



Independent Reviews of the Value Added by the CERF Bolivia, Colombia, Ethiopia and Zimbabwe

CERF Secretariat
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A. Introduction

Following endorsement by the CERF Advisory Group of the draft Performance and Accountability Framework (PAF) at its July 2010 meeting, the CERF Secretariat finalized the PAF in August 2010. Amongst other things, the PAF foresees three to five country-level reviews of the value added of the CERF per year to be conducted by independent evaluation experts. In April 2011, the CERF Secretariat commissioned Tasneem Mowjee and Glyn Taylor, independent humanitarian consultants, to conduct country-level reviews of the CERF in Bolivia, Colombia, Ethiopia and Myanmar. Field visits for the review in Bolivia, Colombia and Ethiopia took place in April and May. Due to the inability to obtain a visa, the fourth country was changed from Myanmar to Zimbabwe. The Zimbabwe review took place in August.

Reviews employed the methodology tested in the pilot study of the value added of the CERF in Kenya in early 2010. Countries were chosen so as to reflect recipients of both large and small amounts of CERF funding, natural as well as man-made disaster and to avoid duplication with countries selected for the CERF five-year evaluation. The reviews largely focussed on activities in 2010 based on the 2010 annual report of the RC/HCs submitted in March 2011. The Zimbabwe review also examined the 2011 underfunded emergency allocations.

B. Common Themes

Although the studies each focussed on a specific country, several general themes emerged across the four reviews.

1. Importance of the local coordination architecture: The CERF is an integral part of the wider humanitarian reform effort, which includes strengthening the role of the RC/HCs and the cluster approach. The CERF is intended to both draw on the cluster approach for the identification of needs, design of strategy and prioritization of interventions as well as reinforce it through the introduction of funding. However, the studies revealed, most clearly in Bolivia and Colombia that the cluster approach could not be taken for granted. This was particularly the case in countries where the government had created its own distinct coordination architecture. While not *a priori* better or worse, it this leads to a different set of work processes that CERF stakeholders have to adapt to.
2. Preparedness and Disaster Risk Reduction: Countries covered by the reviews faced, to varying degrees, recurrent natural disasters. The response to these falls squarely within the CERF's mandate of financing life-saving emergency aid. However, the reviews highlight that direct assistance in the wake of a natural disaster is only part of the solution. Given the recurring nature of these emergencies, humanitarian actors in country were called on to consider an increased emphasis on disaster risk reduction and preparedness work. As discussed in the corresponding paper on the CERF and preparedness, this may necessitate exploring funding opportunities outside of the CERF.

3. **Timeliness and gap-filling:** The reviews consistently found that the CERF secretariat was quick to review, approve and ensure the disbursement of projects once officially submitted. In addition, the CERF-funded interventions either filled important gaps in the humanitarian response or, in the case of Bolivia, were the only significant source of funding for the emergency. However, whether this translated into a timely and efficient response depended on a variety of factors in country. At the pre-submission stage, this included a sometimes a length period during which agencies gathered information and consulted whether to pursue a CERF application. This was, for example, the case in Bolivia where a CERF application to respond to flooding was submitted several months after they had started. At the post-submission stage, difference between individual agencies' procedures in, amongst other things, procurement and sub-granting.
4. **Scope for additional learning:** In terms of accountability, the reviews found the CERF's current reporting requirements to be reasonable. However, the authors identified potential for additional learning beyond completion of the annual report. Firstly, it was recommended that actors in country conduct an annual lessons-learned exercise around the review where this is not taking place already. In addition, the authors urged agencies to conduct more systematic evaluations, either of their own portfolio of CERF-funded projects or as part of an interagency-evaluation of the response to a given emergency.

C. Findings and Recommendations by Report

The sections below outline the main findings and recommendations across the four country reports. Additional information is available in the country reports themselves. The views expressed are Ms. Mowjee's and Mr. Taylor's.

BOLIVIA

The country review focused on the use of CERF funds in 2010. These totalled \$4.5 million from the RR window in response to seasonal flooding.

Main Findings

- The CERF was found to be a highly important source of funding for UN Agencies and the government. It was perceived to fill a number of gaps and it was used for a range of important interventions for flood-affected populations in 2010
- Although relations between humanitarian actors in the government, UN and INGOs were found to be relatively open, the broader political context and the nature of funding flows meant that, in the event of a natural disaster, there was no single, jointly constructed response plan to which the CERF contributed.
- According to the evaluator, the significant challenges in developing stronger national systems made the CERF an attractive resource for the UN. Because there seemed little real prospect of Bolivia receiving significantly more bilateral funds from traditional donors, the UN in Bolivia looked set to continue to call upon the CERF.
- UN agencies viewed CERF processes as transparent and inclusive and most welcomed the requirement to construct an application jointly.

