ANALYSIS OF DATA FROM 2013 RC/HC REPORTS ON THE USE OF CERF FUNDS

SUB-GRANTS UNDER 2013 CERF PROJECTS

The introduction of a new CERF narrative reporting framework has improved the overall quality of reporting by Resident and Humanitarian Coordinators on the use of CERF funds (RC/HC reports) and has allowed for a more systematic and timely analysis of the data and information provided in the reports. The CERF secretariat has analyzed key performance data from all RC/HC reports submitted for 2013 CERF grants (the first full year under the new reporting framework) and produced a number of briefing notes to present the findings of the analysis.

This briefing note summarizes information included in 2013 RC/HC reports on the CERF funding sub-granted by recipient UN agencies[1] to NGOs and other partners for the implementation of CERF-funded activities. The reported sub-grant data does not include the value of in-kind arrangements.

In 2013, CERF allocated US$ 482 million to 15 UN agencies responding to humanitarian crises in 45 countries. Some $307 million were allocated from the CERF rapid response (RR) window to quickly start response operations in new or rapidly deteriorating humanitarian emergencies. The remaining $175 million were allocated through the CERF underfunded emergencies (UFE) window to life-saving programmes in underfunded humanitarian crises.

In 2013, CERF funded a total of 533 projects that were part of 83 consolidated applications. Given the six-to-nine month implementation time frame of CERF grants followed by a three-month reporting period, the complete reports on all 83 allocations and the 533 CERF-funded projects in 2013 were available at the beginning of 2015 for consolidation. The individual RC/HC reports used for the analysis included in this briefing note can be found on CERF's website[2].

Agencies, under CERF grants in 2013, reported a total of 1,037 sub-grants to implementing partners. According to this information, 20 per cent of 2013 CERF funding ($97 million out of $486 million[3]) was sub-granted to agencies' implementing partners (IPs).
The sub-grant figures are based on self-reporting by each agency at the country level and there are no systems in place to verify this information at headquarters level. As such, these figures should be considered indicative only. However, the consistency in reported data year by year since 2011 indicates that the data are a fairly good estimate of actual sub-grants.

This note includes two parts: the first part examines the volume of sub-grants and the second part their timeliness.

1 The terms "UN agencies", "UN agencies and IOM", and "agencies" are used interchangeably.
2 www.unocha.org/cerf/partner-resources/grant-reports/grant-reports-2013
3 For historical reasons the sub-grant analysis is based on CERF allocations falling into 2013 based on disbursement dates, whereas the official allocation figures on CERF's website are based on approval dates. The overall 2013 allocation amount referenced in this section therefore differs by $4 million from the official CERF figure.

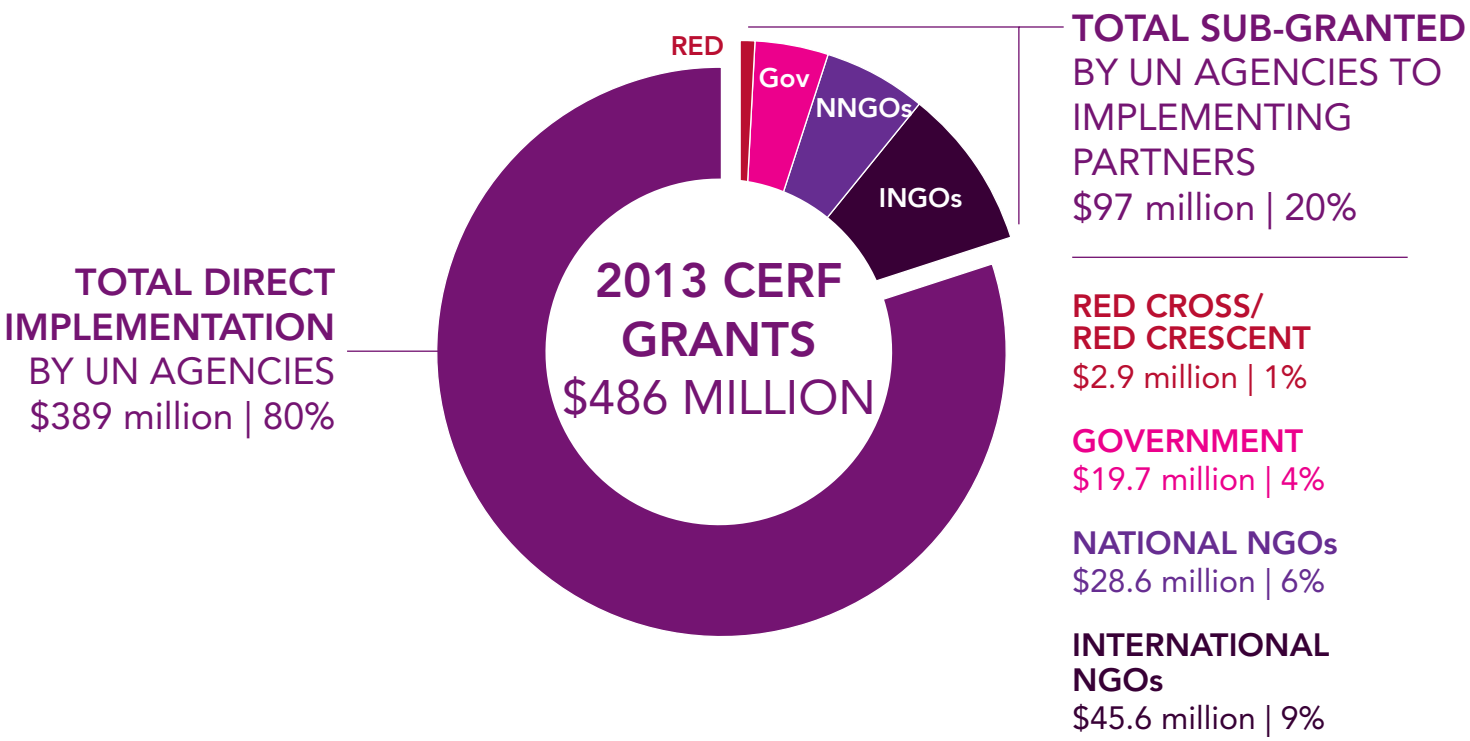


Figure 1. CERF funding sub-granted to agencies' implementing partners

Out of $97 million reported as sub-granted to IPs, $45.6 million was implemented through international NGOs, $28.6 million through national NGOs, $19.7 million via host governments, and $2.9 million through Red Cross/Red Crescent societies. Notably, more than 10 per cent of all CERF funds in 2013 (equivalent to more than $50 million) were implemented through local partners in the recipient countries (either through government counterparts, national non-governmental organisations or Red Cross/Red Crescent societies).
The proportion of sub-granted funding varies between the two CERF windows. While 16 per cent of rapid response funding in 2013 has been reported as sub-granted to IPs, over a quarter of funding from the underfunded emergencies window was reported to have been implemented by partners.

