

CERF Resource Mobilisation Strategy and Roadmap for 2018-2019

DRAFT

Background

From the time the Central Emergency Response Fund (CERF) was established in 2006 until 2016, its annual minimum funding target of \$450 million has remained unchanged. However, the humanitarian reality in which CERF operates today is very different from when it was created over a decade ago. During the past twelve years, global humanitarian needs have quadrupled from \$5.2 billion to over \$23 billion in 2017, with the share of CERF's \$450 million funding target against global requirements declining from 8.6 to 1.9 per cent.¹ The greater scale and intensity of emergencies has led to ever-increasing demands on CERF and pointed to the need for a larger CERF commensurate with the growing needs, which resulted in the UN General Assembly endorsing the Secretary-General's call to expand CERF's annual funding target to \$1 billion.

A shift from a \$450 million fund to a \$1 billion fund will require a phased approach along two closely inter-related tracks. The first track consists of focused resource mobilisation activities to further deepen and diversify the donor base. The second track consists of ongoing work to elevate the CERF's strong reputation and profile to strengthen CERF's ability to fulfil its mandate in the current humanitarian landscape.

The new funding target is a reflection of what is necessary for CERF to be able to appropriately respond to humanitarian needs in line with its mandate. While it is important to move toward a \$1 billion CERF, reaching the target should not in itself become the primary goal or the narrative around CERF. Maintaining effectiveness and efficiency at any given funding level to enable life-saving humanitarian action for people affected by crises needs to remain the overarching priority, and the humanitarian results achieved through CERF funding should be the 'story' and the Fund's measure of success.

Overall Resource Mobilisation Logic - Goals and Objectives

Goal: The overarching goal of CERF's resource mobilization strategy is to mobilize the necessary political and public support required to generate additional predictable, timely and sustainable resources to ensure that CERF reaches a funding level necessary for it to respond to crises in an effective, efficient and timely manner and advance toward the target.

In order to achieve the above, this document outlines the focus of resource mobilisation efforts for June 2018 to June 2019. It is expected that during this timeframe, concrete financial results will be achieved and activities are thus prioritised not only in terms of logic and merit but also in terms of current capacities to implement, and based on potential return on investment and opportunity cost. Resource mobilization efforts beyond this timeframe will build on progress made during the first year and will be informed by and developed in sync with potential changes to CERF's operating model.

¹ source: UN OCHA Financial Tracking Service

Track 1: deepen and broaden CERF's funding base. CERF will need maximum levels of income to leverage its full potential for coordinated response and make a meaningful impact. To achieve this goal and remain effective, OCHA will pursue the following:

- i) meet a level of income in terms of volume that builds on the success of 2017. This means maximising support from current and returning donors.
- ii) achieve predictability in income from one year to another. To lessen the risk of volatility the strategy seeks to broaden the donor base beyond the primary OECD DAC donors and enter into multi-year agreements.
- iii) be able to access its income in line with operational demands. The strategy thus also seeks to ensure timely payment of contributions to enable the financing of all activities as and when needed.

Track 2: Underpinning the fundraising aspects, CERF needs to **maintain a strong reputation of a highly performing tool**, which is appealing to fund and sustains political will to do so, and **high level profiling**. To achieve this, OCHA will pursue the following:

- i) CERF has a recognised, unique, added-value and role that can be universally articulated, and for which strong advocacy and communication efforts are needed to continue to amplify these assets.
- ii) CERF's results and impact are recognised. Performance monitoring, at the highest result level, thus needs to be backed by a dedicated communications objective, including visibility.
- iii) CERF receives high level political support to promote greater engagement and commitment.

Overall Implementation Parameters

While all staff members in OCHA have a role and responsibility to support and contribute to the mobilisation of resources, the primary responsibility for making the case for Pooled Funds, including CERF, lies with the newly created Humanitarian Financing and Resource Mobilisation Division, under the leadership of the Emergency Relief Coordinator and the UN Secretary-General.

The new Division is comprised of the Pooled Fund Management Branch (PFMB) and the Partnerships and Resource Mobilisation Branch (PRMB). OCHA's dedicated capacities to support resource mobilisation are in PRMB through the Donor Relations Section (DRS) and the External Relations and Partnerships Section (ERPS). Both these sections have already established desks that manage relationships and do active outreach with member states, and will bring mutually reinforcing benefits to resource mobilisation for OCHA, CERF and Country Based Pooled Funds. The targeted resource mobilisation strategy outlined herein will also benefit from these already existing structures and relationships in terms of bringing coherence across fundraising efforts.

With the creation of the new Humanitarian Financing and Resource Mobilisation Division, there will also be stronger and more joined up use of funding tools, which will in turn increase opportunities for better communication around the complementarity between the CERF and Country Based Pooled Funds, as well as donor visibility.

