

Independent Review of the Value Added of CERF in the Democratic People's Republic of Korea

Barnaby Willitts-King

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Executive Summary

1. Introduction and scope

This report is the main output of an independent review of the added value of CERF in the Democratic People's Republic of Korea (DPRK), as part of the CERF Performance and Accountability Framework. The findings are independent and do not necessarily represent the views of the CERF secretariat, OCHA or other UN agencies interviewed.

The review aims to provide the Emergency Relief Coordinator with the assurance that key performance benchmarks and planned results are being achieved, and to assess the value added by CERF to humanitarian action in DPRK.

It is based on a two-week visit to DPRK, from July 14-25 2014. This included semi-structured interviews in the capital with all UN agencies, the limited number of international NGOs present in-country, and government officials. The visit was complemented and informed by a comprehensive desk review of reports, project proposals and correspondence relating to DPRK and CERF. Additionally, field visits were conducted jointly with the agencies and local authorities for practical observation and direct interaction with the beneficiaries.

2. Context

DPRK is not a poor country in major crisis. It is however politically and economically isolated, with a chronic development deficit seen in aging facilities for health and water, serious shortages of food, petrol and essential medicines, and chronic vulnerability due to the lack of international linkages, the many years of under-investment, sanctions, and susceptibility to natural hazards. The international presence is small and hugely underfunded, and operating under very controlled circumstances.

DPRK has received \$96.8 million in CERF funding from 2007 to date, notably receiving funds from the CERF underfunded window every year. DPRK has very few international donors, making CERF the largest humanitarian donor to the country every year since 2009, representing almost a quarter of humanitarian funding in 2013, when CERF provided over \$15m in grants.

3. CERF processes

CERF has met PAF benchmarks for timeliness in DPRK, and processes have generally operated smoothly, assisted by the small size of the UN Country Team. The key challenge to the CERF is a lack of reliable data on and government acknowledgement of the humanitarian needs in the country, which crystallise in the lack of a humanitarian strategy.

Prioritisation and allocation

Recommendation 1: A revised humanitarian strategy for DPRK should be articulated jointly with the government, based on new assessments

Responsibility for action: RC, UNCT, Govt of DPRK

Information on the distribution and nature of vulnerability to underpin planning and fundraising is not consistently available, reliable, or verifiable. Undertaking fresh assessments across the relevant sectors would build an important picture to feed into discussions on a revised humanitarian strategy, as is usually undertaken in CERF contexts.

Recommendation 2: Prioritisation of CERF funds should be more inclusive and based on a revised strategy and ongoing analysis, with higher quality proposals developed

Responsibility for action: RC, UNCT, Thematic Groups, CERF Secretariat, Govt of DPRK

A more strategic discussion during the prioritisation process is important, as well as making it a more inclusive discussion involving international NGOs and government, rooted in an agreed humanitarian strategy and following humanitarian principles. Greater focus on development of high quality proposals with higher standards of evidence should be encouraged.

4. CERF results and added value

CERF has a very good reputation in DPRK as a timely, flexible, apolitical source of funds that supports humanitarian coordination and adds significant value to humanitarian action in DPRK. Given DPRK's unique situation, CERF operates somewhat differently from other countries. There is a fine line to tread between accommodating those unique characteristics and ensuring the application of international standards.

Resource mobilisation

The low levels of funding to DPRK mean that CERF's first added value is in providing timely resources for humanitarian action in priority areas. Instead of acting as a trigger or catalyst for donors as it does elsewhere, CERF is really the donor of last resort in DPRK.

Recommendation 3: The revised strategy should be used to communicate and advocate towards donors based on a new narrative of vulnerability, to complement finite CERF funding

Responsibility for action: RC, UNCT, donors

CERF has been unusually regular as a donor to DPRK, but this dependence is risky given the way in which CERF funds are allocated on a global basis, so that there is no guarantee of funding from year to year. Building a resource mobilisation strategy is important to give CERF confidence that agencies are doing their utmost to decrease their reliance on CERF

Results and impact

The second value that CERF funds have brought is in making a difference to the lives of many thousands of people in DPR Korea through improved nutrition, healthcare and water supply. The supply of essential items has had impacts on reducing post-

operative infections, reducing childhood morbidity and maternal mortality, and reducing the spread of water-borne diseases, among many other effects.

While it can be argued that CERF funding is saving lives, the dearth of funding, and the chronic nature of the situation, however, mean that CERF UFE funding is filling development-related gaps to prevent a deterioration in the humanitarian situation rather than addressing acute, time-critical humanitarian needs. There has been an acceptance of DPRK as a special case but the problem here is that in diluting the CERF life-saving criteria, agencies are not necessarily addressing the needs of the most vulnerable, and the prioritisation process is based more on gaps in existing programmes than an evidence-based strategic discussion.

Recommendation 4: Application of the CERF life-saving criteria should be tightened to focus the limited CERF resources on the highly vulnerable, using new assessment data

Responsibility for action: RC, UNCT, Thematic Groups, CERF Secretariat

In a resource-scarce environment, giving too much latitude in interpreting the life saving criteria risks diluting CERF's impact, however much there is a case that DPRK is unique. New assessments and strategy development would support such an approach and support re-focusing programmes onto the most vulnerable beneficiaries.

Presence and influence

In the context of limited funds, CERF has helped maintain a UN agency presence in DPRK and helped engagement with the government. Given DPRK's international isolation and vulnerability to shocks, maintaining a minimum UN presence is seen as important to be able to provide a minimum of support to help keep vulnerable people from 'going over the edge', and to be able to monitor the situation and develop relationships with government counterparts.

Quality and accountability

Monitoring of aid to DPRK has long been a major concern of donors. There has been a perception that levels of diversion and corruption may be high in DPRK, with concerns that assistance is being diverted to a government and military that is politically isolated in international circles.

There is no doubt that the control of staff movement outside Pyongyang, the controlled nature of visits, permission and clearance system, and the fact that national staff are secondees places particular constraints on monitoring which mean that agencies cannot provide the same level of assurance as in other contexts, and donor confidence is undermined. Despite these constraints, the view from UN agencies and international NGOs is that overall there are low levels of diversion to unintended beneficiaries, corruption or even mismanagement, although the picture is not clear and is likely to vary according to the commodity in question.

Recommendation 5: Assessment and monitoring requirements should be standardised among UN agencies to better meet international norms

Responsibility for action: RC, UNCT, Govt of DPRK

In order to build donor confidence about programme results and quality, the UN and Government should find a way to agree on more comprehensive assessments and standardized monitoring notice requirements across the UN with as short of a notice period as possible, including increased and random access to beneficiary households and more flexibility over agencies observing each others' projects.

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Acronyms

CAP	Consolidated Appeals Process
CBO	Community-Based Organisation
CERF	Central Emergency Response Fund
CFSAM	Crop and Food Supply Assessment Mission
CMAM	Control of Moderate Acute Malnutrition
DFID	UK Department for International Development
DPRK	Democratic People's Republic of Korea
ECHO	European Commission Humanitarian Aid Office
ERC	Emergency Relief Coordinator
FAO	Food and Agriculture Organization of the United Nations
GAVI	Global Alliance for Vaccines and Immunization
GFATM	Global Fund for AIDS, Tuberculosis and Malaria
IFRC	International Federation of Red Cross & Red Crescent Societies
MCH	Maternal and Child Health
OCHA	Office for the Coordination of Humanitarian Affairs
PAF	Performance and Accountability Framework
PDS	Public Distribution System
RC	Resident Coordinator
RCO	Resident Coordinator's Office
RR	Rapid Response window
TG	Thematic Groups
UFE	Underfunded Emergencies window
UNCT	UN Country Team
UNFPA	UN Population Fund
UNICEF	UN Children's Fund
WFP	World Food Programme
WASH	Water, Sanitation and Hygiene

Section 1: Introduction

1. This report is the main output of an independent review of the added value of CERF in the Democratic People's Republic of Korea (DPRK), often referred to as North Korea, as part of the CERF Performance and Accountability Framework (PAF) (Terms of Reference at Annex A).

Scope and methodology

2. The review aims to provide the Emergency Relief Coordinator (ERC) with the assurance that key performance benchmarks and planned results are being achieved, and to assess the value added by CERF to humanitarian action in DPRK.

3. It is based on a two-week visit to DPRK, from July 14-25 2014. This included semi-structured interviews in the capital with all UN agencies, the limited number of international NGOs present in-country, and government officials (see Annex B for list of interviewees). A three-day field visit was undertaken to South Hamgyon and Kangwon provinces (itinerary at Annex C) to observe completed and ongoing CERF projects and discuss with UN and government project staff, beneficiaries and local authorities.

4. The visit was complemented and informed by a comprehensive desk review of reports, project proposals and correspondence relating to DPRK and CERF more broadly. Preliminary findings were presented to the Government of DPRK and the UNCT separately on July 25 2014. Further follow-up interviews were carried out by telephone in the first week of August 2014.

5. The reviewer is very grateful to the Resident Coordinator's Office, in particular Tareq Talahma, Sarah Ventress and Ms Ok Gyong Kim, for supporting the mission, as well as all those who agreed to be interviewed and who helped arrange the field visit.

6. This report aims to give a concise overview of the key value added and lessons learned from CERF in DPRK. **The findings are independent and do not necessarily represent the views of the CERF secretariat, OCHA or other UN agencies interviewed.**

7. The reviewer was accompanied by Michael Jensen from the CERF Secretariat as an observer on the mission. Interviewees were given the option to talk privately to the reviewer but none were concerned about his presence. His presence on the mission enriched the review and provided a valuable platform for discussion directly between CERF and in-country stakeholders.

8. The report is structured in four sections – beginning with the DPRK context, followed by sections reviewing CERF processes and then results before a concluding section reviewing the key issues and making recommendations.

Section 2: DPRK context

9. This section summarises the humanitarian situation in DPRK within which CERF operates. DPRK is a unique 'emergency' context with which there is less widespread familiarity, so this section will go into more detail than in some other PAF country reviews.

10. To summarise, DPRK is not a poor country in major crisis. It is politically and economically isolated, with a chronic development deficit seen in aging facilities for health, water, and agriculture, serious shortages of food, petrol and essential medicines, and chronic vulnerability due to the lack of international linkages, sanctions, the many years of under-investment, and susceptibility to natural hazards. The international presence is small and hugely underfunded, and operating under very controlled circumstances.

Geography

11. DPRK occupies the northern part of the Korean peninsula, with the Republic of Korea (South Korea) to the south, and borders with China and Russia to the north. Around 80% of DPRK is mountain/upland, with the remaining lowland area concentrated in the east and particularly the west devoted to widespread agricultural activity.