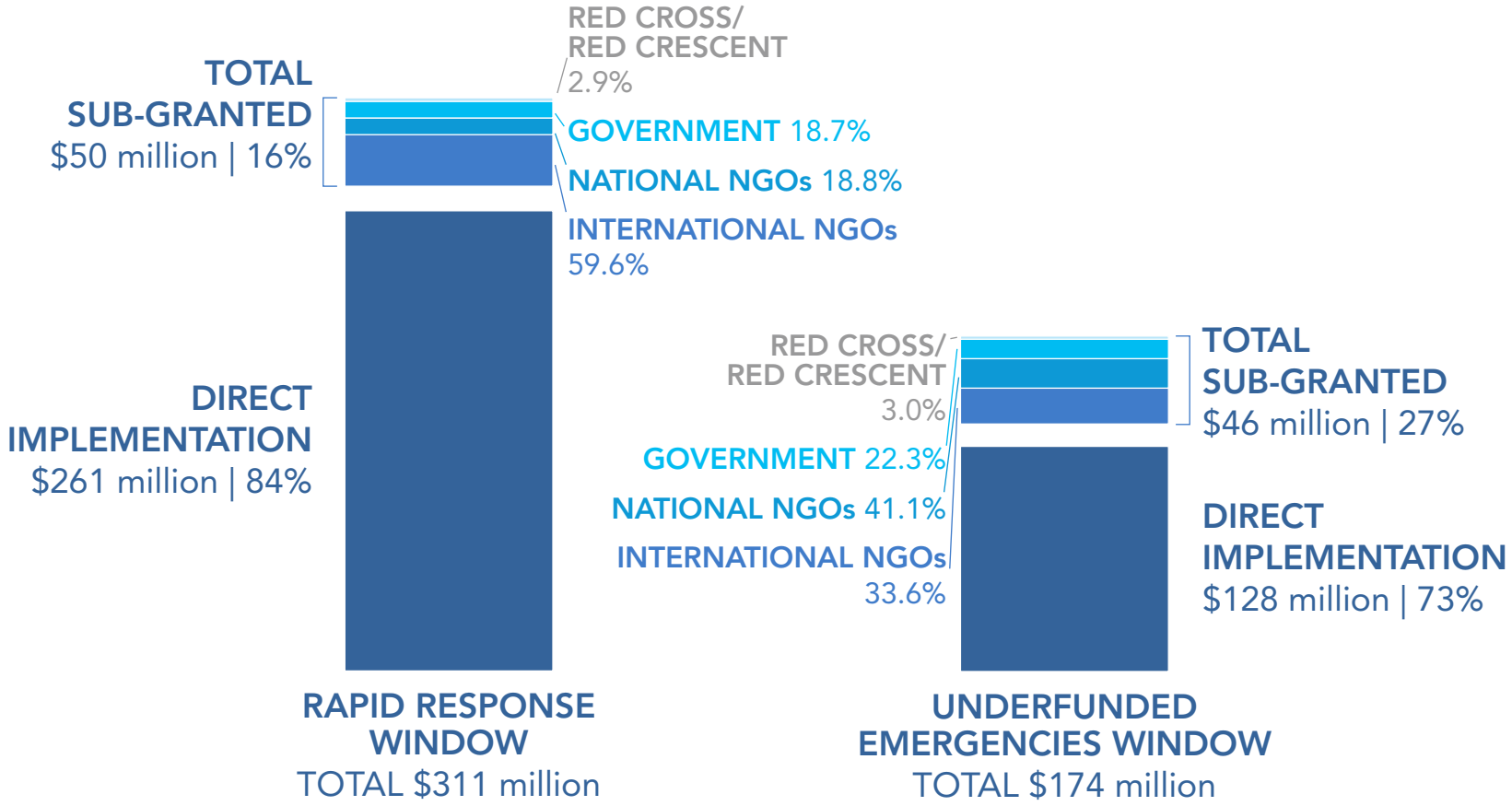


Figure 2. Sub-granted CERF funding by window and partner type

The proportion of sub-granted funding to national and international NGOs also differs between the two CERF windows. As illustrated in Figure 2, nearly 60 per cent of sub-granted rapid response funding went to international NGOs and 19 per cent to national NGOs, whereas for underfunded emergencies, the largest recipients were national NGOs receiving 41 per cent of sub-granted funding, followed by international NGOs with 34 per cent.

The proportion of sub-granted funding implemented by host governments (around 20 per cent) and Red Cross/Red Crescent (around 3 per cent) was similar across the two CERF windows.

Of the 1,037 sub-grants reported in total for 2013, national NGOs accounted for the largest amount with 460 sub-grants, followed by international NGOs with 318. Governments received 227 and the Red Cross/Red Crescent 32 sub-grants (Figure 3).

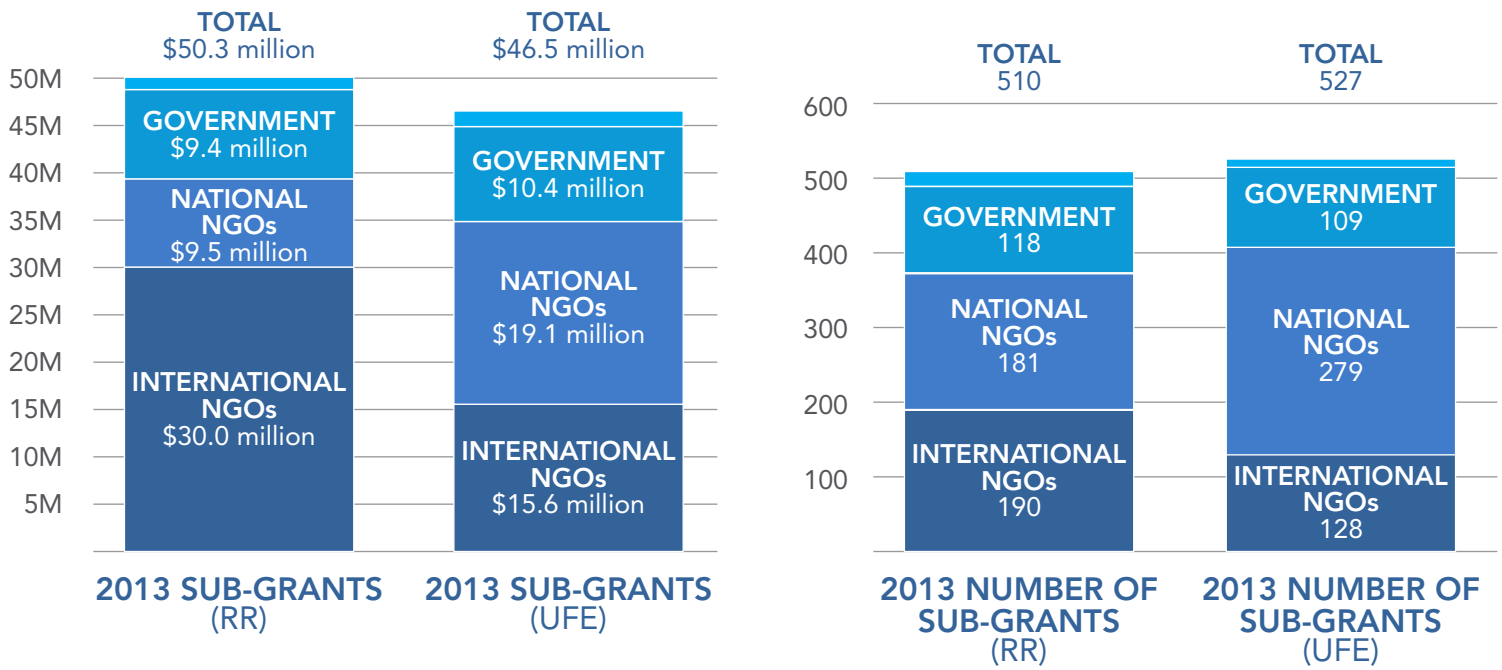


Figure 3. Amount and number of CERF sub-grants by window and partner type

Although international NGOs received more funding through sub-grants ($45.6 million through 318 sub-grants), national NGOs received the highest number of sub-grants in 2013 (460 sub-grants totalling $28.6 million). This means a smaller average sub-grant size for national NGOs at $62,303, less than half the average size of sub-grants for international NGOs at $146,119.

