</td>
<td>16</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>09-CEF-038-B</td>
<td>UFE</td>
<td>25-Aug-09</td>
<td>16-Sep-09</td>
<td>17-Sep-09</td>
<td>25-Sep-09</td>
<td>16</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>
Umbrella Letter of Understanding (LOU)

The umbrella LOU will come into effect once the next Secretary-General’s Bulletin (SGB) is signed. The Secretary General’s Bulletin of 10 October 2006 on the “Establishment and operation of the Central Emergency Response Fund” (ST/SGB/2006/10) laid the foundation for the operation of the CERF. It is now being revised to reflect changes in the CERF’s operation (e.g., on the timeframe for implementing Rapid Response grants – see section 3.2 of main report) and to include guidance, e.g., on the prioritisation process. The Secretariat expects it to be signed in the next few weeks.

The CERF Secretariat spent considerable time on consultations with organisations eligible to receive CERF grants and looking at various examples of umbrella LOUs to ensure that the LOU would suit the internal requirements of all CERF recipients. All the organisations have accepted the umbrella LOU, except for UNDP, which continues to use a project-based LOU for CERF grants. The Controller’s Office has said that this is not acceptable so the CERF Secretariat is in discussions with UNDP to resolve the issue.
Section 3.2  Timeliness of Implementation

This section shows timelines for 1-2 randomly selected projects per participating organisation. Where necessary, it provides explanatory notes, based on information from the organisation. To make a clear distinction between Rapid Response and Under-Funded Emergency grants (which have different implementation timeframes), the former are coloured in red and the latter in blue.

GRANT: 09-FAO-021 (UFE)

Proposal submitted: 11 Aug 09
Final proposal: 25 Aug 09
CO notified of grant approval: 5 Oct 09
Funds received in-country & implementation starts: 21 Oct 09

USG Approval: 16 Sept 09
LOU signed: 2 Oct 09
Funds disbursed: 8 Oct 09
Agreements signed with partners:
VSF-B: 21 Oct
Oxfam & CODES: 22 Oct
Catholic Diocese of Embu, CED Mwingi & ActionAid: 26 Oct
ACTED: 10 Nov
VET WORKS: 22 Nov
VSF Suisse: 5 Feb 2010
Tufts: 8 Feb 2010
KLIFT/GoK: 12 Feb 2010
Funds to partners:
CODES: 27 Oct & 8 Feb
CD of Embu, CED Mwingi & ActionAid: 28 Oct & 10/23 Dec
VSF-B: 1 Nov & 21 Dec
VET WORKS: 2 Nov & 21 Dec
Oxfam: 12 Nov
ACTED: 15 Jan & 4 Mar 2010
VSF Suisse: 10 Feb 2010
KLIFT/GoK: 25 Feb 2010
Tufts: 26 Feb
Implementation due to complete: 30 June 2010

This timeline shows that FAO signed agreements with all the organisations listed in its project proposal, except for the Catholic Diocese of Kitui and KVAPS (a government body). It pays implementing organizations in 3 instalments so where the ‘Funds to Partners’ box shows more than one date, this is because FAO has paid two instalments. FAO normally pays 30% upon signature of a grant agreement and 50% upon the submission
of the first progress report. However, in the case of ACTED, ActionAid, the Catholic Diocese of Embu and CED Mwingi, FAO paid 60% in the first instalment and a further 30% in the second instalment. In ACTED’s case, there was a time-lag between signing the agreement and paying the first instalment because, by the time the agreement was signed, it was too late to implement the project in time for the Short Rains. ACTED and FAO agreed that the project would be implemented in time for the Long Rains so FAO waited to disburse the first instalment.

**GRANT: 08-IOM-017 (RR)**

- Proposal submitted: 27 June 08
- Final proposal: 25 July 08
- CO notified of grant approval: 4 Aug 08
- Implementation begins: 1 Sept 08
- Funds disbursed: 4 Sept 08
- LOU signed: 29 Aug 08
- Funds received in-country: 5 Sept 08
- Implementation complete: 8 Dec 08

**GRANT: 09-IOM-018 (RR)**

- Proposal submitted: 10 June 09
- Final proposal: 18 June 09
- CO notified of grant approval: 19 June 09
- Implementation begins: 23 July 09
- Funds disbursed: 6 July 09
- Implementation complete: 10 Oct 09
The timeline above shows that IOM requested a No-Cost Extension for the project on 17th September, when it was supposed to finish implementing by 6th October (using a strict interpretation of the Rapid Response grant rule). This is an example of good practice as agencies sometimes request NCEs after the deadline for completing implementation has passed. IOM was anticipating a delay. IOM and UNHCR had initially planned the final transfer of refugees from Dadaab camp to Kakuma on 28th September (arriving three days later, on 31st September, within the 3 month deadline). However, UNHCR headquarters delayed the implementation of the programme to allow UNHCR to continue to work on its political strategy of acquiring land from the Government of Kenya for a fourth camp in the Dadaab area. This meant that IOM had to wait for UNHCR to identify beneficiaries and was unable to begin the medical screening process. UNHCR Dadaab was given an official go ahead to start the transfer of refugees on 8 August, 2009, whereupon IOM and UNHCR started implementation and IOM was able to complete implementation by 10th October.

**GRANT 09-HCR-019 (RR)**

UNHCR stated 31st December as the completion date for this grant and 09-HCR-023 in its agreements with partners (signed on the same dates for both grants with funds for both grants disbursed on the same dates). But, for this grant (involving shelter construction), all the partners requested an extension of the liquidation period from January 31, 2010 to March 31, 2010.
GRANT 09-HCR-023 (RR)

This grant is linked to grant 09-IOM-018 above, for the transportation of refugees from Dadaab to Kakuma. One NGO was supposed to provide temporary shelter within 3 months. Although it was able to provide tents in this timeframe, it needed an additional 3 months to complete building longer-term structures. This is why the timeline shows the completion date for the project as 31\textsuperscript{st} March 2010 rather than 31\textsuperscript{st} December 2009, which was the date that UNHCR provided.

UNHCR signs annual agreements with implementing partners and CERF funding contributes to financing these agreements. However, if UNHCR receives funding for new activities that are not included in these existing programmes, it needs to sign supplementary agreements. This explains why UNHCR signed agreements with partners for both the RR grants outlined above. The government also signs the agreements. For both grants 09-HCR-019 and 09-HCR-023, the government signed the NGO agreements on the following dates:

<table>
<thead>
<tr>
<th>NGO</th>
<th>Govt Signature</th>
<th>NGO</th>
<th>Govt Signature</th>
<th>NGO</th>
<th>Govt Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCCK</td>
<td>18 Aug 09</td>
<td>IRC</td>
<td>19 Aug 09</td>
<td>LWF</td>
<td>1 Sept 09</td>
</tr>
<tr>
<td>GTZ</td>
<td>12 Oct 09</td>
<td>NRC</td>
<td>Date not available</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 6 above outlined UNHCR’s policy on indirect support costs for NGO implementers. The table below shows the amounts of CERF funding paid to NGOs as part of CERF grants 09-HRC-019 and 09-HCR-023. This shows that, although the budget for grant 09-HCR-019 listed S75,384 as a line item for ‘NGO Overhead Costs’, none of the NGOs funded under this grant or 09-HCR-023 received overhead costs. According to UNHCR, this is “because the funding was not much and we wanted it to achieve the maximum impact possible”.

<table>
<thead>
<tr>
<th>NGO Name</th>
<th>Budget (KES)</th>
<th>Budget (USD)</th>
<th>Overhead Costs</th>
<th>CERF - 09-HCR-019</th>
<th>CERF Overhead Cost</th>
<th>Total CERF</th>
<th>CERF - 09-HCR-023</th>
<th>CERF Overhead Cost</th>
<th>Total CERF</th>
</tr>
</thead>
<tbody>
<tr>
<td>LWF</td>
<td>3,417,516</td>
<td>158,972</td>
<td>158,972</td>
<td>441,455</td>
<td>-</td>
<td>317,748</td>
<td>-</td>
<td>317,748</td>
<td></td>
</tr>
<tr>
<td>NRC</td>
<td>1,773,623</td>
<td>335,518</td>
<td>73,818</td>
<td>260,337</td>
<td>-</td>
<td>260,337</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>NCCK</td>
<td>2,902,133</td>
<td>-</td>
<td>-</td>
<td>358,218</td>
<td>-</td>
<td>365,000</td>
<td>-</td>
<td>365,000</td>
<td></td>
</tr>
<tr>
<td>IRC</td>
<td>1,962,711</td>
<td>102,330</td>
<td>102,330</td>
<td>-</td>
<td>92,200</td>
<td>265,100</td>
<td>-</td>
<td>265,100</td>
<td></td>
</tr>
<tr>
<td>GTZ</td>
<td>2,057,089</td>
<td>550,071</td>
<td>249,664</td>
<td>-</td>
<td>80,661</td>
<td>540,519</td>
<td>-</td>
<td>540,519</td>
<td></td>
</tr>
<tr>
<td>UNHCR</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>80,661</td>
<td>80,661</td>
<td>109,715</td>
<td>-</td>
<td>109,715</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>12,113,071</td>
<td>1,146,891</td>
<td>584,784</td>
<td>1,060,010</td>
<td>172,861</td>
<td>1,232,871</td>
<td>1,567,367</td>
<td>109,715</td>
<td>1,677,082</td>
</tr>
</tbody>
</table>

**PROJECT 09-CEF-029B (RR)**

- **USG approval:** 12 May
- **LOU signed by ERC:** 15 May
- **Funds disbursed:** 22 May 09
- **Proposal submitted:** 22 April 09
- **Final proposal:** 6 May 09
- **CO notified of grant approval:** 15 May 09
- **Funds recd in-country:** 20 May
- **Implementat ion began:** Not available
- **Agreements signed:** See table below
- **Funds to partners:** See table below
- **Implementation complete:** Dec 09-Jan 10
UNICEF’s budget for this project named the implementing NGOs and districts that they would cover, with a budget of $65,000 per district. The table below shows the proposed NGOs and districts together with the actual implementation by NGO and district.

### Table 8: Proposed and actual implementation for UNICEF project 09-CEF-029B

<table>
<thead>
<tr>
<th>Proposed NGOs and districts</th>
<th>Actual NGOs and districts</th>
<th>Amount Paid</th>
<th>PCA Signed</th>
<th>1st instalment</th>
<th>2nd instalment</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACF - Kitui, Mwingi, Mandera</td>
<td>ACF - Kitui, Mwingi,</td>
<td>$131,599.18</td>
<td>15 June</td>
<td>$39,192.11 on 1 July</td>
<td>$92,407.07 on 13 Aug</td>
</tr>
<tr>
<td>Concern World or Mercy USA - Kajiado</td>
<td>Mercy USA - Kajiado</td>
<td>$64,162.51</td>
<td>1 July</td>
<td>$3,242.46 on 10 Aug (reimbursement)</td>
<td>$60,287.94 on 11 Aug</td>
</tr>
<tr>
<td>Food for the Hungry-Kenya - Marsabit</td>
<td>Food for the Hungry-Kenya - Marsabit</td>
<td>$68,101.04</td>
<td>26 June</td>
<td>$6,624.50 on 31st July (reimbursement)</td>
<td>$61,476.54</td>
</tr>
<tr>
<td>MSF - Isiolo</td>
<td>Merlin - Turkana</td>
<td>50,285.29</td>
<td>15 July</td>
<td>$50,285.29 on 31st July</td>
<td></td>
</tr>
<tr>
<td>Samaritan Purse or IMC - Pokot</td>
<td>Samaritan Purse – West Pokot</td>
<td>$66,442.69</td>
<td>15 June</td>
<td>$10,528.85 on 1 July (reimbursement)</td>
<td>$55,913.84 on 14 Aug</td>
</tr>
<tr>
<td>CCF - Kilifi</td>
<td>Family Health International - Kilifi</td>
<td>$62,822.22</td>
<td>5 June</td>
<td>$62,822.22 – 14th Aug’09 (delay in transfer due to delay in FHI HQ signing PCA))</td>
<td></td>
</tr>
</tbody>
</table>

This review consulted two of the NGOs listed above, both of which required no-cost extensions of one month to complete implementation. In one case, this was because the Ministry of Health’s training schedule delayed the start of implementation at some of its sites. In the other case, the programme start was delayed because the CERF grant only covered 40% of programme costs and the NGO had to raise the remaining 60%.

**PROJECT 09-CEF-038C (UFE)**

- Proposal submitted: 11 Aug 09
- Final proposal: 26 Aug 09
- CO notified of grant approval: 16 Sept 09
- Funds recd in-country: 18 Sept
- Implementation began: 1 Oct 09
- Funds to partners: See table below
- Implementati on complete: Due by 30th June 2010 but will be 13 Aug 2010
UNICEF’s project proposal lists Oxfam, Islamic Relief, COOPI, Food for the Hungry, German Agro Action (GAA) and WASDA as implementing partners with a total of $600,000 to be channelled through these NGOs. One of the NGOs felt that the choice of partners was based simply on attendance at the WESCOORD meeting at which CERF funding was discussed and money was to be divided equally, regardless of capacity. However, according to UNICEF data, it signed agreements as listed in the table below. Most of the NGOs are paid in 2 instalments but the NOSIM Women’s Group will be paid in 3 instalments while Islamic Relief was paid in one instalment (since it had a 3month project).

