



Purpose

This paper provides a general overview of the decision-making process for selecting humanitarian operations for funding under the Central Emergency Response Fund (CERF) Underfunded Emergencies (UFE) Window. Additional details and technical guidance are further elaborated in “CERF Underfunded Emergencies Window: Procedures and Criteria.”¹ Some aspects of this process may differ from round to round due to strategic initiatives, available information and/or timing; therefore, a specific methodology paper is produced for each UFE allocation explaining the round-specific details and is published on the CERF website.² For the first allocation round of 2020, the CERF secretariat substantially improved the quantitative methodology informing the funding allocation by incorporating the newly available INFORM Global Crisis Severity Index, which allows better detection of humanitarian needs in middle-income countries, dynamic changes in severity especially deteriorations, and emergencies at the subnational level. OCHA also strengthened the consultation process by consulting managers of country-based pooled funds systematically and from the beginning of the process.

CERF’s Mandate and Objectives

The CERF was established by the General Assembly in 2005³ to ensure a more predictable and timely response to humanitarian emergencies. The three primary objectives of the fund are to: 1) promote early action and response to reduce loss of life; 2) enhance response to time-critical humanitarian requirements; and 3) strengthen core elements of humanitarian response in underfunded crises. The fund’s creation was part of the larger Humanitarian Reform process that aimed to enhance humanitarian response capacity, predictability, accountability and partnership through, among other things, an improved leadership system, a new Cluster Approach for better coordination, and more adequate, timely and flexible financing.

Through the CERF UFE window, the Emergency Relief Coordinator (ERC) allocates financial support for life-saving activities in the least funded and forgotten humanitarian emergencies twice a year. Countries with salient humanitarian needs are eligible for UFE support. The ERC’s country selection is based on quantitative data analysis on funding and humanitarian needs, risk and vulnerability, and qualitative, contextual information collected from consultations with UN agency and OCHA headquarters, NGOs and from relevant documents. UFE grants support essential humanitarian activities, and partners are expected to simultaneously seek other resources to complement the CERF funding.

Once the ERC has allocated funding envelopes to specific countries or emergencies, the application process for a UFE grant is similar to that of a CERF Rapid Response (RR) window request, in that an application is based on a field-driven process that gives the Resident Coordinator/Humanitarian Coordinator (RC/HC) overall authority to determine priority activities for funding and submitting a consolidated funding request to the ERC. Consultations in country with the Humanitarian Country Team (HCT)/United Nations Country Team (UNCT) and inter-cluster coordination mechanism, if present, are key to identifying needs and priorities for CERF funding.

Overview of the UFE Country Selection Process

Twice a year, the CERF identifies and allocates funding to the most underfunded humanitarian emergencies. The UFE window accounts for one third of CERF grants, calculated based on the best estimate of available funds for a year.⁴ The selection of humanitarian emergencies for the UFE allocation

¹ http://www.unocha.org/cerf/sites/default/files/CERF/UFE_Guidelines_March_2010_Review_June_2011.pdf

² <https://cerf.un.org/apply-for-a-grant/underfunded-emergencies>

³ General Assembly Resolution A/RES/60/124 “Strengthening of the coordination of emergency humanitarian assistance of the United Nations”

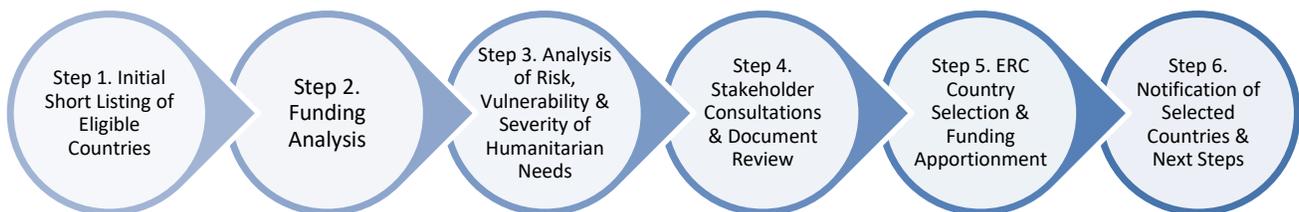
⁴ Per endorsement of the UN General Assembly in December 2016 (A/RES/71/127), the CERF annual funding target increased to \$1 billion by 2018.

rounds build on two components: (1) a quantitative analysis of data on humanitarian needs, funding levels, risk and vulnerability, and (2) qualitative, contextual information collected from (a) consultations and (b) documents.