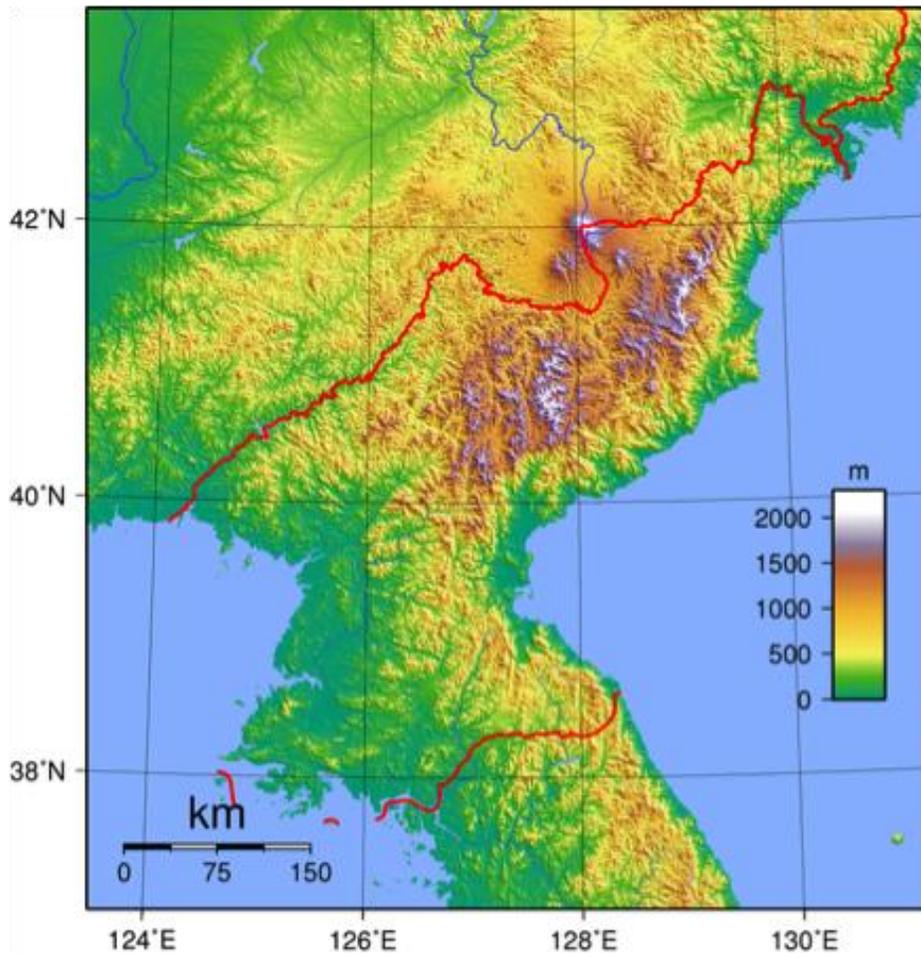


Figure 1: Topographical map of DPRK showing 80% mountainous/upland area

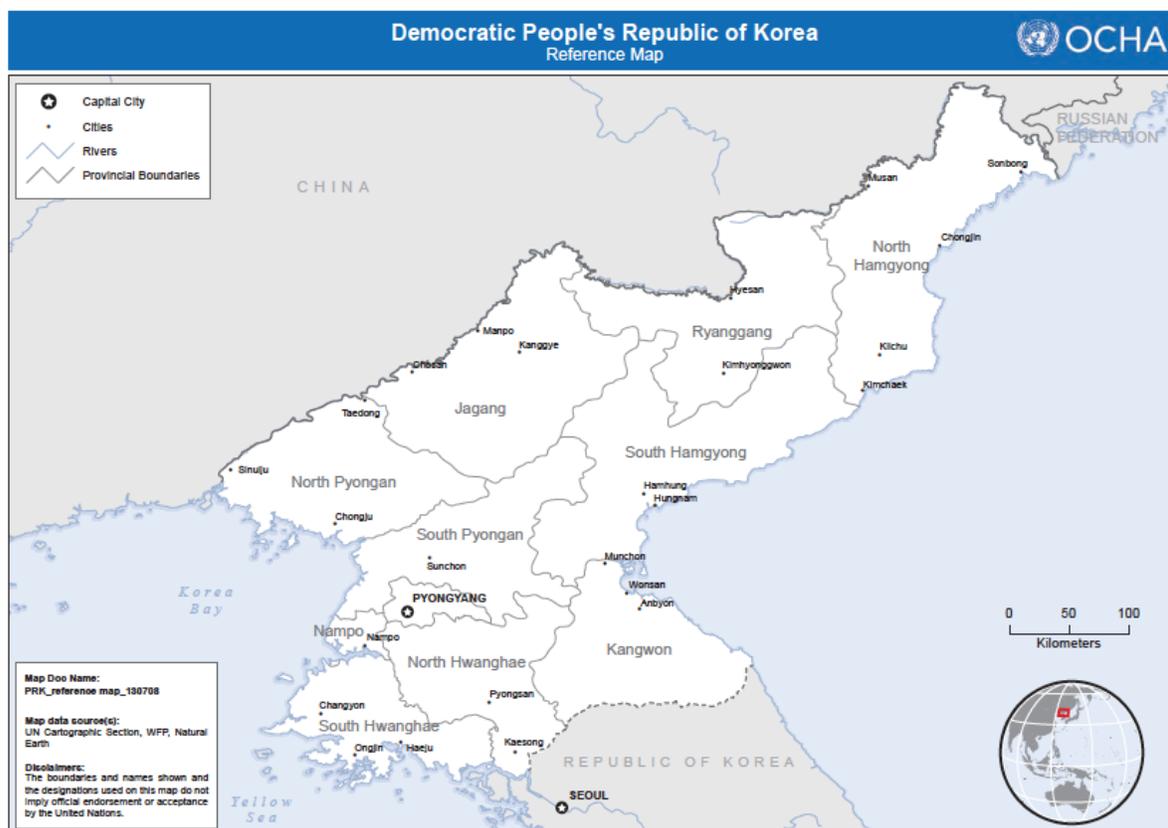


Figure 2: DPRK Reference Map, from UN (2013)

12. DPRK has nine provinces and 209 counties with urban centres at province and county level. The capital, Pyongyang, has an estimated population of 2.5-3.5 million, out of an estimated total population of 24.62 million.¹

Political context

13. DPRK was established in 1948 after the end of Japanese rule, and the peninsula was divided as Cold War powers vied for influence. The Korean War of 1950-53 ended with the stand-off between North and South that has persisted ever since. DPRK's acquisition of nuclear technology has led to sanctions from a number of countries including the USA and Japan, as well as the UN.

14. Tense relationships with South Korea, Japan and the USA continue to govern DPRK's foreign relations. DPRK sees itself as subject to an international campaign to weaken and ultimately bring an end to the governing regime. It is a heavily militarised society, with 1.2 million active duty personnel and a total of 9.5 million reserve and other personnel.

15. While individual liberties are highly curtailed, and access to information tightly controlled, there are high levels of loyalty displayed to the leadership and the

¹ UN (2013)

government of the ruling Workers' Party of Korea. It is hard to say how universally this is felt and the extent to which it is a result of an education and social system in which the state is infallible and which celebrates the almost divine status of the past leaders; a system of 'carrots and sticks' operates, rewarding loyalty generously (through food and movement privileges) and punishing disloyalty extremely heavily (through banishment to rural areas, penal labour/re-education camps, or capital punishment).

Humanitarian situation

16. DPRK is not a poor country, nor one in humanitarian crisis, but it can be characterised as being in chronic development deficit, with large parts of the population outside the privileged zone of Pyongyang vulnerable to shocks due to natural disasters including climate-induced crop failure. The country's political and economic isolation, and low levels of international funding, further exacerbate its fragility. There have been modest improvements in some key indicators but this does not represent significant change to underlying structural vulnerabilities.

17. At root the food production deficit is a major humanitarian challenge. The short growing season (March to September) and lack of lowland areas mean that DPRK is not self sufficient in food production (food deficit is on average 1 million metric tons per year, UN 2013). Low levels of technology and shortages of inputs such as fertilizer and improved seed contribute to this. Innovative approaches such as maize seedling nurseries (a practice normally associated with rice), and attempts to introduce double cropping, have not yet managed to close the gap between needs and production. Yearly drought and flooding events take their toll on production levels, and post-harvest losses due to poor storage or lack of processing equipment account for as much as a 30% reduction in food production.

18. The government public distribution system (PDS) transfers food from collective and state farms in food surplus areas to food deficit areas of the country, supporting the 70% of the population who do not produce their own food. The national average target ration is 573g per person per day but insufficient production means that this has not been met for several years, with 400g a more typical actual ration, dropping as low as 200g during the lean season. The composition varies depending on availability in nearby food surplus areas, and as an average it masks the fact that 'privileged' rations for the elites of Pyongyang are higher.

19. While the PDS provides a basic level of calories through cereals, it does not provide a balanced food basket. According to UN (2013), of the 24.62 million population, an estimated 10% of the population are in need of food assistance due to shortfalls in production. Global chronic malnutrition (stunting) at 27.9% of children is of medium concern by WHO standards (National Nutrition Survey, DPRK 2012), a modest reduction from the 32% in the 2009 MICS survey. This corresponds to the average level of stunting for Asia (WHO/UNICEF/World Bank 2012).

20. Limited market activity is becoming sanctioned or tolerated in DPRK, which may in part explain the improvement in wasting levels since the previous survey, as those able to afford it can supplement cereals with vegetables, fruit and sources of protein.

21. While indicators are not at emergency thresholds, the underlying vulnerability of populations to shocks is a cause for concern. Outside Pyongyang, people live a hand to mouth existence, surviving on PDS rations and other sources, but not thriving. Natural phenomena including drought and floods affect the country every year, while infrastructure in power, agriculture, water and health is deteriorating due to a lack of investment and spare parts, and fuel availability is extremely limited due to foreign exchange shortages. Together this creates the ingredients of a serious humanitarian crisis should shocks push vulnerable people the short way into a critical situation.

22. The political context of international isolation, reluctance to acknowledge such challenges, and resistance to open international assistance, further exacerbates the fragility. International assistance was last formally requested in response to the widespread famine in the mid 1990s which killed anywhere from 500,000 to 3 million people; figures vary. The underlying fragility in DPRK remains the same as then, if not worse.

Humanitarian response capacity and coordination

23. In the face of this fragility, DPRK has civilian capacity to respond to rapid onset crises but it is untested. The Bureau of Disaster Management has been in operation for around two years but it is not clear how effective its systems are or how high a priority is placed on this politically as local authorities tend to bear the brunt of frontline response. The UN system has expressed recent interest in support of disaster management though no concrete commitments have been made.

24. With significant numbers of active and reserve military personnel, there may be potential for a major military response to crises but again it is not clear how this is configured. The DPRK Red Cross operates at a fairly small scale through provincial Red Cross teams, supported by IFRC, and has good access to government information.

25. There is a limited international humanitarian and development presence. There are a few hundred expatriates based in Pyongyang including embassies, UN agencies and international NGOs: six international NGOs are based in DPRK under the mechanism of the EU food security mechanism – they are designated as EU Programme Support Units. Further international NGOs are ‘non-resident’ and fly in for missions to monitor projects implemented by the government or communities.

26. The main coordination structures are the UN Country Team, an informal weekly Inter-Agency Meeting for international staff from Embassies and the aid community, and sectoral ‘theme groups’. The latter are the only technical fora

bringing together UN and NGOs, with virtually no involvement of government line ministries (many of which are reluctant or not permitted to coordinate with NGOs). Humanitarian structures such as the Humanitarian Country Team and clusters are activated in response to major disasters such as the 2013 floods, for a short duration.