Table 9: UNICEF Funding to NGOs from CERF Grant 09-CEF-038C

<table>
<thead>
<tr>
<th>NGO</th>
<th>PCA Length</th>
<th>Grant Amount</th>
<th>1st Instalment</th>
<th>2nd Instalment</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOSIM Women’s Group</td>
<td>19 Dec 2009 – 19 May 2010</td>
<td>$85,709.96/ Ksh 6,428,247</td>
<td>Ksh 2,064,480 on 19 Dec 2009</td>
<td>Ksh 3469377.50 on 5 Feb 2010. 3rd instalment of Ksh 894,389.50 due 5 April 2010</td>
</tr>
<tr>
<td>Islamic Relief</td>
<td>5 February – 5 April 2010</td>
<td>$87,392.72/ Ksh 6,729,240</td>
<td>Total Kshs 6,729,240.70 paid on 5 Feb 2010</td>
<td></td>
</tr>
<tr>
<td>Oxfam</td>
<td>16th Feb – 16th August 2010</td>
<td>$136,992.87/ Ksh 10,548,451</td>
<td>Ksh 6,000,000 on 16 Feb 2010</td>
<td>Ksh 4,548,451 due on 16 May 2010</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$495,280.65/ Ksh 37,974,293</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WFP does not sign separate agreements with implementers for CERF grants. However, its records show that it distributed the maize purchased with this CERF grant through the following organisations: ActionAid, a Consortium of Cooperating Partners, Diocese of Kitui, Diocese of Meru, Kenya Red Cross Society, Neighbours Initiative Alliance, Oxfam and World Vision.

**GRANT: 09-WHO-026 (RR)**

- Proposal submitted: 22 Apr 09
- Final proposal: 6 May 09
- CO notified of grant approval: 12 May
- Funds received in-country: 29 May 09
- Implementation began: 29 May 09
- Funds disbursed: 1 June 09
- USG approval: 12 May
- LOU signed: 26 May
- Implementation complete: Not provided

**GRANT: 09-WHO-038 (UFE)**

- Proposal submitted: 11 Aug 09
- Final proposal: 28 Aug 09
- CO notified of grant approval: 17 Sept 09
- Funds available: 13 Oct
- Implementation began: Not provided
- Agreement: Not signed as of 22 March
- Funds to partner: Not done at time of study
- Implementation complete: Due on 30 June 2010
- USG approval: 17 Sept
- LOU signed: 28 Sept
- Funds disbursed: 6 Oct 09
WHO’s proposal for this grant listed MERLIN as an implementing organisation (due to receive a grant of $100,000). However, MERLIN was unable to implement the project due to internal issues, including a lack of timely complementary funding. Therefore, WHO strengthened district health teams to respond and was negotiating an agreement with World Vision, which moved to the area to access the funds.

**No-Cost Extensions (NCEs)**

Table 10 below provides a summary of the no-costs extensions requested by agencies in Kenya. Unsurprisingly, they were all for Rapid Response grants.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Grant No.</th>
<th>Title</th>
<th>Amount</th>
<th>Request Date</th>
<th>Date/Duration of Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>WFP</td>
<td>06-WFP-288</td>
<td>Refugee and Emergency operation</td>
<td>3,276,656</td>
<td>20.03.07</td>
<td>1 month until 31.03.07</td>
</tr>
<tr>
<td>FAO</td>
<td>07-FAO-002</td>
<td>Control of Rift Valley Fever in Kenya</td>
<td>1,187,246</td>
<td>01.04.07</td>
<td>1 month until 17.05.07</td>
</tr>
<tr>
<td>IOM</td>
<td>08-IOM-002-A</td>
<td>Emergency Logistical Support for the Displaced Persons in Rift Valley, Western Kenya and other parts for Kenya</td>
<td>443,868</td>
<td>6.04.08</td>
<td>2 months until 30.06.08</td>
</tr>
<tr>
<td>IOM</td>
<td>08-IOM-002-B</td>
<td>Emergency Camp Management Support for the Displaced Persons in the Show Grounds in Eldoret Kenya</td>
<td>218,582</td>
<td>6.04.08</td>
<td>2 months until 30.06.08</td>
</tr>
<tr>
<td>FAO</td>
<td>08-FAO-028</td>
<td>Emergency agricultural support to alleviate the impact of soaring food prices on the most affected vulnerable rural, peri-urban and pastoralist populations of Kenya</td>
<td>3,185,925</td>
<td>10.12.08</td>
<td>2 months until 28.02.09</td>
</tr>
<tr>
<td>UNFPA</td>
<td>08-FPA-026</td>
<td>Ensuring Gender Based Violence Prevention and Response in transit sites and areas of return</td>
<td>128,400</td>
<td>10.12.08</td>
<td>3 months until 20.02.09</td>
</tr>
<tr>
<td>IOM</td>
<td>09-IOM-018</td>
<td>Humanitarian Assistance to Refugees in Kenya</td>
<td>2,609,156</td>
<td>17.09.09</td>
<td>2 months until 05.12.09</td>
</tr>
</tbody>
</table>
Section 4  2010 CERF Allocation Process in Kenya

Figure 3: Steps for the Prioritisation of the January 2010 UFE Allocation to Kenya

Section 5: CERF Reporting Requirements

Narrative Reporting

When the CERF Secretariat received narrative reports on funding provided in 2006 (which it did from most countries), they were in a number of different formats so the Secretariat has focused on standardising the reporting format. As a result, the quality of reports submitted and their timeliness has improved (last year, of the 55 reports due for funding in 2008, the Secretariat received 22 - i.e. 44% - on time). Nevertheless, the CERF Advisory Group has told the CERF Secretariat periodically that reporting has to improve, both in quality and timeliness. In 2009, the Advisory Group asked the Secretariat to focus on the CERF’s added value. As a result, the CERF Secretariat has cut back on reporting requirements, e.g., on the ways in which CERF was contributing to other elements of humanitarian reform. Recipients now have to provide up to 3 pages on the CERF’s added value (i.e., what the agencies were able to do with CERF funding that they would not have been able to do otherwise) and complete a matrix on outputs and funding spent against the objectives and plan in the proposal.

The Advisory Group’s emphasis on reporting has strengthened the ERC’s position and he has informed HCs that if they do not provide narrative reports, their countries will not be considered for CERF funding in future and the reporting failure will also be reflected in their performance review. However, HCs do not have the power to ensure UN agencies provide adequate and timely reporting on their activities so
they, with support from OCHA, can only repeat the ERC’s warning about the impact on future funding and try to cajole the agencies to provide their inputs into the annual report.

**Financial Reporting**

When the CERF was established, the format for financial reports was based on the format that the Controller’s office used to report to Member States. This was different to what the agencies used, especially as they pooled CERF funding with other donor contributions. This meant that they had to extract data manually or estimate what expenditure could be attributed to the CERF. It also meant that agencies did not always provide financial reports. Over the last 4 years, systems have been automated the agencies have improved their rate of reporting but the Secretariat still does not get 100% financial reporting.

The Secretariat raised the agency concerns with the Controller’s office and was able to get the reporting format changed to reflect agency systems better. The Controller’s office can then convert this into the format it needs to provide to Member States. Unlike narrative reporting on CERF grants, it is the agency headquarters that provide financial reporting. This is done on an annual basis.

**Lessons Learned Sections of Narrative Reports**

The following are examples from UN agency reports on CERF funding to the RC/HC and show the different types of lessons learned that they may highlight.

<table>
<thead>
<tr>
<th>Lesson learned</th>
<th>Suggestion for follow-up/improvement</th>
<th>Responsible Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through the rapid response mechanism time is short for a thorough and consolidated sector-wide prioritization exercise. Therefore emphasis needs to be placed on strengthening ongoing information management systems at the emergency sector/cluster level. Often information focuses on currently levels of service and coverage and not on critical resource gaps which should be integrated into emergency sector/cluster information management systems.</td>
<td>Integration of critical resource gaps into information management systems at emergency sector/cluster level so that the overall picture of critical funding gaps in the sector are clear at all times. To capitalize on the underfunded window, a more comprehensive survey of funding status could be carried out at midyear.</td>
<td>UNICEF/ MOH</td>
</tr>
<tr>
<td>Overall coordination of the cholera response has been challenging throughout the year with the Government of Kenya lacking a specific national coordinating mechanism (National Cholera Task Force) to address critical issues such as information management (between the national and sub-national level and between the Government and partners and including WWWs), combined analysis of emergency stocks pre-positioned by Government and partners, inventory of capacity building undertaken/planned, and resource needed for response.</td>
<td>Development of an overall IASC strategy for support to GoK cholera response is a welcome step. Delivery and implementation of this strategy should be closely monitored. Advocacy with Government of Kenya to establish a National Cholera Task force and strengthened information management systems as recommended in WHO’s guidelines on cholera preparedness and response should be an IASC Kenya priority advocacy issue for 2010.</td>
<td>WHO, UNICEF, Kenya IASC</td>
</tr>
<tr>
<td>CERF guidance and proposal have made efforts to track the level of financial support provided to NGOs through CERF funding. The same has not been employed for funds provided to Government</td>
<td>In the Kenyan context where the Government leads emergency coordination structures, has some contingency planning systems, and has some implementation capacity (which varies from sector to sector), presumably implementation through Government is CERF Secretariat to include funds transfer to Government as line item in proposals</td>
<td></td>
</tr>
</tbody>
</table>
also a modality that should be highlighted in tracked through guidance and proposal development mechanism and end of year reporting

| Sector leads sometimes too lenient in accepting proposals, amounting to too high overall sectoral request for funding | Sector leads must assume the responsibility of vetting/prioritising partner proposals to facilitate subsequent CERF negotiations | Sector leads |

Section 5.1 UN Agency Monitoring and Evaluation (M&E) Procedures

Table 11 below provides a brief overview of the M&E procedures of UN agencies and IOM in Kenya.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Monitoring &amp; Evaluation Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAO</td>
<td>FAO builds the cost of monitoring and evaluation for CERF projects into its budgets. So, for round I of the UFE allocation for 2010, the Secretariat has request FAO to share its evaluation report.</td>
</tr>
<tr>
<td>IOM</td>
<td>Has a policy &amp; evaluation dept &amp; conducts both internal &amp; external evaluations. Not evaluated CERF projects in Kenya externally because of demands of responding to humanitarian crises. Have a monitoring officer to check project implementation in the field. This feeds back to the management process.</td>
</tr>
<tr>
<td>UNHCR</td>
<td>Planning documents outline details of the evaluations that a country office will undertake. UNHCR conducts annual reviews in June-July. With implementing NGOs, it verifies both finances (through audits) and physical activities at sites (through regular monitoring by field officers). If work is not undertaken properly, UNHCR can ask for a refund or ask the NGO to redo the work. This is not reflected in reports on CERF funding as UNHCR addresses any problems directly.</td>
</tr>
<tr>
<td>UNICEF</td>
<td>One of two CERF recipient agencies to have a formal accountability framework though this is being revised to reflect UNICEF’s revised Core Commitments to Children (CCC) and the results framework established within them. The Executive Director’s Annual Report to the Executive Board (due at the end of March) includes reporting on results from humanitarian activities but this is a small part of the report. The Thematic Humanitarian Report to donors (due at the end of April) is more systematic in drawing on reports from country offices using emergency funds but these reports are based on the monitoring system the country offices have in place. UNICEF has a performance monitoring system drawing on a range of complementary methodologies for different types of data collection, but its adaptation in humanitarian contexts has been difficult especially in terms of collecting data that serves performance management at country level and can be pulled together in an aggregate analysis of performance vis-à-vis the Core Commitments to Children in Humanitarian Action regionally and globally. As a result, UNICEF is working to strengthen the CCC monitoring system, piloting it in Haiti. This includes setting up a system (linked to Cluster performance indicators) to monitor the work of implementing partners. It also involves adding focus groups to monitoring visits to gather qualitative data from affected populations and act as a feedback mechanism. The UNICEF Kenya office is focusing more on M&amp;E in emergency settings because some sectors having identified weaknesses in systematic information collection and analysis. The office undertook an internal evaluation of its response to Post-Election Violence in 2008 as this was a major response.</td>
</tr>
<tr>
<td>WFP</td>
<td>Programmes are evaluated periodically so Kenya PRRO has a mid-term evaluation coming up. Also undertakes monthly Post-Distribution Monitoring (PDM).</td>
</tr>
<tr>
<td>WHO</td>
<td>WHO’s accountability procedures were not adapted to emergency situations so it has established a separate set of Standard Operating Procedures since 2004. It has undertaken</td>
</tr>
</tbody>
</table>
evaluations internally, with support from headquarters and regional office staff. It evaluated a CERF grant to support its response to Rift Valley Fever in 2006-07 (with the Ministry of Health) as this was an unusual response and it could identify lessons for future programming. However, it did not share this with the Secretariat simply because it was not asked to do so. It also evaluated its response to post-election violence as this was a major response.

Table 12 below summarises the reporting requirements that some UN agencies have for NGOs and the monitoring procedures that they use to oversee the work of implementing NGOs. It does not include IOM because, in Kenya, IOM has not implemented CERF grants through NGOs. It also does not include WFP’s reporting requirements because there was insufficient time to gather data.

<table>
<thead>
<tr>
<th>UN Agency</th>
<th>NGO Reporting Requirements and Monitoring procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAO</td>
<td>FAO pays NGOs their first tranche of funding when the project agreement is signed. NGOs then have to provide a short progress report for the second tranche (CERF projects usually involve 3 tranches) and then a final report. FAO undertakes regular monitoring visits to field sites though, until recently, it did not share its monitoring reports with NGOs. FAO builds the cost of monitoring activities into CERF applications. However, one NGO implementer pointed out that FAO finances a lot of NGOs with CERF money and has a very small team to monitor them. Two NGOs also expressed concern that FAO-financed projects are often short-term so there is no opportunity to examine outcomes and longer-term impact.</td>
</tr>
<tr>
<td>UNHCR</td>
<td>NGOs report on total funding from UNHCR, not separately on CERF grants. They provide fortnightly and monthly narrative reports (based on project management information). They also provide quarterly financial reports and mid-year and final narrative and financial reports. UNHCR undertakes an annual audit of NGOs it funds.</td>
</tr>
<tr>
<td>UNICEF</td>
<td>For nutrition programmes, NGOs provide monthly reports to the Ministry of Health as part of government monitoring. They also provide quarterly detailed progress reports to UNICEF and a final report at the end of the project. UNICEF undertakes regular monitoring visits to meet Ministry of Health representatives and implementers. It also examines programme activities, achievements against objectives and whether programme deliverables are within the budget and on time. UNICEF monitoring staff may make technical recommendations and suggest ways to improve programming, which NGOs have found useful.</td>
</tr>
<tr>
<td>WHO</td>
<td>In accordance with its Standard Operating Procedures, WHO monitors and verifies the work of implementing NGOs through field visits. Since it pays NGOs in 2-3 tranches, NGOs are expected to provide a report to receive the next tranche. The final 5-10% of funding is paid upon receipt of the final project report. WHO has found that it more challenging to obtain detailed financial reports than narrative reports from NGOs.</td>
</tr>
</tbody>
</table>

Section 7.2 CERF Funding to NGOs

General Assembly (GA) Resolution 46/182 of December 1991 led to the creation of the CERF as a revolving fund. Paragraph 25 stipulates that “Resources should be advanced operational organizations of the system”. This would rule out OCHA from receiving CERF loans because it is not an operational agency (the same Resolution led to the creation of DHA, OCHA’s predecessor).