Specific Priorities, Activities, Targets and related Roles

Established as a “Fund for all, by all”, CERF enjoys a wide donor base of 126 member states and observers having contributed to the fund since its establishment. The donor base includes 47 recipient countries that have given back in solidarity to crisis-affected people in other parts of the world through CERF. On average, 65 member states contribute to CERF annually and 87 per cent of contributions come from the top ten donors. CERF hit a record high income in 2017, reaching \$513 million, demonstrating a political commitment by member states going forward.

In line with Track 1, and building on the momentum and achievements attained so far, OCHA’s CERF resource mobilization priorities over the next year are to:

- i) Sustain and maximize the support and predictability from CERF’s current top ten donors and leverage their interest in leading specific initiatives to mobilize additional support and commitment from other member states, especially through Peer-to-Peer advocacy, as well as from private sources. This will include leadership on innovative financing initiatives.
- ii) Augment the volume and predictability of contributions from all 30 OECD DAC member states and high-income Middle East countries prioritizing those with the largest potential in volume, political importance and/or level of humanitarian engagement. As at end 2017, out of 30 OECD DAC members only 20 were funding the CERF annually. Over the course of the next year, OCHA will target this grouping and will ask the top donors and CERF Advisory Group members to complement its efforts with Peer to Peer Advocacy specifically with France, Japan, Korea, Kuwait, Qatar, Saudi Arabia and UAE.²
- iii) Augment and broaden support from the upper middle income countries³, prioritizing those with the largest potential in volume and/or those who have been recipients of the CERF. As at end 2017, only seven out of 56 such countries were funding the CERF consistently every year; only twelve countries have contributed to the fund in the last two years. Over the course of next year, OCHA will ask the top donors and CERF Advisory Group members to support OCHA’s efforts with Peer to Peer advocacy vis-a-vis Brazil, China, Kazakhstan, Malaysia, Mexico, South Africa, and Thailand.
- iv) Cultivate the support of member states that are both recipients and donors to the CERF with the potential to advocate regionally or at the global level.
- v) Explore/pursue options for applying “innovative financing” initiatives to the CERF context that will extend and diversify the donor base beyond Member States. Funding from the private sector and general public has been minimal since the Fund’s inception with only \$7.5 million received. Current capacities in the Humanitarian Financing and Resource Mobilisation Division to develop and manage private sector partnerships and individual giving are limited in the short term. However, some sources currently being pursued include: further exploring

² The UAE became a Participant to the OECD DAC in 2014. Qatar in 2016 and Kuwait in 2018.

³ As per World Bank classification.

Islamic Social Financing following the first zakat contributions received in 2017 and 2018; OCHA's Strategic Communications Branch (SCB) will further build on a pilot Public Fundraising Initiative to break ground in public online fundraising; and a philanthropy project supported through the generous support of a Member State also recently commenced.

In line with Track 2 of this strategy, over the next year, OCHA will focus on the following priorities:

- i) Explore options for a high level event to complement the CERF Annual Pledging Conference, potentially hosted by a Member State and in addition to an event during ECOSOC Humanitarian Affairs Segment, to maximize political commitments and improve the financial outcome of the Pledging Conference. One avenue would be to explore organizing a side event during the Annual or Spring World Bank meetings. These events bring together high-level government representatives including Finance Ministers and would be an ideal opportunity to make the case that the CERF is a tool that helps countries preserve development gains when struck by crises.
- ii) Based on the findings from the study on best practices from successful replenishments, OCHA will need to consider whether it wants to adopt a replenishment model for the CERF. If so, OCHA will need to acquire the required capacity, which it presently does not have to mobilize political commitment to provide recurrent significant financial support to the CERF.
- iii) More strongly associate the CERF visibility with the UN's top leadership, in particular the Secretary-General, the Deputy Secretary-General, the Emergency Relief Coordinator and the Deputy Emergency Relief Coordinator. High level advocacy and championship by the SG and (D)ERC is critical to mobilize equivalent high level political support within Member States (Parliaments, Ministers of Finance, Prime Ministers). OCHA should secure regular Secretary-General engagement in specific events such as during high level events on CERF around the GA or ECOSOC as well as during regular communication.
- iv) Develop an investment case for CERF which incorporates potential changes to CERF's operating model and articulates how CERF brings unique added value and serves as a reliable tool to promote predictable, timely and efficient response to humanitarian crises. The investment case will also serve as a driver for outreach, communications and fundraising efforts strategy in the next phase.
- v) Stronger communication on the complementarity between CERF and Country Based Pooled Funds is ongoing. While the respective advantages of each Fund are clear, there needs to be an improved common narrative that explains the complementarity and the unique specific niche that OCHA's Pooled Funds fulfill. The communication on CERF should thus include more evidence and examples not only on CERF impact/achievements at sector level, but also, drawing from specific country contexts, on how the two respective pooled funds mechanisms have a unique niche yet complementary role as major tools to ensure a needs based and principled response.

- vi) A great deal of focus has gone into stepping up communications to convey CERF's role, added value, effectiveness and investability as well as into donor visibility to recognize the contributions that donors have provided. This will remain a focus this year, in particular to better convey the impact and results that the Fund has achieved.

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