

1. The Central Emergency Response Fund (CERF) Advisory Group met on 21 and 22 June 2023 in Geneva, Switzerland, under the Chairpersonship of Ms. Susanne Fries-Gaier (Germany), and with participation of the Under-Secretary General for Humanitarian Affairs (USG) and Emergency Relief Coordinator (ERC), Mr. Martin Griffiths. In the opening session, Ms. Alice Armanni Sequi, the Chief of OCHA's Pooled Fund Management Branch (PFMB) thanked Ms. Fries-Gaier for assuming the Chairpersonship of the CERF Advisory Group and welcomed members to the first in-person meeting since the COVID-19 pandemic. Ms. Fries-Gaier set the stage for the meeting, underscoring the value of CERF as a humanitarian funding instrument, and the role of the Advisory Group in helping orient its strategic direction in an ever more demanding humanitarian landscape.

2. In the first session, the Chief of PFMB provided highlights on the use and management of CERF, including the Fund's 2022 results, activities undertaken in the first half of 2023, and priorities going forward. In 2022, the Fund provided \$735 million to enable assistance for 32.7 million people. Of this, \$247 million was allocated in response to climate-related disasters - the highest amount ever from CERF. CERF's speed and flexibility during the year allowed UN agencies to initiate CERF-funded activities, on average, only 3.7 working days after the submission of a Rapid Response application. Also emphasized was CERF's key role in facilitating Anticipatory Action for predictable shocks in support of timelier and more effective humanitarian responses, as well as CERF's efforts to advance a more localized humanitarian response. It was noted that by early June 2023, CERF had allocated nearly \$380 million to enable humanitarian responses across the world, including \$65 million to Sudan and neighbouring countries in response to the unrest, \$50 million in response to the earthquake in Syria and Türkiye, \$104 million to address food insecurity and the risk of famine in Africa and the Middle East, as well as \$146 million through its first 2023-Underfunded Emergencies round to address critical humanitarian needs in 12 countries. Finally, the Chief of PFMB noted that CERF's forward looking priorities included further scaling-up and mainstreaming Anticipatory Action, a clearer positioning of CERF in the climate-financing space, the continued strengthening of the quality of aid, greater complementarity with other financing instruments, clearer articulation of CERF's strategic and operational results, as well as strengthened learning processes.

3. The Advisory Group voiced appreciation for the management of the Fund, noting that CERF is becoming increasingly important for the humanitarian system to respond rapidly to the growing humanitarian needs. The Group commended CERF on its continued role as a vehicle for enabling fast, anticipatory, and timely support around the world, and its commitment to ensure that the needs of the most vulnerable are met. The Group reiterated its support for CERF's Anticipatory Action agenda and encouraged further mainstreaming of these efforts. The Group commended CERF for its efforts to ensure complementarity with the Country-based Pooled Funds (CBPFs). The Group commended the Fund's efforts to advance localization through its allocations, including by encouraging greater involvement of local partners in strategic considerations and as implementing partners for CERF funds. Some members noted the importance of local and national NGOs being offered adequate coverage of overhead costs when they partner with international organizations, including in relation to CERF-funded projects.

4. In the second session, the Director of OCHA's Humanitarian Financing and Resource Mobilization Division (HFRMD), Ms. Lisa Doughten invited the Group to advise on CERF's positioning in the climate-financing space. The Chief of OCHA's Climate Team, Mr. Greg Puley, provided an overview of the topic, based on a discussion paper that had been shared with the Group ahead of the meeting. He reminded that the climate crisis already is a humanitarian crisis, that global warming continues to drive more frequent and extreme weather events impacting the most vulnerable and that CERF is playing an increasing role in responding to climate-related humanitarian shocks. He informed the Group about a series of OCHA-commissioned research projects by experts on climate finance that, in short, found that there is scope for CERF to be positioned more strongly within the global climate-finance arrangements. One study also found that especially for bilateral climate-finance, there are likely opportunities with donors to attract additional funding to CERF and CBPFs. These findings, as well as informal consultations with a wide range of stakeholders and participation in processes of the United Nations Framework Convention on Climate Change, indicate that CERF is well placed to provide a predictable, effective, fast, and impactful channel for translating bilateral climate-finance into minimizing and addressing climate disaster impacts.

5. The Chief of OCHA's Climate Team next presented the "investment case" for a strengthened role of CERF in climate financing. He noted that this would be based on its existing strengths and would not change the Fund's mandate as CERF's focus will remain on providing needs-based life-saving assistance to disasters, be they driven by climate or other factors. The primary objective would be to enhance advocacy for addressing humanitarian needs in particularly climate-vulnerable contexts through CERF, and secondarily to attract additional dedicated climate-financing to CERF in support of this. The creation of a dedicated channel (or an 'income account') for donors to provide climate finance contributions to CERF could allow this additional funding to be attributed to climate-related humanitarian action, based on a replenishment approach. He noted that ideally, no additional reporting measures would be needed for CERF to receive additional dedicated climate-finance, but that realistically additional layers of accounting and reporting may be necessary. The need for additionality in financing was emphasised, and it was stressed that the creation of a dedicated climate 'account' within CERF should not provide a means for existing humanitarian contributions to be simply 'rebranded' as climate-finance. He concluded by noting that the enhanced use of CERF for humanitarian climate action would by no means provide a comprehensive solution to the challenge of climate-finance reaching fragile contexts but could be an important part of a mosaic of solutions.

