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In October 2010, the Office of Internal Oversight Services (OIOS) released a report with the findings of a risk assessment of United Nations (UN) general trust funds. The report attempted to identify key risks in relation to the operation of UN general trust funds, particularly those that give funds to entities outside the UN secretariat, with risks grouped into four categories: Loss of legitimacy, loss of financing, loss of knowledge capacity and loss of operational capacity. For each risk identified the report presented mitigation controls already in place and assessed the residual risks that still need to be addressed. The Central Emergency Response Fund (CERF) is the largest of the general trust funds assessed by OIOS, and as such many of the identified risks were to some degree applicable for the operation of the CERF. Risk assessment and mitigation is already an integral part of the regular CERF work-planning process. The CERF secretariat, however, decided to formulate a response to the full risk assessment by OIOS (available on the CERF website). The full OIOS risk compendium served as a basis for development of a more focused risk action plan addressing key risks potentially facing CERF and which the CERF secretariat would seek to address as a priority.¹ The CERF risk action plan is used by the CERF secretariat to monitor and track the status of key risks and related mitigating actions and is updated twice a year. The risk action plan shall not be considered a separate work stream for CERF, rather the risk plan views CERF's regular workplan through a risk lens by mapping out relevant workplan initiatives against the risk areas that they help mitigate, and by helping to identify potential gaps in risk mitigation.

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<p><u>RISK AREA 1 - Performance Monitoring and Accountability</u></p> <p>A number of evaluations and reviews, notably the five-year evaluation of the CERF, have highlighted concerns surrounding issues of performance monitoring and accountability. The CERF's reliance on agency monitoring and evaluation systems presents advantages in terms of cost savings and the ability to maintain a lean management structure. As well, this structure has been reviewed and approved by agencies executive boards. However, this makes it difficult to obtain comprehensive, accurate and timely data on results achieved with CERF funds including independent information on results at the beneficiary level. Studies, such as the country reviews conducted under the Performance and Accountability Framework (PAF), have demonstrated that CERF can significantly improve the overall humanitarian response. This effect at the systemic level is more difficult to demonstrate at the project level.</p>			

¹ Risks that are not directly under the CERF secretariat's influence, such as potential mismanagement of funds by recipient agencies or their implementing partners, have not been included in this Action Plan as these are not linked to a specific new mitigating action by CERF. This does, however, not reflect that these risks are not important and they are referenced in the full risk assessment which can be found on CERF's website at <https://docs.unocha.org/sites/dms/CERF/Response%20to%20OIOS%20Risk%20Assessment%20AG%20May%202012.pdf>

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<p><u>Risk</u> Reliance on agency monitoring and evaluation systems leading to:</p> <ul style="list-style-type: none"> - Lack of adequate performance and results information. - Lack of verified and timely beneficiary level information. - Lack of project level impact evaluation. <p><u>Potential Impact</u></p> <ul style="list-style-type: none"> - Inability to adequately demonstrate CERF results or impact at the beneficiary level. - Possible loss of confidence by donors and member states. - Difficult to attribute success. 	<ul style="list-style-type: none"> - The CERF Performance and Accountability Framework (PAF) (developed in 2010) delineates accountability and responsibilities and defines indicators to assess CERF performance. - Periodic evaluations of CERF itself (2 year, 5 year) have provided critical comprehensive external perspective.² - Independent PAF country reviews provide an additional level of assurance around value added of CERF and helps gauge performance against PAF indicators. - The annual RC/HC CERF narrative reporting process provides information on results achieved with CERF funds at country and project level. - Evaluations conducted by agencies themselves that include CERF funded activities. 	<ul style="list-style-type: none"> i. Review the PAF to ensure that it meets the accountability needs of CERF. ii. Further strengthen RC/HC CERF narrative reporting format and process. iii. Introduction of country-level CERF 	<ul style="list-style-type: none"> i. An independent expert has reviewed the PAF. The final report has been made available on CERF’s website and the CERF secretariat has implemented relevant changes. The CERF secretariat intends to internally review the PAF once a year to determine whether adjustments are required to keep the PAF relevant and fit for purpose (Timeline: Q4 each year). A rating methodology for assessing CERF performance at country level against key PAF indicators was proposed in the review of the PAF. The new methodology was tested in CERF country reviews conducted in DRC, Sudan and Myanmar and will be introduced as standard practice in future reviews when relevant and possible. ii. A revised format and schedule for RC/HC narrative reports were introduced in 2013 and fully rolled out in 2014. The new reporting format provides more timely information on results and a rolling reporting schedule has lightened the reporting burden whilst allowing for improved quality and accuracy of reports. CERF has also developed an improved report review framework that enables better and more consistent quality assessment of reports, improve extraction and analysis of key data and facilitate systematic review of planned versus reported achievements. The new approach has yielded better quality reports and enabled significantly improved analysis and use of reported information (analyses of reports quality have been shared and discussed with the CERF Advisory Group at their October 2014 and May 2015 meetings) iii. With the introduction of a rolling RC/HC reporting