Two years later, GA Resolution 48/57 of December 1993 extended the CERF to make IOM an eligible recipient. Paragraph 12 also made provision for “the Emergency Relief Coordinator and relevant operational agencies, under the leadership of the Coordinator, to draw from the interest earned by the Revolving Fund to enhance rapid response coordination where insufficient capacity exists at the field level” in exceptional circumstances (see below). Since OCHA is responsible for coordination, this meant - by implication – that it could use the interest earned by the CERF for coordination activities.
When Resolution 60/124 expanded the CERF to add the grant-making element, it stated, “The Fund will continue to operate in accordance with resolution 46/182 and the guiding principles contained in the annex thereto” (see paragraph 16 below). The Secretary General’s initial report on expanding the CERF first suggested explicitly that OCHA should not be able to receive CERF grants. Resolution 60/124 only reaffirmed the existing recipients of the CERF so the Secretary General’s Bulletin on the administrative arrangements for the grant element of the CERF defined organizations eligible to receive CERF funds. Paragraph 2.1 states:

The United Nations, its funds, programmes and specialized agencies, as well as the International Organization for Migration, shall be eligible to apply for funds. The Office for the Coordination of Humanitarian Affairs shall not be eligible for grants from the grant element of the Fund; however, the Office shall be eligible to obtain advances from the loan element.

Thus, the SGB turned what was implicit in CERF-related GA Resolutions into a clear rule on OCHA’s eligibility for CERF funds.

Relevant text from each of the three GA Resolutions is reproduced below for ease of reference.

**General Assembly Resolution 46/182.**

A/RES/46/182, 78th PLENARY MEETING, 19 DECEMBER 1991:

Strengthening of the coordination of humanitarian emergency assistance of the United Nations

(Available from: http://www.reliefweb.int/ocha_ol/about/resol/resol_e.html)

IV. STAND-BY CAPACITY (a) Contingency funding arrangements

21. Organizations and entities of the United Nations system should continue to respond to requests for emergency assistance within their respective mandates. Reserve and other contingency funding arrangements of these organizations and entities should be examined by their respective governing bodies to strengthen further their operational capacities for rapid and coordinated response to emergencies.

22. In addition, there is a need for a complementary central funding mechanism to ensure the provision of adequate resources for use in the initial phase of emergencies that require a system-wide response.

23. To that end, the Secretary-General should establish under his authority a central emergency revolving fund as a cash-flow mechanism to ensure the rapid and coordinated response of the organizations of the system.

24. This fund should be put into operation with an amount of 50 million United States dollars. The fund should be financed by voluntary contributions. Consultations among potential donors should be held to this end. To achieve this target, the Secretary-General should launch an appeal to potential donors and convene a meeting of those donors in the first quarter of 1992 to secure contributions to the fund on an assured, broad-based and additional basis.

25. Resources should be advanced to the operational organizations of the system on the understanding that they would reimburse the fund in the first instance from the voluntary contributions received in response to consolidated appeals.

26. The operation of the fund should be reviewed after two years.

**General Assembly Resolution 48/57: A/RES/48/57**

78th plenary meeting, 14 December 1993

Strengthening of the coordination of humanitarian emergency assistance of the United Nations

(Available from: http://www.reliefweb.int/ocha_ol/about/resol/4857.html)
8. **Recognizes** the need to increase the resources available in the Central Emergency Revolving Fund, including through timely repayment of funds, invites potential donors to make additional contributions to the Fund, and requests the Secretary-General to conduct consultations to that effect, taking fully into account the need to secure contributions to the Fund on an assured, broad-based and additional basis;

9. **Decides** to expand the scope of the Central Emergency Revolving Fund to include the International Organization for Migration;

10. **Invites** operational agencies to contribute to field-level coordination in the early stages of an emergency;

11. **Requests** the Inter-Agency Standing Committee to agree, as a matter of urgency, on the best means and guidelines to ensure adequate human and financial resources for rapid response coordination, including the provision of resources that could be drawn on by the Emergency Relief Coordinator for establishing special coordination arrangements in the initial stage of an emergency, taking into account the relevant provisions of General Assembly resolutions 46/182 and 47/199 of 22 December 1992 and of the agreed conclusions of the Economic and Social Council related to field-level coordination;

12. **Decides also**, pending a final decision to be taken by the Economic and Social Council at its substantive session of 1994, on the basis of the recommendations of the Inter-Agency Standing Committee, as well as on the experience gained, to authorize, in exceptional circumstances, on a time-bound basis and while preserving the revolving nature of the Central Emergency Revolving Fund, the Emergency Relief Coordinator and relevant operational agencies, under the leadership of the Coordinator, to draw from the interest earned by the Revolving Fund to enhance rapid response coordination where insufficient capacity exists at the field level;

   **Resolution 60/124**

   **Strengthening of the coordination of emergency humanitarian assistance of the United Nations**

   (Available from CERF website)

15. **Decides** to upgrade the current Central Emergency Revolving Fund into the Central Emergency Response Fund by including a grant element based on voluntary contributions, to be replenished at regular intervals, so as to ensure a more predictable and timely response to humanitarian emergencies, with the objectives of promoting early action and response to reduce loss of life, enhancing response to time-critical requirements and strengthening core elements of humanitarian response in underfunded crises, based on demonstrable needs and on priorities identified in consultation with the affected State as appropriate;

16. **Decides also** that the Fund will continue to operate in accordance with resolution 46/182 and the guiding principles contained in the annex thereto;

17. **Affirms** its role to provide overall policy guidance on the use of the Fund to maximize its impact and to improve its functioning, and encourages the Economic and Social Council to discuss the implementation of the Fund;

18. **Takes note** that an advisory group will be established, as an independent body, to provide advice to the Secretary-General on the use and impact of the Fund, and that the Inter-Agency Standing Committee will discuss the use and impact of the Fund;

19. **Calls upon** the Secretary-General, on the basis of his report on the improvement of the Central Emergency Revolving Fund and in consultations with all relevant stakeholders, to make the necessary managerial and administrative arrangements to facilitate the implementation of the grant element and
set up appropriate reporting and accountability mechanisms to ensure that the funds allocated through the Fund are used in the most efficient, effective and transparent manner possible;

20. Urges all Member States and invites the private sector and all concerned individuals and institutions to consider making voluntary contributions to the Fund, welcomes the financial pledges already made, and emphasizes that contributions should be additional to current commitments to humanitarian programming and not to the detriment of resources made available for international cooperation for development;

21. Requests the Secretary-General to report to the General Assembly and the Economic and Social Council on the detailed use of the Fund;

22. Also requests the Secretary-General to commission an independent review of the Fund at the end of the second year of operation to assess, inter alia, both the grant and revolving elements of the Fund, its administration, criteria for resource allocation, actions and responses supported by it and its ability to meet its objectives, and to submit a report in that regard to the General Assembly at its sixty-third session;
Annex 2: Methodology

This annex briefly describes the methodology for the Kenya review. The review began with a desk review of CERF-related documents (in addition to the Performance and Accountability Framework). This comprised the following:

- CERF Life-Saving Criteria and other guidance documents (including on budgets and reporting)
- CERF Two-Year Evaluation
- General Assembly Resolutions on the CERF and the Secretary-General’s Bulletin
- RC/HC annual reports on CERF funding to Kenya 2006-2008
- RC/HC annual reports on CERF funding to Nepal, Syria and Zimbabwe in 2008
- CERF recipient inputs into the RC/HC’s report on CERF funding to Kenya in 2009
- Final proposals for the CERF grants tracked for timelines
- UNICEF Accountability Framework

In addition to these documents, the CERF Secretariat provided a list of all CERF grants to Kenya between 2006 and 2009. The analysis of CERF funding in Annex 1 is based on the FTS (for non-CERF humanitarian funding to Kenya) and this data. The CERF Secretariat also provided a list of dates, showing the time taken to process CERF applications in Kenya. The timelines in Annex 1 draw on this as well as information from the participating organisations.

The review involved a visit to Nairobi for 10 days and one to New York for 3 days. This report is based mainly on interviews conducted during these visits. Table 13 below lists the organisations consulted and the number of interviewees per organisation. To maintain confidentiality, it does not name the individuals interviewed.

<table>
<thead>
<tr>
<th>Organisation</th>
<th># of Interviewees</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>CERF Secretariat</td>
<td>6</td>
<td>New York</td>
</tr>
<tr>
<td>FAO</td>
<td>2</td>
<td>Nairobi</td>
</tr>
<tr>
<td>Government of Kenya</td>
<td>2</td>
<td>Nairobi</td>
</tr>
<tr>
<td>Humanitarian Coordinator</td>
<td>1</td>
<td>Nairobi</td>
</tr>
<tr>
<td>IOM</td>
<td>3</td>
<td>Nairobi</td>
</tr>
<tr>
<td>NGOs (7 international &amp; 1 Kenyan)</td>
<td>11</td>
<td>Nairobi</td>
</tr>
<tr>
<td>OCHA</td>
<td>8</td>
<td>Nairobi and New York</td>
</tr>
<tr>
<td>UNHCR</td>
<td>4</td>
<td>Nairobi and Geneva (by telephone)</td>
</tr>
<tr>
<td>UNICEF</td>
<td>6</td>
<td>Nairobi and New York</td>
</tr>
<tr>
<td>WFP</td>
<td>4</td>
<td>Nairobi and New York</td>
</tr>
<tr>
<td>WHO</td>
<td>2</td>
<td>Nairobi</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>49</strong></td>
<td></td>
</tr>
</tbody>
</table>

In order to use the PAF indicators as the basis for the above interviews, it was necessary to convert the indicators into a series of questions. This operationalisation of the PAF is outlined in table 14 below.

<table>
<thead>
<tr>
<th>PAF Indicator</th>
<th>Questions to answer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All members of Humanitarian Country Team (HCT) and clusters aware of CERF availability</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>2</td>
<td>Intra- and inter-cluster prioritization process is inclusive of all relevant stakeholders (including INGOs and NGOs), (for RR and UFE) and adheres to Principles of Partnership (Endorsed by the Global Humanitarian Platform, 12 July 2007)</td>
</tr>
<tr>
<td>3</td>
<td>Analysis of funding undertaken to inform prioritization process and facilitate appropriate direction of funds’</td>
</tr>
<tr>
<td>4</td>
<td>CERF underfunded country selection/apportionment process undertaken in a timely and transparent manner with available resources frontloaded</td>
</tr>
<tr>
<td>5</td>
<td>Cluster submission to the RC/HC is of high quality and reflects views of cluster members</td>
</tr>
<tr>
<td>6</td>
<td>Agency performance (capacity to implement within the timeframe of the grant, past performance, speed of distribution and absorptive capacity) is considered when developing proposal</td>
</tr>
<tr>
<td>7</td>
<td>CERF request adheres to cluster standards and CERF Life Saving Criteria</td>
</tr>
<tr>
<td>8</td>
<td>Average number of working days between final submission of a CERF grant request package from RC/HC and ERC’ decision. (Benchmark: three working days for RR and 5 working days for UFE)</td>
</tr>
</tbody>
</table>
9. **Average number of working days between receipt of LoU from a grant recipient and request (memo for disbursement to OPPBA)**
   Benchmark: two working days

10. **Average number of days between request (memo) for fund disbursement by OPPBA to grant recipient**

11. **Average number of working days from disbursement from UN HQ to country office**

12. **Time from UN agency country offices signing project agreement with implementing partners to them receiving funding**

13. **Agencies receiving grants have internal evaluation and accountability mechanisms**

14. **CERF Secretariat has provided adequate global guidance on the standards for reporting**

15. **OCHA CO, in support of the HC, provides guidance to agencies, and facilitates input for annual report**

16. **Agencies, both at HQ and in the field provide satisfactory input (as defined by CERF Secretariat Guidelines) to the annual RC/HC Report which adheres to reporting guidelines**

17. **CERF funds allow agencies to demonstrate capability to leverage donor confidence for future contributions**

