



Overview of CERF Timeliness Data 2009-2010

CERF Secretariat

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Introduction:

At its November 2010 meeting in Geneva, the CERF Advisory Group (AG) requested the CERF secretariat to “prepare an analysis of the timeliness of CERF disbursements, from CERF to UN agencies, and then to NGOs.”

The following paper provides an overview over key timeliness statistics tracked by the CERF secretariat in 2009 and 2010 for the review and approval of CERF projects and the disbursement of funds. The volume and timeliness of disbursements to NGO partners by recipients of CERF funding as captured in annual CERF country reports is also outlined.

Timeliness of Project Approval and Disbursements to UN Agencies and IOM:

Since facilitating a “timely response to humanitarian emergencies” is the core objective of the CERF outlined in General Assembly resolution 60/124, the CERF secretariat has tracked a number of key timeliness indicators since the launch of the revised CERF in March 2006. There are four key steps measured by the CERF secretariat to determine the length of time necessary to process an application for grant funding:

1. **Number of working days from official submission to final submission:** Once submitted to the CERF secretariat for the first time (i.e. official submission) projects undergo a technical review by the secretariat. Frequently, this will result in one or more rounds of revisions by the appealing agency in order to respond to comments or requests for clarification by the CERF secretariat before an acceptable version of the project proposal is received (i.e. final submission.)
2. **Number of working days from final submission to ERC approval:** After the CERF secretariat technically clears a project proposal for approval by the Emergency Relief Coordinator (ERC), the project proposal is forwarded to the ERC’s office along with a draft approval letter. If the ERC approves the project, the proposal and signed letter are returned to the CERF secretariat for transmission to the recipient agency. The CERF secretariat’s goal is to secure official approval of a project within three working days of receipt of the final proposal for rapid response (RR) grants and five working days for grants under the underfunded emergencies window (UFE.)
3. **Number of working days from ERC approval to LoU signed:** Following approval of the project the CERF secretariat transmits the approval letter and a letter of understanding (LoU) to recipient agencies that sign and return the LoU to the CERF secretariat.
4. **Number of working days from LoU signed to disbursement:** Once a signed LoU is received from agencies, the CERF secretariat submits this to the ERC for a counter-signature. Subsequently, the CERF secretariat forwards the documents to the UN’s Office for Programme Planning Budget and Accounts to request the formal disbursement of funds.

The table below lists the average number of working days required for each of the steps outlined above for the RR and UFE windows during 2009 and 2010.

<i>Timeliness of CERF funds to UN and IOM</i>	2009			2010		
	RR	UF	All	RR	UF	All
Average Working Days						
1. Official Submission to Final Submission	7	18	11	8	13	10
2. Final Submission to USG Approval	3	6	4	2	5	3
3. <i>Official Submission to USG Approval (1+2)</i>	10	24	15	10	18	13
4. USG Approval to LOU Signed	6	6	6	5	5	5
5. LOU Signed to Disbursement	5	5	5	5	5	5
6. <i>USG Approval to Disbursement (4+5)</i>	11	11	11	10	10	10
Official Submission to Disbursement (3+6)	21	35	26	20	28	23

In 2009 and 2010, it took an average of 26 and 23 working days respectively for a project to progress from its initial submission to disbursement. However, agencies can incur expenditures from the start of the emergency, and do not need to wait for the disbursement. As well, many agencies can advance funds from their internal mechanisms. Finally, RR projects, which are typically more time-critical than UFE projects, were approved on average within 10 working days of submission in both years. Additional information on project-level processing times is available in annex one.

Timeliness of Sub-grants to NGOs:

General Assembly (GA) resolution 46/182 of 19 December 1991, established the original CERF with specifying that it could advance funds to “operational organizations of the [United Nations] system.” GA resolution 48/57 of 14 December 1993 subsequently broadened eligibility to include the International Organization for Migration (IOM). When the GA upgraded the CERF through the addition of a grant element in resolution 60/124 of 15 December 2005, it specified that the Fund would “continue to operate in accordance with resolution 46/182”, including the eligibility criteria laid down in the previous GA resolutions.