27. The small expatriate community lends an informal atmosphere to coordination. Since all internationals live on the two diplomatic compounds in government-provided housing, and entertainment options are limited, there is considerable informal networking and coordination.

28. The key reference strategy document for UN agencies is the 'Strategic Framework for Cooperation between the United Nations and the Government of DPRK 2011-2015' (UN/DPRK 2010). This identifies four strategic priority areas: Social Development, Partnerships for Knowledge and Development Management, Nutrition, and Climate Change and the Environment. This is a major document that frames the relationship at a strategic level, but with minimal operational detail. The last humanitarian strategy was the 'Overview of Needs and Funding' document published by the UN in 2011, updated first in 2012 and then in mid-2013 resulting in the advocacy paper DPR Korea 2013: Humanitarian Needs and Priorities (UN 2013).

Operating conditions

29. In stark contrast to many humanitarian contexts, insecurity is not an issue that hampers humanitarian operations in DPRK whereas unfettered access remains a consistent challenge. The DPRK government at central and local level has significant capacity to guide, direct, implement and control international assistance to an unprecedented degree. The overriding consideration under the banner of national security is that contact between international and national staff, indeed between DPRK citizens themselves, needs to be highly regulated.

30. This control manifests itself at different levels. At national level, two provinces (Jagang and Ryanggang) in the mountainous Chinese border region are 'out of bounds' to international staff – speculatively due to presence of either sensitive military, nuclear or penal facilities. These are the provinces with the worst levels of malnutrition.

31. Movement of citizens and internationals is closely controlled and monitored by an enormous state security apparatus. Until a few years ago, internationals were only permitted free movement in the diplomatic compound; most of Pyongyang is now freely accessible. Most people in DPRK are not permitted to travel between counties (sub-provincial units), and entry to Pyongyang itself (and its relative luxuries) is limited.

32. UN agencies operate informally on the principle of 'no access, no assistance'.² Movement of international staff outside Pyongyang is tightly controlled. The norm is for missions to require a minimum of one week's notice, and even with permission there can be last minute cancellations. Some organisations such as the Global Fund have negotiated a 3-day notice period. For rapid onset crises, the government has recently permitted joint missions at shorter notice, but NGO involvement has not always been allowed. WFP's agreement with the government allows for immediate access to sites on request, and includes access to randomly selected beneficiaries, but this is still under controlled and observed conditions.

33. Beyond the need for advance notice, the quality of monitoring is restricted. All missions are accompanied by national staff and local officials who observe, interpret and control conversations with staff and beneficiaries at facilities or in households.

34. International staff quotas are very tightly managed, with new positions often refused unless they are attached to new funds. NGOs reported an informal rule of thumb that one international was permitted for each Eur 500,000 in funds flowing into DPRK.

35. National staff of UN agencies and international NGOs are almost all secondees from the Ministry of Foreign Affairs or in some cases the technical line ministries. Competitive open recruitment according to international norms is not permitted. This creates a very different dynamic to countries where national staff are the backbone of the assistance operation, with technical and supervisory oversight from expats. National staff generally operate as 'gatekeepers' to the technical line ministries rather than providing significant operational and substantive/technical capacity. Their seconded status and their role in ensuring adherence to the state's approach to controlling movement and activity further reduce their operational capacity in pursuit of organisational priorities.

36. Implementation is only permitted directly with government counterparts rather than national or international organisations (with one or two minor exceptions). While funds are not transferred to government departments on any major scale, the role of UN agencies is predominantly one of procurement – of medicines, RH equipment, food, seed, WASH equipment etc – and monitoring supplies to central government warehouses and facilities, with only a limited degree of technical and policy engagement. The usual tools of community mobilisation and engagement through NGOs and CBOs are available only within the control of the authorities rather than independently. That said, the extremely hierarchical and regulated system and society mean that implementation of agreed plans is generally effective and timely, unless resources are limited.

² It is a formal part of WFP's Letter of Understanding with the government

37. While the degree of alignment with, and engagement from government, would be feted as positive in many development contexts, the overriding priority of national security, avoiding any perceptions of weakness or failure, and the atmosphere of control creates a very different dynamic. This manifests itself in a number of ways.

38. Firstly the government is reluctant to share adequate information on the situation in the country that would usually be required for agencies and donors to plan and fund activities; or to permit assessments in accordance with international standards. As the Government dictates where movement is allowed, some of the areas with the highest humanitarian needs may not be open for UN operations resulting in aid that is not fully based on need nor is it impartial, independent or neutral. The default attitude is not one of transparency. Experiences such as the National Nutrition Survey in 2012 show that where the rationale is understood, and the government has sufficient control over the process (and in some cases its findings), such barriers can be broken down. Individual relationships of trust can also make a contribution.

39. By extension, the government is very reluctant to appeal for international assistance. At the macro level it has only launched international appeals in response to major disasters. It has allowed UN agencies to make appeals for other disasters such as the floods in 2007. At the micro level there is great sensitivity about anything presenting the situation in DPRK negatively, whether in disagreements over the extent of the food deficit or in donor and monitoring missions being shown the best facilities and the 'good news' stories of recovering children, rather than the full picture³. At province and county level, officials take a more pragmatic approach in discussing needs that cannot be met from central funding. At both national and local level, needs acknowledged in private would never be publicly acknowledged.

40. The structure and practice of administration in DPRK is highly compartmentalized and siloed/vertical. Coordination is generally viewed with suspicion, since ensuring only limited numbers of people understand the bigger picture allows better control of the national narrative. At a technical level, this means that arranging meetings beyond the single focal point within the Ministry is torturous, requiring an official request via the Foreign Ministry, rather than operating through the technical focal point's own networks. Bringing together different technical staff for training or workshops from different parts of the country (or even different facilities) is also very challenging for similar reasons.

41. Even for UN representatives the level of access is limited compared to other contexts, so that the senior level policy makers (in technical ministries, let alone in the 'hidden' power of the Worker's Party structure) are very difficult to access, engage and influence.

³ But somewhat contradictorily, the government has also been concerned about the impact on donor funding when the situation has been reported as improving

42. Another key operational issue is the impact of international sanctions. While it is very hard to gauge the direct impact of sanctions on the humanitarian situation, government statements attribute many of DPRK's challenges to the sanctions, and humanitarian agencies including the UN argue that international sanctions have made it difficult to operate on the ground – for example through banking restrictions (see below), prolonged delays in customs clearances, and finding vendors to deliver goods and services to DPRK. While there are humanitarian and diplomatic exemptions to sanctions, the shortage of medicines has indirectly been linked to sanctions as they will have reduced the supply of foreign currency. This of course relates to how the government chooses to prioritise its limited foreign exchange for basic services or security priorities.

43. An unintended and unresolved consequence of the latest sanctions in early 2013 in response to a nuclear test is that cash transfers to DPRK banks have completely stopped since April 2014. This has left international organisations and embassies struggling for over a year to bring foreign currency into the country for their activities. Some workarounds have provided some relief, but even major measures to move expenditure out of the country, such as by paying international staff in bank accounts in China, and using suppliers with foreign bank accounts, have not bought enough time to find a permanent solution. UN agencies are actively considering whether they can continue to operate while these restrictions continue, simply because they cannot avoid paying local costs such as for national staff, fuel and rent.

44. To summarise, the operational context is highly constrained. In recent years, some agencies have been able to make small steps forward – such as WFP in its monitoring regime - particularly where bringing larger grant amounts strengthens their negotiating power. The implications for implementation and monitoring of CERF funding are discussed in Section 4.

Humanitarian funding

45. The largest component of international assistance, food assistance, has fluctuated in volume since 1995 (Congressional Research Service, 2014) (see Figure 3).

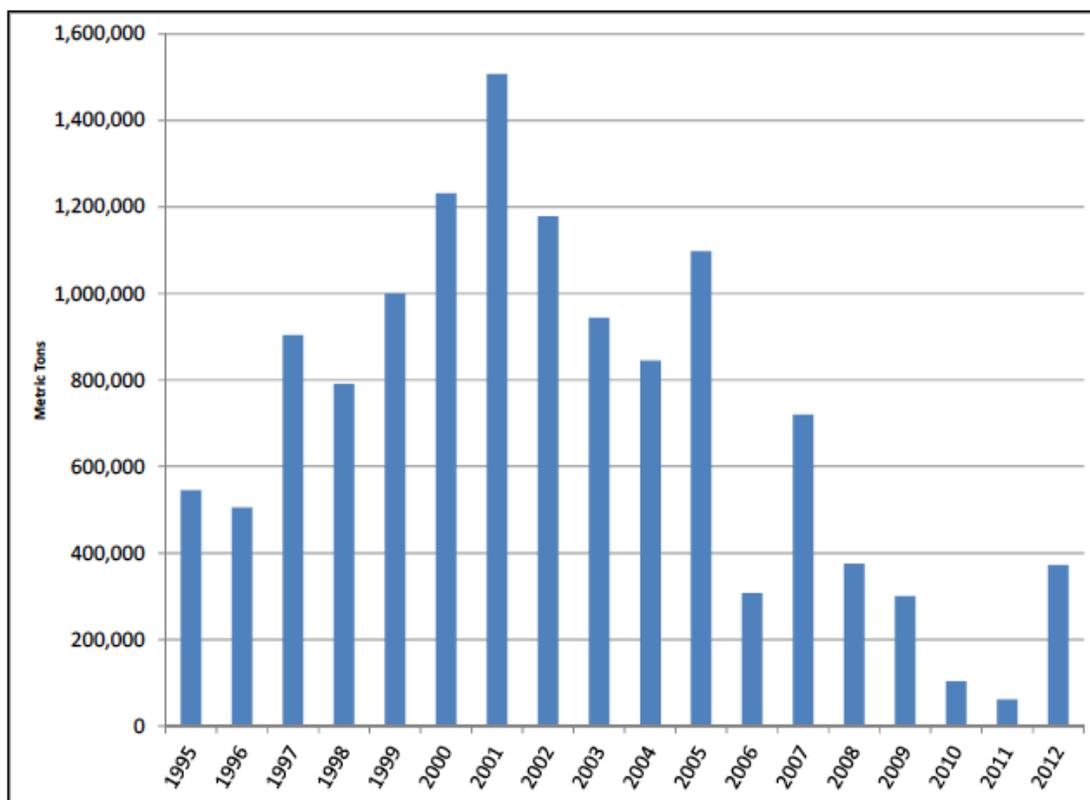


Figure 3: Total food assistance to DPRK 1995-2012, source CRS (2014) from WFP sources

46. Food aid has declined from its 2001 peak, with the US now providing no food assistance, and China being the main provider, in 2012 providing two-thirds of DPRK’s food assistance. This has been linked to the changing international political climate, and DPRK’s fluctuating willingness to agree to the more rigorous monitoring regimes required by WFP and some of its donors, in particular the USA.