18. **Availability of CERF funding recognized by recipient agencies as**

   - When did country office get notification of CERF grant approval? When did they start project implementation and signing agreements with implementing partners? When did they physically receiving funding from UN HQ? Do they have to wait to receive funding to start implementation?
   - How long did it take NGOs to receive funding? How much did NGOs charge for staffing and direct and indirect support costs? Did NGOs start implementation when grant agreement signed or when they received funding?
   - Does the UN agency have an accountability framework or evaluation policy? Are field staff familiar with these? How consistently do they apply them? How many CERF projects have been independently evaluated? What accountability measures do UN agencies and implementing orgs have in place (e.g., do UN agencies verify NGO accountability mechanisms?)
   - Are OCHA and UN agency country-level staff members aware of this guidance? Do they understand and apply it? How do UN agencies ensure adequate reporting from implementing partners?
   - What guidance does OCHA provide to agencies? What discussions take place between OCHA/HC and agencies on reporting?
   - What reporting do UN agencies require from implementing partners? How is this reflected in reporting to HC? How detailed and verifiable is agency reporting to HC? Who writes NGO and UN agency reports? How long does it take UN agency staff to provide CERF reports? How is this time paid for – is it budgeted in CERF application or covered by agency core funding? How timely is UN agency reporting to HC? How well does HC annual report reflect CERF guidelines?
   - What share of total project funding requested from CERF? What % did CERF comprise of total funding received?
   - What did CERF funding enable agency to do that it would not have been able to do otherwise? Examples of meeting
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>being fundamental to ability to respond to life saving needs and gaps</strong></td>
<td>life-saving needs?</td>
<td></td>
</tr>
<tr>
<td><strong>Extent to which gaps, both geographic and sectoral, have been identified and addressed through use of CERF funds</strong></td>
<td>What analysis do sectors undertake to identify geographical and sectoral gaps and to address these? In what ways did CERF funding help to fill gaps?</td>
<td></td>
</tr>
<tr>
<td><strong>Number of No-Cost Extensions requested</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CERF funds fill a critical time gap as measured in relation to time that other contributions are received</strong></td>
<td>When did funding from other donors arrive, both for CERF-funded and other programmes?</td>
<td></td>
</tr>
<tr>
<td><strong>Percentage of total amount of CERF funding to flash appeals provided within the first two weeks (of appeal publications)</strong></td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Response capacity is strengthened given knowledge that CERF is a reliable source of funding</strong></td>
<td>On scale of 1-5, how reliable is CERF funding compared to other donors? What additional response capacities, if any, have UN agencies developed due to CERF funding?</td>
<td></td>
</tr>
<tr>
<td><strong>Operations deployed more rapidly due to ‘predictability’ of quick funding source</strong></td>
<td>On a scale of 1-5, how quick is CERF? Do UN agencies feel confident enough to advance funds to NGOs when CERF grant approved? Examples of how quickly programmes have started because of CERF’s predictability?</td>
<td></td>
</tr>
<tr>
<td><strong>Transparent information management of recipient agencies on status of CERF projects</strong></td>
<td>Once CERF applications submitted, what issues discussed in clusters? What do cluster members know about project implementation? If information not shared, what are the reasons?</td>
<td></td>
</tr>
<tr>
<td><strong>Accountability to affected populations, as outlined in the Humanitarian Accountability Project (HAP), is incorporated into project submissions</strong></td>
<td>Already covered by indicator 13?</td>
<td></td>
</tr>
<tr>
<td><strong>Evaluative mechanisms established (NOTE: CERF evaluative processes to be developed)</strong></td>
<td>How do agencies feel about replacing narrative reporting with evaluations of response as a whole?</td>
<td></td>
</tr>
<tr>
<td><strong>Real-Time and internal agency evaluations, when conducted, demonstrate CERF’s contribution to a more coherent response</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Extent to which Cluster leads and RC/HC leverage CERF as a tool to incentivize coordination</strong></td>
<td>Does attendance at cluster meetings increase when CERF grants are discussed? Do clusters discuss gaps in response outside of CERF funding discussions? Is there more coordination at KHPT level due to CERF?</td>
<td></td>
</tr>
<tr>
<td><strong>Strengthened function of clusters and of inter-cluster forum</strong></td>
<td>In what ways has CERF funding strengthened the functioning of clusters?</td>
<td></td>
</tr>
<tr>
<td><strong>Leadership and involvement of RC/HC in humanitarian operation</strong></td>
<td>In what ways is HC involved in humanitarian operations? Has this increased because of CERF? Is HC perceived as effective?</td>
<td></td>
</tr>
<tr>
<td>improved</td>
<td>humanitarian leader?</td>
<td></td>
</tr>
</tbody>
</table>
Introduction to the New CERF

The main goals of the CERF are to promote early action and timely and equitable response to reduce loss of life; enhance response to time-critical requirements based on demonstrable needs and to strengthen core elements of humanitarian response in under-funded crisis. Since March 2006, CERF has raised over $1.5 billion and provided nearly $1.4 billion to address humanitarian needs. As of today, 156 Member/Observer States and Territories have either contributed to CERF, received support from CERF, or both.

The CERF was created in December 2005 through General Assembly (GA) resolution 60/124 pursuant to a report of the Secretary General [A/60/432] for the need to improve on the Central Emergency Revolving Fund (CERF). The new CERF was set up to add a major grant element to the existing loan element. The Fund’s loan mechanism of $50 million, is a revolving fund that is used as a cash-flow mechanism by eligible humanitarian organizations. The loan mechanism allows rapid access to funds ahead of the transfer of donor pledges.

The CERF is funded by voluntary contributions from member states, corporations, foundations and private donors and is managed, on behalf of the Secretary General, by the UN’s Under Secretary General for Humanitarian Affairs and Emergency Relief Coordinator (ERC) who serves as Programme Manager for the Fund. The ERC regularly consults with the Inter-Agency Standing Committee (IASC) and Resident/Humanitarian Coordinators on matters relating to the utilization of the funds in order to obtain guidance support when determining priorities for their use. An advisory group of 16 experts representing the humanitarian community provides the ERC with broad policy advice on the implementation of the Fund to ensure accountability and transparency.

The Fund is supported by a Secretariat and by other branches in OCHA. It is governed by UN Financial Regulations and Rules and financially administered by the Office of the Controller.

Background to Performance and Accountability Framework (PAF)

It is widely recognized that the key strengths of the CERF lie in its ability to respond quickly and in the relatively high degree of flexibility it affords users compared with other sources of humanitarian funding. Member States and private donors require appropriate assurances that the considerable funds involved are managed appropriately and meaningful results are being achieved. The ERC function is charged with a formal fiduciary responsibility over the proper use of CERF funds, and relies upon the CERF Secretariat to assist with the proper discharge of these responsibilities. In this context, the development of a PAF for the CERF is regarded as an effective tool.

Paragraph 19 of General Assembly Resolution 60/124 calls for ‘the establishment of an appropriate reporting and accountability mechanism to ensure that the funds allocated through the Fund are used in the most efficient, effective and transparent manner possible’. Consequently, the CERF Advisory Group, at its meeting on 12 October 2006 called for the development of a Performance and Accountability Framework (PAF). In addition, the 2008 CERF Two-year Evaluation gave as Key Recommendation 4: ‘The multiple lines of accountability for CERF need to be clarified, in consultation with the UN Controller and the operational agencies, to specify the roles of each actor.’ In response, the CERF Secretariat has been

Annex 3: Terms of Reference

1. Introduction to the New CERF

The main goals of the CERF are to promote early action and timely and equitable response to reduce loss of life; enhance response to time-critical requirements based on demonstrable needs and to strengthen core elements of humanitarian response in under-funded crisis. Since March 2006, CERF has raised over $1.5 billion and provided nearly $1.4 billion to address humanitarian needs. As of today, 156 Member/Observer States and Territories have either contributed to CERF, received support from CERF, or both.

The CERF was created in December 2005 through General Assembly (GA) resolution 60/124 pursuant to a report of the Secretary General [A/60/432] for the need to improve on the Central Emergency Revolving Fund (CERF). The new CERF was set up to add a major grant element to the existing loan element. The Fund’s loan mechanism of $50 million, is a revolving fund that is used as a cash-flow mechanism by eligible humanitarian organizations. The loan mechanism allows rapid access to funds ahead of the transfer of donor pledges.

The CERF is funded by voluntary contributions from member states, corporations, foundations and private donors and is managed, on behalf of the Secretary General, by the UN’s Under Secretary General for Humanitarian Affairs and Emergency Relief Coordinator (ERC) who serves as Programme Manager for the Fund. The ERC regularly consults with the Inter-Agency Standing Committee (IASC) and Resident/Humanitarian Coordinators on matters relating to the utilization of the funds in order to obtain guidance support when determining priorities for their use. An advisory group of 16 experts representing the humanitarian community provides the ERC with broad policy advice on the implementation of the Fund to ensure accountability and transparency.

The Fund is supported by a Secretariat and by other branches in OCHA. It is governed by UN Financial Regulations and Rules and financially administered by the Office of the Controller.

2. Background to Performance and Accountability Framework (PAF)

It is widely recognized that the key strengths of the CERF lie in its ability to respond quickly and in the relatively high degree of flexibility it affords users compared with other sources of humanitarian funding. Member States and private donors require appropriate assurances that the considerable funds involved are managed appropriately and meaningful results are being achieved. The ERC function is charged with a formal fiduciary responsibility over the proper use of CERF funds, and relies upon the CERF Secretariat to assist with the proper discharge of these responsibilities. In this context, the development of a PAF for the CERF is regarded as an effective tool.

Paragraph 19 of General Assembly Resolution 60/124 calls for ‘the establishment of an appropriate reporting and accountability mechanism to ensure that the funds allocated through the Fund are used in the most efficient, effective and transparent manner possible’. Consequently, the CERF Advisory Group, at its meeting on 12 October 2006 called for the development of a Performance and Accountability Framework (PAF). In addition, the 2008 CERF Two-year Evaluation gave as Key Recommendation 4: ‘The multiple lines of accountability for CERF need to be clarified, in consultation with the UN Controller and the operational agencies, to specify the roles of each actor.’ In response, the CERF Secretariat has been
working on developing a PAF, and a first draft was circulated in 2009. Following comments from the CERF Advisory Group, UN agencies and NGOs, a revised draft has now been developed.

The draft CERF PAF proposes among other things the introduction of an independent review mechanism to be conducted annually within a sample of three to five countries as determined by the ERC. The CERF Advisory Group supported the inclusion of such an independent country-level mechanism and requested a pilot evaluation be undertaken, with the results to be presented at its April 2010 meeting.

The CERF Secretariat reviewed the countries receiving UFE and RR funding and determined that Kenya was the most appropriate country in which to pilot this review. In 2009, CERF provided $26,336,685 to Kenya; $18,298,355 for RR and $8,038,330 for UFE. Kenya has consistently been one of the highest recipients of the CERF including allocations of $27,186,918 (2006), $4,946,558 (2007), $25,970,270 (2008) and is the fourth largest recipient of CERF since its inception. During the last year the projects have primarily focused on drought response and the influx of Somalia refugees.

4. Scope and Purpose
The main purpose of the present pilot will be to provide an assurance regarding the value added of CERF operations in the context of Kenya during 2009. This first pilot review exercise will moreover be used to test out the overall conceptual design of the PAF including the viability of the indicator sets contained therein, and over which there continues to be some discussion.

A major aim of the review will be to provide the ERC with an appropriate level of assurance around the achievement of key performance benchmarks and planned results for the CERF mechanism as a whole in Kenya. The review will also include recommendations aimed at improving operational aspects of the CERF and may also identify relevant policy issues which need to be addressed at a global level.

Lessons learned from this pilot review exercise in Kenya will be incorporated into the final review methodology which will then formally be adopted as part of the PAF architecture.

5. Key issues
The critical overriding question on which assurance is sought by the ERC is: Have CERF operations in the country successfully brought value added to the broader humanitarian endeavor?

Using the PAF indicator sets, assurances will be sought around the following specific broad areas of concern to the ERC:

1. **CERF processes are achieving key management benchmarks in that:**
   - CERF submissions are based on an inclusive planning process and adhere to established quality criteria.
   - Transparent systems are in place for correct allocation, efficient flow and use of CERF by agencies
   - Adequate monitoring and evaluation systems are in place at the agency level for measuring and reporting on results

2. **There are reasonable grounds to believe that CERF operations favour the following results:**
- CERF consolidates humanitarian reform by empowering the RC/HC and enhancing the quality of coordination within the cluster approach and across clusters.
- CERF facilitates adequate coverage, eliminates gaps and facilitates an effective division of labour among humanitarian (especially smaller) actors.
- CERF contributes to a more timely response to needs
- CERF favours the delivery of relevant life-saving actions at critical moments

5. Review Methodology

During the PAF development process, UN agencies emphasized that the formal assessment of agency performance vis-a-vis CERF-funded activities remains the prerogative of recipient agencies via their own internal oversight procedures (internal performance reporting, audit and evaluation etc.). The review approach will therefore be designed in a manner which avoids duplication with such procedures and meets only the immediate assurance needs of the ERC in relation to the PAF.

Recognizing that CERF funds are often co-mingled with other donor funds by agencies and that the in-depth assessment of beneficiary-level impact is formally the charge of recipient agencies, the review will not attempt to link beneficiary-level changes to CERF activity, except where recipient agencies already have this data. The review mechanism will not seek to provide comprehensive coverage linked to detailed narratives and contextual analysis around how and why results are being achieved; rather it will focus instead on providing an assurance around issues of the Fund’s operational impact.

Key components of the methodology will include a rapid desk review; a two-week field visit by one consultant to Kenya; interviews with key stakeholders; in addition, briefings in Nairobi and New York will serve to provide feedback, help to further validate information and in view of the exercise’s pilot nature, help clarify any lessons learned as related to the methodology and the viability of the draft PAF indicator sets. The analytical approach will be deliberately kept rapid and light.

Prior to leaving the country, the Consultant will leave with the RC/HC a short analytical report consisting of a series of short observations and recommendations in relation to the key assurance issues identified above. The RC/HC, together with the HCT, will subsequently be requested to provide a “management response” to the recommendations contained in the report.

**Desk review:** A quantitative analysis will be conducted on the data, reports and files available at the HQ and Country level. These include:

- Kenya funding data, including funding from sources other than the CERF (e.g. OCHA’s Financial Tracking System);
- Timelines on sums requested, allocated from CERF database (end 2009);
- CERF Kenya reports on context, needs, status of implementation, activities, results and lessons learned (2009);
- CERF meeting minutes at HQ and Country level and notifications of application decisions (2009);
- CERF Project files at HQ and Country level;
- RTEs and other evaluations with findings on the CERF in Kenya.

**Semi-structured interviews** at country level will include: RC/HC, Cluster leads, Heads of Agencies, I/NGO partner implementing CERF projects and those without access to CERF funds, host government, donors. Interviews will also take place with selected CERF Secretariat staff to get further background and perspective.
Select project site visits: These may be included as appropriate and time permitting to help provide some limited anecdotal information regarding the use of funding at the affected population level and can provide a field-level snapshot and some direct contact with affected populations.

