

Analysis of CERF Activities in 2009

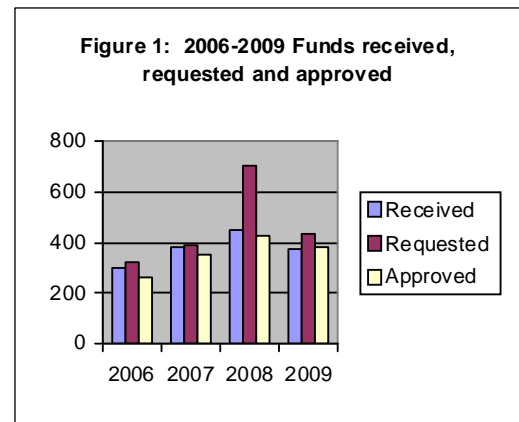
CERF Activities in 2009

In 2009, the Central Emergency Response Fund (CERF) played a key role within the global humanitarian financing architecture. Some US \$397 million was allocated to 466 humanitarian projects in 51 countries and territories. Grants went to kick-start operations in high-profile crises including the occupied Palestinian territory, Sudan, Pakistan, Yemen, Sri Lanka, and Somalia, which received the largest contribution from CERF ever. When emergencies struck, and Flash Appeals were issued, CERF was a rapid and significant source of funding. At the same time, underfunded crises from Algeria to Zimbabwe received CERF funding to make sure that shortfalls in funding did not translate into gaps in crucial lifesaving programmes. 2009 also saw steady improvement of the fund's management and administrative arrangements, with the drafting of a Performance and Accountability Framework (PAF) and the revision of the Secretary-General's Bulletin well underway.

2009 as compared to previous years

For the first time, CERF approved almost all of the funds that had been raised. In 2009, the CERF received \$399 million in pledges, and allocated some \$397 million. While both numbers were lower than compared to 2008, the drop-off in pledges can be attributed almost entirely to unfavourable currency exchange rates. However, when measured in national currencies, some 21 Member States actually *increased* their contributions. Further, despite the difficult economic situation, 15 Member States contributed to CERF for the first time in 2009.

The total amount approved decreased by \$31 million in 2009 from 2008 (see Figure 1 and Annex 1), largely due to the dramatic decrease in the amount of funding requested by UN agencies. Funding requests fell by \$266 million from 2008, when requests rose due to the global food crisis.



In 2009, the overall approval rate was 91 percent – with \$436.8 in requested funds and \$397.4 in approved funds. The large amount of funding requested in 2008 contributed to a much lower approval rate in 2008, 61 percent. The approval ratio from 2009 was much more in line with those of 2006 and 2007 (82 percent and 89 percent respectively). The timeliness of approvals remained steady, taking an average of three working days from the time final proposals were received until projects were approved for the rapid response window and five days for the underfunded window.

Requests for and approvals of CERF funding have always varied from month to month, as shown by Figure 2, but in 2009 the variability was more pronounced than ever before with monthly allocations ranging from \$5.5 million to nearly \$65 million. More money was allocated in May of 2009 than in any other month in CERF's history, and both October and December saw more than \$40 million approved. In contrast, April, June, and August saw the lowest total rapid response allocations and were among CERF's slowest-ever months.