- Notwithstanding the existence of a national disaster management system in Bolivia (known as SISRADE), there was little sense of a combined response plan or operation in which CERF played a part
- Although many respondents were positive about the way the CERF had strengthened intra-UN relations and relations between UN and government, this had not equated to strengthened humanitarian reform as globally understood. This was mainly because it was not possible to implement one of the mainstays of the humanitarian reform, namely the cluster approach, where the government had its own system of emergency relief coordination. The system of “mesas de trabajo” in Bolivia was found to be a reasonable working compromise.
- Although most respondents described the CERF process as “quick” in general, a vocal minority thought that the entire process was too slow and cumbersome for the funds to facilitate a life-saving response.
- Standard UN agency field monitoring systems were found to in place. Although project monitoring/reporting was often adapted to the CERF format, the Fund had little impact on accountability mechanisms per se. No examples of impact evaluation or multi-sectoral evaluation, which included CERF funded projects were brought up.

Recommendations

- The author suggested that agencies in Bolivia conduct a cross-sectoral evaluation of their joint response to a given emergency in a specific area of the country, for example an evaluation of their response to the 2010 flooding. This could include CERF-funded interventions and might serve as a useful advocacy and fundraising tool for the UN in Bolivia.
- Due to the seasonal nature of disasters in Bolivia, the author recommended that humanitarian actors in Bolivia place more emphasis on disaster preparedness and disaster risk reduction.
- At global level, the CERF was urged to consider:
 - Agreeing in advance with the HC/OCHA “trigger” levels for intervention by the CERF. This might encourage ongoing collection of data through the “mesas” and reduce the time taken to “re-start” the data collection system in the event of natural disaster.
 - Tracking the progress of disaster preparedness and the strengthening of national response systems. Some external pressure for the improvement of such systems may help to facilitate strengthening.
- The construction of an Emergency Response Fund in Bolivia was recommended. The model would offer a quicker alternative and a complement to CERF.

COLOMBIA

The Colombia review focused primarily on the use of \$6.6 million allocated from the CERF in 2010, \$3 million from the UFE window and \$3.6 million from the RR window in response to flooding. To the extent possible, the study also reviewed the prioritization carried out as part of the first UFE round of 2011 where Colombia received \$2.9 million.

Main Findings

- Colombia was found to be a highly complex context for humanitarian operations and, consequently, for the application of the CERF. Humanitarian needs in Colombia fell into two categories: those primarily related to conflict and those resulting from natural disasters. Each

has a distinct set of political sensitivities with central government and separate national response systems. As a single and ostensibly coordinated international system worked to respond to both sets of need, the “normal” issues in implementing humanitarian reform were especially challenging.

- Regarding transparency and inclusiveness, it was found that the UN agencies in Colombia viewed the CERF as a proprietary funding channel. To date, the initial geographical and sectoral priorities for allocations had been taken in an ad-hoc group, the “CERF Task Force”. To date, this group had consisted largely of UN Agencies who were recipients of the very first allocations of CERF funding.
- The absence at the national level of a consolidated appeal (CAP) or similar instrument was considered to be a major factor in undermining the prospect of a more open allocation process.
- While the Colombia ERF and its allocation mechanisms were not a specific focus of this study, it was found that its allocation and management structures contained a number of features which could improve the openness of the CERF process in Colombia. These included the use of a risk index for decision making and an Advisory Board or other oversight group with donor participation.
- With respect to humanitarian reform, the review indicated that in a challenging political environment and with questionable levels of support from all stakeholders, clusters were uneven in terms of operational capacity and had little operational influence. Placed in this context, the CERF alone provides too small an incentive to strengthen the role of the clusters.
- In terms of timeliness, the CERF was deemed to have met performance targets for both windows. However, there remained concerns over the overall timing of the international and delays in arranging sub-granting arrangements. The majority of partnership arrangements were found to be with local entities and little data was available on these arrangements.
- Anecdotal evidence from Agencies and partners suggested that the CERF was used successfully to fill programmatic gaps and to expand the coverage of key services.
- Reporting and monitoring were found to be adequate, although this was independent of the CERF. There was sufficient anecdotal evidence of successful outcomes from CERF projects that UN agencies should view evaluation as an opportunity to demonstrate value. Ideally, improved joint planning and needs assessment, as part of the Common Humanitarian Framework, would be part of a joint management approach.