² The CERF has now matured considerable and as such smaller studies and evaluations targeting specific issues may likely add greater value than what can be achieved through large scale, all-inclusive evaluations of CERF (like the two and five years evaluations).

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		<p>after-action reviews (AARs) to serve as platform for joint assessment of CERF processes and results.</p> <p>iv. Conduct additional PAF country and regional reviews and use these to demonstrate CERF's performance and its added value as well as to explore key areas of interest or concern.</p> <p>v. Strengthen cooperation with agency evaluation departments to improve CERF coverage in agencies' own evaluations and studies.</p> <p>vi. Explore opportunities for improving availability of in-country information</p>	<p>schedule, AARs (or similar type exercises) are recommended to be conducted at country level as part of the report preparation process. AAR guidance has been prepared and disseminated. Part of the new RC/HC report quality assessment framework is to assess the quality of in-country processes around the preparation of the reports. Whether an AAR or a similar exercise has been conducted is a key component in assessing the inclusiveness and transparency of the preparation of reports, and thus the quality of the process. Across all RC/HC reports covering 2013 CERF grants (submitted in 2014) close to 80 percent are assessed as having followed a 'very good' or 'good' in-country process, indicating a high use of AAR type exercises.</p> <p>iv. Three reviews were conducted in 2014 (Sudan, DPRK and Myanmar) taking the total number of different countries reviewed since 2010 to 23. Additional reviews are planned for 2015. A key element of each review is to assess the added value of CERF in the given context. The review reports and their recommendations and findings are discussed with the CERF Advisory Group, published on CERF's website and systematically acted upon by CERF (Ongoing).</p> <p>v. FAO and IOM conducted an evaluation of their use of CERF funds in 2010 and 2012 respectively and WFP and UNHCR have concluded similar evaluations in 2014. CERF follows up to relevant findings from these evaluations and liaises with recipient agencies to explore opportunities for further evaluative initiatives and cooperation.</p> <p>vi. The possibility of using CHF country-level monitoring frameworks to also cover CERF funded activities is one</p>

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		<p>on CERF funded projects including the possibility of utilising Country Based Pooled Funds' (CBPF) monitoring frameworks to improve information on CERF funded activities.</p> <p>vii. Build on monitoring initiatives under the IASC Transformative Agenda to improve monitoring of CERF's contribution to humanitarian results.</p> <p>viii. Clarify procedures for communicating cases of fraud with CERF funds should these occur.</p> <p>ix. Strengthen the CERF secretariat's capacity to support processes and systems around performance monitoring and accountability.</p>	<p>of the opportunities outlined in the guidance note on CERF-CBPF harmonization. The objective of doing so should be to add value to the overall CERF (and CBPF) process by fostering joint learning, advance good practices, inform future allocations and enhance accountability. A number of CBPF countries have included CERF projects in CBPF monitoring efforts. CERF has also developed a standard template in support of interim CERF project updates to the RC/HC and HCT from recipient agencies, and have included in the new CERF template a request for information on how the RC/HC and HCT will be kept abreast of project implementation. (Ongoing).</p> <p>vii. CERF's contribution to results at cluster/sector level is referenced in the guidance and template(s) for the HPC reference module on Periodic Response Monitoring. The framework is being rolled out in HRP countries in 2015.</p> <p>viii. The issue was discussed at the CERF Advisory Group meeting in October 2014. Based on these discussions and following consultations with agencies a draft guidance note will be presented and discussed at the May 2015 Advisory Group meeting.</p> <p>ix. The oversight of the RC/HC reporting process has moved to the CERF Performance, Monitoring and Policy Section in 2013 to ensure better integration with the overall CERF performance and accountability structure. In addition, the section has been strengthened with additional staff.</p>