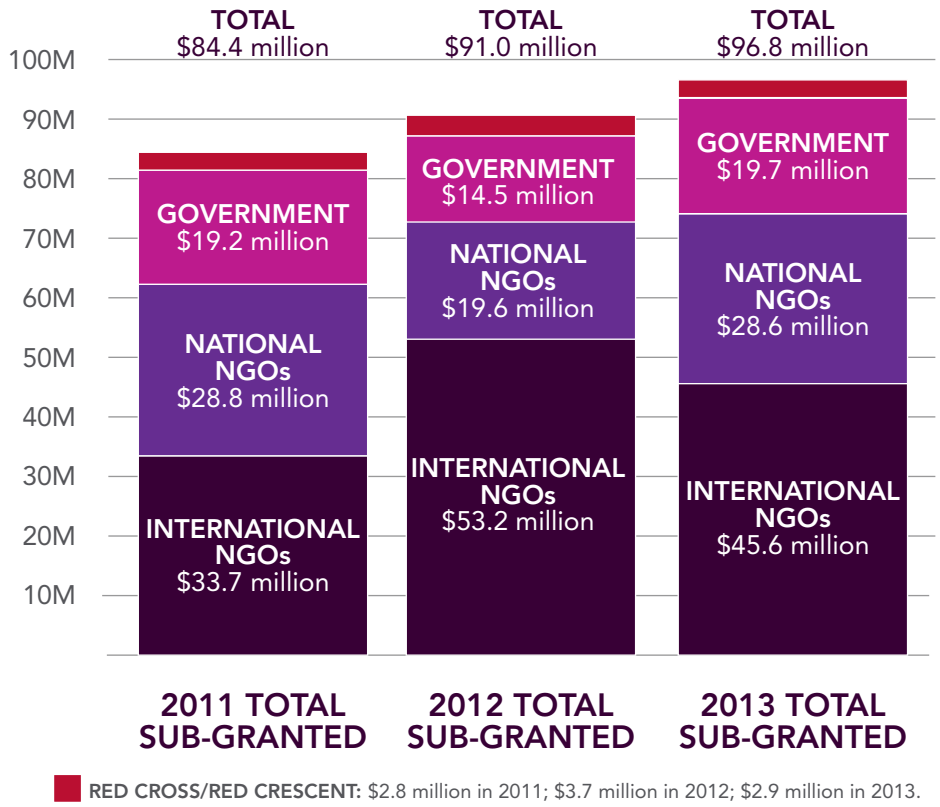


Figure 4.Trends in the value of CERF sub-grants by partner type for the period 2011 - 2013

The total CERF sub-granted funding as reported by agencies has been on a steady increase in dollar terms over the past years with the total $84 million in 2011, $91 million in 2012 and $97 million in 2013 (Figure 4). As percentage of overall CERF funding the sub-granted amount was constant at around 20 per cent over the three years, with 2013 slightly higher than the previous two years. The proportions of sub-granted funding by partner type were comparable across years, with a spike in funding to international NGOs and a corresponding drop for national NGOs in 2012.

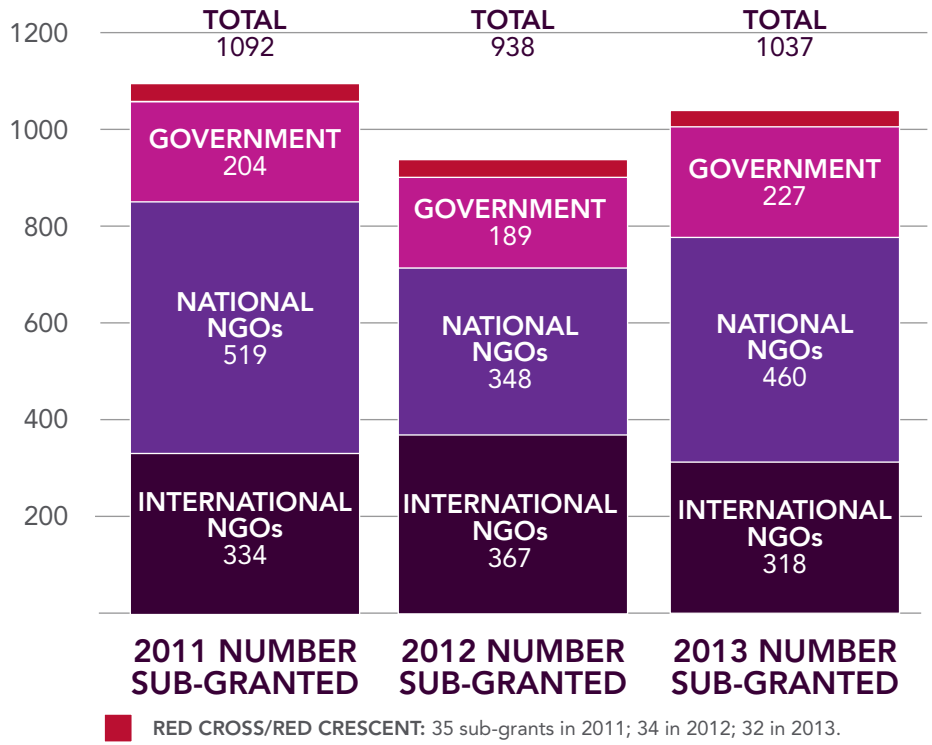


Figure 5. Trends in the number of CERF sub-grants by partner type for the period 2011 - 2013

The number of sub-grants remained similar across years although decreased slightly in 2012, as can be seen in Figure 5. This decrease is likely a result of an increased share of funding implemented through international NGOs in 2012 (Figure 4), which typically have larger average grant sizes.

All recipient agencies, except UN Habitat and UNWRA, reported sub-grants in 2013 (Figure 6). According to reported data, UNICEF, the second largest recipient of CERF funds in 2013, implemented the largest total amount through partners ($46 million through 400 sub-grants), equivalent to 40 per cent of all CERF funding received by UNICEF in 2013. In comparison WFP, the largest CERF recipient only reported $6.6 million, or 5 per cent of received CERF funds as implemented through partners (in-kind arrangements, such as food, are not included in the reported figures).