Recommendations

- Greater complementarity should be sought between processes for the ERF and CERF. As was practiced in some other countries where two pooled funding mechanisms operated, both looking at priority needs, joint mechanisms, either formal or informal could be instituted.
- Whilst standard monitoring and reporting mechanisms were in place, evaluation mechanisms should be strengthened in general:
 - In a context where national partners are implementing a high proportion of CERF projects and oversight is relatively light on the ground, UN agencies should follow up projects more rigorously as a matter of course.
 - Whilst the CERF is only ever likely to provide partial and short term funding, the HC, via OCHA should use the CERF as a lever to institutionalise joint working on evaluation.

ETHIOPIA

The country-level review of the CERF's value added in Ethiopia focussed on the use of \$16.7 million allocated to the country in 2010 from the UFE window. To the extent possible, the study also examined the prioritization exercise conducted for an \$11 million allocation as part of the first UFE round of 2011.

Main Findings

- The CERF's funding via the UFE window – the only kind of CERF funding since 2009 – was found to have added value for recipient agencies by: filling funding gaps, providing funding early on in the year, complementing the country-level Humanitarian Response Fund (HRF), enabling agencies to leverage funding from other donors, supporting a response capacity as well as being a straightforward funding mechanism that focuses on addressing gaps in meeting needs.
- However, some interviewees felt that those involved in CERF allocations were too focused on life-saving activities in a context of chronic and relatively predictable crisis, such as in Ethiopia, where applying the life-saving criteria flexibly could save as many, if not more, lives in the longer term.
- For the 2011 CERF first UFE allocation, the Humanitarian Coordinator incorporated a competitive element into the process in order to allocate funds on the basis of merit and change the agencies' attitude of entitlement. Therefore, he decided that 75 per cent of the \$11 million allocated to Ethiopia would be allocated by and 25 per cent on the basis of competitive bids
- In terms of timeliness, the CERF Secretariat was found to be quick in processing applications, once they had been finalised and the Controller's Office disbursed money very quickly too.
- In Ethiopia, UN agencies worked largely with the government, rather than NGOs, as an implementing partner. UN agencies were found to have transferred funding to partners generally within project timeframes but this did not show whether the partners completed implementation on time.
- In terms of inclusiveness and transparency of the allocation process, Cluster leads discussed CERF allocations across sectors. The HRF Review Board, which includes different stakeholders, also discussed the allocations. Interviewees felt that the 2010 allocation process worked well because it included an element of competition (as the agencies requested more funding than was available and had to argue their case). There was collaboration between agencies because funding was allocated by sector, not agency; and the use of the HRF Review Board to discuss proposals reinforced complementarity with the HRF and other humanitarian funding. The main challenge with the process was that funding is allocated on the basis of needs or funding shortfalls without taking into consideration an agency's ability to deliver the proposed activities on time.
- While non-UN stakeholders were involved in CERF discussions and prioritisation there was little or no discussion of CERF funding within sector Task Forces. This was probably because CERF-recipients implemented through regional and local government bodies that were not present in national Task Forces. This could weaken coordination.
- Available evidence indicated that most of the reporting was accurate, but implementing partners generally were unaware whether they were receiving CERF funding.
- The review found significant variability in agency monitoring procedures. WFP, UNICEF, UNHCR and IOM were found to have the most detailed ones. On the other hand, WHO relied

entirely on information provided by its government and NGO implementing partners. According to WHO, this was because there already was a comprehensive health monitoring system in place and it did not want to establish a parallel mechanism. Therefore, WHO provided financial support for government monitoring. Although the agencies monitor CERF projects, none of them had evaluated the CERF components specifically. However, a few, had undertaken evaluations of related programmes or activities.

- According to the evaluator, the preparation of the annual RC report to the CERF was not used as a learning opportunity. Agencies sent their inputs into the report separately to a focal point for compilation without a face to face meeting. In addition, the report was not discussed at the higher levels of the local coordination structure. This meant that there was no mechanism to ensure that the lessons identified in the CERF report were acted upon.
- In terms of support to wider humanitarian reform, CERF funding had strengthened the role of the Humanitarian Coordinator, enabling him to incentivise behavioural change amongst UN agencies and engage with the wider humanitarian community. However, Ethiopia's complex coordination structure and the fact that CERF funding was not generally discussed in sector Task Forces probably contributed to the view that the CERF does not help to strengthen coordination as a whole.

