METHODOLOGY FOR UFE ANALYSIS 2019 SECOND ROUND

Funding, Risk & Vulnerability

United Nations CERF Central Emergency Response Fund

I. INTRODUCTION

This paper provides a description of the methodology of the funding, risk and vulnerability analyzes used for the Central Emergency Response Fund (CERF) Underfunded Emergencies (UFE) 2019 second round. As some aspects of the methodology may differ in each round due to available information or timing, this methodology paper is produced for every UFE round. A separate UFE Guidance Note, which is disseminated to key stakeholders and published on the CERF website at the beginning of each UFE round, describes the overall decision process and includes a detailed timeline of the respective round.[1]

Under the CERF UFE window, the Emergency Relief Coordinator (ERC) allocates funding to humanitarian emergencies with the most severe lack of funding, based on an analysis, consultations and document review carried out by the CERF secretariat. The UFE window accounts for one third of all CERF grants. The selection of humanitarian emergencies for the UFE rounds builds on two components (1) a quantitative analysis of data on humanitarian needs, funding levels, risk and vulnerability; and (2) qualitative, contextual, information collected from consultations with CERF stakeholders and from documents.

Emergencies can qualify for UFE consideration with or without a Humanitarian Response Plan (HRP) or equivalent plan/appeal, referred to as "Financial Tracking Services (FTS)-tracked plans/appeals" and "non-FTS tracked humanitarian programming". The term "FTS-tracked plan/appeals" refers to emergencies with (a) an HRP or comparable plan/appeal which is tracked on FTS in sufficient detail, namely, (b) funding to and outside the HRP/appeal as well as (c) funding level per cluster/sector. Emergencies not meeting all of these criteria of FTS-tracked appeals/plans are thus considered non-FTS-tracked humanitarian programming.

The quantitative data on funding for FTS-tracked plans/appeals and on humanitarian needs for all countries, are collected from established, mostly public sources for analysis. The qualitative information, as well as some funding and programmatic information on emergencies is collected from UN agencies that participate in the Underfunded Emergencies Working Group (UFEWG)[2], from the International Council of Voluntary Agencies (ICVA)-led NGO Finance Working Group and relevant parts of OCHA[3] as well as from documents such as HRPs and Humanitarian Needs Overviews (HNOs).

II. ANALYSIS PROCESS

All emergencies with FTS-tracked plans/appeals are automatically analyzed as information on both risk and vulnerability as well as on funding is publicly available. In contrast, emergencies with non-FTS-tracked humanitarian programming must be recommended by the UFEWG for an in-depth analysis. The UFEWG also provides additional contextual and funding information for these emergencies. The CERF secretariat then collectively analyses the level of funding as well as the level of severity, risk and vulnerability for both emergencies with FTS-tracked plans/appeals and those with non-FTS-tracked humanitarian programming. The CERF secretariat shares the draft funding and the risk and vulnerability analysis with the UFEWG, NGOs, and other parts of OCHA, and then consults each at different stages of the analysis process and before finalizing the analysis. Based on the final analysis, the CERF secretariat makes recommendations on the selection of emergencies and funding apportionments to the ERC, who makes the final decision on which emergencies will be included in the UFE round and the apportionment of funding among the selected emergencies.

i) FUNDING ANALYSIS

The objective of the funding analysis is to identify emergencies with the lowest funding levels. In the analysis, available funding for humanitarian programming is compared to funding requirements to calculate the funding level. The funding levels of eligible FTS-tracked plan/appeal and recommended emergencies with non-FTS tracked humanitarian programming is compared against one another as well as to the overall

[1] Moreover, the CERF UFE general Overview of Technical Methodology is available on the CERF website, while additional details and technical guidance are further elaborated in CERF UFE Window: Procedures and Criteria.
[2] Members include FAO, IOM, UNDP, UNFPA, UNHCR, UNICEF, WFP, WHO and OCHA's Operations and Advocacy Division (OAD).
[3] Most importantly the Assessment Planning and Monitoring Branch (APMB) which supports the Humanitarian Programme Cycle.

funding average. CERF also analyses humanitarian funding reported outside of a plan/appeal and funding reported as regionally earmarked to organizations for particular emergencies. Since the funding data for emergencies with non-FTS-tracked humanitarian programming is provided by UN agencies through UFEWG and does not contain NGO funding, the funding level is calculated based on reported funding as a share of funding requirements for UN agencies only.