Each UFE round commences with the publication of the CERF UFE Guidance Note on the CERF website. The guidance note specifies the level of funding to be allocated; provides strategic direction for the UFE round and the selection criteria; identifies ineligible countries e.g. those that have ongoing UFE allocations under implementation or for other reasons; and provides a timeline for the round.

The CERF secretariat begins the analysis process by identifying the most underfunded emergencies with severe humanitarian needs among the countries with a Humanitarian Response Plan (HRP) or equivalent appeal/plan, henceforth known as “HRP countries.” Simultaneously, the headquarters representatives of the UN agencies and OCHA that participate in the Underfunded Emergencies Working Group (UFEWG)⁵ identify and recommend a specific number of countries without an HRP or equivalent appeal/plan, referred to as “non-HRP countries.” CERF then combines the HRP and non-HRP country information to assess the level of underfunding and the level of severity, risk and vulnerability for each of the listed countries. The primary source for the quantitative data on funding requirements and commitments for HRP countries is OCHA’s Financial Tracking Service (FTS)⁶. The qualitative information on non-HRP countries, as well as additional contextual information on both HRP and non-HRP countries are provided by the UFEWG, other stakeholders and come from a document review.

The draft funding, risk and vulnerability analysis is shared with the UFEWG, members of the International Council of Voluntary Agencies (ICVA)-led NGO Finance Working Group, and other parts of OCHA, including the Assessment Planning and Monitoring Branch (APMB) and the Country-Based Pooled Fund (CBPF) Section. CERF holds consultations with each group (either via meeting or by call/email) before finalizing the analysis. Based on the final analysis, the CERF secretariat makes a recommendation on the selection of countries and funding apportionment to the ERC who makes the final decision both on which countries will be included in the UFE round and the funding amounts.



Step 1. Initial Short-Listing of Eligible Countries

All countries with an HRP or a similar coordinated response plan/appeal are considered as HRP countries and automatically included in the funding, risk and vulnerability analysis for the given UFE round, as long as the funding information is tracked in sufficient detail on the FTS. The non-HRP countries recommended by the UFEWG will also be included in the analysis.

Countries **may be excluded** from consideration for the following reasons: having received a UFE allocation for the prior round; those with new or upcoming Rapid Response applications; regional appeals with no country requirements specified.

⁵ Comprised of recipient agencies, funds and programmes - FAO, IOM, UNDP, UNFPA, UNHCR, UNICEF, WFP, WHO and OCHA’s Operations and Advocacy Division.

⁶ <https://fts.unocha.org/>

Step 2. Funding Analysis

The objective of the funding analysis is to identify emergencies with the lowest levels of funding coverage. This is the primary criterion for inclusion in a UFE round. Funding data of HRP countries is collected from FTS while members of the UFEWG provide the funding data for non-HRP countries.

Contributions reported for humanitarian programming are compared to the overall funding requirements to calculate the funding level. The funding level of each eligible HRP country and the recommended non-HRP countries is compared to the average funding level. As a starting point only emergencies whose funding level is below the average will be considered for UFE funding. The funding levels of HRP countries are analysed using several methods. In one analysis, the level of funding received by UN agencies against their funding requirements in the HRP, with the NGO component removed; this makes the funding level of HRP countries more comparable to that of non-HRP countries since the funding data for non-HRP countries are provided by UN agencies comprising the UFEWG only. In some appeals one single sector may dwarf other sectors with respect to funding needs and funding levels. In another analysis, the funding data of the best-funded cluster or sector are therefore removed from the overall funding level estimation to get a less skewed view of the funding level ('dominant sector' removed); a similar analysis is done with the best-funded agency removed ('dominant agency' removed).

The funding analysis also includes tracking of past CERF allocations and allocations from CBPFs and, if available, projections on affected people, targeted people, funding requirements and funding from other sources.

Step 3. Analysis of Risk, Vulnerability and Severity of Humanitarian Needs

For the emergencies defined as underfunded during the funding analysis, the level of risk, vulnerability and severity of humanitarian needs is assessed. Data on all aspects of risk, vulnerability and humanitarian needs are combined into a single index - the CERF Index for Risk and Vulnerability (CIRV).⁷ CIRV includes six measures that cover the full range of factors influencing the humanitarian situation, which are listed below. The six measures are standardized and then weighted according to the scope of information each covers before being included in the CIRV.