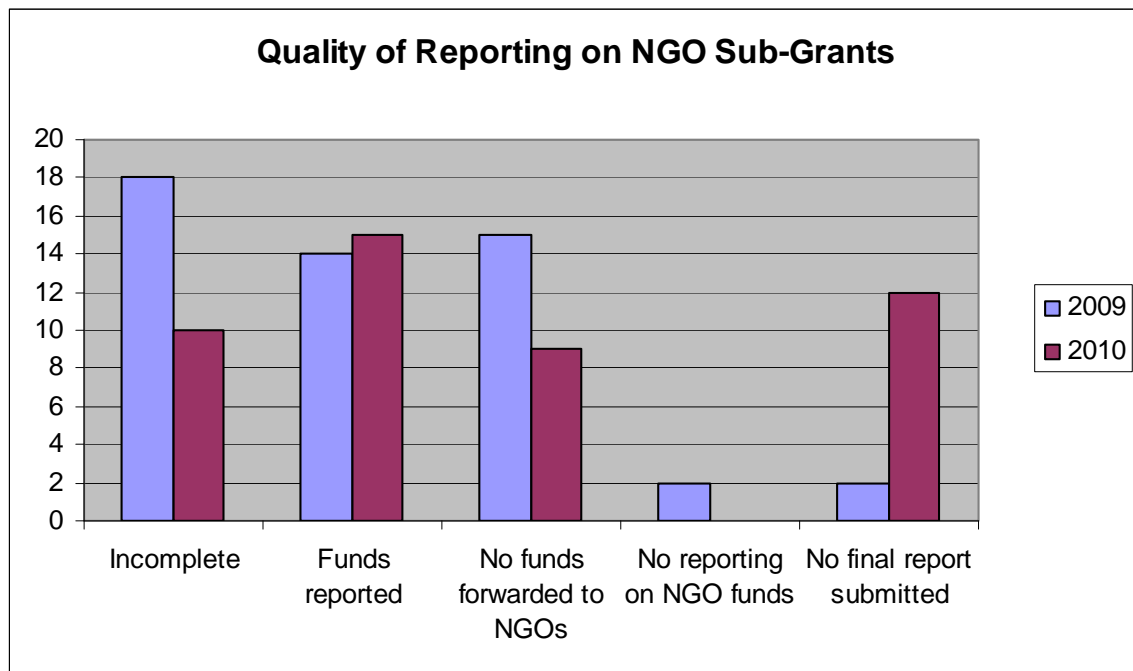
NGOs have thus never had direct access to CERF funds. However, NGOs have benefited from CERF funding indirectly through the CERF’s support to common services, such as emergency telecommunications and air transport. Indeed the guidelines for these services specify that these projects can only be funded if they explicitly benefit the UN agencies and NGOs alike. In addition, NGOs serve as implementing partners for UN agencies and IOM carrying out CERF-funded projects, and their role is critical to the success of such projects.

However, anecdotal evidence indicated that finalizing the sub-granting arrangements and disbursing funds to their implementing partners could take agencies considerable time. The CERF secretariat asks all applicants for grant funding to provide a detailed cost breakdown, including a list of all anticipated sub-grants including the name of the recipient, amount and intended purpose to the extent possible. The UN agencies then track agencies disbursements to NGOs through their own financial management systems.

Starting with the 2009 annual report of the Resident/Humanitarian Coordinator (RC/HC) on the use of CERF funds (were due on 31 March 2010), the CERF Secretariat used a revised template which included a table listing all sub-grants to implementing partners. Agencies were asked to include the name of the implementing partner, amount disbursed, date disbursed as well as under

which CERF grant the sub-grant took place. The objective was to gain a better understanding of the role of NGOs in implementing CERF projects.

Our initial analysis of the 2009 and 2010 RC/HC reports shows that reporting on these sub-grants was uneven. The chart below outlines the degree of completeness of reporting on NGO sub-grants across the reports in 2009 and 2010. Out of the 51 countries that received CERF funding in 2009, only 14 provided what appeared to be a comprehensive account of the funds forwarded to NGOs. The majority of countries only offered an incomplete report of NGO sub-grants or indicated that no funds at all had been passed on to NGOs. Two countries did not report at all on NGO funds and two further countries – Haiti and Pakistan – were unable to submit an annual report for 2009 as they were hit by large-scale natural disasters in 2010.



There has been some improvement in the quality of reporting on NGO funds in the 2010 RC/HC reports. The number of clearly incomplete reports decreased from 18 to 10 and the number of apparently comprehensive accounts increased slightly from 14 to 15. As of 4 April 2011, 12 RC/HC reports remained outstanding (the deadline for submission was 15 March 2011). The CERF secretariat is pursuing the outstanding reports through follow-up with the relevant RC/HCs. Further information on the quality of reports is available on a country-basis in annex three.