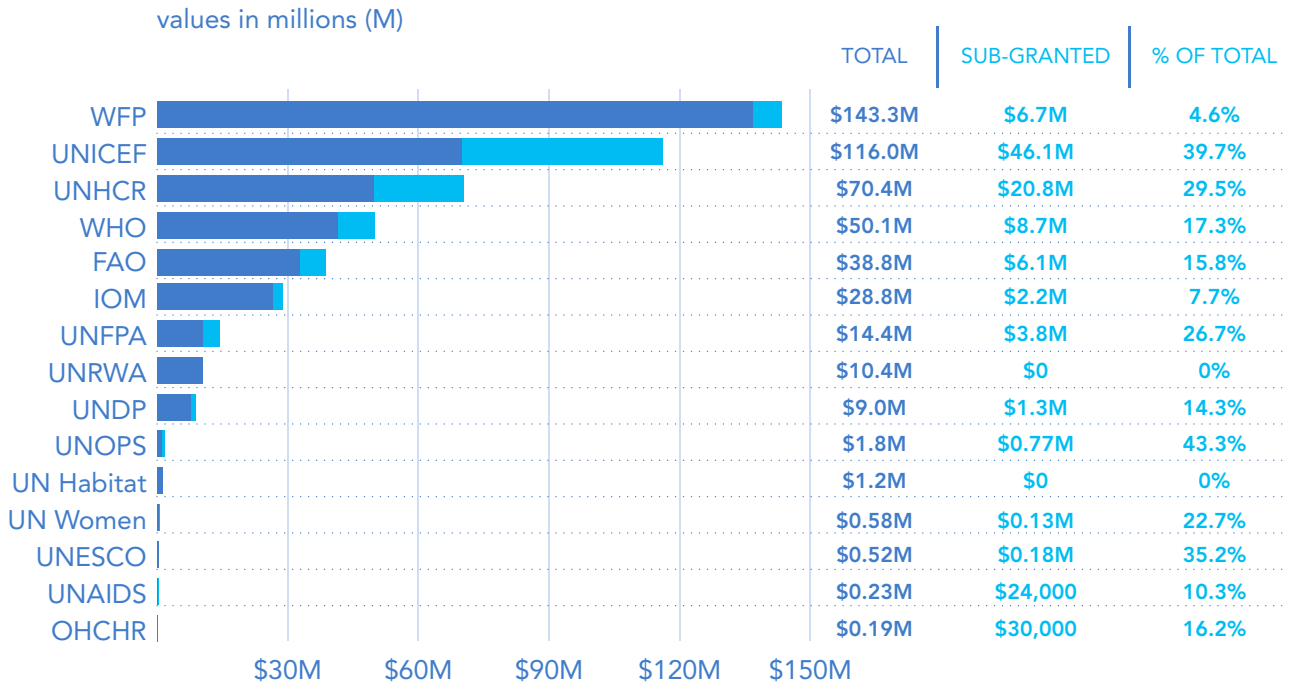


Figure 6. Total and sub-granted CERF funding by agency

Reported sub-grants varied substantially between sectors. The largest sector, Food Aid, only reported 5.5 per cent in sub-grants. This was to be expected given the nature of the grants for this sector . The sectors that reported the largest shares of their CERF funding as implemented through sub-grants were: Protection, Human Rights and Rule of Law (46 per cent), Water and Sanitation (44 per cent) and Education (37 per cent).

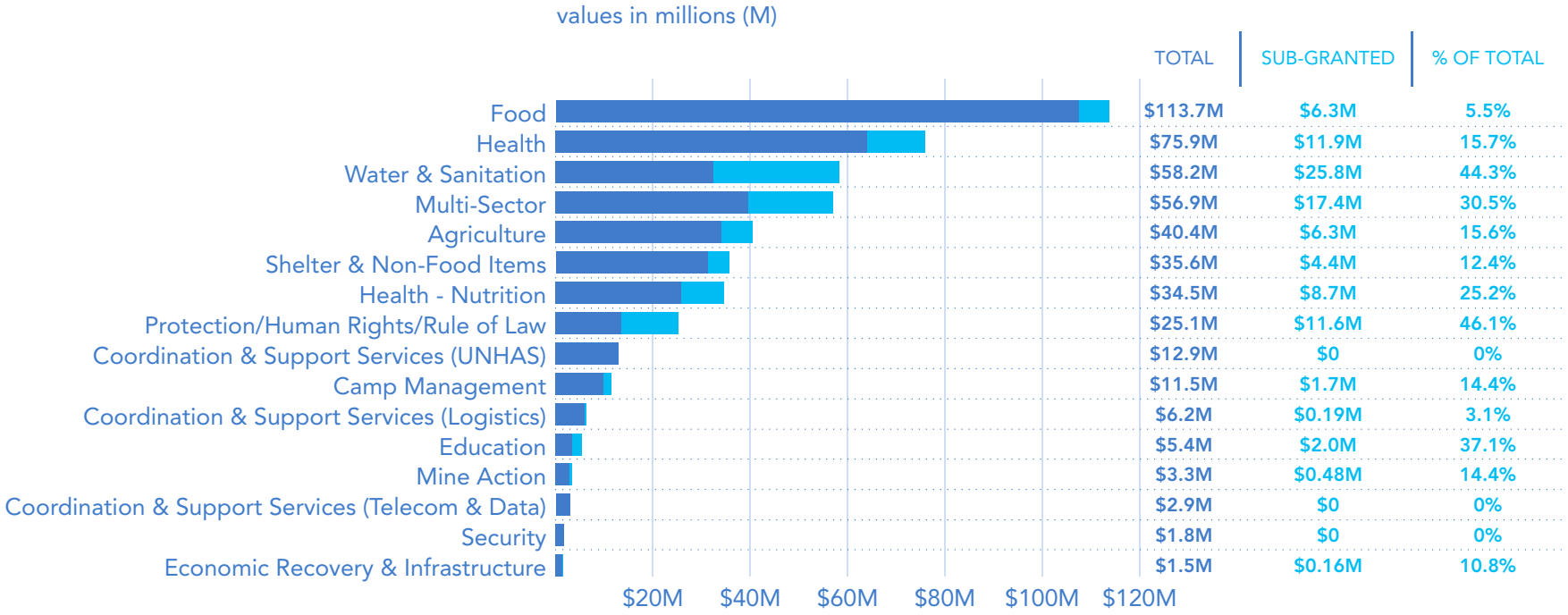


Figure 7. Total and sub-granted CERF funding by sector

Even greater variances were seen across recipient countries. This likely reflects differences in implementation modalities due to the different operational contexts and the different strategic uses of CERF funding, but it may also reflect variations in reporting quality that is likely to be more visible along country lines.

The countries with the highest sub-granted totals in 2013 were the Republic of Sudan ($12.4 million or 26 per cent of the total CERF funding for Sudan), Somalia ($8.5 million, 40 per cent) and the Philippines ($6.4 million, 17 per cent). Overall, the percentage of the total sub-granted funding per country varied between zero in Togo and 53 per cent in Colombia.