47. The funding picture in DPRK is one of chronic underfunding to international agencies for the past 10 years (see Figure 4). This coincides with the government of DPRK phasing out Consolidated Appeals in 2005 and declaring an end to international humanitarian assistance – apart from major natural disasters such as the floods in 2007 and 2013 – on the basis that the famine was over. While the absence of humanitarian appeals and strategies means that it is more difficult to make the case for underfunding on the figures, the perception from agencies is of severe underfunding. The major international donors, the USA and Japan, do not currently fund activities directly in DPRK, nor does the UK (DFID) or ECHO. EU funds are available in food security, programmed through the EU Programme Support Units – the mechanism by which NGOs are able to operate in DPRK. Switzerland and Sweden have been consistent funders, behind the Republic of Korea (South Korea) and CERF (Figure 5).

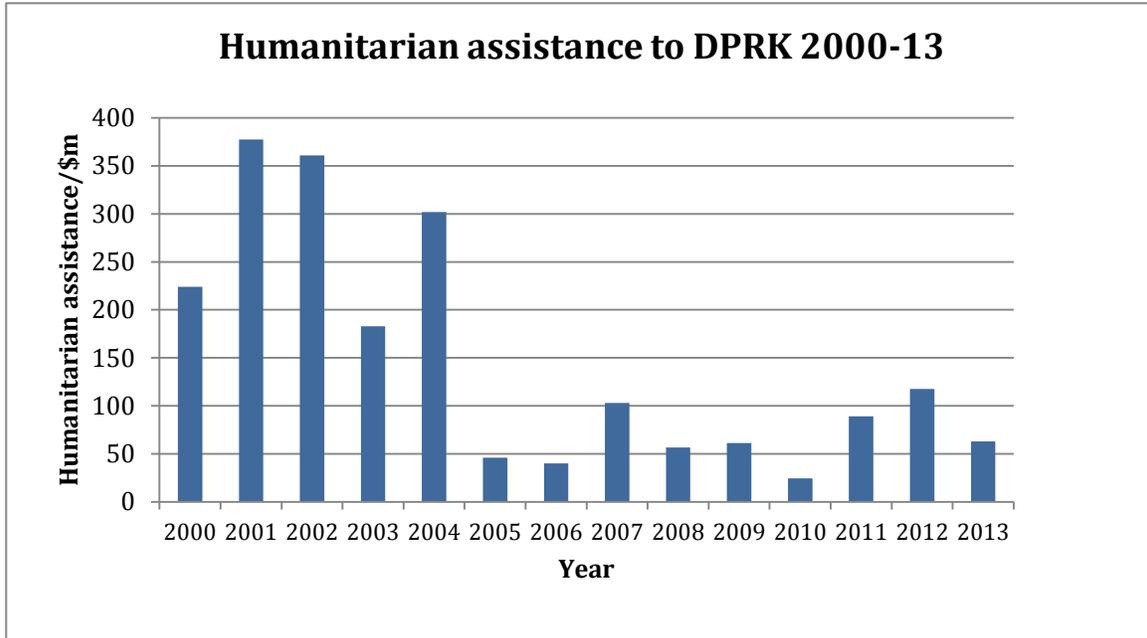


Figure 4: Humanitarian funding to DPRK
Data as at July 31 2014, Source: FTS

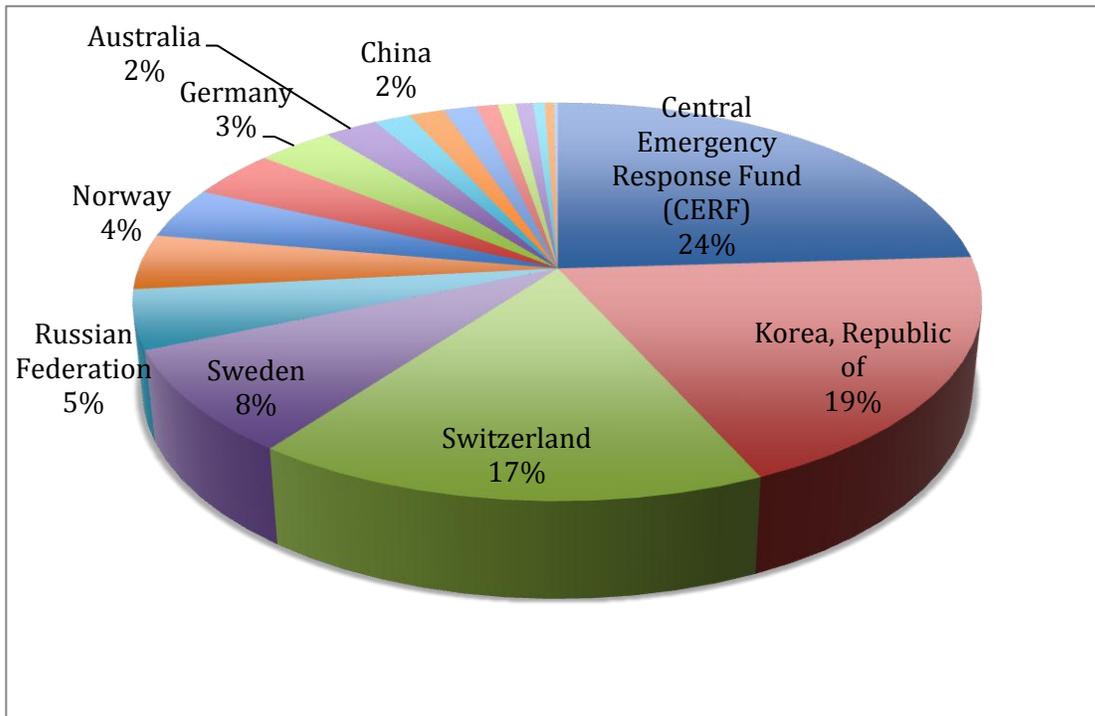


Figure 5: the CERF was the largest humanitarian donor to DPRK in 2013. Source: FTS, humanitarian funds reported for 2013 to OCHA

48. Funding – and disbursement – levels from some countries have varied in response to the political situation. UN agencies noted in particular the uncertainty surrounding South Korean (Republic of Korea/RoK) funds which were committed but then disbursed according to political developments rather than agreed timelines, making programming challenging. For example WHO’s ability to support health clinics with RoK funding was made more challenging as funds disbursement was unpredictable. Uncertainty over the ability of agencies to get funds into DPRK given the banking isolation has also had a negative impact on funding levels.

49. The 2013 Humanitarian Needs and Priorities document (UN 2013) outlined a total of just over US\$150 million requirements (72% food), of which US\$62.8m was received (41.8%). This total already reflects a highly targeted and prioritised set of needs to which international agencies have the capacity to respond, from a much larger deficit in longer-term investment in basic services.

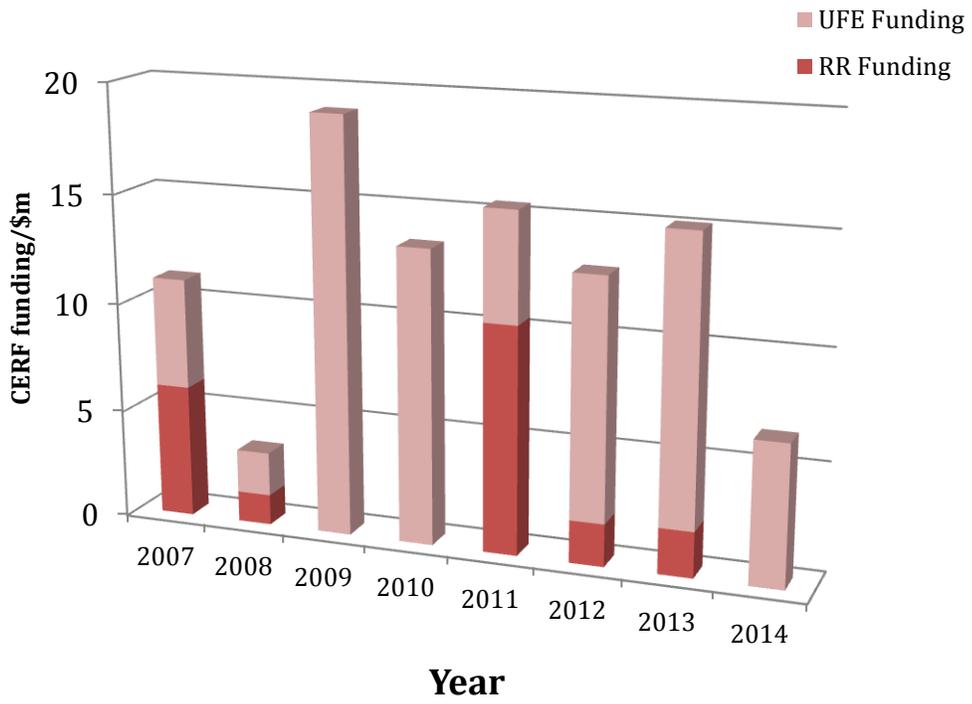
50. CERF was the largest humanitarian donor to DPRK over the period 2009-13, providing almost a quarter of funds in 2013 (see Figure 5). Other significant funding sources which support DPRK include the Global Alliance for Vaccines and Immunization (GAVI) and the Global Fund for Aids, Tuberculosis and Malaria (GFATM), which has agreed almost \$70m over 5 years through UNICEF. Levels of funding from non-DAC donors such as China are very difficult to track but may be significant.

51. The overall picture, therefore, is one of significant underfunding, with international assistance, led by the CERF, providing only a small fraction of estimated priority humanitarian needs, and a larger gap existing in domestic and international funds available for longer term investment in basic social services. As discussed above, the government of DPRK is reluctant to appeal for international assistance, although lower profile, pragmatic support is clearly valued.

CERF funding

52. DPRK has received \$96.8 million in CERF funding from 2007 to date. Funding received from 2007-2014 is listed in Table 1 below. As shown in Figure 6, DPRK has received CERF funds every year, with fluctuation but notably an Underfunded allocation each year. Since DPRK is not a CAP country, its inclusion in the UFE window from which the bulk of the funds have been received is influenced by HQ agency focal points nominating it consistently for the window.