The table below provides a summary of UN Agencies' and IOM's sub-grants to NGO implementing partners as contained in the annual RC/HC reports

NGO Sub-Grants ¹						
Year	Number of NGO Partners reported	Average number of working days to forwards funds to NGO partners (All Projects)	Average number of working days to forwards funds to NGO partners (RR)	Average number of working days to forwards funds to NGO partners (UFE)	Sub-grant amounts reported	<u>Reported sub-grants as share of all CERF funds disbursed</u>
2009	176	51.4	50.3	62.8	\$40.7 million	10.20%
2010	165	54.4	53.6	70.4	\$47.5 million	11.30%

NB: Based on available agency reporting. See annex two for overview of completeness of country reports

The table shows that it took on average two months for recipients of CERF funds to finalize sub-granting arrangements and disburse funds to their NGO partners. This masks significant individual variation. For example, in 2010, 15 per cent of sub-grants were disbursed within nine working days of the disbursement of the CERF grant whereas 13 per cent took more than 100 days. Overall, sub-grants for projects approved under the rapid response window were disbursed more quickly (i.e. within 50 or 53 days) than those under the underfunded emergencies window (i.e. within 62 or 70 days). Annex two contains additional information regarding the distribution of processing times

As noted above, 13 per cent of grants took more than 100 days to be disbursed to NGOs. To better understand what these results indicate, the CERF Secretariat asked UNICEF and FAO to follow-up on selected grants with long processing times. For UNICEF, these were located in Kenya, Burundi, Sri Lanka and Cote D'Ivoire, while for FAO they were in Kenya and Ethiopia.

UNICEF stated that some delays had been caused by project development problems, such as reaching agreement with implementing partners on final project plans. In addition, limited numbers of implementing partners, supply line interruptions, and weather-related implementation problems had likewise delayed disbursement of funds to partners. UNICEF also noted that the CERF secretariat's queries on delayed disbursements only accounted for one per cent of funds received by UNICEF in 2009 from CERF.

UNICEF notes that they were continuing to improve their systems to ensure the timely disbursement of funds and supplies to humanitarian partners. Further, UNICEF reported having an ongoing commitment to strengthen partnerships and had undertaken two consultations in 2009 and 2010 with its NGO partners to work on partnership issues. As a result of these, UNICEF is currently revising its standard partnership agreement and corresponding procedures. UNICEF expects that this process will strengthen collaboration with NGO partners and speed up disbursement of sub-grants.

FAO reported that delays due to security and access issues had impeded rapid disbursement of funds to implementing partners in Ethiopia. In Kenya, FAO noted delays in project implementation due to poor weather conditions. The implementation timelines of a number of

¹ Please note that this table may significantly under-report the volume of sub-grants disbursed by the principal recipients of CERF funds since reporting remains incomplete (see annex 2 for details).

projects depended on seasonal rains. However, because these were delayed by several months NGO proposals had to be adapted to ensure activities and target areas remained appropriate.

The amount sub-granted to NGO partners as reported in the annual reports of the HC on the use of CERF funds shows an increase from \$40.7 million in 2009 to \$47.5 million in 2010. As 12 RC/HC reports remained outstanding as of writing, we expect that there will be a further increase in this amount as additional reports become available. At this point, the number of NGO sub-grants reported as well as the percentage of CERF funds going towards NGOs has remained relatively steady in 2009 and 2010 with roughly 170 sub-grants issued making up just under 11 percent of CERF funding.

Comments and Next Steps:

When the CERF Secretariat began to collect data on disbursement to NGOs, we anticipated that it might take several years to build a reliable data set. This analysis helps to illustrate the deficiencies in the data as it has been reported, and thus allows us to understand how we might improve the reporting.

The first and most obvious problem is that the volume of sub-grants disbursed by the principal recipients of CERF funds to NGO partners seems to be under-reported. Anecdotal evidence gained during country visits and interactions with field staff would suggest a much larger reliance on NGO implementing partners than implied in the annual reports. In addition, a comparison of anticipated sub-grants described in proposals with those reported reveals significant disparities with a series of large scale grants foreseen in proposals going unmentioned in the annual reports.