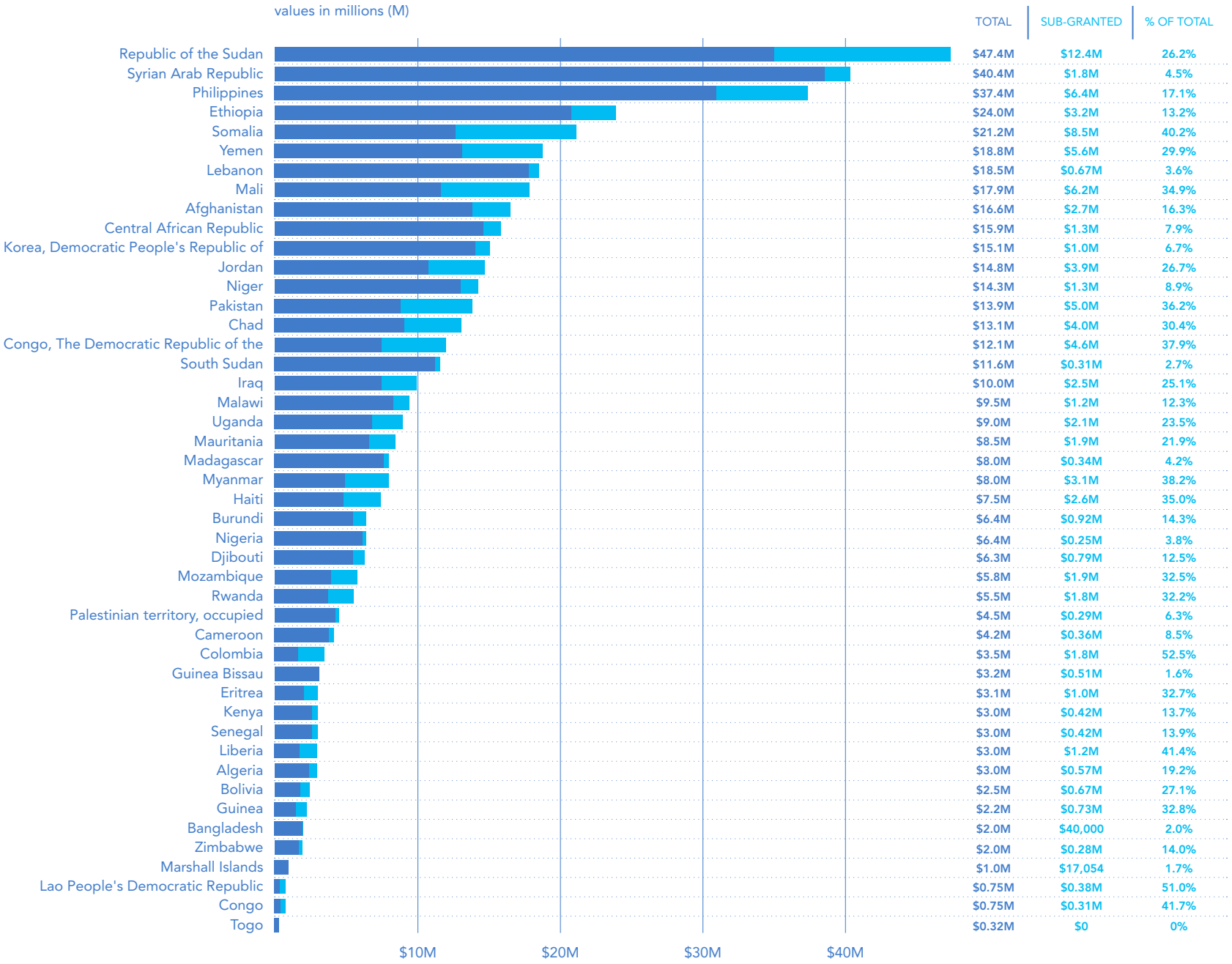


Figure 8. Total and sub-granted CERF funding by recipient country

TIMELINESS OF SUB-GRANTS UNDER 2013 CERF PROJECTS

The quality of partnerships between CERF recipient agencies and their implementing partners is a priority issue for CERF and its donors. Given that 20 per cent of 2013 CERF funding was reported as having been sub-contracted by agencies to their implementing partners (IPs), the speed of sub-granting is a factor in determining the effectiveness of CERF-funded projects. However, the efficiency of sub-granting from agencies to their IPs is a broader UN/NGO partnership issue and is not exclusive to CERF-funded projects.

To better understand how CERF projects are implemented, the CERF secretariat tracks and analyses the timing of CERF sub-grants from UN agencies to their implementing partners. The following two indicators are tracked by the CERF secretariat based on information reported by agencies in RC/HC reports:

> **INDICATOR 1 – IMPLEMENTATION SPEED:** Number of working days between the disbursement of funds from CERF to the recipient agency and implementation start of sub-granted activities by the agency's partner.
>
> **INDICATOR 2 – DISBURSEMENT SPEED:** Number of working days between the disbursement of funds from CERF to the recipient agency and the disbursement of the first instalment under the sub-grant from the agency to its implementing partner.

While the two indicators are closely related, the first one is considered more important because it focuses on the provision of CERF-funded assistance to targeted people, whereas the second indicator focuses on the agency's ability to timely process and disburse the sub-grants.

While these indicators are useful for better understanding how CERF projects are implemented, and to some degree for identifying potential bottlenecks and inefficiencies, they are imperfect indicators for directly measuring performance of sub-granting procedures. Each sub-grant should be considered within a given context to fully understand the data. A long sub-granting process could be the result of delays in partnership processes between an agency and its implementing partner, but it could also reflect the planned timing of project implementation according to the nature of the specific project, which would not indicate any delay in project delivery. The data will not necessarily reveal this and the analysis in this section should be considered bearing this in mind.

Out of 1,037 sub-grants reported by recipient agencies in 2013, 1,022 records had sufficient information for timeliness analysis. For the remaining 15 sub-grant records the reported information on disbursement dates or activity start dates was incomplete. As a result, the total sub-granted amount reported in the timeliness analysis that follows ($94.4 million) is some $2 million lower than in the previous section of this report.

As illustrated in Figure 9, the implementation by IPs of one third of 2013 sub-grants of CERF funding (334 out of 1,022) started within the first week from the disbursement of funding from CERF to recipient agencies. The total value of these sub-grants was $31.7 million or one third of the value of all 2013 sub-grants with valid timeliness data.

During the next three weeks, agencies' implementing partners had begun to implement another 140 sub-grants. In total, the implementation of 474 out of 1,022 sub-grants (46.4 per cent of 2013 CERF sub-grants) started within the first four weeks after disbursement of grants from CERF to recipient agencies. The total value of these 474 sub-grants was $48.9 million, equivalent to 51.7 per cent of the total sub-granted CERF funding in 2013.