CERF funding to DPRK 2007-14



CERF funding to DPRK 2007-14

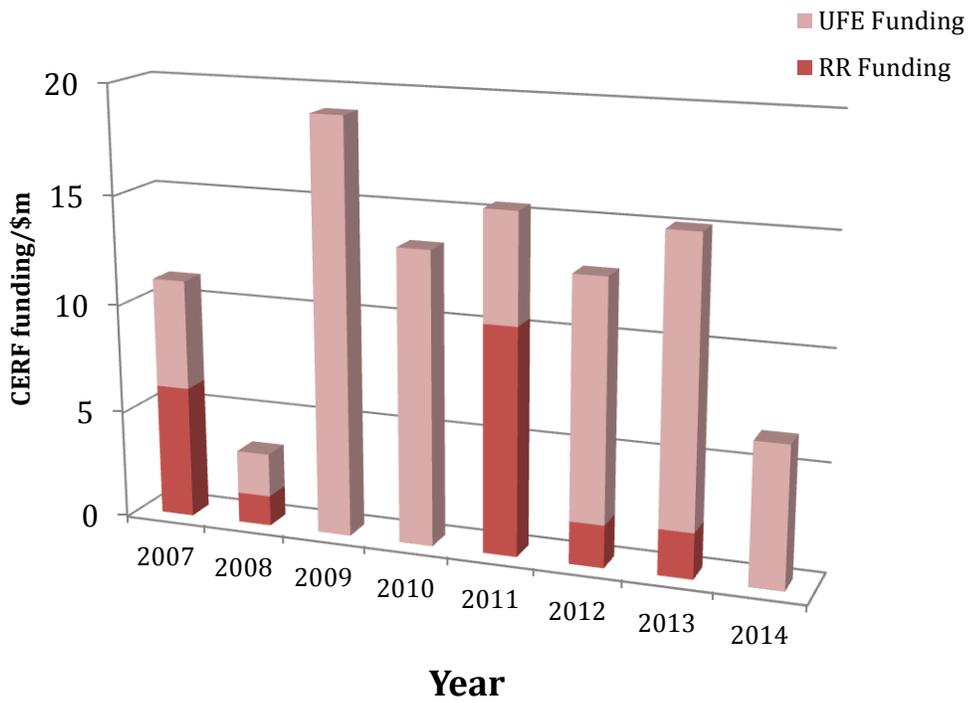


Figure 6

Table 1: CERF funding to DPRK 2007-14

YEAR	RR Funding	UFE Funding	Total
2007	\$6,100,000	\$4,998,577	\$11,098,577
2008	\$1,398,170	\$1,999,884	\$3,398,054
2009	0	\$18,996,703	\$18,996,703
2010	0	\$13,440,519	\$13,440,519
2011	\$10,410,623	\$4,999,783	\$15,410,406
2012	\$1,955,140	\$10,965,527	\$12,920,667
2013	\$2,102,708	\$12,996,679	\$15,099,387
2014	0	6,497,012	6,497,012
TOTAL	21,966,641	\$74,984,684	96,861,325

Description of 2013/14 CERF grants/processes

53. The following sections give a brief summary of the CERF grants received by DPRK in 2013 and 2014 to date.

Rapid Response grant to floods 2013

54. Heavy rains over ten days from 12-22 July 2013 caused flash floods and major damage across DPRK, making around 50,000 households in 41 counties of 7 provinces homeless and damaging hospitals and clinics, infrastructure such as bridges, and arable land during the growing season. The Government requested support from the UN Country Team on 23 July (but issued no bilateral or international appeal) and the following day two inter-agency assessment missions visited two counties in the worst affected North Pyongan province. These missions comprised personnel from UN agencies, Swiss Development Cooperation (SDC) and IFRC, accompanied by government personnel. NGOs were not invited by the government to participate.

55. The Inter-Agency Emergency Coordination Group was activated, co-chaired by WFP and Save the Children, and the health and WASH clusters activated. As a result of the inter-agency mission, emergency stocks were released and \$2.1m CERF RR funds were then requested on 30 August to replenish these stocks which were mobilised by WFP, UNICEF, WHO and UNFPA. After some revisions were made to the proposals, the RC was informed that the grants had been approved on 16 September.

Underfunded grants in 2013 and 2014

56. DPRK received UFE allocations in both rounds in 2013, and for the first round in 2014. These selections were based on recommendations by UN agencies to the CERF Underfunded Work Group due to poor funding and ongoing humanitarian needs in country as well as analysis that the existing political situation had hindered

resource mobilization for vital humanitarian programming. Funding for all three rounds were approved by the ERC for critical life-saving projects.⁴

57. For the first UFE round in 2013, the ERC allocated \$7m to DPRK. The UNCT met on 8 January and decided to allocated 70% of the funds for food and agriculture and 30% to health, nutrition and WASH, focused on the 4 North-East provinces, based on complementarities with government priorities and gaps in funding. Proposals were submitted, revised and finalised in February/March 2013.

58. The second round of UFE allocated \$6m to DPRK. The UNCT met on 12 July 2013 to agree priorities. The RC met the government on the same day for consultations. The RC submitted proposals on 9 August which were approved on 29 August after review and revision. The five UN agencies received funds for procuring supplies – WFP \$2m, UNICEF \$1.5m, UNFPA \$500,000, WHO \$1m, FAO \$1m.

59. The first UFE round in 2014 allocated \$6.5m to DPRK. A similar process was followed to 2013. The UNCT met on 27 Dec 2013 and the UN Resident Coordinator met with the government on 23 January 2014 to consult on the final priorities. Half of the allocated sum was agreed for WFP to continue its nutrition support to women and children. FAO, UNICEF and WHO were allocated \$1m each, and \$250,000 to UNFPA for procurement of RH supplies and equipment.

⁴ Details on each selection can be found in the respective Overview of Decisions documents for 2013 Rd1, 2013 Rd2 and 2014 Rd 1 at: <http://www.unocha.org/cerf/resources/how-apply/underfunded-emergencies-0>

Section 3: CERF processes

60. This section reviews the *processes* of CERF grant making and implementation in DPRK – covering the reference benchmarks tracked centrally as part of the CERF Performance and Accountability Framework, and the prioritisation and allocation processes.

PAF benchmarks

61. PAF benchmarks on the CERF process are met in DPRK, according to CERF Secretariat figures. Taken as a whole these show a rapid process once proposals have been finalised. Against a benchmark of 3-5 days from final submission to USG approval (for RR projects), the overall average is 4 days for all CERF grants since 2007. The longest was in the last UFE round in 2014 where the average was 10 days – due to capacity shortages in the CERF Secretariat, the coincidence of several RR applications with the usual surge in activity relating to the UFE window, and the introduction of a new grant management system.

62. Compared to other CERF countries, turnaround from original to final proposal submission, incorporating comments and questions from CERF, is relatively quick, an average of 6 days overall.

63. The majority of interviewees were enthusiastic about the relationship with the CERF Secretariat, which was found to be quick, responsive, flexible and reasonable. In general, the process of finalising proposals was seen as light and reasonable.

64. No-cost extensions have been infrequent for DPRK CERF grants, mainly requested due to procurement delays. Since implementation is primarily concerned with procurement, grant activities generally occur as planned.

Prioritisation and allocation

65. Prioritisation of CERF funded activities occurs in different ways for the two CERF windows. In DPRK, both are focused on the UN Country Team, with little direct participation or input from other stakeholders such as the government, NGOs or Red Cross. In practice given the small number of programmes and agencies, the prioritisation and allocation processes were essentially combined.

Rapid Response window

66. For the Rapid Response window, the floods in 7 provinces in July 2013 prompted a request from the government to the UNCT to release stockpiled materials. The assessment mission then triggered a submission by the RC on behalf of the UNCT for replenishment of emergency supplies that had been used from stockpile. Feedback on the process from UN agencies was positive.

67. The assessment in August 2012 was the first time that a joint assessment mission was permitted by the government. However in neither 2012 nor 2013 were the missions to the standard that would be expected elsewhere in terms of

independent access to verify damage and identify priority needs in communities, in terms of both scope and depth. While they marked a watershed in terms of access, there were still significantly 'stage-managed'.

Underfunded window

68. Discussions in Pyongyang suggested that some agency country offices are involved in the Country Selection stage of the UFE window, as their headquarters request information to make the case for funding, presumably for non-CAP countries where agency views are important. One agency felt this led to a 'double prioritization' as the agencies estimated total needs for the country and reported on current funding levels, in order to make the case via their headquarters that DPRK be included in the UFE round; and then once DPRK was selected, the normal prioritization discussions began in country on how to make use of the UFE funds allocated.

69. Overall, most agencies were reasonably satisfied with the prioritization process, although some felt that the negotiations were not based on sufficient evidence or strategy. Observers felt that a degree of 'cake sharing' occurred to keep agencies happy, as well as 'bullying' by larger agencies to get what they saw as their 'fair share'. These are fairly normal experiences where agencies are negotiating over funding but the small size of operations, and chronic underfunding are important to reflect on.

70. In practice there has not been a significant change in either the situation or agency activities in the past few years. Agencies primarily procure supplies for government facilities with whatever funds are available from CERF and elsewhere. Periodic assessments update some of the evidence base – such as the National Nutrition Survey in 2012 and CFSAM in 2013 – but generally the same facilities are targeted (see box for details of how agencies assess needs and target).

71. The prioritization process is therefore mainly focused on identifying which agency has the greatest funding shortfall rather than on how the funding could be most strategically used – for example through geographical targeting. There was a sense from some observers that agencies took CERF for granted, planned on receiving it and were highly dependent on it in terms of their resourcing. This was also reflected in what was seen as a low level of engagement in producing high quality proposals, much material for which was recycled for years in a row.

72. The robustness of the prioritization process would be improved by a stronger evidence base – meaning a requirement for more comprehensive and updated assessments, which would support the development of a clearer humanitarian strategy to could frame discussions based on targeting the most vulnerable beneficiaries. This is an area which has proven challenging to negotiate with government in the past, but CERF should be pushing to improve standards here.

73. On inclusiveness, the prioritization discussions primarily took place among UNCT members; there is no standing HCT or formal NGO consultative group. There was some direct consultation with government, as well as agencies consciously aligning with government priorities because as the primary implementers there is little alternative. NGOs did not feel they had been consulted or in some cases even informed through Theme Groups or the weekly inter-agency meeting. There was scope to do more but it was felt strongly that informal consultations rather than heavy formal processes would be most constructive and least likely to meet with opposition from the government.

BOX: Assessment and targeting practice

Agencies have different approaches to assessment and targeting. For example:

UNICEF currently focuses its nutrition programme on the east of the country in around 1000 clinics, but the criteria for selection has not been reviewed for some time. It is aiming to transition its programme to the county-level hospitals in each of the 209 counties. This would reduce the logistics burden and increase geographical coverage.

WHO uses CERF funds to support rehabilitation and supplies to medical facilities mainly in the north of the country, complementing the Republic of Korea-supported activities focused in the south.

WFP provides nutritious food which it targets by beneficiary group and geographical area, with priority beneficiary groups being:

- Children with Moderate Acute Malnutrition (MAM) in orphanages and pediatric hospitals/wards
- Nurseries
- Pregnant and lactating women
- Kindergartens
- Primary schools
- Food for community development (FFCD)

Geographically, priority for WFP is given to northern Ryanggang and North Hamgyong provinces, where nutrition and food security are most challenging. Given budget shortfalls, these are the only two provinces where primary schools are targeted. Insufficient funds have been available for FFCD activities.

Section 4: CERF results

74. This section discusses the results of CERF funding in terms of the appropriateness of activities, how well they meet the lifesaving, time-critical criteria, issues of quality and accountability, and in what way CERF supports humanitarian coordination and leadership.

75. Overall, the activities funded by CERF are supporting the people of DPRK in a number of sectors where gaps exist, and supporting rapid response to natural disasters. However there are question marks over the rigour of the assessments and monitoring mechanisms, which make it difficult to confirm whether the most vulnerable are actually being reached and targeted in all activities.

Lifesaving criteria

76. The majority of the activities funded by CERF in DPRK could equally be supported as development activities, if such activity occurred in the country. They involve procurement of materials – food, medicine, WASH materials – that are needed to fill gaps in government provision. The government has a policy of universal healthcare and education, but it is not able to deliver this consistently.

77. The rationale for supporting such activities with CERF funds is fairly clear-cut if local capacity is exceeded in responding to a rapid onset, natural disaster, such as flooding. For UFE funding, the argument is less self-evident, but has been formulated in DPRK along the lines that the consequences of gaps in critical supplies for the most vulnerable groups would be life-threatening due to their fragile underlying health and nutrition situation.