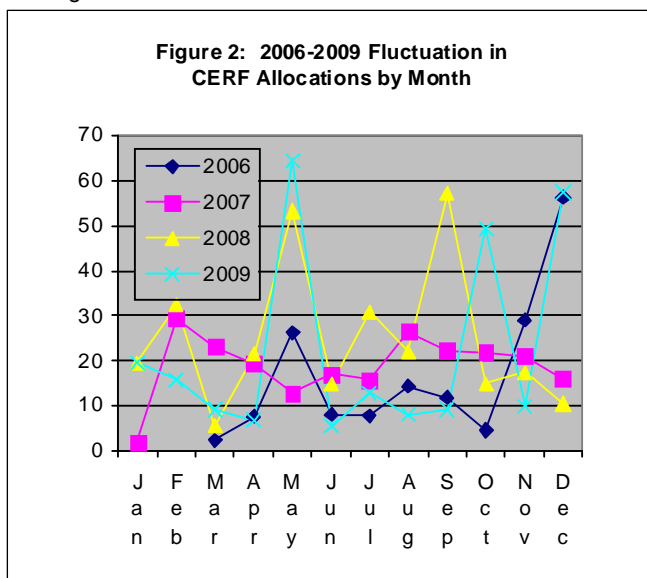


Table 1: 2009 Funding by Agency	Rapid Response	Underfunded	TOTAL
WFP	\$111.0	\$40.5	\$151.5
UNICEF	\$60.8	\$39.2	\$100.0
WHO	\$27.3	\$10.6	\$37.9
UNHCR	\$24.6	\$12.7	\$37.3
FAO	\$17.2	\$14.6	\$31.8
IOM	\$11.3	\$4.5	\$15.9
UNFPA	\$4.3	\$4.3	\$8.7
UNDP	\$5.2	\$1.7	\$6.9
UNRWA	\$3.5	\$0	\$3.5
UNOPS	\$1.4	\$1.0	\$2.4
UN Habitat	\$1.5	\$0	\$1.5
UNESCO	\$0.1	\$0	\$0.1
UNIFEM	\$0	\$0.1	\$0.1
TOTAL	\$268.2	\$129.2	\$397.4

The Emergency Relief Coordinator (ERC) allocated funding to 13 UN agencies and the International Organization for Migration (IOM) in 2009. The World Food Programme (WFP) and the United Nations Children’s Fund (UNICEF) remained the two largest recipients. A breakdown of funding by agency is presented in Table 1.

A total of 51 countries benefited from CERF funding in 2009 (see Table 2). In 2009, agencies working in Somalia received some \$60.5 million, the most any one country has ever received in a single year. Also for the first time, the Philippines appeared in the top ten of recipient countries as agencies responded to unrest and tropical storms. Regionally, the Horn of Africa received 34 percent of total funding, followed by Central Africa at 14 percent, while Southern Africa and South Asia each received 10 percent of all funding.

The overwhelming majority of funding in 2009 (63 percent) went to protracted conflicts (see Figure 3). In previous years, the majority of funding went to natural disaster response but in 2009 there was the notable absence of major natural disasters, although there were a number of smaller events.

