

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.

This briefing note clarifies key linkages between CERF and elements of the Grand Bargain. In addition, the note outlines specific commitments by OCHA to further enhance CERF's contribution to achieving the goals set out by the Grand Bargain.

LESS EARMARKING: CERF is the United Nations' global humanitarian emergency fund. It provides flexible unearmarked humanitarian funding quickly and efficiently enabling humanitarian organisations to respond to humanitarian needs anywhere and at any time. CERF funds are prioritized collectively by those closest to the needs. Humanitarian partners in the field under the leadership of Humanitarian Coordinators jointly target CERF funds to address the most urgent needs of people affected by crisis. Since its inception in 2006 CERF has provided more than \$4.3 billion to humanitarian action in 96 countries through fully flexible unearmarked contributions from more than 125 UN Member States and observers, regional Governments, corporations and individuals.

Commitment: Increase the annual funding target for CERF from \$450 million to \$1 billion. An expanded CERF will channel more unearmarked flexible funding through prioritization processes under the leadership of Humanitarian Coordinators at field level and attract new funding to humanitarian action. CERF commits to ensure that an expanded Fund maintains its efficiency, speed and flexibility and that its funds are allocated to achieve greatest impact in meeting humanitarian needs.

TRANSPARENCY: 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 through the IATI Standard¹. It also makes publicly available narrative reports for each CERF allocation to demonstrate the results achieved and the added-value of CERF. In addition, CERF 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.

Commitment: CERF will expand the availability of detailed real-time data through a dedicated public business intelligence interface allowing more CERF data to be accessed online. CERF will ensure that funding data is available in the IATI standard or in any other common standard agreed.

SUPPORT FOR NATIONAL AND LOCAL RESPONDERS: CERF can provide funding directly only to UN agencies, but CERF grants are implemented in close partnership with local and international NGOs, host governments and Red Cross/Red Crescent societies. Through the far-reaching partnership networks of UN agencies hundreds of implementing partners receive close to one-quarter of all CERF funding through sub-grants each year. More than half of sub-granted CERF funds are for local frontline responders². CERF funding to local responders through UN partnerships represents a significant financial resource and an unparalleled global reach that complements other

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

² 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.

funding sources for local organisations. CERF works closely with recipient UN agencies to ensure that partnerships under CERF grants are effective and efficient, resulting in several initiatives to improve the quality of partnership arrangements.

Commitment: To enhance accountability and ensure transparency from grants disbursement to front line delivery CERF will continue to ensure that the involvement of local and national responders in delivering CERF-funded humanitarian action is systematically tracked, analysed and published. CERF will work closely with partners to explore opportunities for improving the effectiveness and efficiency of front line responders' involvement in the delivery of CERF-funded humanitarian action.

CASH-BASED PROGRAMMING: CERF provides funding to 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.

Commitment: CERF will ensure that the Fund remains "cash-ready" to effectively facilitate the programming and delivery of cash-based programs. CERF commits to improve tracking and analysis of its support for cash-based programming and to mitigate potential obstacles in funding cash interventions.

REDUCE DUPLICATION AND MANAGEMENT COSTS & NEEDS ASSESSMENTS: A CERF-funded response is a collective effort by in-country humanitarian partners under the leadership of Humanitarian Coordinators. Requests for CERF funding are jointly prioritized and planned by the Humanitarian Country Teams and cluster/sector structures based on an assessment of needs. CERF and other pooled funds represent a departure from the bilateral funding model, which focuses on organisations' individual outputs. Instead, pooled funds shift towards the provision of flexible funding to the humanitarian community focusing on the achievement of collective outcomes through a coordinated response. Funding against a common response strategy informed by joint assessment of needs help improve coherence of response and reduce the risk of duplication and overlap in humanitarian action.

Commitment: Through its allocations CERF will continue to promote a joint and coherent humanitarian response based on clear assessment of needs. In addition, steps are continuously taken by CERF to reduce transaction and management costs in CERF processes. A reduction of the UN Secretariat Programme Support Cost (PSC) by one-third from 3 to 2 per cent for CERF has been approved and will take effect on 1 June 2016. This will free up approximately \$4 million of CERF funds annually on current funding levels. This translates into more funds allocated to humanitarian action and improves the Funds' overall efficiency.

PARTICIPATION REVOLUTION: It is critical that accountability to affected people (AAP) is advanced through programmes and through a collective response at country level. To this effect CERF promotes AAP throughout its programme cycle. AAP has been fully integrated into CERF's application format at both strategic and project levels and forms part of proposal review. To close the information loop, since 2015, CERF's narrative reports have been required to explain how affected people were involved during project design, implementation and monitoring.

Commitment: By ensuring that accountability to affected people is embedded into the full cycle of CERF programming CERF will further leverage the Fund to promote enhanced collective accountability and community engagement in the programming and delivery of humanitarian assistance.

HARMONIZED REPORTING: CERF has a light reporting framework that focusses on the overarching strategic results achieved with CERF funds and on capturing key lessons to improve the functioning and impact of the Fund. The main part of CERF narrative reporting is on collective results whereas project level reporting is light.

Commitment: 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. To this effect CERF will review processes and procedures related to submissions and reporting to identify opportunities for reducing transaction costs and increase speed and efficiency.