78. The latter argument is broadly within the CERF life saving criteria, but some of the activities funded are stretching the life saving criteria's applicability. For example, FAO's support to agricultural production is simply aiming to reduce the food and nutrition deficit, rather than meeting short term recovery needs due to crisis (the typical seeds and tools response to those affected by displacement).

79. These activities may ultimately save lives, but this does not mean they meet the CERF life saving criteria. In addition, FAO support to agricultural production ultimately leads to greater availability of food to farmers or PDS-dependents. Given the inequity in the PDS, where the privileged are given higher rations than the vulnerable, it is not clear that it is appropriate to support this system with humanitarian funding. WFP no longer provides food through the PDS partly for this reason.

80. Similarly, refurbishment of medical facilities and water supply systems is clearly positive in reducing post-operative infection or waterborne diseases

respectively, and hence ultimately saving lives.⁵ However the CERF criteria are generally intended to apply to situations where facilities have been damaged by natural disaster or conflict, and rehabilitation is required to return them to a usable state – not to situations caused by under-investment and neglect. CERF has already narrowed the eligibility of such activities in 2012.

81. It is clear that all agencies have made efforts to focus their activities for CERF grants on life-saving activities. For example WFP targets children, and pregnant/lactating mothers as the most vulnerable to malnutrition. However there is room to do more to sharpen application of the criteria and to increase impact by focusing support on core programming rather than one-off standalone projects.

82. Again while there is clearly a case for support under the RR window, there is a sense that the underlying needs are the same in many areas due to under-investment. Natural disasters do create additional needs but they also provide whichever area has the misfortune to be affected with a justification to attract support for underlying infrastructure gaps.

83. Without robust and comprehensive assessments and monitoring the chain of logic is further undermined. The criteria for selection of target groups and facilities is not consistently based on independent assessments by the UN, or verified government data. Many sites are supported ‘because they have been supported previously’ or based solely on unverified government requests, and there is limited institutional memory of the original criteria.

84. At the other end of the project cycle, while there has been some improvement, monitoring is not to international norms in terms of unfettered access to beneficiaries as well as non-beneficiaries to be able to cross check and verify the situation and the use of materials. For example, UN agencies are not able to check who is receiving medicines provided to health facilities, and who is unable to access these facilities, because agencies are not able to access communities or undertake health surveys. For example focus group discussions, a key participatory tool, are not possible. In reality though there are hard limits to how far towards international norms the unique society and culture in DPRK can be expected to move – requiring creative solutions from agencies to meet their accountability requirements.

85. Overall, there are significant issues with the application of the life-saving criteria in DPRK. There seems to be a prevailing sense that because DPRK is different, and extremely underfunded, and the UNCT has agreed on these priorities, that CERF norms can be applied more flexibly. There may well be a strong case for this – such as that presence of UN agencies is an important window on the situation

⁵ The water supply in Tanchon rehabilitated by UNICEF was initially damaged by the 2013 floods and repair was supported under the RR window. UNICEF then made the argument for follow-on UFE funding as a special case due to continued high levels of diarrhoea

and they need to be in a position be taken seriously by the government and be able to respond to a deterioration in the situation – but this decision needs to be made more explicitly, and with a clearer assessment of the risk that CERF could be funding activities not strictly in line with its criteria.

Timeliness

86. The speed of response under the rapid response window was widely noted. Agencies were able to release emergency stocks immediately and after CERF funding was approved, replenish them rapidly in order to be prepared for the next emergency.

87. The 2013 floods were marked by a rapid joint assessment mission, which was an important prerequisite to making a CERF application. Previously there had not necessarily been such rapid assessment, and it was not possible to verify some of the government data on needs. The assessments in 2012 and 2013 showed the potential for more rigorous assessments which met international norms and underpinned more robust response planning.

88. As discussed above, the activities funded under the UFE window are less time critical. Nevertheless, feedback from agencies on the time taken for grants to be approved was positive.

Quality and accountability

89. In line with CERF guidelines, agencies are responsible for ensuring the monitoring and evaluation of CERF-funded activities. The review therefore focused on examining the ways in which agencies undertook M&E activities.

90. It is important to note that, beyond CERF, monitoring has long been a major concern of donors. There has been a perception that levels of diversion and corruption may be high in DPRK, with concerns that assistance is being diverted to a government and military that is politically isolated in international circles.

91. There is no doubt that the control of staff movement outside Pyongyang, the controlled nature of visits, and the fact that national staff are secondees places particular constraints on monitoring which mean that agencies cannot provide the same level of assurance as in other contexts. As a result of these concerns, considerable monitoring activity occurs, and international monitors are used where nationals would often be used elsewhere, but there are limits to its effectiveness.

92. For example, agencies are clear that monitoring visits are often manipulated or stage-managed to show facilities at their best – wards with the sickest children are not shown, while recovering malnourished children are, and relevant drugs are on display in store rooms, for example. At a basic level, interpreting is not always a neutral or impartial task, potentially changing the sense or tone of interviewees' responses to make them in line with 'approved' responses – which they would probably be anyway, given the observed nature of interviews.

93. Inventory systems are not yet more than paper records in most facilities, and monitoring staff sometimes encounter barriers such as the logbook not being available or the storekeeper being away. But the paper trail is usually convincing from the main Pyongyang warehouse of the relevant ministry to the relevant facility, be it a collective farm receiving fertiliser, hospital receiving drugs, or nursery receiving nutritious super cereal.

94. An important perspective is that the lack of fuel and difficult logistics in some seasons would make high levels of diversion or stage-management simply impossible to undertake with current government resources. It is more plausible that supplies are actually delivered according to agreed schedules than that the government carefully ensures stocks are made available to precisely the locations that international monitors will visit in a week's time.

95. With distance from Pyongyang, persistence and enough visits, agency staff are able to build up a more nuanced picture of the cracks in the system. These reinforce the picture of crumbling infrastructure (whether medical facilities, schools, or water supply), and major shortages of basic supplies such as essential medicines – in most facilities the only such supplies are from international agencies.

96. In terms of how supplies are actually utilised, for medical facilities it is difficult to establish whether there is any control over access – in theory they are open to all, with free healthcare and medicines. Whether in practice the more privileged are provided with imported medicines while the less favoured have to rely on traditional herbal medicine is very hard to establish. It is more clear-cut for WFP programming, where eligible children and pregnant/lactating women can be identified and monitored.

97. Despite these constraints, the view from UN agencies and international NGOs is that there are low levels of diversion to unintended beneficiaries, corruption (such as selling of supplies) or even mismanagement (poor inventory control), although the picture is far from clear and no doubt varies according to the commodity involved. The main concern seems to be to avoid puncturing the illusion that the state is providing what people need and acknowledging that there are major problems, rather than to cover up mass fraud.

98. The reasoning is that the system in DPRK already privileges the military and those loyal to the ruling party, so that resources such as food and medicine will be made available to them from the government's own supplies as a priority. Similarly the risks of corruption or mismanagement to the individual found selling or mishandling items would be disproportionate to any potential gain.

99. It may well be that such problems did historically occur during periods of general food distributions of significant levels of food aid with less stringent monitoring requirements. It is also the case that the fungibility of resources means

that providing assistance potentially ‘frees up’ foreign currency resources for the government to spend on other activities. However the relatively small volumes of international assistance and the experience of the ups and downs of agency funding suggests that in the absence of international funding, the government does not compensate with its own resources – vulnerable people just receive less food, medicine and other needs.

100. Where the monitoring is not able to provide a clear picture is at beneficiary level – linked to targeting, are the most vulnerable being assisted? Given that government systems are being supported, this implies that differential support is likely for those more or less privileged within the system. More broadly, the controlled access to beneficiaries means there is little understanding of how society really works at community level in terms of needs, livelihoods and coping mechanisms.

101. The different regimes negotiated by different agencies are also problematic and lead to different standards. WFP’s monitoring agreement with the government allows for fairly comprehensive monitoring, including ‘immediate’ access to assisted areas and random selection of beneficiaries to be monitored (see Box).

BOX: WFP’s monitoring approach in DPRK

Teams of WFP international and national staff regularly visit all operational counties, as envisaged in the Letter of Understanding with the Government and in accordance with the *Guidelines for Planning Food Monitoring Visits*. With CERF funds, exceptions are made for WFP to monitor non-WFP operational areas, particularly the flood affected areas, where food distribution took place and were closely monitored. Korean-speaking international staff and international staff temporarily assigned from other country offices for 3-6 months, were together with international programme and logistics staff the core of the monitoring team.

Principles for monitoring:

Monitoring type	Food movement flow	Criteria
LOGISTICS monitoring: distribution plan 1	Raw ingredients for blended food: transport from the port of entry to LFP factories Food for direct distribution: transport to county warehouses	<ul style="list-style-type: none"> For each consignment: upon food arrival at county warehouses, at least 60% of total tonnage is checked to ensure complete delivery. Visits are arranged according to dispatch information from the port of entry. Immediate access to warehouses/ports where WFP food is handled.
BENEFICIARY monitoring: distribution plan 2	From factories/county warehouses to the final distribution points for beneficiaries (children’s institutions or public distribution outlets)	<ul style="list-style-type: none"> Immediate access to visit WFP assisted county/city/district. Selection of sub-county to visit on arrival in county. Random selection of institutions to visit from the Global Implementation Plan – the list of beneficiary institutions, by county Random selection of beneficiary households from WFP logbooks of PDC outlets.

Monitoring teams visited an average of four operational sites per day. This involved:

- discussions with county officials from as many departments and offices as possible
- visits to nurseries, kindergartens, primary schools, baby homes, children's centres and boarding schools
- visits to paediatric wards and hospitals
- visits to at least one pregnant or breastfeeding woman's household
- visits to PDC outlets and markets

Specific monitoring checklists were used to ensure that quantitative and qualitative data were systematically collected and entered into an Access database for analysis.

Logistics monitoring struck a balance between locations handling large quantities such as LFP factories, and counties with large beneficiary populations and geographical coverage. In all cases at least 60 percent of the tonnage was checked.

The monitoring system aimed for visiting half of the 87 counties each month for beneficiary monitoring – each county, on average, every other month. However, visits to the northern provinces of Ryanggang and North Hamgyong did not take place as frequently as planned from December to March as the mountain roads become too dangerous to drive over due to ice and snow. Additionally, half of the LFP factories were visited whenever a new distribution plan was issued.

Beneficiary monitoring captures information on food distribution, operational issues and food security, focusing on:

- storage conditions at warehouses, public distribution outlets and WFP stocks
- receipts and delivery of WFP food and non-food-items
- the number of beneficiaries receiving WFP assistance, by sex and age
- the consumption and availability of food and any unmet needs
- government records of food movements, storage and distributions
- information on health and nutrition status
- food security and agriculture
- operational issues to be addressed by the Government or WFP.

102. By contrast for other agencies there is a one week notice period, using international and national staff following distribution and monitoring plans. The exception to this rule was in response to the 2013 floods, when agencies were able to visit within 1-3 days as part of a joint assessment mission. Part of the challenge in DPRK is that the rules are often only clear when you break them.