In Country and New York briefings will be used as learning opportunities to discuss and validate the findings, explore possible recommendations and further refine the analytical approaches.

6. **Proposed Consultant**

The Consultant will be independent and not have been previously involved with any aspects of the country-level operations being reviewed. He/she should have the following skills:

- Expertise in UN humanitarian reform & financing and knowledge of the CAP and Flash Appeal process;
- Expertise and extensive experience in humanitarian evaluation;
- Expertise in analyzing financial data in tandem with other types of information;
- Expertise in project management and implementation;
- Knowledge, including field experience, with one or more of the main humanitarian actors including UN agencies, local government disaster response structures and systems, and NGOs,
- Fluency in written and spoken English
- Familiarity with complex emergency and natural disaster settings in Africa

7. **Management and Support**

The review will be managed by the CERF Secretariat, who will assign a co-ordinator to oversee the review mission. His/her responsibilities are as follows:

- Provide necessary administrative, coordination and logistical support to the Consultant;
- Facilitate the Consultant’s access to specific information or expertise necessary to perform the assessment;
- Monitor and assess the quality of the review and its process;
- Ensure that all stakeholders are kept informed;
- Ensure sufficient engagement by UNCT on initial findings prior to dissemination;
- When appropriate, recommend approval of final report;
- Disseminate final report;
- Help organize and design the final learning workshops/presentations; and
- Facilitate management response to the final report and subsequent follow up.

The co-ordinator, working through OCHA and in partnership with other UN agencies and NGOs in Kenya, will provide and/or coordinate logistical support to the Consultant, assist in gathering all relevant background information, set up relevant appointments, and coordinate/organize field visits for the Consultant.

8. **Deliverables**

The main output will be a concise report in English to the ERC, through the CERF Secretariat, of no more than 15 pages (excluding appendices) in an electronic version plus an Executive Summary (up to 3 pages). The report will be structured in the form of short observations and conclusions around the different assurance concerns linked to the PAF. The report will include as appropriate a set of specific, well-targeted and action-oriented recommendations whose purpose should be to improve the performance of the CERF within the country or raising any policy issues. The annexes will include a brief description of the methods used and the tests performed and a list of persons interviewed.
9. **Timeline**

1 February  TORs finalized by CERF Secretariat
2 February  TORs shared for comments with Humanitarian Financing Group, CERF Advisory Group.
9 February  Comments received, TOR finalized
15 February Consultant recruited
12 March  Research, field visit and analysis completed
22 March  1st draft of evaluation, including preliminary recommendations, distributed
29 March  All comments received
7 April  Draft report finalised
9 April  Draft final report sent to CERF Advisory Group
21/22 April CERF Advisory Group discusses report at meeting
10 May  Final report submitted

10. **Contract length: 25 days**
I. BACKGROUND AND RATIONALE

The Central Emergency Response Fund (CERF) was established to enable more timely and reliable humanitarian assistance to those affected by natural disasters and armed conflicts. It was intended as a UN financing vehicle to mitigate unevenness and delays in voluntary contributions. The rapid response window of CERF provides seed money for life-saving humanitarian activities in the immediate aftermath of a sudden onset crises or deteriorations in existing crises. The underfunded component of CERF provides critical coverage of core humanitarian activities for emergencies that have not attracted sufficient funds. Approved by consensus by the United Nations General Assembly Resolution 60/124, CERF was established to achieve the following specific objectives:

• promote early action and response to reduce loss of life;
• enhance response to time-critical requirements; and
• strengthen core elements of humanitarian response in underfunded crises.

In response to the Resolution calling for ‘the establishment of an appropriate reporting and accountability mechanism to ensure that the funds allocated through the Fund are used in the most efficient, effective and transparent manner possible’, the CERF Advisory Group, at its first meeting, called for the development of a Performance and Accountability Framework (PAF). In addition, the 2008 CERF Two-year Evaluation gave as Key Recommendation 4: ‘The multiple lines of accountability for CERF need to be clarified, in consultation with the UN Controller and the operational agencies, to specify the roles of each actor.’

Stakeholders repeatedly recognize that a core strength of CERF is that funding comes quickly and with a degree of flexibility that not all other sources of funding can match. At the same time, Member States and private donors require assurance that CERF funds are being used and managed appropriately and view the establishment of a formal Performance and Accountability Framework (PAF) as a means for formalizing a clear set of accountability mechanisms and reporting processes.

The CERF Secretariat, and by extension the Emergency Relief Coordinator, will use the PAF to clarify performance expectations and management accountabilities among different actors and will report according to the mechanisms established in the framework.

The development of a CERF Performance and Accountability Framework (PAF) is not intended to add additional layers of bureaucracy or rigidity to current CERF process nor is it expected to increase the current reporting responsibilities of fund recipients. The PAF does not seek to duplicate or replace existing oversight mechanisms and tools nor will it override recipient agency’s own internal accountability frameworks. Its purpose rather is to ensure that the flexibility and straightforward nature of the Fund is complemented by an appropriate level of transparency and accountability.

The draft PAF makes use of a logic model approach as a means of clarifying accountability and performance expectations around a set of agreed CERF outputs, outcomes and impacts. Accordingly, different levels of
the logic model are linked to different indicator sets. The draft PAF also incorporates proposals to test out the viability of the proposed logic model through the introduction of a new independent review mechanism focusing on CERF performance in one select trial country during the first part of 2010.

1.1 Development of the CERF PAF: A Participatory Process

The CERF Secretariat, supported by an external consultant and OCHA’s Evaluation and Studies Section, has developed a draft PAF. This draft reflects the outcomes of the development process. Significant consultations have taken place both at headquarters and in the field with a range of stakeholders. All recipient agencies at headquarters have provided inputs, and two of CERF’s largest recipient countries, Kenya and Somalia, were visited, where UN agencies, IOM, most cluster leads, the RC/HCs and representative NGOs were consulted. An earlier draft was presented to the CERF Advisory Group at their meeting on 2-3 November 2009. At this meeting, the Advisory Group was able to engage in detailed discussions with the UN agencies and IOM on performance and accountability issues. This first wave of feedback has been incorporated into this current draft.

II. INTRODUCTION TO THE PAF

2.1 Defining Accountability

Accountability is defined here as the process whereby public service organizations and individuals within them are held responsible for their decisions and actions. This includes their stewardship of public funds, fairness, aspects of performance, in accordance with agreed rules and standards, and fair and accurate reporting on performance results vis-à-vis mandated roles and/or plans. This framework delineates roles and responsibilities and performance measures to ensure the efficient, effective and transparent management of the fund based on its three primary objectives.

2.2 Defining Performance

The DAC/OECD guidelines define performance as: the degree to which a humanitarian intervention or partner operates according to specific criteria, standards or guidelines or achieves results in accordance with stated goals or plans. As specified in the Report of the Secretary-General (60/432), the overall performance of the CERF is measured against the three core objectives stated above. The development of performance measures includes defining key indicators and entities responsible for meeting these objectives.

2.3 Current Tools for Accountability within CERF

Although the PAF is still in development, it is important to note that CERF already has a number of tools that measure and guide the use of funds. These tools have been used to review the use of CERF funds and report back to Member States on their implementation. The PAF incorporates much of what already has been agreed to in these mechanisms and builds upon improvements already made.

The development of the PAF has helped to identify gaps in the information being collected, and options for filling these gaps. The table below summarizes both the tools currently in use to measure accountability, and the proposed new measures.

---

1 See Annex I for documents referenced. See Annex II for persons consulted. See Annex III for interview guide.
2 INTOSAI “Guidelines for Internal Control Standards for the Public Sector” (Vienna, INTOSAI General Secretariat, 2004)
### Table 1. Current Oversight and Accountability Tools for CERF

#### Public Reporting Mechanisms

<table>
<thead>
<tr>
<th>Tool</th>
<th>Accountability Information Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary General Report</td>
<td>✓ Highlights how CERF funds were used to make a difference in humanitarian response at the country and recipient agency levels. Usually covers the period of July to June.</td>
</tr>
<tr>
<td>CERF Annual Report</td>
<td>✓ Provides an account of the all CERF activities for the calendar year—allocations, contributions, managements, oversight and accountability activities are typically reported on.</td>
</tr>
<tr>
<td>CERF Website</td>
<td>✓ Donations and expenditures linked to the financial tracking service (FTS)</td>
</tr>
<tr>
<td></td>
<td>✓ All RC/HC Annual Reports posted to the website.</td>
</tr>
<tr>
<td></td>
<td>✓ Advisory Group Recommendations and Conclusions</td>
</tr>
<tr>
<td></td>
<td>✓ Trends in CERF Funding</td>
</tr>
<tr>
<td></td>
<td>✓ CERF Guidance and Training materials</td>
</tr>
</tbody>
</table>

#### Compliance and Guidance Documents

<table>
<thead>
<tr>
<th>Tool</th>
<th>Accountability Information Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>CERF Guidance and Training</td>
<td>✓ Application Procedures, Life-Saving Criteria, Reporting Guidelines,</td>
</tr>
<tr>
<td></td>
<td>✓ CERF Guidance and Training lays out expectations on all aspects of the operations of the CERF for which performance can later be measured against.</td>
</tr>
<tr>
<td>SG Bulletin</td>
<td>✓ Lays out a regime for the administration and management of the Fund.</td>
</tr>
</tbody>
</table>

#### Internal Project Review & Control Processes

<table>
<thead>
<tr>
<th>Tool</th>
<th>Accountability Information Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prioritization at Country Level</td>
<td>✓ Provided in the new Application Template</td>
</tr>
<tr>
<td>CERF Secretariat Application Review</td>
<td>✓ Review by program officer, the CERF Head of Programme, a CERF Finance Officer, the Chief of the CERF Secretariat, and the Director of OCHA New York</td>
</tr>
<tr>
<td></td>
<td>✓ ERC for final review and signature</td>
</tr>
<tr>
<td></td>
<td>✓ Office of the Controller review prior to dissemination of funds.</td>
</tr>
<tr>
<td>LOU at HQ level</td>
<td>✓ Details recipient agency responsibilities in regard to the use of the funds and reporting requirements</td>
</tr>
<tr>
<td>Country Level After Action Review</td>
<td>✓ Not yet introduced, this would be a mechanism to ensure at country level that funds were spent as intended</td>
</tr>
<tr>
<td></td>
<td>✓ Opportunity for recipient agencies to review process of prioritization and implementation</td>
</tr>
</tbody>
</table>

#### External Audits, Evaluations & Reviews

<table>
<thead>
<tr>
<th>Tool</th>
<th>Accountability Information Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Country- Level Annual Independent Reviews</td>
<td>✓ Will provide a verification of the operational impact, outcomes and outputs of CERF in three to five countries annually.</td>
</tr>
<tr>
<td>Evaluations</td>
<td>✓ Funded activities are subject to evaluations in line with the established evaluation procedures of each recipient agency.</td>
</tr>
<tr>
<td></td>
<td>✓ The Emergency Relief Coordinator may request additional ad hoc evaluations as the perceived need arises.</td>
</tr>
<tr>
<td></td>
<td>✓ Independent global evaluations of CERF have been conducted for the UN General Assembly in 2006, 2008 and one is planned for 2011.</td>
</tr>
<tr>
<td></td>
<td>✓ Inter-agency real time evaluations (IA RTEs) may play some role in verifying that CERF has played an effective role during the initial phases of a response.</td>
</tr>
<tr>
<td>Audits</td>
<td>✓ The UN Board of Auditors and the UN OIOS have the necessary authority to conduct audits on both the use and management of the Fund.</td>
</tr>
</tbody>
</table>

#### Supervision & Advisory Mechanisms

<table>
<thead>
<tr>
<th>Tool</th>
<th>Accountability Information Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>CERF Advisory Group</td>
<td>✓ CERF Advisory Group provides the SG with expert advice on the use of the funds and reporting requirements</td>
</tr>
</tbody>
</table>

---

www.devinit.org  Review of Value Added of CERF in Kenya  Page | 57
and impact of the Fund through the ERC

| IASC Humanitarian Financing Group Group | ✓ Meetings are held monthly and provide an opportunity to discuss common issues of interest and/or concern. |
| Field Missions | ✓ CERF Secretariat staff undertake missions to CERF supported countries |

### Performance Reporting

<table>
<thead>
<tr>
<th>Tool</th>
<th>Accountability Information Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting at HQ level</td>
<td>✓ Annual report submission follows either the UNDG or the recipient agency-specific standard format for reporting</td>
</tr>
<tr>
<td>Reporting at field level</td>
<td>✓ Annual report for each country submitted by the RC/HC on broad overview of the impact of and results achieved with CERF funding on the sectors/clusters of the overall humanitarian response</td>
</tr>
<tr>
<td>Financial Reporting</td>
<td>✓ Financial reports on CERF grants from UN Agencies and IOM are due twice a year</td>
</tr>
</tbody>
</table>

### III. KEY CHALLENGES

It is important to highlight some critical challenges that have been raised during consultation with CERF stakeholders. In this context, the following considerations need to be taken into account when moving forward with the finalization of the CERF PAF:

#### 3.1 UN Agency/IOM Internal Accountability

UN agencies/IOM are accountable to their individual Executive Boards and for implementation of their own mandates. The use of CERF resources is integrated within these existing reporting and accountability structures. Recipient agency accountability to the RC/HC at the field level is not formalized, nor is it formally recognized by agencies consulted at field level as having a significant influence on the direction of their programming.

#### 3.2 RC/HC and Cluster Leads: Accountability without Authority

The RC/HC serves as process manager for the submission of the CERF proposal. S/he has the authority to include or exclude agencies/IOM in a proposal, but once it is submitted and approved, the RC/HC does not have formal oversight of agencies/IOM over actual use of the funds. Similarly, within the cluster system, participating UN agencies/IOM and NGOs do not as yet have an obligation to report to the cluster lead. Once the intra-cluster prioritization has taken place and projects for funding are submitted, the cluster lead does not have formal authority over the use of the funds.