6. The Advisory Group commended OCHA for its evolved thinking on climate-financing since the January-meeting and the clear articulation of CERF's role in the climate-financing space. The Group endorsed pursuing a strengthened climate-financing profile for CERF, informed by an investment case for climate-finance that is based on the Fund's existing comparative advantages and that adheres to CERF's life-saving mandate and needs-based nature. The Group encouraged OCHA to further explore the creation of a dedicated modality for donors to provide climate-focused contributions to CERF, while ensuring that the Fund's unearmarked principle is safeguarded. Recognizing that "climate donors" may expect clear articulation of compelling climate-related results, the Group recommended that OCHA ensures a balanced approach to donor reporting to manage transaction costs and cautioned against climate reporting tailored to individual donors. As part of its concluding remarks, the Group recommended that OCHA further explore concrete donor interest to gauge the potential for attracting climate financing, and to enable fine-tuning of the proposal, ideally in advance of COP 28. The Director of HFRMD thanked the Group for its support to this important agenda and encouraged the continued engagement by members to advance the initiative, including by consulting with relevant climate stakeholders in their countries and engaging in peer-to-peer efforts.

7. In the third session, the Chief of OCHA's Partnership and Resource Mobilization Branch, Ms. Anja Nitzsche, updated the Group on CERF's funding status, the 2023-funding outlook, as well as ongoing fundraising efforts in the context of OCHA's new Partnership and Resource Mobilization Strategy. Despite ongoing generosity, current projections for 2023 are still far below the \$1 billion-target set by the General Assembly in 2016 and CERF continues to rely on the longstanding support of a small number of donors. The Chief noted the importance of ensuring CERF is fully resourced to effectively respond to the increasing humanitarian needs. She flagged the need for Member States to step up funding and advocacy, and the relevance of identifying new and innovative funding opportunities. The Chief of PRMB presented a roadmap for engagement with the Advisory Group and the good practices adopted in the past by members around peer-to-peer advocacy engagements and efforts to communicate the value of CERF. The Advisory Group broke out into working groups, outlined to provide recommendations and suggestions on next steps in peer-to-peer engagement. Advisory Group members offered their continued support through domestic advocacy as well peer-to-peer efforts and identified concrete initiatives to support resource mobilization for CERF, including positioning CERF's work on the side-lines of key high-level meetings, such as the UN General Assembly, but also at COP 28.

8. In the following session, the USG/ERC provided an update on the broader humanitarian landscape and the humanitarian system's response capacity, including that of CERF. He emphasized that the humanitarian system is facing unprecedented challenges, and that the funding gap continues to grow despite generous commitments. The USG/ERC provided an update on the situation in Syria, Ukraine, Afghanistan and Sudan. The USG/ERC stressed that with humanitarian needs outpacing available resources, the quality of humanitarian financing is pivotal, and that CERF remains a key vehicle for ensuring efficiencies across the humanitarian system, including by continuously evolving and innovating. The USG/ERC emphasized that climate-related crises increasingly are driving the escalating humanitarian needs and underscored the importance of ensuring that climate-financing offers an increased focus on saving lives and building resilience in humanitarian contexts, and the relevance of strengthening CERF's role in this area. The Advisory Group articulated its support to explore a strengthened role of CERF in the climate-finance space and underlined CERF's comparative advantage in ensuring that climate-financing reaches the most vulnerable. The Group reiterated its appreciation to explore the creation of a dedicated channel for donors to provide climate-focused contributions to CERF in order to attract climate funding to CERF while also underscoring the importance of maintaining CERF's mandate and preventing the 'earmarking' of funding. The Advisory Group also articulated its general commitment to support resource mobilization and

advocacy for CERF and extended its appreciation to the USG/ERC for the continued scale-up of Anticipatory Action initiatives and related communication efforts. The Group also discussed the “Flagship Initiative” with the USG/ERC, expressing strong interest in the initiative while also noting the importance of ensuring that the most severe humanitarian needs remain a top priority in “Flagship countries”. On the topic of localization, the Group commended CERF’s efforts to support localization including through promoting increased involvement of local and national partners as implementing partners under CERF projects and reiterated the importance of ensuring that these be offered adequate coverage of overhead costs, and suggested that OCHA consider how it could promote this further.

9. In the final session, the Chief of PFMB and the Chief of the CERF secretariat, Mr. Michael Jensen, provided background on CERF’s prioritization and decision-making processes. The Group commended the detailed background document and the presentation and welcomed the insights in CERF processes. The Group particularly sought added clarity on the data that the CERF secretariat utilizes for its prioritization and decision-making processes and was reassured that the CERF utilizes existing available datasets on humanitarian crises and works closely with partners across the humanitarian system to ensure the best quantitative and qualitative humanitarian data is provided in support of analysis and decision-making. The Group also inquired about the processes that inform the sizes of CERF grants. The Chief of PFMB elaborated on the factors considered ahead of deciding on grant sizes, including the scale of needs, the number of affected people, the type of needs, and the type of shock. It was further explained that CERF utilizes an advanced statistical model, comparing the current context with past CERF responses to similar emergencies, to help inform recommendations to the ERC for appropriate allocation amount. The Chief of PFMB also raised the importance of leveraging CERF funding to maximize its catalytic effect and explained CERF’s increased efforts to ensure Resident and Humanitarian Coordinators’ strategic use of CERF funding, which in addition to targeting the most vulnerable populations and addressing the most critical needs, includes pursuing strategic co-benefits that will have a positive catalytic effect on the humanitarian response beyond the immediate programme results.

10. The next meeting of the CERF Advisory Group is to be held in New York on the margins of the CERF High-Level Pledging event in December 2023. The Advisory Group agreed to have a dedicated session in its next meeting to discuss the use of CERF funding with selected Resident and Humanitarian Coordinators, a follow up on members’ efforts in support of resource mobilization and advocacy for CERF and to continue the climate-financing discussion.