Second, reporting is incomplete. Not all countries have included this data in the reports. It is also unclear if those who reported that no funds were transferred to NGOs are stating an accurate measurement, or simply did not report.

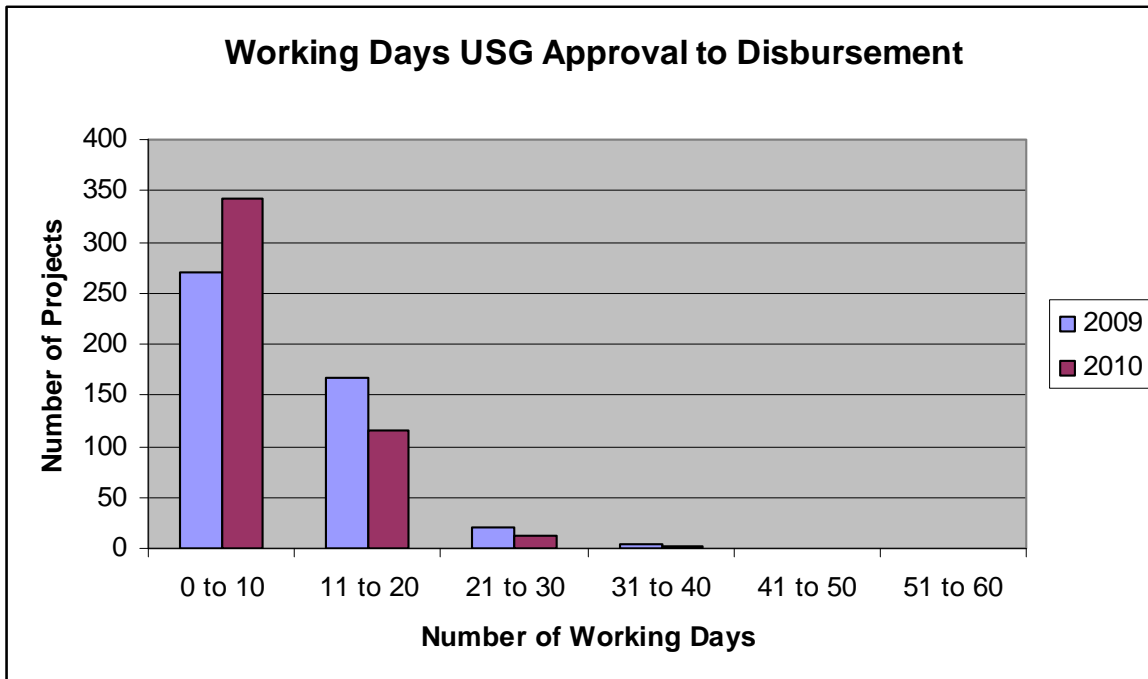
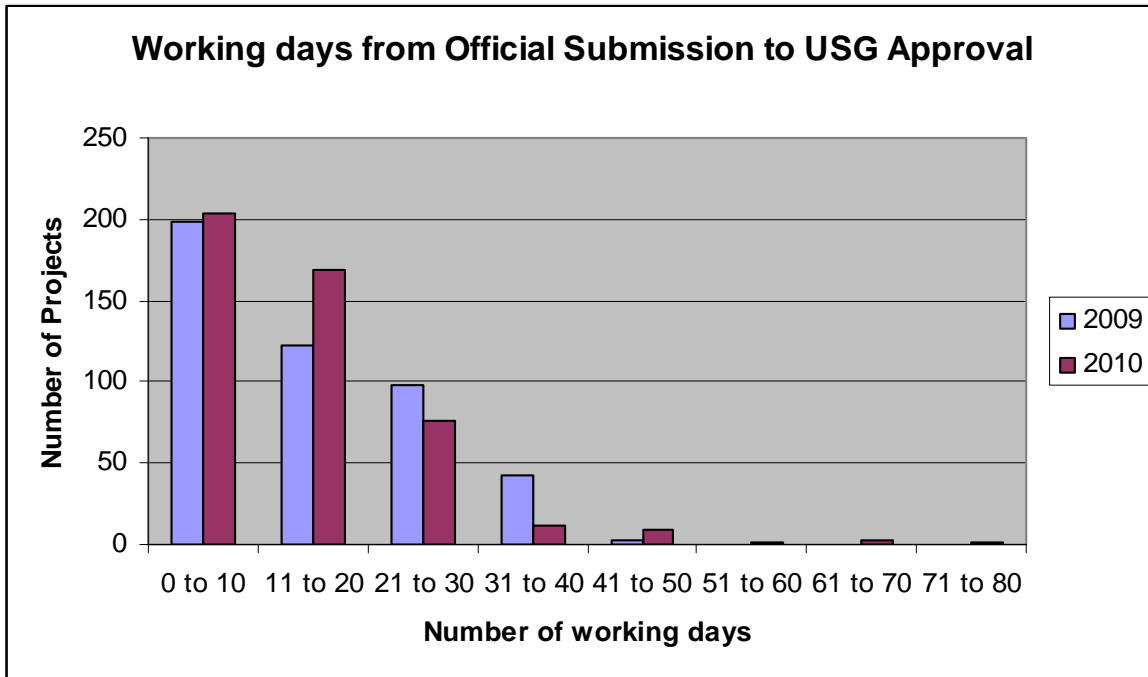
Third, it is unclear how the UN agencies calculate the disbursement data, and whether it reflects a first payment, or a final payment.