#### 3.3 Reporting Requirements

In most cases, RC/HCs and UN agencies/IOM adhere to CERF reporting requirements, but there have been gaps. When RCs have failed to provide annual reports after repeated reminders, the ERC has given a final warning that the failure to submit a report would lead to eligibility for future grants. In all cases, the final warning has resolved the issue. However, it should be noted that this provision may not be rigidly enforced in the case of a new situation requiring a rapid response grant. In such a case, the ERC may wish to make an exception, despite the outstanding report.

#### 3.4 OCHA’s Role at Field Level

The role and capacity of the OCHA Country Office (CO) vis-à-vis CERF oversight requirements is in need of further clarification. At present, there are no official guidelines in place. The OCHA CO acts as “facilitator” in the CERF process, providing support and strategic direction to the RC/HC and guidance to applicants on CERF criteria and guidelines. The OCHA CO also assists the RC/HC in the compilation of agency/IOM inputs to the RC/HC annual CERF report.
At the field level, OCHA currently has neither the mandate nor the capacity to provide a ‘watchdog’ function for the performance of recipient agencies. While the research for the PAF suggests that this is widely understood at the country level, some stakeholders suggested that OCHA should be accountable for the use of CERF funding. It should be recognized that the CERF Secretariat and the OCHA CO do not and will not have the capacity to monitor the implementation of CERF-funded projects at the field level. The CERF Secretariat is developing guidance for OCHA CO’s in an effort to provide clarity both to OCHA CO’s and agency/IOM country offices as regards to their obligations in this area, and a draft will be shared in early 2010.

3.5 Attribution vs. Contribution

Rigorous attribution of beneficiary-level outcomes to CEF funding is very difficult. While CERF funds clearly represent a vital source of funding to kick-start numerous agency/IOM programmes, they are not the only source. Extensive co-mingling of funds by recipient agencies at the country level is the norm. The CERF was not intended to cover 100 percent of project costs or to be a primary funding mechanism. Therefore, attributing all beneficiary level impacts to CERF-support activities would be neither practicable nor feasible. However, we can indicate where the CERF is making a considerable contribution towards positive outcomes, especially during the initial phase of a crisis or when other resources have not materialized.

3.6 Accountability to Affected Populations

Accountability at the level of affected populations is particularly challenging in the context of humanitarian emergency response. CERF rapid response funds are typically granted in the earliest stages of an emergency, often before proper needs assessments or affected population consultations have taken place.

The Humanitarian Accountability Partnership (HAP) was consulted during the development of these proposals to determine how best to incorporate affected population-level accountability mechanisms within the CERF. Primary responsibility to address affected population-level impact and accountability issues resides with recipient agencies. Some recipients have already made significant progress in this direction, and CERF will continue to coordinate with them.

IV. THE CERF LOGIC MODEL

Given the above challenges, the following analytical framework makes an initial attempt to outline a collective response towards providing better accountability systems around the use of CERF funding.

A logic model is a text or diagram which describes the logically-related parts of a program or process, showing the links between processes, expected outputs, outcomes and impacts. It is a picture or description that demonstrates what it is supposed to be achieved. It provides a basis for developing the performance measurement. The logic model has been developed around the three primary objectives of the CERF and performance will ultimately be based on CERF’s meeting of these objectives.

The logic model described below outlines a results hierarchy for CERF with associated indicators. The model defines the different levels of CERF, which range from input-related process type indicators up towards outcomes and impact level indicators. All indicators within the PAF are linked to a stakeholder analysis to ensure a proper relationship between performance and accountability structures. Annex V outlines the specific roles and responsibilities for CERF stakeholders. This performance framework only encompasses the grant element of the CERF; the advocacy and fundraising components of CERF are not included.

4.1 Definitions in the Logic Model
The logic model is based on the fundamental assumption that the CERF is fully funded on an annual basis. Specific indicators for each of the levels are outlined in Section 3.2 below, but this Section gives an overview and definitions of each level of the results hierarchy.

**Inputs:**
Initial inputs and processes are required both at country and HQ levels for CERF grants to operate as intended. The inputs at country level include a rigorous and inclusive prioritization leading to a coherent country submission. Internal recipient agency monitoring and evaluation systems are required for CERF funding and are an essential process within the accountability mechanism. The CERF Secretariat also follows a set of processes to ensure that funds are transferred as quickly as possible. As stated above, the processes around fundraising and advocacy performed at the Secretariat level are not included in this framework, yet are essential to ensuring that CERF can operate.

**Outputs:**
The overall outputs of the availability of CERF funding is that UN agencies and IOM are able to respond more quickly to prioritized needs at the time. At HQ level, support can be initiated with speed and efficiency. At country level, the output will be a timely response to life-saving activities which have been prioritized through and inclusive process with all relevant stakeholders.

**Outcomes or Operational effects:**
In line with the objectives of overall humanitarian reform efforts, an outcome of the CERF grant has been the strengthening of humanitarian response. CERF provides an incentive for country level coordination as well as supporting the role of the RC/HC. By supporting the humanitarian reform process, CERF also contributes to enhanced coordination and an overall quality response. The built-in Monitoring and Evaluation processes for each recipient agency promotes quality assurance. The enhanced predictability and reliability of CERF provides UN agencies and IOM with the assurance they need to start operations and maintain or broaden coverage.

**Operational Impact:**
The impact of CERF is broken down by its two grant components – rapid response and underfunded. Ultimately, success is measured not in the number of dollars disbursed or countries reached, but in the actual impact that the allocations have on affected populations. It is challenging to measure these impacts – especially those at affected population level – but anecdotal evidence has revealed that CERF funding has had a significant impact on the humanitarian system. UN agencies and IOM consistently report that CERF rapid response funds are critical in the immediate aftermath of an emergency allowing them to respond to time-critical requirements. The CERF’s underfunded window is a particularly valuable tool for supporting specific sector/clusters that may not have received sufficient donor funds but which nonetheless need attention. Ultimately these two grant types have led to greater coverage to affected population needs in a more timely manner.
4.2 Indicators for CERF Logic Model

In addition to the assumption that CERF is sufficiently funded on an annual basis and therefore has the ability to respond as intended, it is also assumed that:

- Where the RC/HC is mentioned below, it is assumed that s/he is fully supported by OCHA where an OCHA presence exists. Ultimate accountability for these indicators falls with the RC/HC, but OCHA plays a significant role in facilitating these processes.

- The cluster approach is the system that should be implemented/used in emergency settings. However, in some contexts, this is not established. In these cases, coordination responsibilities lie with the sector leadership.
**INPUTS**

**FUNDING AVAILABLE**

### Transparent and Inclusive Prioritization and Decision-Making

A transparent and inclusive prioritization at the country level is the foundation on which CERF grants are based. This process happens both at the intra-cluster level (led by the cluster leads) and then at the inter-cluster level (overseen by the RC/HC) as delineated in the indicators below. An inclusive prioritization is meant to ensure that all relevant actors are present to define the most critical needs at the time. The prioritization is expected to take place through the sector/cluster system to ensure allocations are based on cluster objectives, field-based operational knowledge, needs assessments (where available), and reflect a diversity of views.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Responsible Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>All members of Humanitarian Country Team (HCT) and clusters aware of CERF availability (for RR and UFE)</td>
<td>RC/HC and Cluster Leads</td>
</tr>
<tr>
<td>Intra- and inter-cluster prioritization process is inclusive of all relevant stakeholders (including INGOs and NGOs), (for RR and UFE) and adheres to Principles of Partnership (Endorsed by the Global Humanitarian Platform, 12 July 2007)</td>
<td>Cluster Leads</td>
</tr>
<tr>
<td>Analysis of funding undertaken to inform prioritization process and facilitate appropriate direction of funds’</td>
<td>RC/HC</td>
</tr>
<tr>
<td>CERF underfunded country selection/apportionment process undertaken in a timely and transparent manner with available resources frontloaded (NOTE: Process occurs only for UFE and at CERF Secretariat level, not at country level)</td>
<td>CERF Secretariat</td>
</tr>
</tbody>
</table>

### Coherent Country Submission

The submission should be done under the guidance of the RC/HC, facilitated by OCHA, and driven through cluster leadership. The submission process should be transparent and inclusive of all humanitarian actors at country level. In addition, quality submissions which adhere to the CERF Life Saving Criteria and other CERF guidelines are expected.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Responsible Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster submission to the RC/HC is of high quality and reflects views of cluster members</td>
<td>Cluster Leads</td>
</tr>
<tr>
<td>UN agency/IOM performance (capacity to implement within the timeframe of the grant, past performance, speed of distribution and absorptive capacity) is considered when developing proposal</td>
<td>RC/HC/ Cluster Leads</td>
</tr>
<tr>
<td>CERF request adheres to cluster standards and CERF Life Saving Criteria</td>
<td>RC/HC</td>
</tr>
</tbody>
</table>

### Streamlined Review, Allocation and Distribution

Transparent systems that allow for timely approval, allocation, disbursement and transfer of funds by UN Controller, ERC, CERF Secretariat, OCHA, UN agencies/IOM and NGOs must be in place in order for CERF to be a rapid mechanism for fund distribution.
### Indicator

- Average number of working days between final submission of a CERF grant request package from RC/HC and ERC decision. (Benchmark: three working days for RR and 5 working days for UFE)
- Average number of working days between receipt of LoU from a grant recipient and request (memo for disbursement to OPPBA (Benchmark: two working days)
- Average number of days between request (memo) for fund disbursement by OPPBA to grant recipient
- Average number of working days from disbursement from UN HQ to country office
- Time from UN agency/IOM country offices signing project agreement with implementing partners to them receiving funding

### Responsible Entity

- CERF Secretariat, ERC
- CERF Secretariat
- Office of the Controller
- UN HQ
- UN Agency/IOM CO

### Agency/IOM Monitoring, Reporting and Evaluation (M/R & E) Systems in Place

All CERF recipient agencies are expected to have internal monitoring and reporting mechanisms as endorsed by their executive boards. The existence of these systems is a requirement for CERF funding whose processes underlie CERF project implementation. UN agencies/IOM must also submit high quality reports to RC/HC via OCHA who in turn reports back to the CERF Secretariat. Evaluation reports from recipient agencies should be made available at request of member states or the CERF Secretariat.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Responsible Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN agencies/IOM receiving grants have internal evaluation and accountability mechanisms</td>
<td>UN agency/IOM HQ</td>
</tr>
<tr>
<td>CERF Secretariat has provided adequate global guidance on the standards for reporting</td>
<td>CERF Secretariat</td>
</tr>
<tr>
<td>OCHA CO/RO, in support of the RC/HC, provides guidance to UN agencies and IOM, and facilitates input for annual report</td>
<td>OCHA CO/RO</td>
</tr>
<tr>
<td>UN agencies and IOM, both at HQ and in the field provide satisfactory input (as defined by CERF Secretariat Guidelines) to the annual RC/HC Report which adheres to reporting guidelines</td>
<td>UN Agency/IOM CO and HQ</td>
</tr>
</tbody>
</table>

### Outputs

**Humanitarian Actors Able to Respond More Quickly**

### Life-Saving Activities Supported

With a field driven and effective prioritization process at cluster level, the CERF funds should be directed to the most critical humanitarian needs at the time.

| Indicators | Information Source |
CERF funds allow UN agencies and IOM to demonstrate capability to leverage donor confidence for future contributions.

Availability of CERF funding recognized by recipient agencies as being fundamental to ability to respond to life saving needs and gaps.

Extent to which gaps, both geographic and sectoral, have been identified and addressed through use of CERF funds.

| UN agency/IOM financial data and qualitative feedback |
| Qualitative feedback |
| Project/cluster documents |

**Timely Response**

This output focuses on the ability of UN agencies and IOM to use CERF funds quickly. When submissions meet quality standards (as outlined by CERF Secretariat guidelines and the Life Saving criteria of CERF), the time taken for negotiating elements of proposals is reduced. In addition when the appropriate systems for rapid disbursement of funds are in place at each level, UN agencies and IOM can quickly receive funding and begin implementing in a timely manner – as agreed within the LOU.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Information Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of No-Cost Extensions requested</td>
<td>CERF internal tracking</td>
</tr>
<tr>
<td>CERF funds fill a critical time gap as measured in relation to time that other contributions are received</td>
<td>UN agency/IOM specific financial data</td>
</tr>
<tr>
<td>Percentage of total amount of CERF funding to flash appeals provided within the first two weeks (of appeal publications)</td>
<td>CERF Secretariat</td>
</tr>
</tbody>
</table>

**Predictability and Reliability Enhanced**

Predictable funding facilitates effective planning, preparation and a more rapid response to humanitarian needs. Predictability is enhanced when UN agencies and IOM know that CERF will be a reliable source of funding in emergencies.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Information Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response capacity is strengthened given knowledge that CERF is a reliable source of funding</td>
<td>Qualitative feedback from UN agencies/IOM</td>
</tr>
<tr>
<td>Operations deployed more rapidly due to ‘predictability’ of quick funding source</td>
<td>UN agency/IOM reporting</td>
</tr>
</tbody>
</table>

**Quality Response**

A unified plan representing the views of the humanitarian community as a whole facilitates better coverage, both geographical and sectoral, eliminates gaps and distributes work based on capacities and resources. In addition, ensuring that internal accountability and monitoring mechanisms for each implementing UN agency/IOM are in place helps provide confidence that the response is of high quality.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Information Source</th>
</tr>
</thead>
</table>
Transparent information management of recipient agencies on status of CERF projects

Accountability to affected populations, as outlined in the Humanitarian Accountability Project (HAP), is incorporated into project submissions where recipient has signed up to HAP (NOTE: Internal agency/IOM specific affected population accountability mechanisms will be followed)

Evaluative mechanisms established (NOTE: CERF evaluative processes to be developed. See Sections 5.2-5.3)

Real-Time and internal agency/IOM evaluations, when conducted, demonstrate CERF’s contribution to a more coherent response

Humanitarian Reform Process Supported
CERF should actively reinforce the role of the RC/HC and strengthen cluster and inter-cluster/sector coordination. This is a byproduct of the effective use of CERF funds.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Information Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent to which RC/HC, Humanitarian Country Team and cluster leads use the CERF process as a tool to strengthen coordination</td>
<td>Qualitative feedback from stakeholders</td>
</tr>
<tr>
<td>Strengthened function of clusters and of inter-cluster forum</td>
<td></td>
</tr>
<tr>
<td>Leadership and involvement of RC/HC in humanitarian operation improved</td>
<td></td>
</tr>
</tbody>
</table>

OPERATIONAL IMPACT
TIME SENSITIVE COVERAGE OF CRITICAL BENEFICIARY NEEDS

The impact of CERF should be measured by how the availability of this funding stream has improved humanitarian operations. Although the processes of the two elements of CERF – the rapid response and the under-funded - are generally similar, the overall intended impacts of the two are different and will be discussed accordingly. The overall impact of these two are as follows:

Rapid Response
Quality humanitarian response based on prioritized needs is provided in the earliest stage of an emergency. The CERF grant allows UN agencies and IOM to jumpstart their activities at a critical time to mitigate further loss of life after an emergency. CERF support provides funding during the gap when other funds are being secured.

