



Pooled Funds Complementarity Guidance

Harmonization of Central Emergency Response Fund (CERF) and Country-Based Pooled Funds (CBPFs) Processes

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Introduction

Since the grant element of CERF became operational in 2006, there has been a marked growth in the number of country-based pooled funds (CBPFs). While OCHA had been managing Emergency Response Funds (ERFs) since 1995, these had typically been few in number and with an annual budget of less than US\$10 million. The re-launch of the CERF in 2006 was accompanied by the introduction of the larger country based Common Humanitarian Funds (CHFs) and the following years also saw a proliferation of ERFs. In 2012 there were 13 active ERFs in addition to five Common Humanitarian Funds (CHFs) and they disbursed a total of \$443 million¹ to humanitarian projects in 20 countries². Combined with the \$489 million disbursed by CERF the pooled funds collectively allocated \$932 million to humanitarian activities in 2012, corresponding to approximately 7.3 per cent of total humanitarian funding recorded in FTS for 2012 (\$12.7 billion).

A number of the CBPFs are located in countries that have been long-standing recipients of significant amounts of CERF funds, such as the Democratic Republic of the Congo (DRC), Somalia, Sudan and South Sudan. In 2012 a total of \$274 million, equivalent to 56 per cent of all CERF allocations, went to countries covered by a CBPF. The various types of pooled funds therefore collectively contain significant amounts of funding under the control of the Humanitarian Coordinator (HC) and Humanitarian Country Teams. It is consequently important to ensure that HCs and other key stakeholders have the necessary tools to use them efficiently and maximize their joint impact.

Existing CERF, CHF and ERF guidelines already highlight the need for complementary use of the funds. While they provide general guidance in this respect, more detailed information is required. It has therefore been decided to develop specific guidance reflecting good practices based on experience from the field, as well as findings from relevant reviews and evaluations. As an initial step, a stock-taking exercise was conducted consisting of a review and compilation of relevant findings from various studies, evaluations and reports. This included the five-year evaluation of the CERF, the CHF evaluations, as well as a several country-level reviews conducted under CERF's Performance and Accountability Framework (PAF). As outlined in the stock-taking paper, the reviewed studies and evaluations generally called for greater harmonization in the use of CERF and CBPFs with a view toward achieving greater complementarity.

Guidance

Based on the findings and recommendations emerging from the stock-taking exercise, and reflecting upon consultations³ with CBPF fund management teams, the following section presents a number of practices that can be adopted to increase the complementarity between CERF and CBPFs with the aim of achieving greater overall impact with the available funding. This list is neither exhaustive nor intended to necessarily apply equally in all cases⁴. Instead, these recommended practices should be interpreted according to local circumstances and applied as relevant.

¹ OCHA disbursed a total of \$74 million through ERFs and the UNDP Multi Partner Trust Fund Office disbursed a total of \$368 million as Administrative Agent for CHFs.

² Somalia, South Sudan, Sudan, DRC, CAR, Ethiopia, Pakistan, Afghanistan, Colombia, Haiti, Indonesia, Kenya, Myanmar, oPt, Yemen, Zimbabwe, Syria, Lebanon, Jordan, Iraq (the latter four through the Syria ERF)

³ Including a survey targeting all CBPF fund managers.

⁴ For small or very specialized CBPFs a number of the proposed practices may not be directly relevant or feasible.

Practice 1 - CERF submissions should be handled by the same staff that manage the CBPF

Ensuring that the preparation of CERF proposals is handled by the same staff as those managing the CBPF would increase the likelihood that both funds are used in a complementary manner by, for example avoiding duplication and by aligning analysis, consultations and prioritization⁵. If this is not possible due to structural or capacity reasons, as a minimum, the CBPF team should be closely involved in CERF processes to ensure complementarity.

Practice 2 - Use existing CBPF processes and structures to support CERF allocations

Most CBPFs have well established structures and processes to guide consultations, identification of needs and prioritization of funds. These are designed to include a broad range of actors at the country-level, such as national and international NGOs, UN agencies and IOM, as well as cluster or sector leads. While keeping in mind the differences between the funds, it is recommended to use CBPF structures and processes (or relevant parts of these) to also support the development of CERF allocations as elaborated in more detail below.

a) Use similar processes to identify needs and priorities for both CERF and the CBPF

A comparable approach to the identification of needs and priorities for CERF as for the CBPFs can lead to a more coherent prioritization and allocation of funds. This would also increase the likelihood that both UN and non-UN partners are actively involved in CERF prioritization. Furthermore, it would ensure that sectors/clusters are playing a lead role in identifying needs and priorities for all funding streams, and ensure that a common evidence base informs allocation decisions. While bearing in mind the need for a rapid and light process for the allocation of CERF rapid response funds, in some cases CERF grant applications could be strengthened by the adoption of the more consultative approach of the CBPF⁶.

b) Consider vetting CERF proposals through CBPF governance structures

Experience has shown that utilizing existing governance or review structures from CBPFs⁷ can add value to the CERF review process, by introducing an additional element of rigour and peer review to the CERF process. It could also help foster a more coherent and coordinated review of all pooled fund allocations. In addition, in some cases it may be an opportunity to increase involvement of non-UN actors in the CERF process.