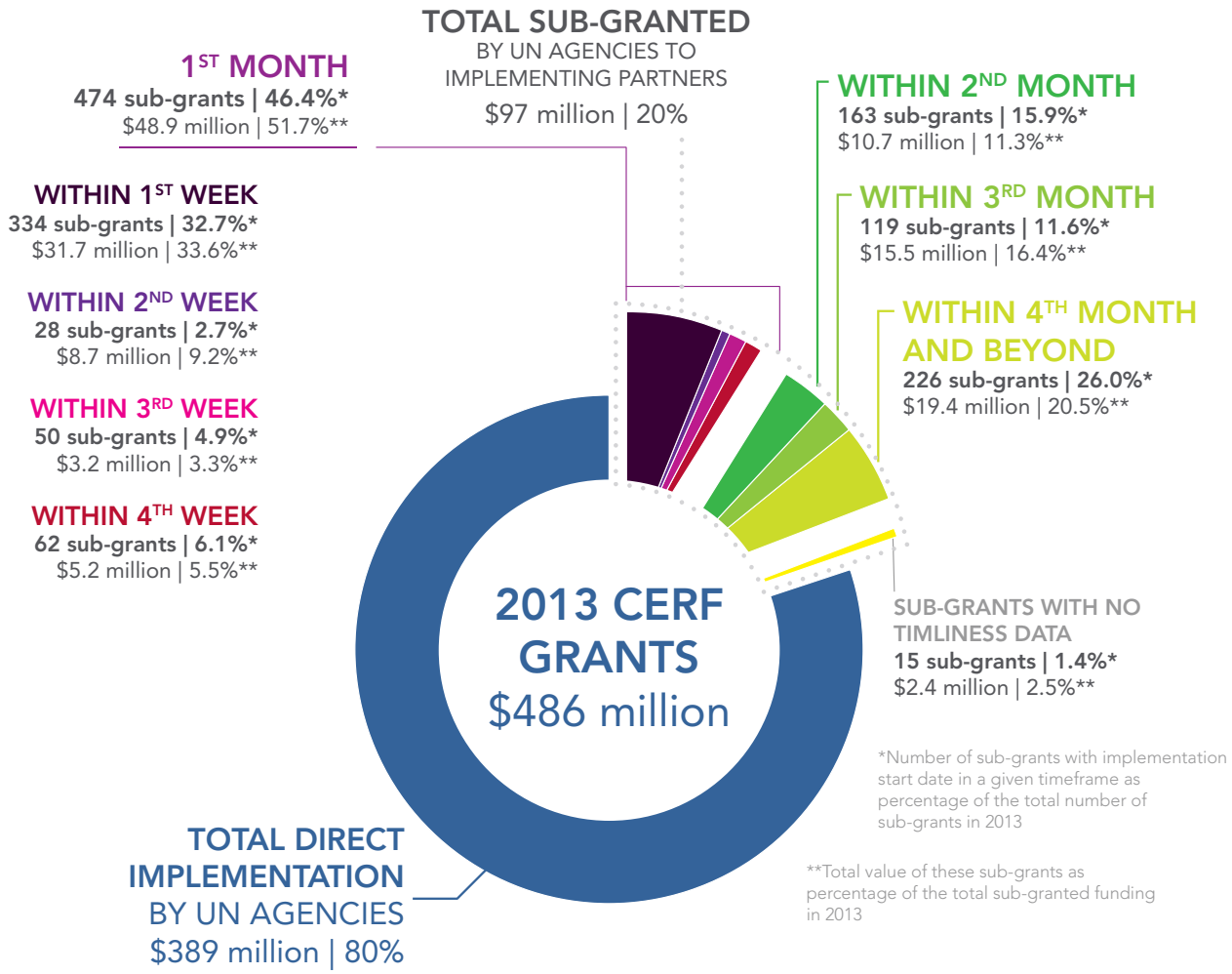


Figure 9. Timeliness of CERF sub-grants implementation start (indicator 1)

In the second and third months after the disbursement from the CERF, the implementation of 16 and 11 per cent of sub-grants began (163 and 119 sub-grants respectively). The implementation of the remaining 26 per cent of sub-grants (266 sub-grants) did not start until the fourth month or later. The total value of these sub-grants was $19.4 million, equivalent to 20 per cent of sub-granted funding in 2013.

These figures include both the rapid response (RR) and underfunded emergencies (UFE) windows of CERF. The following sections present sub-grant timeliness for the two windows separately.

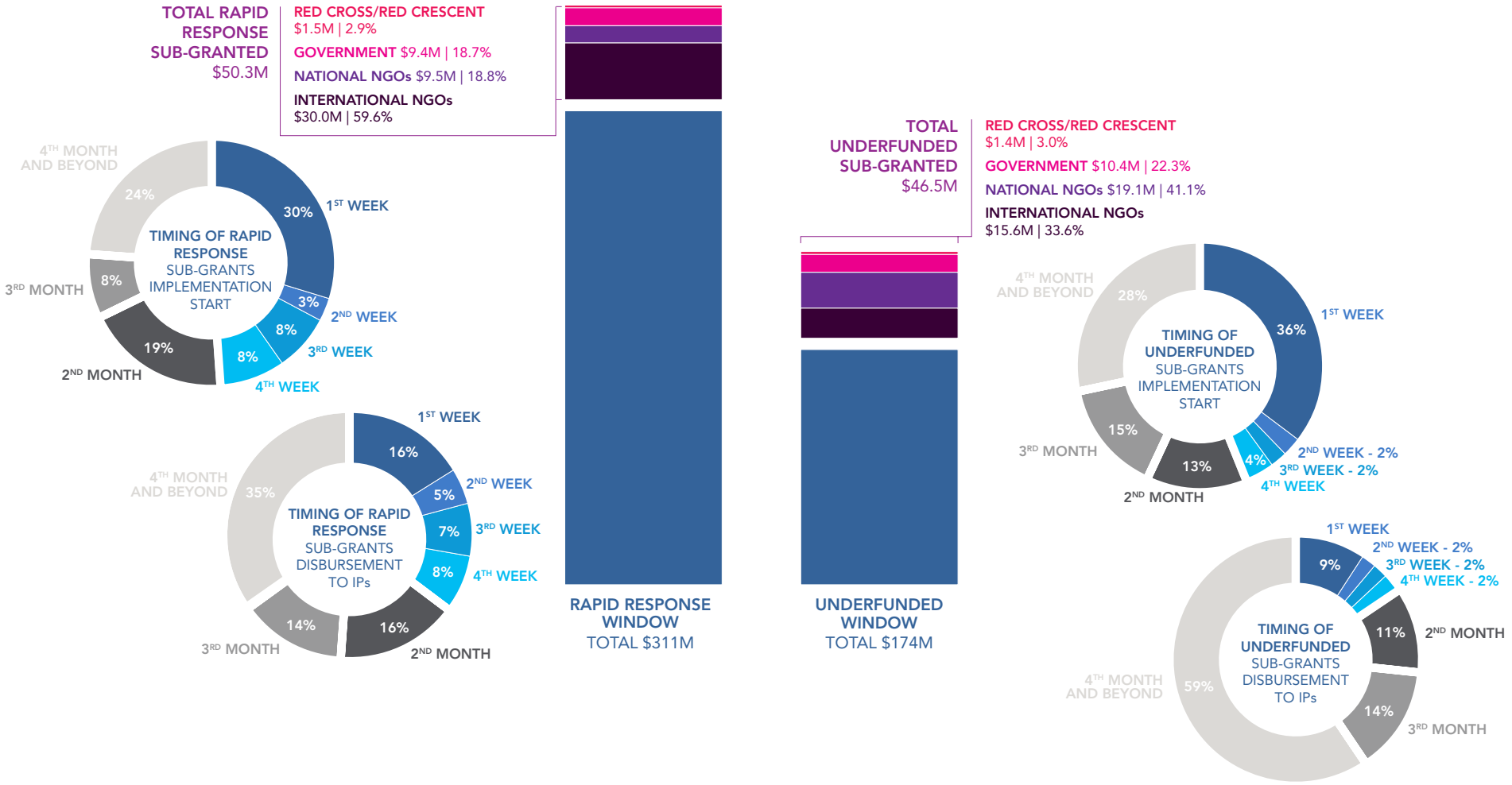


Figure 10. Timeliness of CERF sub-grants implementation start (Indicator 1) and disbursements (Indicator 2) by windows

As seen in Figure 10, the reported implementation start time of sub-grants under CERF RR funding was faster than sub-grants under CERF funding for underfunded emergencies. Within the first four weeks the implementation of 49 per cent of RR sub-grants (245 out of 501) and 44 per cent of UFE sub-grants (229 out of 521) had begun.