Under-funded
In chronically under-funded emergencies, essential coverage of core humanitarian needs is ensured. Countries selected by the ERC have undergone an analysis of needs and consultation with UN Headquarters. The number of countries selected is limited to maximize impact of the funding.

4.3 Tracking the Indicators for CERF Logic Model
As shown in Table 2 below, the CERF Secretariat currently tracks many of these indicators. Table 2 summarizes the level of the logic model and the mechanism currently in place to track each level. The CERF Secretariat is in the process of revising the reporting templates where some of these indicators will be tracked. Until this is finalized, there are no additional requirements for UN agencies and IOM to track at this stage. Further discussion on how to monitor some of the outstanding indicators will evolve through consultation with the UN agencies and IOM. In addition, the proposed measures for strengthening accountability described in section V below would also help bolster tracking and accountability.
<table>
<thead>
<tr>
<th>Indicator Category</th>
<th>Responsibility</th>
<th>Means of Verification</th>
<th>Currently Monitored?</th>
<th>Monitoring Tool</th>
</tr>
</thead>
</table>
| Inclusive Country Level Prioritization Process | RC/HC          | ✓ Communication with RC/HC which states CERF Secretariat assumes prioritization was inclusive  
✓ Revised Application template will ask for prioritization process. It will then be removed from the revised reporting template                                                                                           | Partial              | ✓ Communication between CS and RC/HC  
✓ Application Template  
✓ RC/HC Annual Report                                                                 |
| Coherent Country Submission                | RC/HC          | ✓ High quality submission received by CERF Secretariat using the current CERF application template and adhering to CERF Life Saving Criteria.                                                                                                      | Yes                  | ✓ CERF Submission                                                                 |
| Streamlined Review, Allocation and Distribution | ERC, CERF Secretariat, UN agency/IOM HQ | ✓ Time from proposal submission to allocation of funds following internal CERF Guidance Process. All UN agencies and IOM sign LOUs which details their responsibilities. (Umbrella LOU in place in 2010)                                             | Yes                  | ✓ CERF Database  
✓ LOUs                                                                                     |
| UN agency/IOM M/R &E Systems in Place      | UN agency/IOM HQ | ✓ Explanation on submission of agency’s internal M/R&E procedures (including measuring impact at beneficiary level)                                                                                            | No                   | ✓ RC/HC Annual Report  
✓ Revised Application Template                                                             |
| Life Saving Activities Supported          | UN agency/IOM FO | ✓ Final report submissions which describe the activities supported  
✓ CERF evaluations outline the life saving activities which CERF funds contributed to                                                                                                                      | Partial              | ✓ Application Template  
✓ RC/HC CERF Annual Report  
✓ UNAgency/IOM HQ Narrative and Financial Reporting  
✓ CERF evaluations                                                                     |
| Timely Response                            | UN agency/IOM FO and HQ, CERF Secretariat | ✓ Tracking of time from time LOU was signed to UN agency/IOM HQ receiving funds  
✓ Time from HQ receiving funds to disbursing to FO  
✓ Time from FO receiving funds from HQ to disbursing to implementing partners                                                                                                                               | No                   | ✓ CERF Data Base  
✓ Currently no mechanism to capture this information                                         |
| Predictability and Reliability Enhanced    | CERF Secretariat | ✓ Project documents, qualitative feedback, CERF Annual Report                                                                                                                                                    | Yes                  | ✓ CERF Annual Report  
✓ RC/HC Annual Report                                                                        |
| Quality Response                           | UN agency/IOM FO | ✓ Project documents and evaluations                                                                                                                                                            | No                   | ✓ n/a                                                                 |
| Humanitarian Reform Process Supported      | RC/HC          | ✓ RC/HC feedback  
✓ New CERF Application Template requests description of the decision making process                                                                                                                                  | No                   | ✓ CERF Application Template                                                                 |
✓ UN agency/IOM HQ Narrative and Financial Reporting                                           |
V. INTRODUCTION OF NEW REVIEW MECHANISMS

In order to address the gaps identified in Table 2, two new review mechanisms are proposed at the country level. Both review processes would be triggered by a request from the ERC to the RC/HC.

5.1 Country-level Independent Review of CERF

The introduction of independent reviews would constitute a new oversight tool for the CERF. The main purpose of the reviews would be to provide the ERC with an appropriate level of independent assurance around the achievement of key performance benchmarks and planned results for CERF as a whole though country-level reviews in a sample of three to five countries per year. Those reviews would comprise a cross section of the types of proposals that receive CERF funding including, for example, sudden onset natural disasters, underfunded programmes, protracted crises and especially large allocations. The reviews themselves will also include recommendations aimed at improving country-level operational aspects of CERF, and may also identify policy issues which need to be addressed at a global level. The CERF Secretariat would develop a standard methodology for the country-level reviews and would manage the review process. It is anticipated that the country reviews will be conducted by an external consultant and managed by the CERF Secretariat.

5.2 Humanitarian After Action Reviews

In countries where there have been significant CERF grants, the ERC may request that the HC/RC undertake an After Action Review (hereafter AAR). An AAR is a discussion that allows a Humanitarian Country Team (HCT) to reflect on a CERF allocation process, how the HCT worked together, what was learned, what follow-up action should be taken and how it can be done better next time. Ideally, AARs should be a routine part of any grant allocation process with a view towards making recommendations for improving the efficiency and effectiveness of humanitarian response. For the first year, some 10 AARs could be undertaken by a representative cross section of CERF recipient country teams as identified by the CERF Secretariat.

The purpose of AARs is to inform future CERF application requests and prioritization processes (either by the HCT or technical members from the UN agencies/IOM which are CERF grant recipients) through sharing information and identifying lessons and actionable recommendations. AARs should be conducted in a spirit of openness and learning – they are not performance reviews and should not be conducted in order to allocate blame (or credit), but rather to encourage honest reflection by practitioners on CERF processes. The formal assessment of agency/IOM performance vis-avis CERF funded activities remains the prerogative of the recipient agencies via their own internal oversight procedures.

Under the current reporting system, UN agencies and IOM at the country level submit narrative reports to the RC/HC, who consolidates them and sends them to the ERC. UN agencies/IOM also provide financial reports to their own headquarters on the use of the funds. However, there is often a lack of shared information and reflection at the country level. An AAR at country level could help improve performance and promote greater accountability within the HCT. The inclusive inter-cluster prioritization process that occurs during the submission phase of a CERF application should be replicated at the conclusion of the grant.

Under the guidance of the RC/HC’s office, all recipient agencies and their respective implementing partners would be asked to engage in a review of outcomes of CERF grants at the end of the grant implementation period. The RC/HC would decide upon the appropriate forum depending on the structures within their specific country (i.e. inter-cluster lead meetings, IASC, HCT, etc.). The length of an AAR will vary, depending on the size of the grant and the number of partners involved. The length of the AAR would be set by the participants in the process.

These reviews would help provide stakeholders with a better understanding of outcomes and impacts of CERF funding, and help with future prioritization processes through the dissemination of lessons learned and best practices. AAR’s should also enable the quick development of the RC/HC’s annual report.

The CERF Secretariat would develop a TOR and methodology for AARs.
1. Annex I: Documents Consulted

UN Examples of Performance and Accountability Frameworks
- UNFPA Accountability Framework
- UNDSS Framework for Accountability
- UNDP – Management and Accountability Framework for the RC System
  Other: EuropeAid
- UNICEF Accountability Framework

Other Accountability Framework Documents
- DEC Accountability Framework, DEC Generic Appeal Risk Register,
- CIDA’s Draft Performance Measurement Strategy Development Guide

Miscellaneous Docs
- Background Note for AG on Development of CERF PAF – 21 April 2009
- Performance Framework Workshop March 2007
- CERF PAF – Plan of Action Jan 2008
- Risk Profile Worksheet (no date)
- Seven Reasons why the CERF could fail (no date)
- Possible CERF Indicators 27/3/2007

CERF GA and SGB Resolutions
- GA/A/60/432 Improvement of CERF
- SGB ST/SGB/2006/10 Establishment and operation of the CERF

CERF Reference Documents
- CERF Two Year Evaluation: Management Response Matrix
- CERF Life Saving Criteria (currently under review – expected revision completed by Dec 2009)
- Guidelines: CERF Procedures for Grant Allocations to UFE
- Overview of CERF Activities in 2008
- CERF FAQ
- Application Template (currently under review)
- Budget Guidelines
- CERF Reporting Requirements
- Annual RC/HC Reporting Template (Note that all RC/HC Reports are on the CERF website for 2007 and 2008 are being reviewed and uploaded on a continuous basis)

Internal Information
- Guidance Note on Applying for CERF Grants (Feb 09) - used for surge support and currently being revised to be part of updated “web guide” to the CERF for website
- Checklist for Evaluating CERF Proposals
- “Dummies Guide” for the Programme United Nations (Internal)
- Routing Slip for Programme Unit (for approval of proposals)
- List of CERF Guidance
## Annex 2: Persons Consulted

### Agency HQ

<table>
<thead>
<tr>
<th>Agency</th>
<th>Name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNFPA</td>
<td>Elke Mayrhofer</td>
</tr>
<tr>
<td>FAO</td>
<td>David Macfarlane</td>
</tr>
<tr>
<td>UNICEF</td>
<td>Francois Ducharme, Lisa Doughton</td>
</tr>
<tr>
<td>WFP</td>
<td>Alfred Gilman Marriane Ward, Sally Burrows, Matt Hollingworth</td>
</tr>
<tr>
<td>UNCHR</td>
<td>Miroslav Medic</td>
</tr>
<tr>
<td>WHO</td>
<td>Marie-Nicole Adler, Chen Reis, Luzitu Simao,</td>
</tr>
<tr>
<td>OCHA</td>
<td>Claire Messina, Mateusz Buczek, Jamie McGoldrick</td>
</tr>
<tr>
<td>IOM</td>
<td>Christophe Franzetti, Patricia Reber Hashemee, Rocio Sanz</td>
</tr>
<tr>
<td>NGOs</td>
<td>Paul Mikov, World Vision; Kitty Arie, Save UK; Nicholas Stockton, HAP</td>
</tr>
</tbody>
</table>

### Kenya

<table>
<thead>
<tr>
<th>RC/HC</th>
<th>Name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNFPA</td>
<td>Dr. Alexander Ilyin</td>
</tr>
<tr>
<td>UNHCR</td>
<td>Aissnatou Dieng-Ndiaye</td>
</tr>
<tr>
<td>UNICEF</td>
<td>Megan Gilgan, Juan Ortiz, Martin Worth</td>
</tr>
<tr>
<td>WFP</td>
<td>Natasha Nadazdin</td>
</tr>
<tr>
<td>OCHA</td>
<td>Jeanine Cooper, Lucy Dickenson, Laurent Dufour</td>
</tr>
<tr>
<td>WHO</td>
<td>David Okello</td>
</tr>
<tr>
<td>IOM</td>
<td>Jerotich Sei Houlding</td>
</tr>
<tr>
<td>NGOs</td>
<td>Aeneas Chuma</td>
</tr>
<tr>
<td>NGOs</td>
<td>Lindsay Spainhour, ACF; Philip Wijmans, The Lutheran World Federation; Angelica Lians, Mercy USA</td>
</tr>
</tbody>
</table>

### Somalia

<table>
<thead>
<tr>
<th>RC/HC</th>
<th>Name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNFPA</td>
<td>Andrea Berloffa, Massimo Castiello</td>
</tr>
<tr>
<td>UNHCR</td>
<td>Guillermo Bettocchi, Vincent Chordi</td>
</tr>
<tr>
<td>UNICEF</td>
<td>Rozanne Chorlton</td>
</tr>
<tr>
<td>WFP</td>
<td>Tarisius Nitta, Keith Ursel, Geoffrey Mwangi, Francesco Nicola Cornaro</td>
</tr>
<tr>
<td>WHO</td>
<td>Dr. Martha Everard</td>
</tr>
<tr>
<td>IOM</td>
<td>Jerotich Sei Houlding</td>
</tr>
<tr>
<td>NGOs</td>
<td>Zia Choudry, Peter Klansoe, Danish Refugee Council</td>
</tr>
</tbody>
</table>

### Djibouti

<table>
<thead>
<tr>
<th>RC/HC</th>
<th>Name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RC/HC</td>
<td>Sunil Saigal (former)</td>
</tr>
</tbody>
</table>

### Haiti

<table>
<thead>
<tr>
<th>HC/RC</th>
<th>Name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNICEF</td>
<td>Annamaria Laurini (former HoO)</td>
</tr>
</tbody>
</table>

### Pakistan

<table>
<thead>
<tr>
<th>CERF</th>
<th>Name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CERF</td>
<td>Susan Le Roux</td>
</tr>
</tbody>
</table>

### Zimbabwe

<table>
<thead>
<tr>
<th>OCHA</th>
<th>Name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCHA</td>
<td>Lilian Nduta</td>
</tr>
</tbody>
</table>

Talking Points

• Purpose of the PAF is to clearly define the roles and responsibilities expected of all stakeholders of the CERF. As CERF is a young fund, the PAF is intended to ensure that there is transparent accountability for the distribution of the funds. This is in line with the donors’ drive for greater accountability across all areas of humanitarian action.

