

The [Grand Bargain](#) proposed by the High-Level Panel on Humanitarian Financing is about the need to work together efficiently and effectively to meet the humanitarian needs of people affected by crisis. It recognises that, faced with a woefully under-resourced humanitarian response system, the status quo is no longer an option. The Grand Bargain will be a contribution to delivering the [Secretary-General's Agenda for Humanity](#), specifically highlighting tangible, practical commitments to strengthen the humanitarian system. The Grand Bargain focuses on the efficiency, effectiveness, and accountability of the humanitarian system, as part of that broader agenda.

The Central Emergency Response Fund (CERF) embodies many of the aspirations set out in the Grand Bargain. CERF provides high-quality funding that facilitates a collective and strategic humanitarian response by country-level humanitarian actors. It enhances coherence and leadership of humanitarian action and strengthens coordination amongst partners.

Specifically CERF supports the Grand Bargain in the following ways:

- As the United Nations' global humanitarian emergency fund CERF provides flexible **un-earmarked humanitarian funding** quickly and efficiently to humanitarian emergencies enabling humanitarian organisations to respond to humanitarian needs anywhere, any time.
- A CERF-funded response is a collective effort by in-country humanitarian partners under the leadership of Humanitarian Coordinators. CERF funding prioritized against a common response strategy and informed by joint **assessment of needs** helps improve coherence of life saving response and **reduce the risk of duplication and overlap** in humanitarian action.
- CERF is at the forefront of promoting **transparency in aid delivery**. CERF publishes all grants decisions in real-time on its website, on FTS and according to the IATI Standard<sup>1</sup>. CERF also tracks and publishes the 'second layer' of CERF grant implementation reflecting funding from recipient UN agencies to their implementing partners thereby providing full transparency of CERF funding from allocation decisions to front line delivery.
- CERF funds **cash programming in humanitarian response** when prioritised by Humanitarian Coordinators and Humanitarian Country Teams. There are no specific requirements or conditions for CERF eligibility of cash programming, as long as submissions meet the CERF's life-saving criteria and its implementation timeline. CERF will ensure that the Fund remains "cash-ready" to effectively facilitate the programming and delivery of cash-based programs.
- Each year **significant CERF funding reaches local responders** worldwide through UN agencies' extensive partnership networks<sup>2</sup>. Sub-granted CERF funding represents a significant financial resource and an unparalleled global reach that complements other funding sources for local organisations.
- CERF will reduce its overhead costs by one-third this year. A reduction of the CERF Programme Support Cost from 3 to 2 per cent has been approved and will take effect on 1 June 2016. This **reduction in management costs** will free up approximately \$4 million of CERF funds annually for additional programming on current funding levels.
- By ensuring that **accountability to affected people** is embedded into the full cycle of CERF programming, CERF leverages enhanced collective accountability and community engagement in planning and delivering humanitarian assistance.
- CERF has a **light reporting framework** that focusses on the overarching collective results achieved with CERF funds, and on capturing key lessons to improve the functioning and impact of the Fund. CERF endeavours to **minimize transaction costs related to reporting** as much as possible, while maintaining the necessary levels of accountability and quality of processes and operations.

<sup>1</sup> International Aid Transparency Initiative - <http://www.aidtransparency.net/>

<sup>2</sup> In 2014, \$55 million in CERF funds reached more than 420 local partners in 37 countries through sub-grants. This amount does not include the value of in-kind support in the form of relief supplies procured by UN agencies with CERF funds.