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<p><u>RISK AREA 2 – Partnerships</u></p> <p>The CERF only makes grants and loans directly to UN agencies and IOM. Nevertheless, partnerships, such as those with non-governmental organisations (NGOs), play a key role in all stages of the project cycle, from the identification of needs, to the prioritization and implementation of interventions as well as the reporting phase. As a result, there are several potential risks surrounding partnership arrangements. These notably include agencies’ reliance (to varying degrees) on sub-grantees to implement parts of their programmes or projects. Delays in sub-granting or ineffective sub-granting arrangements, therefore, have the potential to affect the effectiveness of CERF as a rapid response mechanism. Similarly, a lack of inclusiveness in CERF country-level prioritisation and decisions may lead to situations where CERF is not funding the most pressing interventions or where CERF funding decisions are not coordinated with other funding streams.</p>			
<p><u>Risk</u></p> <ul style="list-style-type: none"> - Delays in sub-granting or ineffective sub-granting arrangements. - Lack of inclusiveness in CERF country level prioritisation and decisions. <p><u>Potential Impact</u></p> <ul style="list-style-type: none"> - Possibility of delayed response. - Donors prioritizing other funding channels over CERF (to fund NGOs). - CERF not meeting its objective of targeting the most urgent needs. - Loss of effectiveness and impact. 	<ul style="list-style-type: none"> - Annex 2 of RC/HC CERF narrative reports requires agencies to report on size and timeliness of sub-grants. - Importance of partnerships reflected in CERF guidance materials and trainings. - Overview section of grant application template (the “chapeau”) requires applying countries to outline inclusiveness of prioritization exercise. - Country studies conducted under the PAF provide an additional level of verification of CERF added value and of the quality of partnership arrangements. 	<ul style="list-style-type: none"> i. Utilise revised RC/HC reporting schedule for improved analysis of reported sub-grants. ii. CERF guidance containing information on role of implementing partners in the process. iii. Ensure that partnership issues are reviewed and assessed in PAF country reviews. 	<ul style="list-style-type: none"> i. The revised RC/HC narrative reporting schedule (introduced in 2013 and fully rolled out in 2014) means that reports are going to be submitted on a rolling basis within three months of grants completion. This allows CERF to better follow-up on reported sub-grant data and it will enable continuous analysis of information rather than limit it to a delayed yearly exercise as in the past (under the old reporting framework final sub-grant data would only be available one full cycle after the grant year, e.g. final 2012 data would only be available in Q2 2014). CERF now shares reported sub-grant data with agencies on a quarterly basis for their review and follow-up. ii. Guidance on CERF country level processes emphasises the role of implementing partners in the full CERF programme cycle, including in the application and prioritization stages. iii. This continues to be a standard component of the country review ToR. The three reviews conducted in 2014 in Sudan, DPRK and Myanmar also covered this issue³. An additional three to four country reviews are planned for 2015. CERF will follow-up on relevant partnership findings from the reviews.