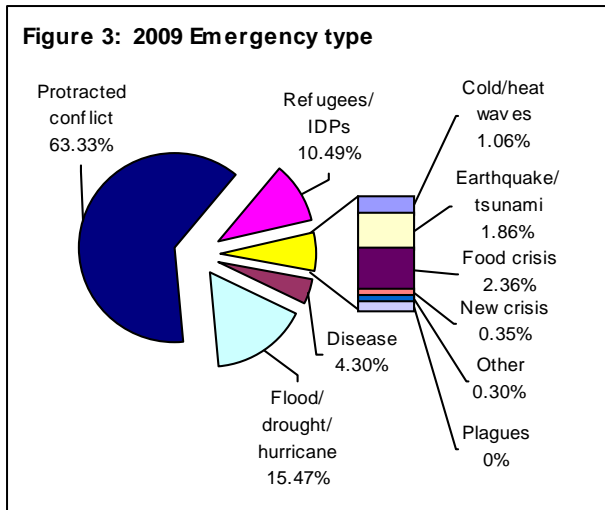


Table 2: 2009 Top 10 countries

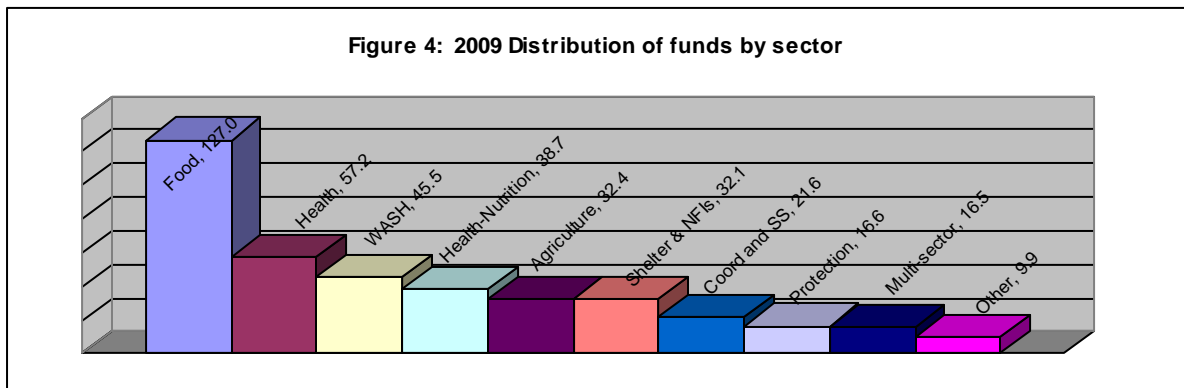
Country	Rapid Response	Underfunded	TOTAL
Somalia	\$50.5	\$10	\$60.5
DRC	\$20.0	\$10.5	\$30.4
Zimbabwe	\$7.9	\$18.9	\$26.8
Kenya	\$18.3	\$8.0	\$26.3
Sudan	\$25.8	\$0	\$25.8
Sri Lanka	\$23.5	\$0	\$23.5
DPRK	\$0	\$19	\$19
Ethiopia	\$0	\$15.6	\$15.6
Philippines	\$12	\$0	\$11.9
Niger	\$7.7	\$4	\$11.7

In terms of the sectoral breakdown, food (31.9 percent) and health (14.4 percent) were the highest funded sectors (see Figure 4). However, unlike previous years, there was an increase in funding for water and sanitation (WASH) programmes activities (11.4 percent).

Funding allocated to agencies in Pakistan offers a clear example of the contribution that CERF made in 2009. When the Humanitarian Response Plan (HRP) for Pakistan was first launched in September 2008, the CERF accounted for more than half of all funding received. In May 2009, the CERF made a further allocation of \$8.9 million to help agencies scale up following the internal displacement of 2.7 million people. At that stage, the CERF had provided nearly 20 percent of all funding. After a subsequent surge of support from a range of donors, the HRP was eventually 72 percent funded.

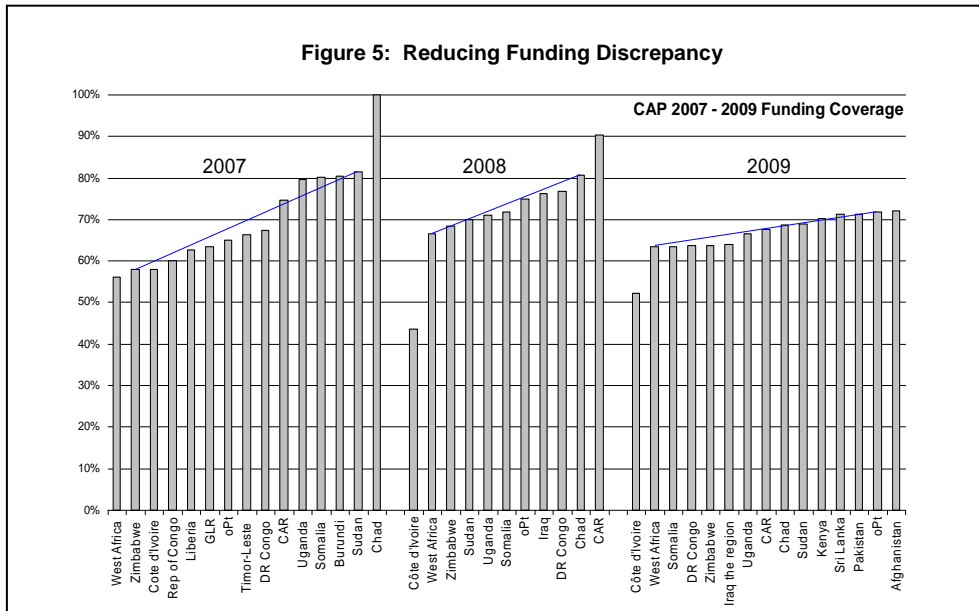
Underfunded Emergencies

In 2009, during the two rounds of the underfunded window, \$129.2 million was allocated to underfunded emergencies in 20 countries (see Annex 1). Because of the global financial crisis, the 2009 underfunded rounds had limited frontloading: \$75 million was allocated in the first round and \$55 million was allocated in the second round. Overall, the top three recipients of underfunded grants were the Democratic People’s Republic of Korea (DPRK), Zimbabwe and Ethiopia. This was a departure from previous years where DRC was the top recipient of underfunded grants.