Finally, it will be necessary to get the complete set of 2010 RC/HC reports to do a more detailed comparative analysis of the 2009 and 2010 reports.

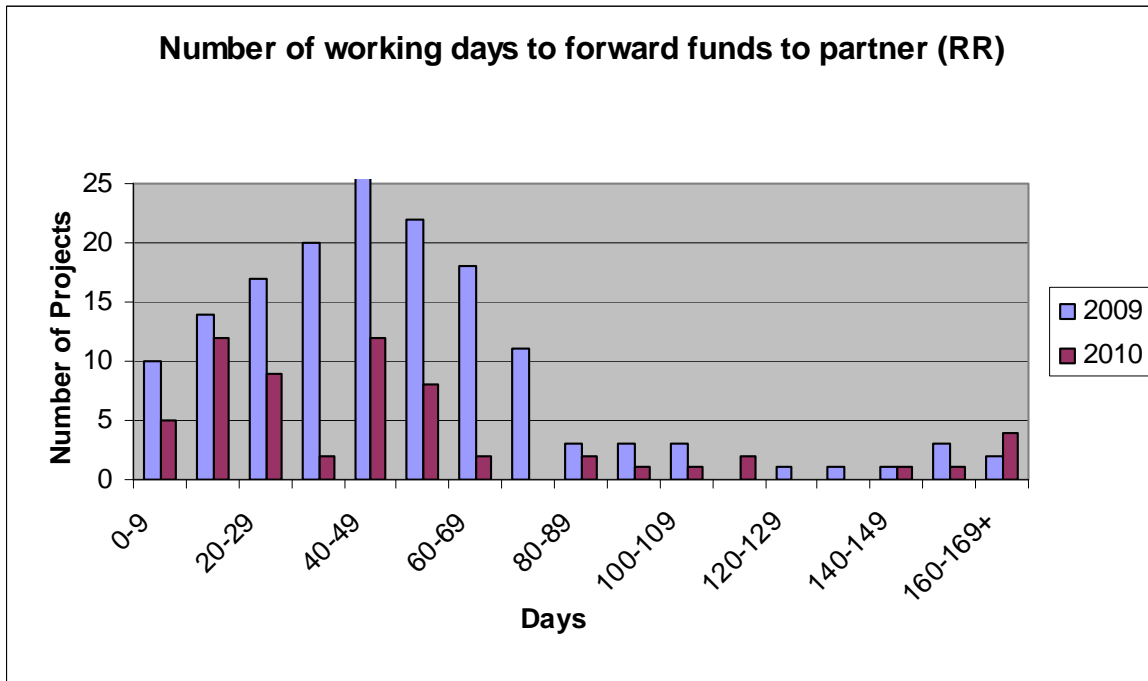
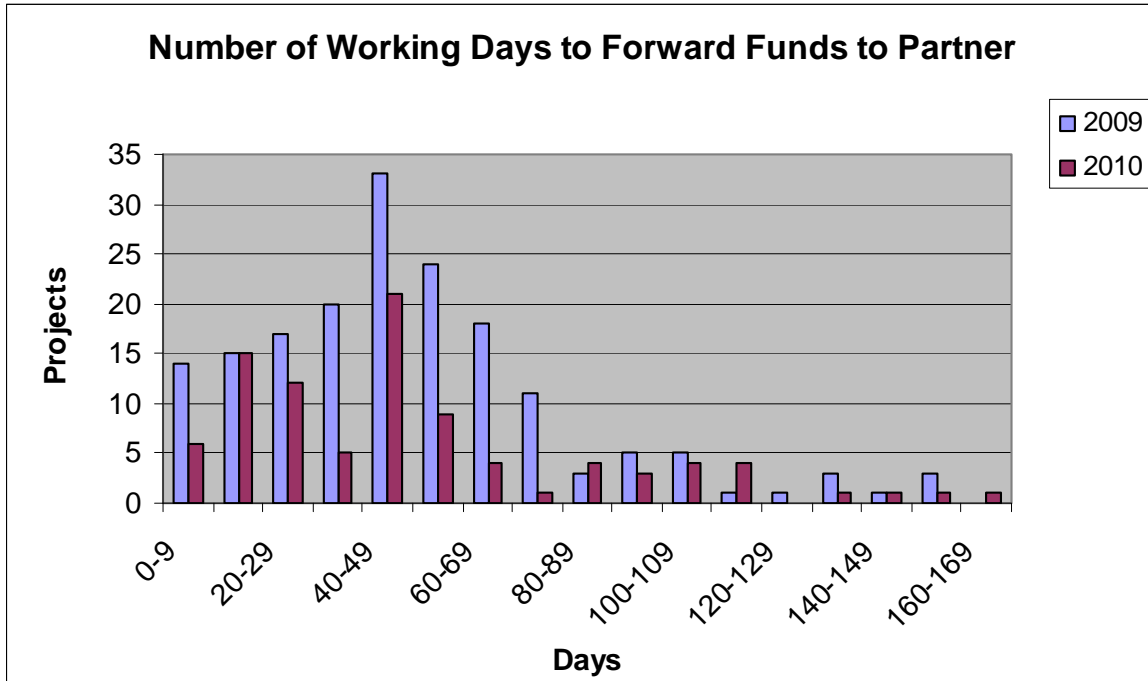
The CERF Secretariat continues to believe that it is important to be able to measure the amount of funds transferred to NGOs, and the speed at which these transfers occur. In order to improve the quality and comprehensiveness of the data, the CERF Secretariat will conduct a more detailed analysis of data gathered so far, identify the shortcomings in the reporting, and then work with UN agency counterparts to improve their inputs to the RC/HC reports. This will likely include enhanced guidance tailored to each agency's financial system. In addition, the timeliness of disbursements to NGO partners will feature in the country-level reviews of the value-added of the CERF foreseen under the Performance and Accountability Framework. For 2011, the CERF secretariat is organizing reviews in Bolivia, Colombia, Ethiopia and Myanmar.