Starting from the 2020 first round UFE analysis, CIRV has incorporated the INFORM Global Crisis Severity Index, which is an improved way to objectively measure and compare the severity of humanitarian crises and disasters globally.⁸ The CIRV component weightings are adjusted for those countries that do not feature in the INFORM Global Crisis Severity Index.

CERF Index for Risk and Vulnerability (CIRV) – updated for the 2020 first round		
	Countries with an INFORM Global Crisis Severity Index	Countries without an INFORM Global Crisis Severity Index
(1) INFORM Global Risk Index <ul style="list-style-type: none"> Includes over 50 indicators including dimensions on conflict, natural disaster, displaced and other vulnerable people, coping capacity Based on quantitative data Forward-looking (3-5 years) Updated twice a year 	33%	50%
(2) INFORM Global Crisis Severity Index <ul style="list-style-type: none"> Includes 30 indicators Divided into three main dimensions: the geographical and human impact of the crisis itself; the conditions of the people affected; and 	33%	n/a

⁷ First introduced for the 2016 first allocation round.

⁸ Further details can be found at <https://dmkc.jrc.ec.europa.eu/inform-index/Global-Crisis-Severity-Index>

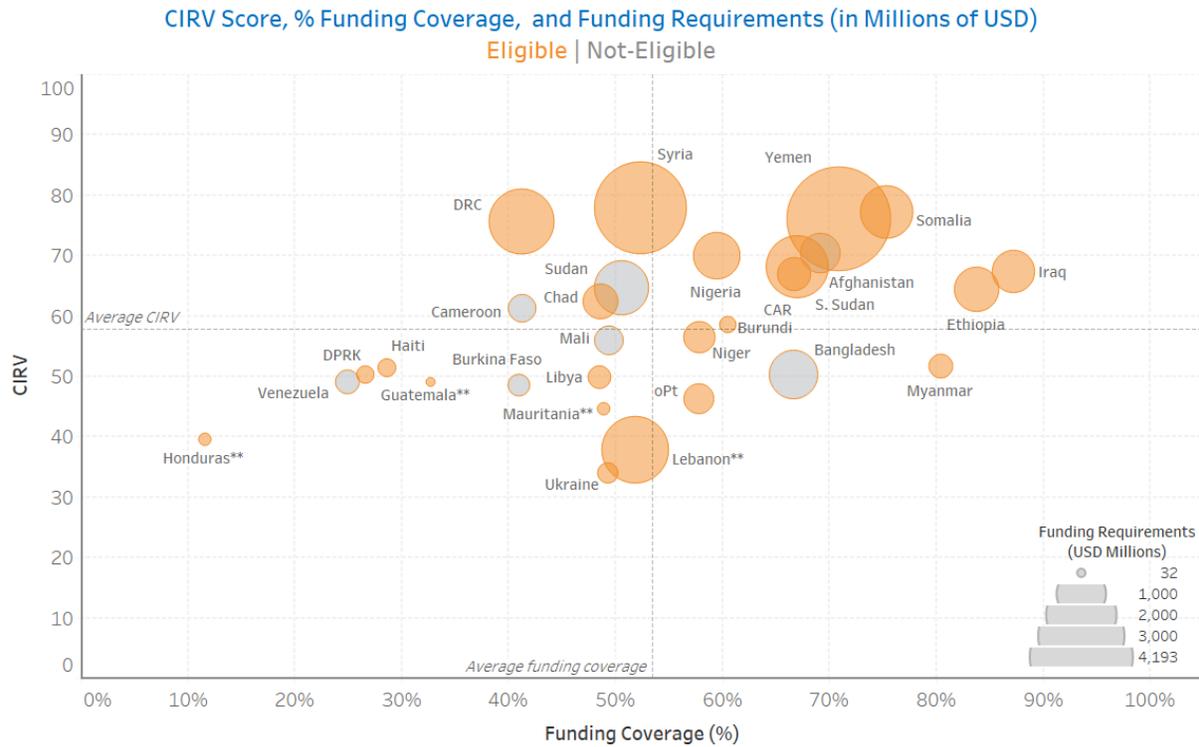
the complexity of the crisis in terms of factors that affects its mitigation or resolution		
<ul style="list-style-type: none"> Based on quantitative data Updated monthly 		
(3) Risk of increase in humanitarian needs <ul style="list-style-type: none"> From Inter-Agency Standing Committee (IASC) Alert, Early Warning & Readiness Report Based on qualitative assessments Forward-looking (6 months) 	8.3%	12.5%
(4) Food insecurity <ul style="list-style-type: none"> Calculated using data from FEWSNet's <i>Food Assistance Outlook Brief</i>, FSIN's <i>Global Report on Food Crises</i>, FAO's <i>Quarterly Global Report on Crop Prospects and Food Situation</i>, and FAO/IFAD/UNICEF/WFP/WHO's <i>The State of Food Security and Nutrition in the World (SOFI)</i> Based on quantitative data on food insecurity Forward-looking (6 months) 	8.3%	12.5%
(5) Conflict <ul style="list-style-type: none"> From Uppsala Conflict Data Program and International Crisis Group Based on quantitative data on civil and international conflict and on qualitative assessment of conflict Conflict risk alerts are forward-looking 	8.3%	12.5%
(6) Human rights violations <ul style="list-style-type: none"> From Political Terror Scale & OECD's Violence Against Women (VAW) Indicator, combined into one measure Based on qualitative information on human rights violations including dedicated gender perspective 	8.3%	12.5%