³ Although many of the usual partnership questions were not relevant for the unique context of DPRK

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		<ul style="list-style-type: none"> <li data-bbox="887 164 1379 408">iv. Development of guidance on maximizing complementarities between CERF and country-based pooled funds (CBPFs) to enable CERF processes to be better grounded in the existing partnerships surrounding CBPFs. <li data-bbox="887 451 1379 587">v. Introduction of country-level CERF after-action reviews (AARs) to serve as platform for inclusive joint learning at country level. <li data-bbox="887 630 1379 766">vi. Address partnership issues in the IASC Humanitarian Financing Task Team (HFTT) and bilaterally with UN agencies. <li data-bbox="887 1134 1379 1305">vii. Include the issue of inclusiveness as part of the new CERF training package that will target CERF decision makers and process managers at country level. <li data-bbox="887 1385 1379 1417">viii. Discuss partnership issues in the 	<ul style="list-style-type: none"> <li data-bbox="1402 164 2141 300">iv. Guidance developed and shared with CBPF managers and OCHA Heads of Offices. Follow-up discussions with fund managers are held at the annual global OCHA Pooled Fund Managers workshop. <li data-bbox="1402 451 2141 483">v. See point <i>iii</i> under Risk Area # 1 for status of this action. <li data-bbox="1402 630 2141 1085">vi. Identification of best practices in UN – NGO partnerships under CERF grants was included as an activity under the 2014/2015 work plan of the HFTT, and the activity has been concluded. Amongst other things this activity explored issues related to timeliness of agencies’ disbursements of funds to their implementing partners (IP) and the involvement of IPs in the CERF application process. A paper highlighting a number of identified best-practices was developed and this was presented and discussed with the CERF Advisory Group at its October 2014 meeting. The CERF secretariat continues to follow up bilaterally with UN agencies to encourage them to implement these best practices. <li data-bbox="1402 1134 2141 1342">vii. CERF redesigned its training package in 2014. The new CERF training will predominantly target CERF decision makers and process managers with an aim of strengthening prioritisation and improve strategic use of CERF funds. The new CERF training was piloted in 2014 and is being fully rolled out in 2015. <li data-bbox="1402 1385 2141 1417">viii. Partnership issues are included as a regular agenda point

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		CERF Advisory Group (AG).	of the IASC session of CERF AG meetings. At the 2014 AG meetings a number of agencies participated at senior level to discuss the issue with AG members.
<p><u>RISK AREA 3 - Resource Mobilization</u></p> <p>CERF has received support from 122 of 193 Member States and Observers, as well as from private donors and the public. CERF, nevertheless, exhibits a heavy reliance on a small group of donors. This makes CERF vulnerable to fluctuations in the support from the core group of donors.</p>			
<p><u>Risk</u></p> <ul style="list-style-type: none"> - Heavy reliance on a small group of donors. - Perception that CERF is a fund for a few member states rather than a fund for all. - Uncertain income projections due to currency fluctuations. <p><u>Potential Impact</u></p> <ul style="list-style-type: none"> - Significant loss of funding in case of policy change away from pooled funding by core donors or through impact of economic crisis. - Lack of interest by donors outside the core group. 	<ul style="list-style-type: none"> - CERF maintains and updates a resource mobilization strategy targeting specific member states and groups. The strategy is revised regularly in consultation and discussed with the CERF Advisory Group. - CERF's Annual High-level Conference (HLC) serves as main fundraising event for CERF for Member States. - Regular Member States briefings provide opportunity to update Member States on CERF outside of High-level Conference. - Members of the CERF Advisory Group constitute a broad and diverse representation of Member States. - CERF Advisory Group 	<ol style="list-style-type: none"> i. Ensure adequate staff capacity, procedures, tools and systems are in place to support resource mobilization efforts. ii. Revise resource mobilization and communications strategy to strengthen initiatives for maintaining, broadening and deepening of the donor base. iii. Develop innovative funding and promotional initiatives, including through private sector engagement, to attract new funding and to increase CERF visibility. 	<ol style="list-style-type: none"> i. The CERF secretariat's Resource Mobilization and Communication Section now fully staffed (April 2015). ii. RM/C strategy being revised and to be presented at the CERF Advisory Group meeting in the fall of 2015. Implementation is ongoing. iii. CERF is continuously exploring new options for increasing visibility and reaching new partners. Recent initiatives include: <ul style="list-style-type: none"> - Draft visibility framework has been developed based on CERF best practice and consultations with some recipient agencies. The framework focuses on CERF visibility and donor visibility/recognition. Further consultations and roll-out are scheduled for Q2 of 2015. - CERF is also working with OCHA's Communications Services Branch to leverage the 2015 World Humanitarian Day campaign for raising awareness about CERF. - In order to boost visibility, CERF has significantly expanded its social media presence and activity in