103. This demonstrates that there is some space for negotiation if there is a rationale, and if the negotiator has leverage – often in the form of a large programme. Further evidence comes from the Global Fund, which has global standards for monitoring and reporting which it was not prepared to compromise in negotiating the \$70m grant to DPRK. This means that for Global Fund activities, UNICEF has a three-day notice period, whereas for other activities seven days are required.

104. All agencies are challenged by the compartmentalized approach to monitoring, where for example the UNICEF nutrition expert can only visit the nutrition activities in a funded location, even if there are other UNICEF, WHO or WFP activities that are complementary in the same facility. Joint missions are

currently the only way to achieve this but these are challenging to arrange permission for.

105. It is apparent that given the challenging restrictions placed on international agencies, and concerns about agencies being forced to close programmes if they overstep the line in negotiating with the government, norms and expectations on what can be achieved in terms of monitoring and assessment have shifted and been reduced. It is important not to lose sight of international standards, but also the reality of DPRK which is a command economy where individuals are not in a position to express opinions freely, and where control of movement is an entirely rational part of normal government activity.

106. The main impact of the assessment and monitoring restrictions is ironically to reduce donor confidence in DPRK for quite possibly unfounded reasons.

107. CERF recommends an After Action Review is undertaken as part of the reporting process. This was carried out by the UNCT in DPRK for the most recent CERF report. There was no detailed feedback on the After Action Review and consolidation of the RC's report on the use of CERF funds, other than to confirm they were useful processes that worked fairly smoothly.

Support to humanitarian coordination and leadership

108. As an important funding source for UN agencies, the CERF has supported both coordination and the leadership of the UN Resident Coordinator. It brings together the UNCT for strategic discussions, and encourages joint working through joint field assessments (such as for the flood response in 2013).

109. The specific contribution of CERF should probably not be overstated, however, given the informal coordination that occurs due to the small size of the UNCT and physical proximity of both offices and residential accommodation. In addition the reluctance of the government to acknowledge the extent of humanitarian need and permit the elaboration of a humanitarian strategy limits the full potential of coordination.

110. The presence of CERF gives the Resident Coordinator opportunities to influence both the UNCT and the government on wider humanitarian issues – although there are opportunities to use this leverage more effectively, taking into consideration the total sums that CERF has contributed. There is goodwill towards CERF from the government, and it has contributed more than the Global Fund grant to date – but since it comes in unpredictable annual amounts it has not been viewed in such terms by either the UN or government in negotiations over access conditions.

111. In terms of inclusivity, coordination is less inclusive of NGOs than in other contexts – partly due to their small number, and the unique institutional arrangements that make joint meetings harder to organise in DPRK without creating

concern within the government. However there are clear benefits to greater involvement of NGOs in CERF decision making, given their different perspectives, even if they have little financial interest due to there being no opportunity to be UN implementing partners. The overriding view was that while theme groups might on paper be the logical forum for discussing CERF, in practice a lighter, ad hoc informal meeting would be more likely to be valuable and not raise concerns from the government.

Section 5: Conclusions and recommendations: added value of CERF

112. CERF is playing a valuable role in DPRK, which is acknowledged by the government and UN agencies alike, in challenging operational conditions. It has added value to humanitarian response in DPRK in four distinct, but linked ways. For each of these areas, however, there are issues, which are discussed below.

Timely resources

113. The low levels of funding to DPRK mean that CERF's first added value is in providing timely resources for humanitarian action in priority areas. As the main humanitarian donor for several years, providing almost a quarter of humanitarian funds provided to DPRK, almost \$100 million since 2007, CERF is a significant donor which provides a significant part of each UN agency's budget. The RR window has provided timely resources to allow rapid response (or assurance that stockpile items can be rapidly replenished).

114. The challenge is that the unusually consistent funding from the CERF has created a situation where agencies are dependent on CERF funding and plan on receiving the funds, taking it for granted year on year. Instead of acting as a trigger or catalyst for donors as it does elsewhere, CERF is really the donor of last resort in DPRK.

115. This is a difficult situation, because the mechanisms by which CERF funds DPRK are by no means reliable, despite experience to the contrary (and a perception from government that CERF is a donor like any other, except less political and in practice more reliable). This makes agencies vulnerable – should other crises make more of a call on CERF, or the strategic focus of the fund shifted, DPRK could be left in the lurch.

116. Agencies do strive to fundraise, but there is a strong sense that redoubled and coordinated efforts are needed to construct a fresh narrative of the reality of humanitarian needs and operating conditions in DPRK, and the UN's ability to address these needs based on convincing reporting of results, in order to re-engage a wider group of donors.

Results and impact

117. The second value that CERF funds have brought is in making a difference to the lives of many thousands of citizens of DPRK through improved nutrition, healthcare and water supply. The supply of essential items has had impacts on reducing post-operative infections, reducing childhood morbidity and maternal mortality, and reducing the spread of water-borne diseases, among many other effects.

118. The challenge is that CERF on its own is only a drop in the ocean of meeting humanitarian needs. Its overall impact is limited compared to the assumed enormity of need. The problem is that government reluctance to acknowledge the needs, and

assessment and data restrictions make it very challenging to undertake a comprehensive mapping of where vulnerable people are and what their needs are. This in turn undermines the ability to create a convincing humanitarian strategy that can galvanise action from the international community, including CERF.

119. While it can be argued that CERF funding is saving lives, the dearth of funding, and the chronic nature of the situation, however, mean that CERF UFE funding is filling development-related gaps and preventing deterioration of the humanitarian situation rather than addressing acute, time-critical humanitarian needs. There has been an acceptance of DPRK as a special case but the problem here is that in diluting the CERF life-saving criteria, agencies are not necessarily addressing the needs of the most vulnerable, and the prioritisation process is based more on gaps in existing programmes than an evidence-based strategic discussion.

120. It also appears that in assessing particularly UFE proposals, greater latitude has been given in interpreting the lifesaving criteria than in other countries, and in general to applying quality control to submitted proposals. This has been linked to an implicit sense that DPRK is different, and other considerations, such as maintaining a presence and dialogue with government, are unwritten priorities that may justify applying different standards.

121. Again in monitoring results and impact, the real operational constraints have sometimes stood in the way of providing solid evidence of results in a way that can build donor confidence.

Presence and influence

122. The third area in which CERF has added value is potentially more important, although harder to quantify. In the context of limited funds, CERF has helped maintain a UN agency presence in DPRK and engagement with the government.

123. Given DPRK's international isolation and vulnerability to shocks, maintaining a minimum UN presence is seen as important to be able to provide a minimum of support to help keep vulnerable people from 'going over the edge', and to be able to monitor the situation and develop relationships with government counterparts. This is not explicitly the role of the CERF, but it already means that the UN is a credible interlocutor for the government, and were the humanitarian situation to deteriorate, there would be a baseline of operational presence and knowledge that could be scaled up.

124. It is clear that the government values CERF, and there is more that agencies could collectively do to make progress on strategic and operational issues of concern if it was made clear that CERF requirements were not being met. For example, standardising visit arrangements to the 'highest common denominator' of WFP's agreement would be reasonable given international norms and the fact that in total CERF has contributed a greater sum than the Global Fund for Aids, Tuberculosis and Malaria. Equally, developing stronger assessments and

articulating a humanitarian strategy for DPRK would be justified by the size of the investment by CERF.

Support to humanitarian coordination

125. Finally, the more general CERF objective of supporting coordination and the leadership of the UN Resident Coordinator is adding some value in DPRK. Greater inclusion of NGOs and government stakeholders could strengthen coordination and CERF programming if done appropriately.

Recommendations

Prioritisation and allocation

126. Recommendation 1: A revised humanitarian strategy for DPRK should be articulated jointly with the government, based on new assessments

Responsibility for action: RC, UNCT, Govt of DPRK

Information on the distribution and nature of vulnerability to underpin planning and fundraising is not consistently available, reliable, or verifiable. Undertaking fresh assessments across the relevant sectors would build an important picture to feed into discussions on a revised humanitarian strategy, as is usually undertaken in CERF contexts.

127. Recommendation 2: Prioritisation of CERF funds should be more inclusive and based on a revised strategy and ongoing analysis, with higher quality proposals developed

Responsibility for action: RC, UNCT, Thematic Groups, CERF Secretariat, Govt of DPRK

A more strategic discussion during the prioritisation process is important, as well as making it a more inclusive discussion involving international NGOs and government, rooted in an agreed humanitarian strategy and following humanitarian principles. Greater focus on development of high quality proposals with higher standards of evidence should be encouraged.

Resource mobilisation

128. Recommendation 3: The revised strategy should be used to communicate and advocate towards donors based on a new narrative of vulnerability, to complement finite CERF funding

Responsibility for action: RC, UNCT, donors

CERF has been unusually regular as a donor to DPRK, but this dependence is risky given the way in which CERF funds are allocated on a global basis, so that there is no guarantee of funding from year to year. Building a resource mobilisation strategy is important to give CERF confidence that agencies are doing their utmost to decrease their reliance on CERF

Increasing impact and targeting the most vulnerable

129. Recommendation 4: Application of the CERF life-saving criteria should be tightened to focus the limited CERF resources on the highly vulnerable, using new assessment data

Responsibility for action: RC, UNCT, Thematic Groups, CERF Secretariat

In a resource-scarce environment, giving too much latitude in interpreting the life saving criteria risks diluting CERF's impact, however much there is a case that DPRK is unique. New assessments and strategy development would support such an approach and support re-focusing programmes onto the most vulnerable beneficiaries.

Quality and accountability

130. Recommendation 5: Assessment and monitoring requirements should be standardised among UN agencies to better meet international norms

Responsibility for action: RC, UNCT, Govt of DPRK

In order to build donor confidence about programme results and quality, the UN and Government should find a way to agree on more comprehensive assessments and standardized monitoring notice requirements across the UN with as short of a notice period as possible, including increased and random access to beneficiary households and more flexibility over agencies observing each others' projects.

Annex A: Study Terms of Reference

INDEPENDENT REVIEW OF THE VALUE ADDED OF THE CENTRAL EMERGENCY RESPONSE FUND (CERF) IN DPRK

Terms of Reference

1. Background to the CERF and Performance and Accountability Framework (PAF)

It is widely recognized that the key strengths of the CERF lie in its ability to respond quickly and in the relatively high degree of flexibility it affords country teams in responding to humanitarian needs compared with other sources of humanitarian funding. Member States and private donors require appropriate assurances that the considerable funds involved are managed appropriately and meaningful results are being achieved. The Emergency Relief Coordinator (ERC) function is charged with a formal fiduciary responsibility over the proper use of CERF funds, and relies upon the CERF secretariat to assist with the proper discharge of these responsibilities. In this context, the development of a PAF for the CERF is regarded as an effective tool for accountability.

Paragraph 19 of General Assembly Resolution 60/124 calls for “the establishment of an appropriate reporting and accountability mechanism to ensure that the funds allocated through the Fund are used in the most efficient, effective and transparent manner possible.” Consequently, the CERF Advisory Group at its meeting on 12 October 2006 called for the development of a Performance and Accountability Framework (PAF). In addition, the 2008 CERF Two-year Evaluation gave as Key Recommendation 4: “The multiple lines of accountability for CERF need to be clarified, in consultation with the UN Controller and the operational agencies, to specify the roles of each actor.” In response, the CERF Secretariat worked on developing a PAF, a first draft was circulated in 2009 and a PAF adopted in 2010.