The CIRV includes indicators that:

- are based on historical data (e.g., UCDP, PTS) and data that are forward-looking (INFORM Global Risk Index, IASC Early Warning Report, FEWSNet)
- cover humanitarian needs arising from conflict (part of INFORM indices, UCDP, Crisis Group) and natural disasters (INFORM Global Risk Index, FEWSNet)
- cover the need for material humanitarian assistance (INFORM, FEWSNet) and protection-related issues (PTS, OECD VAW)
- are based on quantitative analysis (INFORM, UCDP, etc.) and qualitative assessments (IASC Early Warning Report, Crisis Group)
- take stock of the current situation (UCDP, PTS) and that indicates change (IASC Early Warning Report, FEWSNet, Crisis Group)

The graph below visualizes the funding, risk and vulnerability analysis for the first UFE allocation round of 2020, with a volume of \$125 million. The horizontal axis shows the funding level and the vertical axis shows CIRV scores (higher scores indicate higher levels of risk and vulnerability). The size of the bubbles indicates absolute funding requirements. Grey bubbles show countries that received allocations during the 2019 second round and were thus preliminarily excluded from the 2019 second round. The graph shows that, on average, crises with higher levels of vulnerability, as well as larger emergencies, continue to be better funded than crises with smaller appeals and lower levels of vulnerability.

Funding, requirements, risk and vulnerability analysis for the UFE 2020 first allocation round



Sources:

HRP Countries: Funding coverage based on FTS data as of 20 Nov 2019

Non-HRP Countries: Underfunded Emergencies Working Group (UFEWG) as of 8 Nov 2019

** non-HRP country recommended by UFEWG

Step 4. Stakeholder Consultations and Document Review

The CERF secretariat shares the draft funding, risk and vulnerability analysis with the UFEWG, members of the ICVA-led NGO Humanitarian Financing Working Group, and OCHA’s APMB and the CBPF Section. Separate consultations are held with each group (either via meeting or by email) before finalizing the analysis. At the same time, the CERF secretariat also reviews Humanitarian Needs Overviews/HRPs and other response plans/appeals on the emergencies under consideration and gathers additional funding information that is not available on FTS (e.g. planned CBPF allocations, pledged/expected donor contributions, World Bank funding supporting recovery and resilience efforts, etc.) to complement the risk, vulnerability and funding analysis.

Step 5. ERC Country Selection and Funding Apportionment

Once the most underfunded emergencies with the highest levels of vulnerability have been identified, based on quantitative analysis and qualitative inputs received through consultations, the CERF secretariat makes recommendations on the selection of countries and funding apportionment for ERC consideration and decision.