ii) ANALYSIS OF RISK, VULERABILITY AND SEVERITY OF HUMANITARIAN NEEDS

For underfunded emergencies, as defined during the funding analysis, the level of risk, vulnerability and severity of humanitarian needs are assessed. Data on all aspects are combined into a single index, the CERF Index for Risk and Vulnerability (CIRV). CIRV includes six components that cover the full range of factors influencing the humanitarian situation, which are listed below. The six components are standardized and weighted according to the scope of information. The Index for Risk Management (INFORM) accounts for 50 per cent of CIRV since it already includes more than 50 different measures, and the five other components together account for the remaining 50 per cent. While INFORM and its 50 per cent weight has remained a constant part of CIRV, the other measures have been slightly adjusted from round to round as new data sources became available or to capture additional aspects of the humanitarian situation. The six measures included in the CIRV are:

CERF Index for Risk and Vulnerability (CIRV)	
50% of CIRV	50% of CIRV
(1) Index for Risk Management (INFORM) • Accounts for 1/2 of CIRV • Includes over 50 indicators • Based on quantitative data • Forward-looking (3-5 years) • Dimensions include conflict, natural disaster, displaced and other vulnerable people, coping capacity	**(2) Risk of increase in humanitarian needs** • From Inter-Agency Standing Committee (IASC) Alert, Early Warning & Readiness Report • Accounts for 1/10 of CIRV • Based on qualitative assessments • Forward-looking (6 months)
	(3) Food insecurity • From FEWSNet Food Assistance Outlook Brief, FAO's Global Information and Early Warning System, and WFP's Vulnerability Analysis and Mapping, combined into one measure • Accounts together for 1/10 of CIRV • Based on quantitative data on food insecurity • Forward-looking (6 months)
	(4) Prevalence of conflict • From Uppsala Conflict Data Program • Accounts for 1/10 of CIRV • Based on quantitative data on civil and international conflict
	(5) Change in conflict intensity • From International Crisis Group • Accounts for 1/10 of CIRV • Based on qualitative assessment of conflict • Conflict risk alerts are forward-looking
	(6) Human rights violations • From Political Terror Scale & OECD's Violence Against Women Indicator, combined into one measure • Accounts together for 1/10 of CIRV • Based on qualitative data on human rights violations including dedicated gender perspective

Table 1: Composition of CERF Index for Risk and Vulnerability (CRIV)

(1) **The Index for Risk Management (INFORM)**, a collaboration of the former IASC Task Team for Preparedness and Resilience and the European Commission, is a global, open-source risk assessment for humanitarian crises and disasters. It indicates risk three years into the future but cannot predict individual crises. INFORM has three dimensions: hazard and exposure, vulnerability, and lack of coping capacity. Each dimension encompasses different categories, which are user-driven concepts related to the needs of humanitarian and resilience actors. For each category, several indicators may be included. Categories cover natural hazards, conflict, socio-economic factors including aid dependency, vulnerable groups including due to health conditions or food insecurity, and measures about the quality of institutional capacity and infrastructure.

INFORM includes over 50 different indicators and ranges from 0 to 10, with higher values indicating a higher risk.

(2) Risk of increased humanitarian needs: The **IASC Early Warning, Early Action and Readiness Report**, from the IASC Reference Group on Early Warning and Preparedness, lists countries with serious risks of strategic operational concern or with a high probability of increasing humanitarian needs. These countries are identified by the IASC Emergency Directors Group in collaboration with an analysis working group and are categorized as having one of three levels of seriousness: moderate, high or very high. Each country is assigned one or several of five risk types: conflict, cyclone, drought, epidemic and flood. The IASC Early Warning Report assesses the risk half a year into the future. As it is based on qualitative assessments rather than a quantitative analysis, it complements INFORM and other measures. Emergencies which triggered an IASC Level 3 declaration or Humanitarian System-Wide Scale-Up Activation are not included in the report because they are considered already to be at the highest level of seriousness. For the CIRV, the seriousness levels are translated into an indicator, with moderate at 3.3, high at 6.7 and very high at 10. In addition, L3 emergencies and those with a scale-up activation are assigned a score of 10.

(3) Food insecurity: For this CIRV component, three sources are combined into an additive index to measure the level of food insecurity in ongoing humanitarian emergencies: The **FEWSNet Food Assistance Outlook Brief** provides projections of emergency food assistance needs in FEWSNet coverage countries, six months in the future. The Famine Early Warning Systems Network (FEWSNet) bases its projections on the methodology of the Integrated Food Security Phase Classification (IPC) and ranges from "minimal" ("generally food secure") and "stressed" ("moderately food insecure") via "crisis" ("acute food and livelihood crisis") to "emergency" ("humanitarian emergency") and "famine". For the CIRV, the food insecurity levels are translated into 6-point scale, ranging from the 0, for no risk of food insecurity, to 5, for famine. **FAO's Global Information and Early Warning System (GIEWS)** publishes a quarterly report which groups countries requiring external food assistance into four categories: those with current food insecurity, including an "exceptional shortfall in aggregate food production/supplies", "widespread lack of access" and "severe localized food insecurity" as well as "countries with unfavorable prospects for current crops", i.e. countries with possible future food insecurity. Emergencies with current food insecurity according to GIEWS are assigned a score of 2 and countries with "unfavorable prospects" as score of 1. **WFP's Mobile Vulnerability Analysis and Mapping (mVAM)** uses mobile technology to track food insecurity trends in real-time, providing high-frequency data. Food insecurity hotspots identified by mVAM's are assigned a score of 2 for the food insecurity component of the CIRV.