The timeliness of disbursements of sub-grants by agencies to their implementing partners shows a more significant difference between the two CERF windows. Within the first four weeks 36 per cent of sub-grants under RR projects (178 out of 501) had made a first instalment whereas only 15 per cent of sub-grants under UFE projects (82 out of 521) had done so.

The difference between the implementation start time by IPs (faster) and the disbursement of sub-grants to IPs (slower) indicates a significant capacity among IPs to pre-finance the implementation of some activities. Delays in disbursements, therefore, do not necessarily result in delays in the implementation of CERF-funded activities.

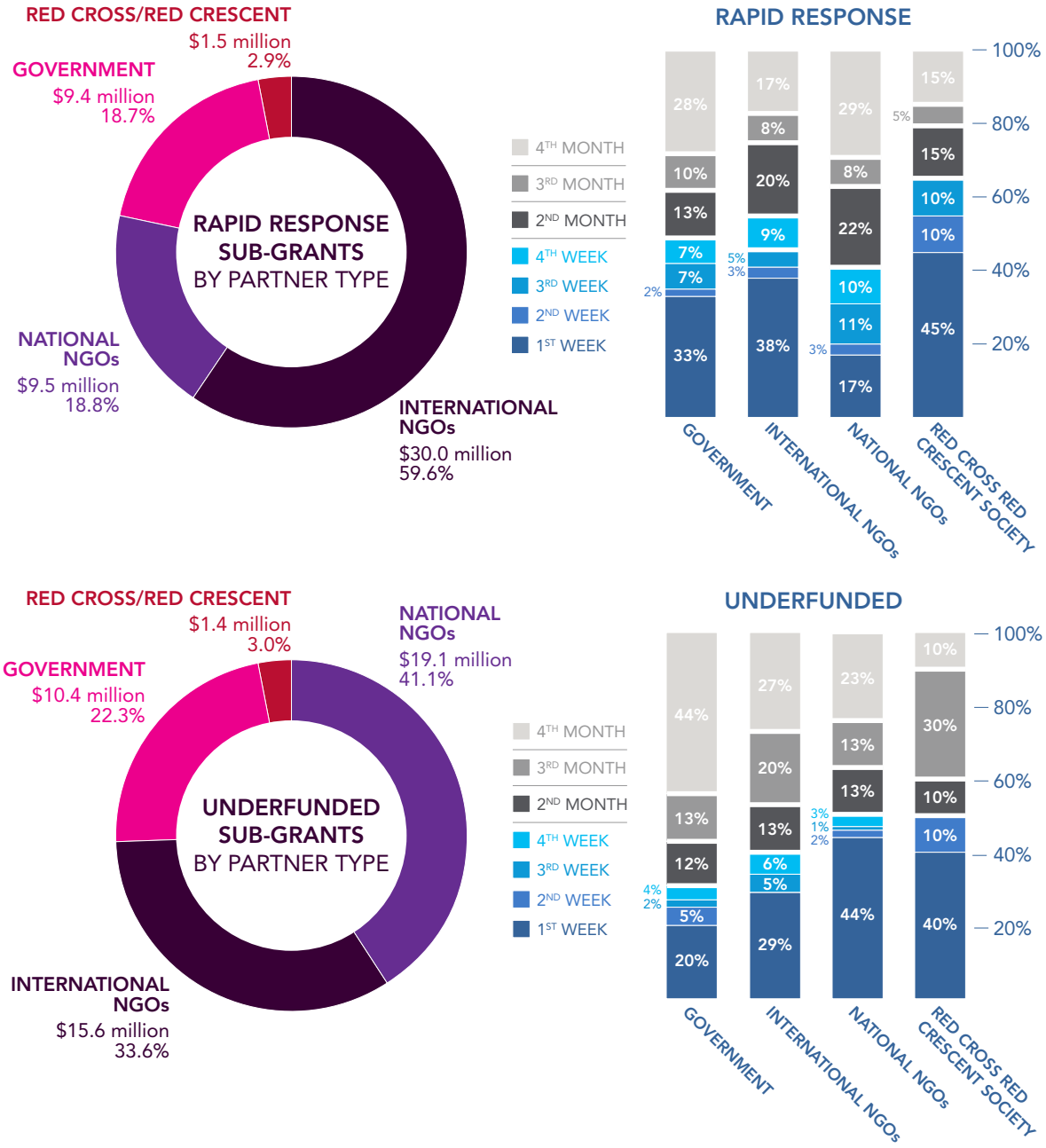


Figure 11. Timeliness of CERF sub-grants implementation start by partner type (Indicator 1)

Figure 11 looks in more detail at the reported timeliness of activity start under sub-grants by partner type. According to reported data, international NGOs started implementing 55 per cent of RR and 40 per cent of UFE sub-grants within the first four weeks, while national NGOs started implementing 41 per cent of RR and 50 per cent of UFE sub-grants within the first four weeks.

The graphs in Figures 12 and 13 illustrate, for each agency and by CERF window, the timeliness distribution (by month) of their sub-grants according to implementation and disbursement speed. The graphs also indicate for each category the number of sub-grants by agency and the timeliness average across all sub-grants.