For the apportionment, 25 per cent of the available funding envelope is distributed evenly among the recommended countries, to create a baseline and ensure all recommended countries receive allocations large enough to have a meaningful impact. The remaining 75 per cent are allocated among the selected countries as a function of their funding gap. Other factors may influence the apportioned amount, such as the suggested minimum and maximum allocation amounts to ensure balanced and meaningful impact of

CERF funds, the level of humanitarian needs and vulnerability, past CERF allocations, implementation capacity, knowledge of significant other funding forthcoming, and the focus of the UFE allocation.

The ERC makes the final decision both on which countries/emergencies will be included in the UFE round and the respective allocation amounts.

Step 6. Notification of Selected Countries and Next Steps

The ERC informs the respective RC/HCs of their country's selection and may emphasize a particular focus of the intended allocation to be considered during the prioritization process. The RC/HCs are requested to confirm their commitment to lead the prioritization process in consultation with in-country humanitarian partners and asked to submit a strategy on the proposed use of funds to the CERF.⁹

Based on the agreed strategy, the RC/HC and country team are requested to submit the full CERF application by a date specified by the ERC. The application process for a UFE allocation is similar to that of an RR allocation request in that the RC/HC coordinates the prioritization process within the HCT/UNCT, the inter-cluster coordination mechanism, where present, and submits the final application for the ERC's consideration.

Once the consolidated CERF UFE application is submitted by the RC/HC, the CERF secretariat reviews the request and formulates recommendations to the ERC on the overall UFE allocation and on individual projects. During this phase, the CERF secretariat consults relevant country desk officers of OCHA OAD and continually liaises with relevant country-level actors as necessary to clarify or revise aspects of the submission. Concerted efforts are made to minimize and streamline requests to the field to reduce transaction costs and processing time.

The CERF secretariat reviews the overall strategy (“chapeau”) of each application for the strategic focus and prioritization of sectoral activities based on needs and the implementation capacity of concerned UN agencies and partners. In addition, the application is reviewed against the added value and complementarity of CERF to the overall humanitarian response and financing, i.e. how the HCT/UNCT and concerned UN agencies are mobilizing and/or utilizing other funding sources such as CBPFs, bilateral grants, in-kind contributions, etc. in concert with CERF funding.

The CERF secretariat then reviews individual project proposals to ensure that all activities to be funded by CERF adhere to the fund's Life-Saving Criteria¹⁰ and support in a coherent manner the collective objectives outlined in the overall strategy of the application without duplication and/or overlap. The project review also includes a financial review to ensure that all elements of the proposed budget comply with the UN rules for trust fund management and are commensurate with the planned activities and expected outputs, while recognizing that CERF funds often support a portion of a UN agency's overall programme.

Following the application review, the CERF secretariat presents recommendations to the ERC for approving individual grants based on finalized projects. While the overall submission is assessed as a consolidated CERF allocation, each project under the application is processed individually once its scope and objectives have been approved within the overall strategy. This ensures that individual projects are approved and grants disbursed as soon as they are finalized without having to wait for other ‘slower’ projects under the application.

⁹ In 2019, the ERC requested all CERF application strategies to consider and pursue where relevant a collective approach to integrating one or more of the four chronically underfunded areas of humanitarian operations (support for women and girls, including tackling gender-based violence, reproductive health and empowerment; programmes targeting disabled people; education in protracted crises; and other aspects of protection). For the 2019 second round allocations, concerned HCT/UNCTs were also asked to seek enhanced engagement with local and national responders in the CERF processes in line with the Grand Bargain commitments.

¹⁰ CERF Life-Saving Criteria can be found at: <http://www.unocha.org/cerf/resources/guidance-and-templates>. The Life-Saving Criteria does not seek to define which humanitarian activities are life-saving per se, rather it provides a sector based eligibility criteria that defines CERF's specific niche in responding to humanitarian need.

Once all project grants are disbursed, the ERC will officially communicate to the RC/HC the details of the finalized allocation and related implementation timeline and reporting requirements.

Conclusion

The CERF secretariat continues to refine the process and analysis for UFE rounds over years, adjusting them in response to feedback and lessons learnt from previous allocation rounds. The significant enhancements to the quantitative methodology introduced for the 2020 first round, together with increasingly extensive and in-depth consultations externally and internally, should lead to more focused and impactful allocations to the world's most underfunded emergencies.

CERF secretariat
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Please refer to the “Partner Resources” section of the CERF website (www.cerf.un.org/) for relevant templates and guidance documents.

For further information, please contact the CERF secretariat at cerf@un.org.