(4) Prevalence of conflict: The **Uppsala Conflict Data Program's (UCDP)** "UCDP/PRIO Armed Conflict Dataset" provides historical data on violent conflicts since 1946. It differentiates between high-intensity conflicts with at least 1,000 battle-related deaths and lower-level forms of violent conflict causing up to 1,000 battle-related deaths in one calendar year. Considering that the latter do often cause humanitarian needs, even if not to the same extent as the most intense conflicts, they are integrated into the CIRV as a driver of humanitarian needs. The CIRV takes the latest available year into account, and codes countries with high-intensity conflict with 2, low-intensity conflict with 1 and countries without measurable conflict according to UCDP indicators with 0. In a small number of cases, the CERF secretariat may make adjustments to the UCDP data based on additional information.

(5) Change in conflict intensity: In contrast to the historical conflict data from UCDP, the **International Crisis Group's CrisisWatch** provides more current data on whether conflict situations are improving, staying the same or deteriorating. In addition, CrisisWatch provides forward-looking data by issuing "conflict risk alerts" when the situation is at risk of deteriorating (or "peace opportunities" for a given conflict emerge). As these data are not available in a database, they are collected as follows: a country is assigned a score of +1 for each month in which the situation deteriorates, a -1 for each month that the situation improves, and a +1 one for each month with a conflict risk alert. These scores are summed up for the past 12 months, resulting in an index

that can theoretically range from -12 (for a country that improved each month) to +24 (for a country that deteriorated each month and for which Crisis Group issued a conflict risk alert each month).

(6) Human rights violation: Since INFORM does not include a measure for human rights violations, data from the **Political Terror Scale** and the **OECD's Violence Against Women Indicator (VAW)** aiming to fill this gap. The PTS measures levels of human rights violations on a 5-point scale originally developed by Freedom House, with higher scores indicating worse violations. The data used in compiling this index comes from three different sources: the yearly country reports of Amnesty International, the US State Department Country Reports on Human Rights Practices, and Human Rights Watch's World Reports. The CIRV includes the average of the scores from the three sources for the most recent available year. The OECD's Violence against Women Indicator measures attitudes towards the violence against women and the prevalence thereof in a women's life time as well as laws on domestic violence, rape and sexual harassment across countries worldwide. The CIRV includes the average of five OECD indicators for the most recent available year.

Before all components of the CIRV can be combined into one index, they are normalized to 100, so that each range from 0, which is the theoretical minimum of each indicator and represents a low risk of humanitarian needs, to 100, the theoretical maximum representing a high risk.

The CIRV provides a comprehensive picture of current and likely future humanitarian needs. It allows ranking underfunded emergencies according to their level of risk and vulnerability, in order to select countries for UFE rounds. In addition to the CIRV, the CERF secretariat conducts robustness tests using different measures to ensure that the same underfunded emergencies are assessed as having high levels of vulnerability regardless of the exact calculation. Some figures, especially for the funding analysis, may have to be estimated (e.g., prorated); estimates are clearly marked to distinguish them from more solid data points.

III. FUNDING APPORTIONMENT

Once the most underfunded emergencies with the highest levels of risk, vulnerability and severity of humanitarian needs are identified, the CREF secretariat makes recommendations to the ERC on the selection of emergencies to be supported by a UFE allocation and funding apportionment based on the agreed envelope for the UFE round.

For the apportionment, 25 per cent of the available funding envelope is distributed evenly among the selected countries, to create a baseline. The remaining 75 per cent are allocated among the selected countries as a function of their funding gap, including both the relative gap (the share, in per cent, of UN and total funding requirements that has not been funded) and the absolute gap (the difference, in USD, between requirements and funding received). Finally, the calculated amounts are adjusted. In many cases they will be rounded to the nearest million or half-million. However, in some cases, other factors may influence the apportioned amount, such as the level of vulnerability (for example, a country with a higher score on the CIRV may be apportioned more UFE funding than a country with a lower CIRV score even if they have the same funding level), past CERF allocations, implementation capacity, and the focus of the UFE allocation.