Recommendations

- The HC's decision to allocate CERF funding on the basis of merit should be replicated in other countries.
- The CERF Secretariat should ask agencies to report on direct beneficiaries only so that CERF beneficiary figures are comparable across agencies and countries.
- The CERF Secretariat should request agencies to list funding to all implementing partners, not just to NGOs, since most agencies do record this information for financial management purposes. This would provide comprehensive information on onward funding and some indication of its timeliness,
- The CERF Secretariat should clarify the purpose of the lessons-learned section of the HC report and provide guidance on the different types of lessons on which the agencies should focus.

ZIMBABWE

The review focussed on \$10.4 million allocated to Zimbabwe in 2010 from the RR window for food shortages and a measles outbreak. To the extent feasible, the study also examined the prioritization exercise held as part of an allocation of \$5 million under the first UFE round of 2011 and \$4 million from the RR window in response to a cholera outbreak.

Main Findings

- Humanitarian needs in Zimbabwe were largely due to structural causes and therefore required medium-term funding to provide sustainable solutions, rather than the short-term emergency funding the CERF provided.
- In line with findings from other countries, NGOs found CERF funding challenging because of the short implementation time frame, primarily for rapid response grants. Consider UN agency sub-granting requirements, NGOs pointed out that they had little time to develop proposals, and complete the contractual requirements before receiving funding from agencies.

- The CERF allocation process had benefited from the level of Cluster coordination in Zimbabwe, which in turn had been strengthened by the programme-based approach. The CERF had therefore benefited from the strength of Cluster coordination in Zimbabwe rather than contributed to strengthening it.
- The CERF allocation process in Zimbabwe was found to be more inclusive and transparent than in other countries, particularly as the NGO Heads of Agencies monthly meeting received updates from OCHA on CERF funding.
- UN agencies and IOM were responsible for implementing and reporting on CERF projects and OCHA was not mandated to monitor CERF projects. This meant that neither the HC nor the CERF Secretariat had an independent source of information on progress with CERF projects.
- As in other countries, once the agencies had provided their annual reports to the HC, there was no process for discussion of the report compiled by OCHA, including the lessons learned section.
- Although NGOs were vital implementing partners and international NGOs played a fairly active role in Clusters, some interviewees felt that they had an “unequal” partnership with UN agencies and IOM and, sometimes, they were no more than sub-contractors.

Recommendations

Zimbabwe-specific

- Agencies classify substantial portions of their funding as being for more recovery-oriented programmes, rather than traditional emergency relief. Currently, the Zimbabwe CAP includes both recovery and emergency requirements. However, it has been proposed to restrict the 2012 CAP to emergency requirements only. The author therefore recommended that, if the 2012 CAP were to focus explicitly on humanitarian needs, it would be helpful to develop a recovery strategy under the RC/HC’s leadership. This could be used to capture recovery programmes not covered by development frameworks as well as funding for these. This strategy should be closely coordinated with the CAP in order to avoid gaps and ensure a smooth transition.
- To help focus CERF funding on priority needs (and avoid “cake-slicing”, the HCT should set key priorities (geographical areas or key sectors) for which the Clusters could then develop specific proposals. OCHA could support this process by providing an analysis of needs and gaps, based on its monthly humanitarian updates as well as FTS data.
- To ease pressure on NGOs that have to produce proposals for CERF funding at extremely short notice, it would be helpful if Cluster coordinators shared the timeline for the submission of CERF grants with all Cluster members.
- The introduction of a systematic update on the implementation of CERF-funded projects in the WASH Cluster is an example of good practice that should be replicated across the other Clusters.
- The gender advisor should provide feedback to the HC and OCHA on the outcome of her project visits so that OCHA can also share this information with the CERF Secretariat.
- To ensure that CERF reporting processes feed into wider discussions, it would be useful if OCHA shared the final CERF report with agencies and if the Inter-Cluster Forum discussed the lessons emerging from it.