The CERF Secretariat will also follow up with agencies on the basis of the 2010 RC/HC reports to understand the reasons for above-average delays in transferring funds. Through this work, it should be possible over time to develop clear benchmarks for agency performance, so that future analysis can focus on deviations from these benchmarks.

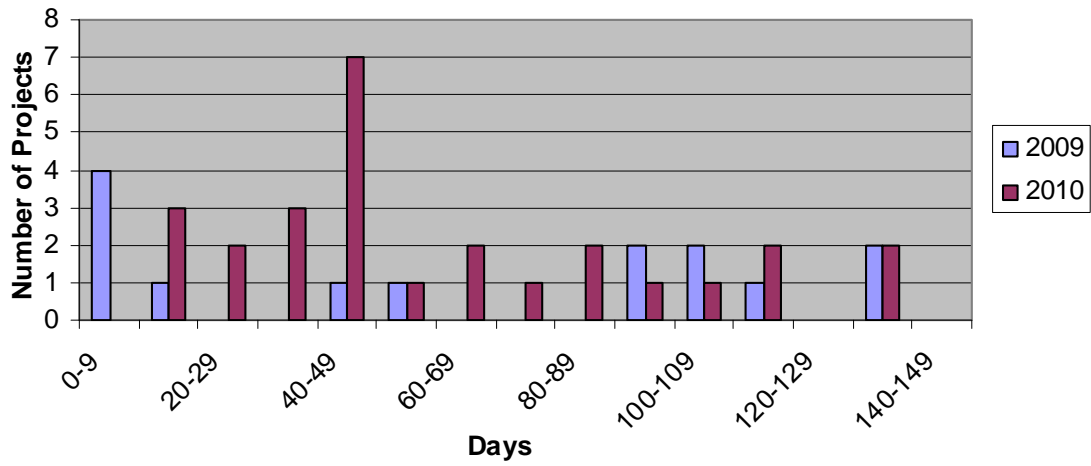
Annex 1 – Additional project-level timeliness of review, approval and disbursement of CERF projects