Practice 3 - Use the funds jointly and strategically according to their respective comparative advantages

In order to maximize the complementarity of the two funding sources, HCs should apply the funds through a joint strategy, utilising each fund's comparative advantage (including fund mandate and allocation criteria⁸, eligibility of recipient organisations⁹, grant size and timing¹⁰ and implementation timeline¹¹). In addition HCs

⁵ Realizing that CERF related processes may constitute a significant additional work load for CBPF teams, it is important that CERF related responsibilities are included in the formal terms of reference for the teams and reflected in staff and resource considerations.

⁶ In this respect the different nature of CERF Rapid Response (RR) and Underfunded Emergency (UFE) applications should be taken into consideration. Whereas the CERF UFE process aligns well with an inclusive and consultative approach this may not necessarily always be the case for time critical CERF RR submissions.

⁷ This recommendation will mainly be relevant in countries with CBPFs of a considerable size that fund both UN and NGO partners and that have well-established and inclusive technical review structures.

⁸ Whereas CERF is guided by the CERF Life-saving criteria CBPF allocations may be determined by other allocation criteria.

⁹ Only UN agencies and IOM are eligible to receive CERF funds whereas CBPFs can typically fund both UN agencies, IOM and NGOs (national and international).

¹⁰ Several independent reviews have positively remarked on instances where CERF and CBPF allocations were coordinated to bridge funding, gaps for example releasing funds from the CBPF ahead of an anticipated allocation from the CERF UFE window or vice versa.

¹¹ The different funds, or windows within them, often have different implementation timelines that may suit certain activity types better than others.

are encouraged to coordinate pooled fund allocations with those of bilateral donors to avoid gaps and duplications in funding decisions and to maximise complementarity of all funding channels.

Practice 4 - Include in CERF submissions a description of how CBPF allocations will complement the requested CERF grant

HCs are requested to provide a brief overview in the chapeau section of CERF submissions about how CERF and any CBPF allocations would complement each other. This would allow for a better assessment of the requested CERF allocation's contribution to response efforts in the country concerned. Similarly, CBPF allocation documents at country level should also reflect complementarity with potential CERF allocations if and as relevant.

Practice 5 - Employ CBPF monitoring frameworks to monitor CERF projects

To the extent feasible and where present, utilizing CBPF monitoring frameworks to also monitor CERF-funded interventions¹² would provide an opportunity to foster joint learning, advance good practices and enhance accountability.

Practice 6 - Harmonise country level reporting processes between CERF and CBPFs

To the extent possible, use similar or joint consultation processes and focal points for preparing CBPF and CERF narrative reports¹³. In addition, ensure that both CERF and CBPF annual reports contain a section that explains how the funds have been used in a complementary way. For countries with a Strategic Response Plan (SRP) it is recommended that an assessment of the added value of CERF and CBPF funding is included in reporting by Humanitarian Country Teams on progress against SRP implementation, along with a description of the complementary use of the two funds¹⁴. In addition, to complement CERF's real-time reporting on grant decisions to the Financial Tracking Service (FTS), CBPF managers should also ensure timely and accurate reporting to FTS on fund income and allocations¹⁵.

Practice 7 - Joint evaluation efforts for CERF and CBPFs

When conducting CERF or CBPF specific evaluations consider including issues related to complementarity between the funds into the scope of the evaluation. For evaluations related to the broader humanitarian system in the country, ensure that the roles of CERF and CBPFs are adequately addressed.

¹² This should be based on prior consultation and agreement with relevant partners at country level.

¹³ After Action Reviews (AARs) conducted as part of the country level CERF narrative reporting process present a good opportunity for partners to jointly discuss and reflect on the use of CERF and CBPFs in responding to humanitarian needs.

¹⁴ I.e. in SRP mid- and end-year reviews and if relevant in the Periodic Monitoring Reports prepared by the HCT.

¹⁵ This will be centralized and automated once the standardized CBPF grant management system is rolled out.