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	<p>members also function as advocates for CERF.</p>	<p>iv. Integrate CERF resource mobilization efforts into broader UN initiatives to strengthen humanitarian partnerships with emerging or non-traditional donors.</p> <p>v. Further improve CERF Public Information products and initiatives.</p> <p>vi. Use the IASC Humanitarian Financing Task Team (HFTT) to discuss CERF visibility and branding issues with IASC partners.</p> <p>vii. Analyse the impact of currency fluctuation on the projected income for 2015 and 2016 and alert Member States.</p>	<p>Q1 2015.</p> <p>-CERF is finalizing the production of a short animation film that explains the role of the Fund in a format that is accessible and interesting to a wide audience. It will be available in different languages and can be tailored to suit different purposes (call to action, thanking donors for contributions, highlight major allocations)</p> <p>iv. Targeted CERF resource mobilization messages regularly included in USG and other OCHA/CERF senior officials' briefing packages/talking points for meetings with emerging or non-traditional donors. CERF will hold its third policy side-event under ECOSOC's Humanitarian Affairs Segment (June 2015, Geneva)</p> <p>v. This work is ongoing and CERF continues to upgrade its visual identity and key information products. CERF website is being revamped to offer easier access to information and improved usability. CERF has further expanded the availability of audio-visual content demonstrating the results of CERF-funded response through the website.</p> <p>vi. Exploring opportunities for improving visibility of CERF's support to humanitarian response has been the activity under the 2014/2015 work plan of the HFTT (Timeline: Q3 and Q4 2014). CERF's visibility guidelines will be explored in that forum in Q2.</p> <p>vii. Analysis ongoing. Impacts to be presented at the next Member States briefing and individual briefing with donors.</p>

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<p><u>RISK AREA 4 - Value for Money</u></p> <p>A number of broadly inter-related factors have the potential to affect perceptions about the CERF offering sufficient value-for-money. This includes the risk that CERF is unable to demonstrate sufficient added value to donors, which is to say “is there sufficient benefit in channelling money through a pooled fund like CERF, rather than employing bilateral aid, to justify the expense?” Similarly, there is a risk that agencies will perceive the transaction costs (e.g. in the form of project prioritization, proposal preparation, compliance and reporting) associated with obtaining funds from CERF as excessive compared to bilateral donors. There is also an inherent risk with the CERF allocation process in that often each sector/cluster targeted with CERF funding is represented by only one or two UN agencies which may limit the competitive element and reduce considerations about cost conscientiousness. Lastly, there is a risk that issues related to programme support costs (PSC) will affect the perception of the fund. These include concerns over the overall level of PSC associated with the fund (currently 10 per cent) as well as the use of the 3 per cent allocated to the CERF secretariat and wider UN Secretariat.</p>			
<p><u>Risk</u></p> <ul style="list-style-type: none"> - Perception of insufficient added value of CERF. - Perception of CERF not being conscientious about costs and value for money in its allocation decisions. - Perception of excessive transaction costs. - Disagreements over level and use of PSC. <p><u>Potential Impact</u></p> <ul style="list-style-type: none"> - Possible loss of funding if donors cannot be convinced of sufficient added value. - Possible loss of funding in the long-term as donors pursue other funding 	<ul style="list-style-type: none"> - Country studies conducted under the PAF seek to provide additional level of assurance regarding value added of CERF to a given emergency response. - Periodic external evaluations assess overall functioning and value added of the fund at the global level⁵. - Agreement on overall PSC rate with Controller’s office in place. - Consultations within IASC SWG on Humanitarian Financing provide opportunity for soliciting feedback from recipient agencies (in 2013 the group transformed into the IASC 	<ul style="list-style-type: none"> i. Review the PAF to ensure that it provides an adequate framework for assessing CERF’s added value. ii. Systematically explore and address barriers for maximizing CERF’s added value. 	<ul style="list-style-type: none"> i. An independent expert has reviewed the PAF and the framework has been updated based on the findings. A number of the indicators focus on CERF’s added value. ii. <u>Evaluation and studies</u>: CERF continues to utilize studies and evaluations to explore opportunities for increasing CERF’s performance and its added value. Recent initiatives include UNHCR and WFP evaluations of their use of CERF Funds, a study of donors’ consideration of CERF in their humanitarian allocation decisions (concluded in 2014) and two scoping studies exploring if CERF should increase its funding target and whether CERF could be funded through UN assessed contributions (finalised in early 2015). In addition further CERF country reviews will be commissioned by CERF in 2015 (adding to the 23 countries already reviewed since 2010). All reviews will help CERF identify options for improving overall effectiveness and added value of CERF. <p><u>Training</u>: CERF redesigned its training programme in 2014. The new CERF training will predominantly target CERF decision makers and process managers and its aim is to</p>