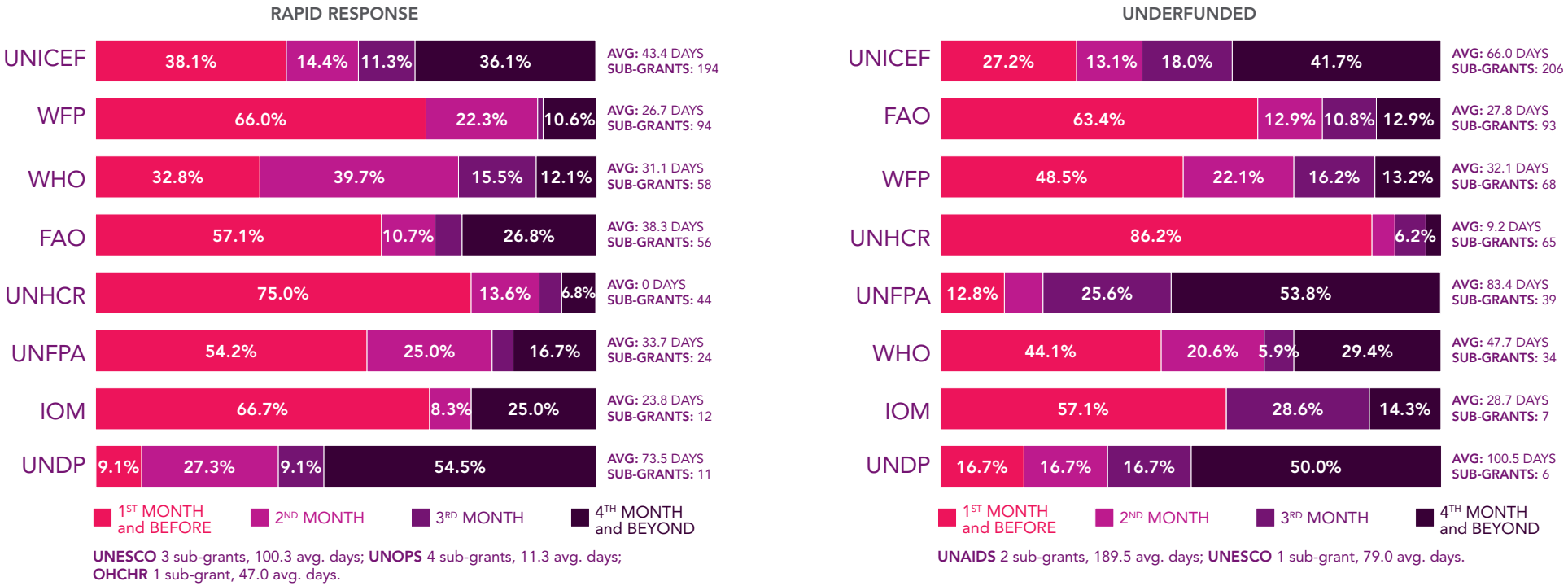
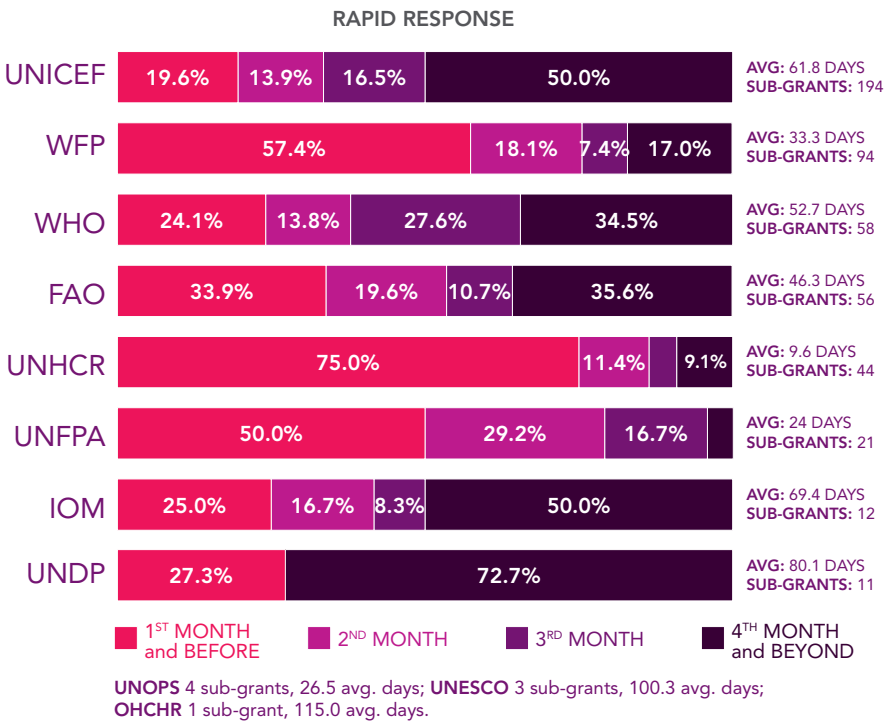


Figure 12. Timeliness of CERF sub-grants implementation start by agency



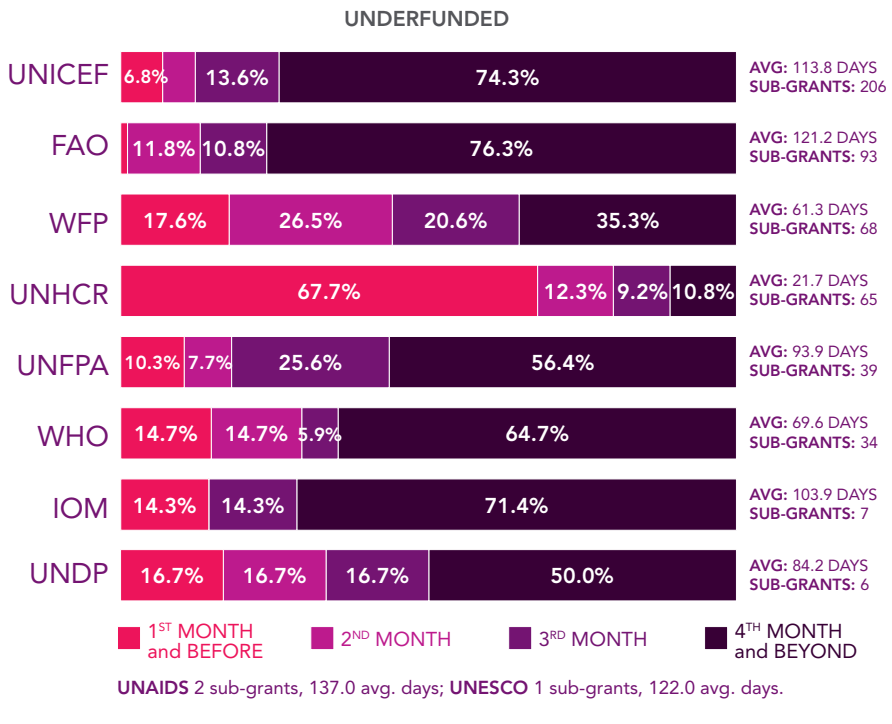


Figure 13. Timeliness of CERF sub-grants disbursements by agency

INITIATIVES TO ENSURE EFFECTIVE PARTNERSHIPS UNDER CERF PROJECTS

There are currently several ongoing initiatives aiming at improving the effectiveness of partnerships under CERF projects including the timeliness of sub-granting from UN agencies to their implementing partners. The IASC Humanitarian Financing Task Team identified and documented effective and replicable practices to ensure effective UN-NGO partnership arrangements under CERF projects. These practices include:

- Mapping potential NGOs and civil society organisations for emergency partnerships and prepare contingency agreements with current or well-known partners
- Strengthening the engagement of NGOs in the identification and prioritization of projects for inclusion in CERF submissions
- For international NGOs that require headquarter approval of agreements, sharing in advance blank agreement template with their headquarters to help expedite the review process
- During Level 3 emergencies, authorizing by country office representatives a shortened form of agency-NGO agreements
- Using a simpler partnership contracting mechanism for the initial response period to kick-start implementation while longer-term arrangements are negotiated
- Creating a toolkit to assist field offices with best practices to respond rapidly to emergencies, including guidelines and sample contingency agency-NGO agreements
- Training all UN country office representatives, cluster coordinators and programme officers on guidance and best practices
- The above points represent a work in progress with some agencies exploring ways to implement relevant practices in their partnership processes. The CERF secretariat is liaising closely with agencies on this work.

Potential improvements in timeliness achieved through these initiatives will not be immediately visible in sub-grant data collected by CERF due to the reporting cycle for CERF projects. For example, any efficiency gains in partnerships under CERF projects implemented in 2015 will only be reflected in sub-grant data provided in CERF reports submitted throughout 2016. The complete analysis of sub-grants data for 2015 will thus only be available at the beginning of 2017.