General

- The CERF Secretariat should develop a policy on pass-through funding, including rules on indirect support costs.
- UN agencies and IOM should ensure that implementing partners are clear about CERF-related restrictions on funding as opposed to restrictions due to their internal procedures.
- The CERF Secretariat should communicate (through OCHA) to CERF-recipient agencies at field level that, while total indirect costs for CERF-financed projects cannot exceed 7 per cent of the budget, implementing partners can claim direct, project-related costs.
- The CERF Secretariat's request for an update on current CERF-funded projects to inform UFE allocation discussions is an example of good practice that it should replicate across all countries receiving funding from the UFE window.
- The CERF Secretariat should compile good practice examples from CERF allocation processes in different countries. This would be helpful for CERF training as well as stakeholders such as NGOs and government representatives involved in CERF allocation processes.
- Unlike in some countries, agencies provided feedback on the implementation of CERF-funded projects to other stakeholders in cluster meetings. The author considered this to be a good practice that the CERF Secretariat should encourage CERF-recipient agencies to replicate in other countries.
- The CERF Secretariat should make it clear to OCHA offices supporting CERF allocation processes as well as CERF applicant agencies that it welcomes joint programming and proposal documents.

D. Next Steps – 2012 Work Planning and Beyond

The country reviews conducted under the PAF over the last two years as well as a number of other studies, reviews and planning frameworks inform the CERF secretariat work plan for the next year and beyond. These include the five-year evaluation of the CERF, the DFID multi-lateral aid review, a risk assessment conducted by the Danish government, an analysis of risk associated with UN trust funds (including the CERF) and OCHA's strategic framework.

Since the issues identified in the PAF reviews overlap with those identified in the range of documents described above, it may be helpful to outline some of the broader priorities for the CERF secretariat in the coming years, rather than commenting in detail on all findings of the PAF reviews:

- **Monitoring, Reporting and Evaluation:** A common understanding of monitoring, reporting and evaluation has to be established, which distinguishes between these functions as they relate to individual projects or the work of individual agencies, and these functions as they pertain to a specific instrument, such as the CERF or a CHF. A key challenge will be to avoid the tendency to want to establish separate monitoring, reporting and evaluation systems for each financing instrument at the country-level, thus driving up transaction costs. Instead, the priority should be based on setting and measuring outcomes at the country level and at the cluster level, and measuring the contribution of the financing instruments towards those goals.
- **Programme Cycle Management:** In line with OCHA's Strategic Objective 2.4 on a more systematic coordination of the common humanitarian programme cycle (preparedness, needs assessment and analysis, joint planning, resource allocation and monitoring and evaluation), OCHA aims to support a more coherent and integrated programme cycle implementation, and RC/HCs require a better understanding of their leadership role in this respect. A stronger cycle

should lead to better use of the CERF and the country-based pooled funds, particularly the Common Humanitarian Funds, and the humanitarian financing instruments can improve the cycle by more consistently requiring proper needs assessment and prioritization before granting funds. The CERF secretariat will work to deepen efforts on this Strategic Objective.

- **Prioritisation:** Prioritizing humanitarian needs is challenging, and this is even more evident when the prioritization exercise informs funding decisions. Conceptual challenges (how to prioritize, including when to prioritize as timing between CAP and CHF prioritization can be conflicting), institutional challenges (how to referee) and information management challenges (how to apply prioritization) have to be progressively addressed. The CERF secretariat will join other parts of OCHA in the development of additional guidance materials and training on prioritization.
- **Transparency and Inclusiveness:** Several studies found that inter and intra-cluster coordination and inclusiveness around CERF prioritisation and decisions varied considerable from country to country, with some examples of high inclusiveness building on strong cluster/sector leadership and close involvement of cluster members (incl. NGO partners) in CERF prioritisation discussions and decisions, and other examples of UN centric process with little cluster/sector involvement. Similarly, the level of involvement of Humanitarian Country Teams was found to vary between countries. The CERF will continue to work with local colleagues towards ensuring overall better processes at the country level that build on (and strengthens) existing coordination structures and that are based on appropriate levels of inclusiveness and transparency.
- **NGO/UN Partnerships:** CERF grants are often partly implemented by NGOs serving as implementing partners for CERF recipient UN agencies and as such UN/NGO partnership arrangements can be argued to indirectly influence the overall effectiveness of CERF grants. A number of reviews and studies raised issues around timeliness of agencies' sub-grants to NGOs and the general agreements between recipient UN agencies and their implementing partners. The CERF secretariat will commission a dedicated study to capture good practice and identify options for improvements.

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