The CERF PAF proposes, among other things, the introduction of independent reviews to be conducted annually within a sample of three to five countries as determined by the ERC. The CERF Advisory Group supported the inclusion of such an independent country-level mechanism. Since 2010, the CERF secretariat has conducted between three and five country-level reviews per year⁶.

2. Scope and Purpose

The main purpose of the present country-level review will be to assess the value-added of CERF funding towards the humanitarian response in DPRK. The review will focus on CERF allocations in 2013 and 2014 but shall also reflect on experiences from past years if/when allowed by available information.

⁶ A full list of reviews conducted to date and final reports are available online at: <http://www.unocha.org/cerf/reportsevaluations/evaluations/country-reviews/performance-and-accountability-framework>

Since 2007, DPRK has received CERF allocations totaling \$97 million (\$75 million through the Underfunded window and \$22 million through the Rapid Response window). DPRK has every year since 2007 received CERF funds through the Underfunded window. In 2013 and 2014, DPRK has received \$16 million and \$6.5 million from CERF respectively.

A major aim of the review will be to provide the ERC with an appropriate level of assurance around the achievement of key performance benchmarks and planned results for the CERF mechanism.

The review will also include recommendations aimed at improving operational aspects of the CERF and may also identify relevant policy issues which need to be addressed at a global level.

3. Key issues

The critical overriding question on which assurance is sought by the ERC is: **Have CERF operations in the country successfully added value to the broader humanitarian endeavor?**

Using the PAF indicator sets, assurances will be sought around the following specific broad areas of concern to the ERC:

1. *CERF processes are achieving key management benchmarks in that:*
 - CERF submissions are based on an inclusive and strategic prioritization process and adhere to established quality criteria.
 - Transparent systems are in place for correct allocation, efficient flow and use of CERF by agencies.
 - Adequate monitoring and evaluation systems are in place at the agency level for measuring and reporting on results.
2. *There are reasonable grounds to believe that CERF allocations contribute to the following:*
 - CERF consolidates humanitarian reform by empowering the RC and enhancing the quality of coordination of humanitarian response.
 - CERF facilitates adequate coverage, eliminates gaps and facilitates an effective division of labour among humanitarian actors.
 - CERF contributes to a more timely response to needs.
 - CERF favors the delivery of relevant life-saving actions at critical moments.

Within this review framework the CERF secretariat may define additional context specific research questions for the consultant to explore.

4. Review Methodology

During the PAF development process, UN agencies emphasized that the formal assessment of agency performance vis-a-vis CERF-funded activities remains the prerogative of recipient agencies via their own internal oversight procedures (internal performance reporting, audit and evaluation

etc.). The review approach will therefore be designed in a manner which avoids duplication with such procedures and meets only the immediate assurance needs of the ERC in relation to the PAF.

Recognizing that CERF funds are often co-mingled with other donor funds by agencies and that the in-depth assessment of beneficiary-level impact is formally the charge of recipient agencies, the review will not attempt to link beneficiary-level changes to CERF activity, except where recipient agencies already have this data. The review mechanism will not seek to evaluate CERF sponsored programmes or provide comprehensive coverage linked to detailed narratives and contextual analysis around how and why results are being achieved, nor will it seek to assess beneficiary needs. Rather it will focus instead on providing an assurance around issues of the Fund's operational impact.

Key components of the methodology will include a desk review and a field visit by the consultant to DPRK including interviews with key stakeholders. The analytical approach will be deliberately kept rapid and light.

Prior to leaving DPRK, the Consultant will deliver to the RC a short analytical report consisting of a series of short observations and recommendations in relation to the key assurance issues identified above. The RC, together with the UNCT, may subsequently be requested to provide a "management response" to the recommendations contained in the report.

Desk review: A quantitative analysis will be conducted on the data, reports and files available at the HQ and Country level. These include:

- Funding data, including funding from sources other than the CERF (e.g. OCHA's Financial Tracking System);
- Timelines on sums requested and allocated (from CERF database);
- CERF country-level reports on context, needs, status of implementation, activities, results and lessons learned;
- CERF meeting minutes at HQ and country-level and notifications of application decisions;
- CERF Project files at HQ and country-level.

Semi-structured interviews at country will include: the RC, Heads of Agencies and agency technical staff, partners implementing CERF projects and those without access to CERF funds, host government and donors. Interviews will also take place with staff at the Regional Office for Asia and the Pacific (ROAP), the Asia and Pacific CRD desk in New York and with selected CERF secretariat staff to get further background and perspective. UN Agencies will be asked to provide relevant documents and indicate interview partners to facilitate the review.

Select project site visits: These will help provide some anecdotal information regarding the use of funding at the affected population level and provide a field-level snapshot and some direct contact with affected populations.

In-Country briefings will be used as learning opportunities to discuss and validate the findings, explore possible recommendations and further refine the analytical approaches.

5. Proposed Consultants

The consultant will be independent and he/she will not have been previously involved with any aspects of the country-level operations being reviewed. He/she should have the following skills:

- Expertise in UN humanitarian reform & financing and knowledge of the SRP and Flash Appeal process;
- Expertise and extensive experience in humanitarian evaluations;
- Expertise in analyzing financial data in tandem with other types of information;
- Expertise in project management and implementation;
- Knowledge, including field experience, with a broad range of humanitarian actors, such as UN agencies, Red Cross/Red Crescent Movement, local government disaster response structures and systems, and NGOs;
- Fluency in written and spoken English,
- Familiarity with natural and man-made disaster settings.

6. Management and Support

The review will be managed by the CERF secretariat, who will identify country-level focal points to support the review mission. Their responsibilities will include to:

- Provide necessary administrative, coordination and logistical support to the consultant;
- Facilitate the consultant's access to specific information or expertise necessary to perform the assessment;
- Monitor and assess the quality of the review and its process;
- Ensure sufficient engagement by UNCT on initial findings prior to dissemination;
- When appropriate, recommend approval of final report;
- Disseminate final report; and
- Facilitate management response to the final report and subsequent follow up.

7. Deliverables

The main output will be one concise synthesis report in English to the ERC, through the CERF secretariat, that is expected to be of no more than 25 pages (excluding appendices) in an electronic version plus an Executive Summary (up to three pages). The report will be structured in the form of short observations and conclusions around the different assurance concerns linked to the PAF. The report will include, as appropriate, a set of specific, well targeted and action-oriented recommendations whose purpose should be to improve the performance of the CERF within the country or raising any policy issues. The annexes will include a brief description of the methods used and the analysis performed and an overview of persons interviewed. In addition the consultant will present to the RC a short summary report consisting of a series of short observations and recommendations.

Annex B: Interviewees

Representatives were interviewed from the following organisations, either in person or by phone:

CERF Secretariat (2)

Michael Jensen, Head of Performance, Monitoring and Policy Unit
Programme Unit

UN Resident Coordinator's Office, DPRK (5)

OCHA

OCHA Regional Office for Asia-Pacific, Bangkok

Government of DPRK

Ministry of Urban Management
Ministry of Agriculture and National Committee for FAO, Ministry of Foreign Affairs
Ministry of Public Health
National Bureau for Disaster Management
Coordinators of National Committee for UNICEF, OCHA, WFP, Ministry of Foreign Affairs

EU Programme Units (NGOs)

Concern Worldwide
Premiere Urgence
Triangle
Save the Children
Handicap International

United Nations

WFP (3)
UNDP (2)
WHO (4)
UNICEF (5)
UNFPA (2)
FAO

Red Cross movement

IFRC
ICRC

Embassies/donor missions

UK
Germany
Sweden
Bureau Francais de Cooperation
EU Food Security Office

Annex C: Schedule and Itinerary

Day	Activity
Tues 15 July	Introductory meetings with UN, UNCT
Weds 16 July	Meetings with UN Sector Leads, Red Cross
Thurs 17 July	Meetings with Government line ministries
Fri 18 July	Meetings with NGOs, Inter-agency meeting, Donors
Sun 20 July	Travel to Hamhung City
Mon 21 July	Visit to Hamju County, South Hamgyong Province, visit to Pediatric Ward in County Hospital, household
Tue 22 July	Visit to Tanchon City, S Hamgyon Province, visit nursery, City Hospital Visit to Provincial Maternity Hospital, Hamhung City, S Hamgyong
Wed 23 July	Visit to Anbyon County, Kangwon Province, Nursery, Hwassan State farm, Provincial Pediatric Hospital of Wonsan City Return to Pyongyang
Thu 24 July	Meetings with WFP
Fri 25 July	Debriefing meetings with Government, UNCT

Annex D: Standard questions/Aide-memoire

Main purpose: assess the value-added of CERF funding towards humanitarian response in DPRK, focusing on but not limited to CERF allocations in 2013-4
<ul style="list-style-type: none"> • Mandate and life-saving criteria in specific DPRK context
<ul style="list-style-type: none"> • Are CERF activities contributing to longer term activities?
<ul style="list-style-type: none"> • CERF as continuous leading funding source – dependency, leveraging/replacing other funds, sustainability of projects, prioritization when CERF allocations are regular
<ul style="list-style-type: none"> • Views on CERF and influence of CERF from/on different stakeholders
<ul style="list-style-type: none"> • Views on new HC/RC reporting framework – rolling submission, individual reports, revised format for reports

Question clusters

1. Humanitarian context
- humanitarian situation
- humanitarian coordination
- role of govt
- funding context – donor profile
o Leveraging funds, dependency, sustainability
- how CERF processes operate
2. CERF process
- Prioritisation
o Inclusivity of intra and inter-cluster process
o Analysis of funding to inform prioritisation
- Review allocation and distribution
o Quality of submission to RC, reflecting cluster views
o Consideration of agency performance
o Guidance from NY/OCHA CO
3. CERF results
- Timeliness
o Speed of process
o Predictability/strengthened response capacity
- Life-saving
o Adherence to criteria
o Recognition of value added
o How much filling gaps in coverage/time
- Quality and accountability
o New HC/RC report framework, satisfactory inputs from agencies
o Transparency of information, monitoring & evaluation systems
o Accountability to affected popns
- Support to humanitarian coordination and leadership
o CERF as incentive to coordination, role of clusters
o CERF strengthening leadership of HC
4. Conclusion
- Overall value added

Annex E: Documents reviewed

CERF DPRK RR and UFE Programme folders with correspondence, proposals, comments, approval

CERF Policy Guidance

Congressional Research Service (2014), Foreign Assistance to North Korea

DPRK (2012), National Nutrition Survey

FAO (2014), GIEWS Country Brief, July 8 2014

UN (2012), Overview of Needs and Assistance, DPRK

UN (2013), Humanitarian Needs and Priorities DPR Korea 2013

UN/DPRK (2010), Strategic Framework for Cooperation between the United Nations and the Government of the Democratic People's Republic of Korea

UN/DPRK (2013), Mid-term review of Strategic Framework for Cooperation - minutes

RC reports

WHO/UNICEF/World Bank (2012), Levels and Trends in Child Malnutrition

WFP PRRO Evaluation