⁵ The CERF has now matured considerable and as such smaller studies and evaluations targeting specific issues may likely add greater value than what can be achieved through large scale, all-inclusive evaluations of CERF (like the two and five years evaluations).

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<p>channels perceived to have lower “overhead”.</p> <ul style="list-style-type: none"> - Inadequate resources for CERF secretariat to fulfil its duties⁴. - Inadequate resources for recipient agencies and their implementing partners to effectively support implementation of CERF projects. 	<p>Humanitarian Financing Task Team (HFTT)).</p> <ul style="list-style-type: none"> - Ad-hoc studies (e.g. UFE review, review of PAF itself). - CERF participation in the UN secretariat PSC working group - Through CERF proposal reviews ensure consistency in costing across emergencies, applications and projects. 	<ul style="list-style-type: none"> iii. Explore opportunities for strengthening the concept of added value and value for money throughout the CERF cycle (prioritisation, submission, implementation, reporting). iv. Ensure an on-going and transparent dialogue about CERF PSC levels and their use. 	<p>improve prioritization and strategic use of CERF funds to maximize CERF’s added value. The new CERF training was piloted in 2014 and is being fully rolled out in 2015.</p> <ul style="list-style-type: none"> iii. <u>Improved CERF Application Template:</u> CERF has reviewed the grant application template and launched a revised version in 2015. The new template is meant to more clearly explain the prioritization approaches applied, reference any needs assessments informing the CERF submission and clarify linkages to relevant strategic plans (SRPs). The template also references how value-for-money and cost effectiveness were considered in preparing the submission, how affected people were consulted and if relevant whether proposed activities are expected to contribute to strengthening resilience. In addition the revised template includes a simple log-frame that will clarify expected CERF contribution and results. <u>Improved RC/HC Narrative Reporting:</u> Revised format and schedule for RC/HC narrative reports was introduced in 2013 and fully rolled out in 2014. The new reporting format provides clearer information on results achieved and specifically requests information on CERF’s added value according to four key parameters. This information is systematically analysed and communicated by the CERF secretariat. iv. The ERC and the CERF Advisory Group regularly discuss issues related to CERF PSC and also engage the UN controllers’ office on the topic. The deputy UN Controller briefed the Advisory Group at its meeting in May 2013 and the UN Controller met with the group during the November 2013 meeting to further discuss usage of the

⁴ In particular if the scope of work should change (e.g. growing monitoring dimension) or if CERF funding levels drop thereby reducing available PSC revenues.

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			PSC. Roll out of UMOJA in the UN secretariat should provide additional clarity on how the PSC is used.