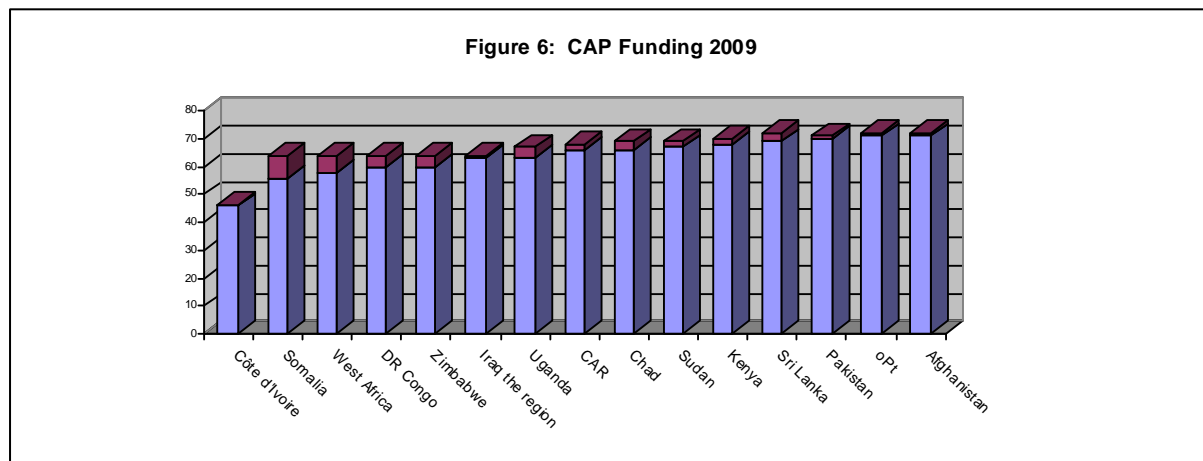


The CERF and the equitable distribution of resources

Research using OCHA's Financial Tracking Service (FTS) suggests that the CERF underfunded window contributed to reducing funding discrepancies across major emergencies. Figure 5 shows the funding discrepancies among the Consolidated Appeals in 2007, 2008, and 2009. Even with the least and most funded CAPs removed for control reasons, the discrepancy between the least and most funded CAPs was nearly 23 percent in 2007 and only 8 percent in 2009.



While a range of factors, such as improved coordination among donors, has contributed to this better balance among emergencies, the CERF has also contributed to this effect. Figure 6 presents funding to CAPs in 2009, the top of each bar represents the CERF contribution to each CAP. It shows that the funding discrepancies between major humanitarian crises would have been even greater if not for the CERF grants. By targeting resources to key humanitarian emergencies which were underfunded, the CERF improved the relative allocation of resources worldwide.



The CERF and 2009 Flash Appeals

The CERF was the largest single source of funding for the 2009 Flash Appeals. It provided \$26 million to six appeals covering 12 percent of their requirements, or 27 percent of their funding received. Burkina Faso, Namibia, El Salvador and Lao benefited the most from CERF funding; in these countries the CERF grants comprised more than half of the overall funding received to Flash Appeals (see Table 3).

The timing of CERF funding for Flash Appeals also boosted their effectiveness. CERF funds were provided to Namibia, Philippines, El Salvador and Laos immediately following the onset of the emergency, and were therefore crucial for the implementation of early response activities.

Table 3: CERF Contribution to 2009 Flash Appeals	CERF as % of Funding Received
Burkina Faso	59%
Namibia	57%
El Salvador	55%
Lao	52%
Madagascar	35%
Philippines	13%
TOTAL	27%

The Laos Flash Appeal shows clearly the importance of early funding in response to humanitarian emergency. While CERF funds constituted half of the funding to the Laos Flash Appeal, their strategic significance was much higher. Since the funds were provided in the first week of the emergency, they allowed for the early commencement of humanitarian response. In addition, the inclusive process of project prioritization and proposal development required to put together a CERF request improved country level coordination and the efficiency of humanitarian response.