• The PAF has been requested by the Advisory Group and donors since its launch in 2006. It was reiterated again in the 2-year agenda and all agencies are aware of its progress.

• Consultation has thus far taken place at headquarters level – with CERF Secretariat staff, agency staff and donors. We feel it is important to get inputs from the country offices to better understand perceptions from the field on accountability and performance. Your thoughts will feed directly into the development of the PAF.

• As you know, the CERF is everyone’s fund; it’s not OCHA’s, it’s not the HC’s; it’s not the recipient agencies. The performance of agencies using CERF funding reflects on the humanitarian community as a whole. Therefore it is in all of our best interests to have clear guidance on the roles and responsibilities regarding the distribution and reporting on the funds as well as clear lines of accountability around its use. These questions are meant to elicit thoughts on how the stakeholders of the CERF at country level view accountability for the funds and measure performance related to use of the funds.

• A draft framework, incorporating the feedback received will be presented to the Advisory Group meeting on November 2nd. After their inputs are received, we will refine the PAF and get further inputs from agencies before finalizing it.

Stakeholders for consultation:
  - RC/HC (Focus group with HCT)
  - Head of Program Unit
  - Head of Clusters (Focus group with clusters including NGOs)
  - Head of OCHA
3. **Annex 4: Tools for Accountability**

1. **Guidance**

The CERF has a standard application template and guidance. All approved CERF guidance materials are available on the public CERF website. The website is currently being reviewed and a clearer guidance template is being developed for the site, which is hoped, will make it easier for the users to access information on how to access and use the CERF. As new or current OCHA guidance materials are revised, the CERF is requesting to be included where appropriate, i.e., the revised Flash Appeal Guidelines include a section on the CERF, the revised guidance for HC/RC’s also includes a section on their responsibilities vis-à-vis the CERF. The CERF is working closely with the newly established Financing Coordination Section to ensure that all guidance and policy development is complementary. A guidance note has been written on CERF and Common Services and new guidance materials will be prepared this year on the United Nations Humanitarian Air Service (UNHAS), and the role of OCHA field offices regarding the CERF and the country-based pooled funds. A review of the Life-Saving Criteria will also take place in 2009.

2. **Project Review Process**

The CERF has a detailed project review process in order to ensure projects meet fund criteria. All applications are reviewed by a program officer (who may consult with the HC/RC, CRD, OCHA field offices, Agency CERF focal points), the CERF Head of Programme, a CERF Finance Officer, the Chief of the CERF Secretariat, and the Director of OCHA New York prior to recommendation to the ERC for final review and signature. Once the project is approved by the ERC, the Office of the Controller reviews the submission prior to dissemination of funds.

3. **General Audit of the Fund**

The UN Board of Auditors has the authority to audit the use and management of the Fund. In September 2008, the UN Office of Internal Oversight (OIOS) completed an audit for the period March 2006 to December 2007.

4. **Agency Audits**

Fund users (eligible humanitarian organizations) maintain their own accountability requirements for project funds. As per ST/SGB/2006/10, Section 5.1, operational organizations that have received a loan or grant shall comply with their own financial regulations and rules as per their current arrangements with their respective management boards.

5. **Evaluations**

Funded activities are subject to evaluations in line with the established evaluation procedures of each agency. The Emergency Relief Coordinator may request additional evaluations if the need arises. In July 2008, an independent Two-year Evaluation of the CERF was completed as per Resolution 60/124. In response to the recommendations presented in the Two-year Evaluation, a management response matrix was developed with inputs from a wide-range of stakeholders. The matrix details the response and action to be taken for each recommendation, and serves as a ‘road map’ for the work that needs to be undertaken until the next review of the Fund, planned for 2011. In 2009, a review is planned of the Underfunded Window.

6. **Letters of Understanding**
All agencies sign a Letter of Understanding for each CERF project, which details their responsibilities in regard to the use of the funds and reporting requirements.

7. Public Reporting:

Transparency and accountability is enhanced by public reporting on donations and expenditures through the dedicated CERF website linked to the financial tracking service (FTS) of the Office for the Coordination of Humanitarian Affairs. (http://cerf.un.org). The dedicated website also provides information on application procedures serves as a fund-raising platform and promotes visibility for donors. The HC/RC Annual Reports are included on the site as well as information as to how to apply for the CERF, information on all CERF grants approved by the ERC and other items of interest.

- **Financial reports on CERF** grants from UN Agencies and IOM are due twice a year (interim financial reporting by 15 February and final statements due by 30 June of each year).

- **Reporting at headquarters level**: At the headquarters level, UN agencies and IOM are required to submit an annual report in April of each year, which follows either the United Nations Development Group (UNDG) or the agency-specific standard format for reporting. In addition, agencies provide lessons learned on accessing funds from the CERF and analysis on the impact of CERF on the agencies' capacities to respond to crises for the Secretary-General's Report on the use of the CERF.

- The **Annual Report of the Secretary-General on the use of the CERF**, which is submitted to the General Assembly in November/December each year, focuses on how and why decisions were taken on the allocation and use of the CERF. The Secretary-General's Report highlights how CERF funds were used to make a difference in humanitarian response at the country and agency levels. The report serves as a tool in illustrating the usefulness of the CERF in assuring rapid response to new or deteriorating humanitarian crises and in addressing life-saving and core humanitarian activities in underfunded emergencies. Agency input to the Report of the Secretary-General is due on 20 April and is based on results achieved with CERF funding in the previous calendar year (January to December).

- **Reporting at field level**: At the field level, Resident/Humanitarian Coordinators (HC/RCs), on behalf of humanitarian country teams, submit an annual report for each country, which benefited from allocations under the Rapid Response and/or Underfunded Emergencies windows. This report provides a broad overview of the impact of and results achieved with CERF funding on the sectors/clusters of the overall humanitarian response in-country and includes inputs from the concerned agencies on the ground. The HC/RCs annual report is due on 30 March, covering all the CERF allocations provided to the respective country in the prior calendar year (January-December). The CERF Secretariat analyses these reports and ensures that reporting on objectives and activities is complete.

8. Inter-agency (IA) Meetings

IA meetings are held on a regular basis via teleconference and chaired by the Head of OCHA NY (approximately every three weeks) to discuss common issues of interest and/or concern.

9. Training

The CERF facilitates six Regional training workshops a year in an effort to familiarize UN and IOM staff and partners with the CERF, focusing on the application process. The training aims to provide information on efforts to strengthen humanitarian response architecture; develop a clearer understanding of the mandate and scope of the CERF, the application process, and reporting requirements; and improve the quality of submissions and reporting on the use of the CERF.

10. CERF Secretariat Workplan:
Recognizing that accountability is a cornerstone of a transparent, ethical and results orientated organization, the CERF Secretariat is committed to continuous improvement of procedures and processes. The CERF Workplan is the cornerstone of this process. It is aligned with the OCHA strategic objectives and also with the agreed upon activities within the Management Response Matrix based on the two year evaluation of the CERF (see 5 Evaluations above).

11. Monitoring

Recommendation 27 in the Two-year Evaluation suggests that clear parameters for Monitoring and Evaluation, with detailed statements of specific interventions to be carried out, need to be included in all proposals and Letters of Understanding and outputs made available to the Humanitarian Country Team. Further to this recommendation, the Management Response Matrix suggests that this issue will be taken up in the context of discussions on the umbrella Letter of Understanding. Every effort will be made to ensure that existing monitoring and evaluation systems are used in addition to building on the work the IASC CAP sub-working group.

4. Annex 5: Roles and Responsibilities

<table>
<thead>
<tr>
<th>WHO</th>
<th>IS ACCOUNTABLE FOR WHAT</th>
<th>TO WHOM</th>
<th>TOOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary-General</td>
<td>Ensure the necessary managerial, administrative, and accountability arrangements are in place for the Fund</td>
<td>General Assembly</td>
<td>SG Reports</td>
</tr>
<tr>
<td></td>
<td>Commissions independent evaluations</td>
<td>Donor governments</td>
<td>SG Bulletin</td>
</tr>
<tr>
<td></td>
<td>Reports to the General Assembly on the use and management of the Fund (See A/RES/60/124)</td>
<td>Contributors from the private sector</td>
<td>Evaluation Reports</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Beneficiaries</td>
<td></td>
</tr>
<tr>
<td>Emergency Relief Coordinator (ERC)</td>
<td>Provides overall programme management of the Fund in accordance with relevant resolutions and Secretary-General’s Bulletin</td>
<td>Secretary-General</td>
<td>CERF Annual Report/OCHA Annual Report</td>
</tr>
<tr>
<td></td>
<td>Mobilizes resources</td>
<td>Member states/private sector contributors</td>
<td>OCHA in 2009</td>
</tr>
<tr>
<td></td>
<td>Manages independent evaluations and prepares reports for the SG to the GA/ECOCOC.</td>
<td>Advisory Group</td>
<td>Bi-annual broad-based donor consultations and periodic donor briefings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IASC Principals</td>
<td>IASC Principals Meetings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Beneficiaries</td>
<td>Evaluations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CERF letters for grant approval/LoUs</td>
</tr>
<tr>
<td>Director of OCHA New York</td>
<td>Provides advice to the ERC on issues relating to humanitarian pooled funds</td>
<td>ERC</td>
<td>Periodic donor briefings and other events</td>
</tr>
<tr>
<td></td>
<td>Provides policy guidance, supports resource mobilization efforts, and provides oversight of the day-to-day programme management of the Fund</td>
<td>CERF inter-agency (IA) group</td>
<td>Briefings to the ERC</td>
</tr>
<tr>
<td>CERF</td>
<td>Provides day-to-day programme</td>
<td>Director, OCHA</td>
<td>IA meeting summaries</td>
</tr>
<tr>
<td><strong>Secretariat (Chief)</strong></td>
<td>management of the Fund with the appropriate reporting and accountability mechanisms, as well as guidance/training resources, and ensures administration of the budget, inter-agency consultation, and public reporting.</td>
<td><strong>NY</strong></td>
<td><strong>Application Guidelines package (with accompanying templates)</strong>&lt;br&gt;<strong>Narrative reporting framework</strong>&lt;br&gt;<strong>Monthly CERF Newsletter and other reports (e.g. 2008 overview, food crisis analysis)</strong>&lt;br&gt;<strong>Regular briefings</strong>&lt;br&gt;<strong>CERF partnership task force meeting summaries</strong>&lt;br&gt;<strong>CERF website/database</strong>&lt;br&gt;<strong>CERF grant request review paperwork/grant folders</strong></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>OCHA New York Office of USG</strong></td>
<td>Undertake final review of CERF Secretariat recommendations prior to submission to the ERC</td>
<td><strong>ERC</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Office of the Controller</strong></td>
<td>Ensure that CERF funds are administered according to UN Financial Rules and Regulations</td>
<td><strong>USG Department of Management</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Resident/Humanitarian Coordinators</strong></td>
<td>Oversees the development of grant requests as well as the monitoring of and reporting on projects funded by CERF</td>
<td><strong>ERC</strong>&lt;br&gt;<strong>UN Country Team/Humanitarian Country Team</strong></td>
<td><strong>Grant request package</strong>&lt;br&gt;<strong>Annual narrative CERF report</strong>&lt;br&gt;<strong>Period briefings, reports, and other public information material</strong></td>
</tr>
<tr>
<td><strong>OCHA Field Office</strong></td>
<td>Provide guidance and support to RC/HC and Humanitarian Country Team on CERF processes and procedures</td>
<td><strong>RC/HC</strong>&lt;br&gt;<strong>OCHA HQ</strong></td>
<td></td>
</tr>
<tr>
<td>Eligible Recipients (UN agencies and IOM)</td>
<td>ERC</td>
<td>CERF Proposal and budget</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-----</td>
<td>-------------------------</td>
<td></td>
</tr>
<tr>
<td>Prepare need-based and properly costed proposals</td>
<td></td>
<td>Letters of Understanding</td>
<td></td>
</tr>
<tr>
<td>Have full responsibility for the use and reporting on CERF funds in accordance with their own financial regulations and rules</td>
<td></td>
<td>Annual narrative report</td>
<td></td>
</tr>
<tr>
<td>Participate in prioritization of proposals for CERF submission through cluster/sector process</td>
<td></td>
<td>Annual financial reports</td>
<td></td>
</tr>
<tr>
<td>Provide narrative and financial reports as per the CERF LOU to ERC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintain their own accountability requirements for project funds</td>
<td>ERC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete their own audits for individual projects as per their current arrangements with their respective management boards</td>
<td>Controller</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RC/HC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CERF donors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agency Executive Boards</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual Audits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CERF Advisory Group</td>
<td>Secretary-General</td>
<td>Notes to the Secretary-General</td>
<td></td>
</tr>
<tr>
<td>Provide policy guidance and expert advice to the Secretary-General on the use and impact of the Fund.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NGOs/Implementing Partners</td>
<td>UN Agencies, based on &quot;Principles of Partnership&quot;</td>
<td>Reporting as required by UN Agency.</td>
<td></td>
</tr>
<tr>
<td>Fulfill objectives as specified in their agreements with UN agencies and IOM</td>
<td></td>
<td>Participate in the CERF Partnership Task Force</td>
<td></td>
</tr>
<tr>
<td>UN agencies and IOM are responsible to provide narrative and financial reports to the CERF as per the LOU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actively participate in clusters during CERF prioritization process</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Development Initiatives - 
People committed to eliminating poverty.

We engage to promote better understanding of risk, vulnerability and needs; and to increase access to, understanding and use of information about the resources available for poverty reduction… at all levels.

We try to empower by putting this information, and the capacity to use it, in the hands of those who need it - so that poor people can tell decision makers about the impact of money spent in their name.

We believe in the power of information to eliminate poverty.