Annex 2 – Additional project-level timeliness of sub-grants



Number of working days to forward funds to partner (UFE)



Annex 3 – Summary of Country Reporting on NGO Funds

Country	2009 NGO Reporting	2010 NGO Reporting ²
Afghanistan	Incomplete	No final report submitted
Algeria	Funds reported	No CERF grants
Angola	Funds reported	No CERF grants
Benin	No CERF grants	No final report submitted
Bhutan	No funds forwarded to NGOs	No CERF grants
Bolivia	No CERF grants	Funds reported
Burkina Faso	Funds reported	Funds reported
Burundi	Incomplete	No CERF grants
Cameroon	No CERF grants	No final report submitted
Cape Verde	No funds forwarded to NGOs	No CERF grants
Central African Republic	Incomplete	Funds reported
Chad	Incomplete	Funds reported
Chile	No CERF grants	Funds reported
China	No CERF grants	No funds forwarded to NGOs
Colombia	Incomplete	Incomplete
Congo	Incomplete	No final report submitted
Congo, The Democratic Republic of the	Incomplete	Incomplete
Cote d'Ivoire	Funds reported	No CERF grants
Djibouti	No funds forwarded to NGOs	No funds forwarded to NGOs
Dominican Republic	No CERF grants	Funds Reported
El Salvador	Funds reported	No CERF grants
Eritrea	No funds forwarded to NGOs	No funds forwarded to NGOs
Ethiopia	Incomplete	Funds reported
Gambia	No funds forwarded to NGOs	No final report submitted
Georgia	Funds reported	Incomplete
Guatemala	No funds forwarded to NGOs	Incomplete
Guinea	Funds reported	No final report submitted

² As of 4 April 2011

Haiti	No final report submitted	Funds reported
Honduras	Incomplete	Incomplete
Indonesia	Incomplete	No CERF grants
Iraq	No funds forwarded to NGOs	No funds forwarded to NGOs
Kenya	Funds reported	Incomplete
Korea, Democratic People's Republic of	No funds forwarded to NGOs	No funds forwarded to NGOs
Kyrgyzstan	No CERF grants	Funds reported
Lao People's Democratic Republic	Funds reported	No CERF grants
Lesotho	Funds reported	No funds forwarded to NGOs
Madagascar	Funds reported	No funds forwarded to NGOs
Malawi	No funds forwarded to NGOs	No CERF grants
Mali	No CERF grants	No final report submitted
Mauritania	Incomplete	Funds reported
Mongolia	No CERF grants	Funds reported
Mozambique	No funds forwarded to NGOs	No final report submitted
Myanmar	Incomplete	Funds reported
Namibia	Funds reported	No CERF grants
Nepal	Funds reported	Funds reported
Nicaragua	No reporting on NGO funds	No CERF grants
Niger	Incomplete	Incomplete
Nigeria	No funds forwarded to NGOs	No final report submitted
Pakistan	No final report submitted	No final report submitted
Palestinian territory, occupied	Incomplete	No CERF grants
Philippines	Incomplete	Funds reported
Senegal	No CERF grants	No final report submitted
Somalia	Incomplete	No CERF grants
Sri Lanka	Funds reported	Funds reported
Sudan	No reporting on NGO funds	No final report submitted
Swaziland	No funds forwarded to NGOs	No CERF grants
Syrian Arab Republic	No funds forwarded to NGOs	No CERF grants

Tajikistan	No CERF grants	No funds forwarded to NGOs
Tanzania, United Republic of	Incomplete	No CERF grants
Togo	No CERF grants	Incomplete
Uganda	No funds forwarded to NGOs	No CERF grants
Uzbekistan	No CERF grants	No funds forwarded to NGOs
Yemen	No funds forwarded to NGOs	Incomplete
Zimbabwe	Incomplete	Incomplete

Incomplete = data missing- such as project numbers, amounts, dates missing or dates only recorded as month/year

No funds forwarded to NGOs = country reported that no funds were forwarded to NGOs

No reporting on NGO funds = unclear if any money was forwarded to NGOs

No CERF grants = No grants were made to that country in the given year and, hence, no report was due