CERF Policy Matters

The CERF Advisory Group met in April and November 2009. At its November meeting, the Advisory Group welcomed the work done on the Performance and Accountability Framework (PAF), and recommended that the PAF be closely linked with CERF's three objectives as laid out by the General Assembly (promoting early action and response; enhancing response to time-critical emergencies; and strengthening core elements of humanitarian response in underfunded crises). In particular, the Advisory Group advised that the focus be on capturing the CERF's "added value" to the beneficiaries and to the functioning of the humanitarian community. The Advisory Group will review the next iteration of the PAF at its April 2010 meeting.

In line with the recommendations in the Two-Year Independent Evaluation of the CERF, the CERF also conducted in-depth reviews of the "Life-Saving Criteria" and the Underfunded Window. The CERF Advisory Group endorsed the reviews, and recommended that the Fund's "life-saving criteria" should continue to be defined as tightly as possible, but that some flexibility should be maintained to take some preventive, time-critical actions, such as the allocation in 2009 to combat locust infestations in Southern Africa. The Group also agreed that some limited coordination costs could be funded in the start-up phase of large-scale emergencies in exceptional cases, but stressed that this must not come at the expense of agency responsibility to mainstream cluster coordination costs and asked that this be kept under close review for a pilot period.

Considerable progress was also made on the revisions of the Secretary-General's Bulletin (SGB) and Umbrella Letter of Understanding. A comprehensive consultation process led to the completion of a draft revised SGB in November 2009, and this draft was then submitted into the formal clearance process. It is expected to enter into force early in 2010. There were extensive consultations on the Umbrella Letter of Understanding (LOU), and a final draft should be ready early in 2010.

In 2009, seven trainings on the CERF application process were held in Dakar, Rome, Nairobi, Johannesburg, Cairo, Bangkok and New York, and 291 participants from UN agencies, NGOs and other partners were trained. In addition to conducting training sessions, in 2009, the CERF secretariat also launched new web-based guidance on the CERF application, review and reporting process. The web-guidance is a part of a comprehensive project to review guidance needs, catalog current guidance materials, revise materials and plan future guidance development. For example, guidance jointly developed with WFP on CERF funding for the United Nations Humanitarian Air Service (UNHAS) was finalized and issued in 2009. As with the UNHAS guidance, future CERF guidance materials will have a uniform appearance and be delivered via the CERF website.

Annex 1

The table below provides a summary of CERF activities since 2006. Figures have been broken down between rapid response and underfunded windows. As compared to other years, 2008 stands out due in part to the global food crisis and the effects of Cyclone Nargis in Myanmar.

Overview of CERF grant element 2006-09	2006		2007		2008		2009	
	RR	UFE	RR	UFE	RR	UFE	RR	UFE
Amount approved	\$182.4	\$76.8	\$227.8	\$123.1	\$300.5	\$128.3	\$268	\$129
Number of recipient countries	24	17	49	23	53	20	43	20
Number of projects funded	162	139	263	183	377	141	292	174
Average project size	\$1,126,084	\$553,106	\$866,086	\$672,756	\$797,024	\$910,258	\$918,609	\$742,289
Top three countries	Sudan (19.5%) Afghanistan (17.7%) Kenya (14.4%)	DRC (49.5%) Chad (8.2%) Burundi (5.3%)	Bangladesh (11.3%) Sudan (8.6%) Somalia (6.5%)	DRC (38%) Ethiopia (7.3%) Cote d'Ivoire (5.5%)	Myanmar (9%) Ethiopia (7%) Kenya (7%)	DRC (30%) Ethiopia (8%) Afghanistan (7%)	Somalia (19%) Sudan (10%) Sri Lanka (9%)	DPRK (15%) Zimbabwe (15%) Ethiopia (12%)
Top three sectors	Food Multisector Health	Health Multisector Coordination	Food Health Shelter/NFIs	Health Food Water/san.	Food Health/nutri. Agriculture	Health/nutri. Food Shelter/NFIs	Food Health Shelter/NFIs	Food Health/nutri. Health