



Interim update on UN Agency¹ Sub-Granting of CERF Funds to Implementing Partners in 2012

CERF secretariat, May 2013

1. Introduction and Background

The sub-granting of CERF funds to non-governmental organizations (NGOs) and other implementing partners (IPs) has been a priority issue for the CERF secretariat for a number of years. UN agencies receiving CERF grants rely to a significant extent on partners, such as NGOs, for the implementation of CERF-funded projects. Therefore, the speed at which agencies sub-grant funds to implementing partners is considered to be a factor in determining the timeliness and effectiveness of CERF-funded projects and, to a degree, of CERF. This issue is not exclusive to CERF but part of broader UN/NGO partnership arrangements.

Starting with the annual reports of Resident and Humanitarian Coordinators (RC/HCs) on the use of CERF funds in 2009, which were submitted in March 2010 and beyond, the CERF secretariat has requested that agencies list sub-grants to NGOs in an annex. As agencies are also requested to outline intended sub-grants to IPs in their CERF proposals, this allows for a comparison between anticipated and actual sub-granting. Under the revised format for the narrative reports on the use of CERF funds in 2011, which were submitted in March 2012, agencies were also requested to list sub-grants to governmental IPs as well as the start date of CERF-funded activities by the IPs. 2012 will be the fourth year for which sub-grant information is requested as part of the RC/HC annual country reports and this note provides an interim analysis of sub-granting data available as of 3 May 2013.

2. State of the Data, Methodology and Data Description

The data used for this analysis was extracted from the annual reports of the RC/HCs on the use of CERF funds in 2012. As in the previous year, the CERF secretariat has requested that agencies indicate the implementing partner type and the start date of CERF-funded activities by implementing partners. This is in addition to the name of the implementing partner, the amount forwarded to the implementing partner and the date of first instalment. Additional information necessary for the analysis, such as the CERF grant amount, the date of CERF disbursement to the recipient UN agency, and the originally proposed funding to implementing partners, was taken from the CERF database.

The RC/HC annual reports are due on 15 March and cover the use of CERF funds in the preceding calendar year. Upon receipt, reports are reviewed by the CERF secretariat and, if necessary, returned to the field with detailed comments and requests for revision. After revision, reports are resubmitted to the CERF secretariat. Reports may undergo multiple rounds of commenting and revision before they are finalized and uploaded to the CERF website. It may take two to three months to complete this process and to finalise all reports. Sub-granting data

¹The terms “UN agencies”, “UN agencies and IOM” and “agencies” are used interchangeably.

from the RC/HC reports is only included in the CERF database and in the consolidated analysis once it has been cleared and the report finalized.

As of writing, 12² out of 48 country reports contained finalised data to be included in the analysis. The 12 countries represent \$67.8 million³ out of a total of \$477.3 million allocated in 2012, equivalent to only 14 per cent of total CERF funding disbursed in 2012 and 13 per cent of the total number of project grants provided. Of the 12 countries, 11 received Rapid Response (RR) grants in 2012 and three received Underfunded Emergencies (UFE) allocations. As a result, the data set available for this update is limited and only permits limited statistical analysis. A comprehensive and final analysis will be undertaken once data from all reporting countries has been finalised and entered into the CERF database.

3. Sub-Grant Analysis

This section presents preliminary information on the sub-granting of CERF funds in 2012 based on a limited number of reports received so far.

Table one describes the average number of working days taken by agencies to disburse sub-grants after the disbursement of the original CERF grant. At 58 days, this is virtually identical to 2010 figures albeit slower than what was reported for 2011. A significant decrease, however, was registered in the timeliness of sub-grants under the rapid response (RR) window, which at 37.5 working days was the lowest recorded to date. This stands in contrast to slow sub-granting indicated for projects in the underfunded emergencies (UFE) window, which at an average of 87.4 working days was the slowest on records.

It remains to be seen to what extent these figures will change once analysis of the full data set is undertaken.

| Table 1 - Timeliness of CERF sub-grants by Year | | | | | | |
|--|--------------------------------------|---|--|--|------------------------------|------------|
| YEAR | Total number of CERF projects | Number of CERF projects included in the analysis | Total number of sub-grants reported | Average number of working days from CERF disbursement to first instalment forwarded to implementing partner | | |
| | | | | Rapid Response | Underfunded Emergency | All |
| 2009 | 466 | 466 | 171 | 50.4 | 62.8 | 51.4 |
| 2010 | 468 | 468 | 121 | 53.9 | 70.4 | 59.2 |
| 2011 | 472 | 472 | 600 | 41.2 | 62.3 | 50.5 |
| 2012* | 520 | 70 | 167 | 37.5 | 87.4 | 58.0 |

*Partial data based on reporting from 12 finalised CERF country reports (representing 70 projects) out of a total of 48 reports due for 2012 (representing a total of 520 projects).

Table two outlines the overall total of CERF funds allocated by calendar year, the total of sub-grants reported and the percentage of funds that went to implementing partners for those projects that reported sub-grants. As can be seen, CERF allocated \$477.3 million in 2012, an increase of more than \$50 million compared to 2011. The high volume of allocations in 2012 is partly linked

² Reports from Burundi, Lebanon, Ghana, Senegal, Cameroon, Sierra Leone, Paraguay, Angola, Uganda, Iraq, Nepal and Republic of the Sudan have been included in the analysis.

³ \$38.7 million provided under the Rapid Response window and \$16.1 million under the Underfunded Emergencies window.

to high profile emergencies such as Sahel and Syria and reflects the availability of extraordinary amounts of funding in 2012 as a result of a one-time transfer of funds from the loan element of CERF to the grant element.

It should be noted that even with data from only 12 out of 48 countries (representing \$54.8 million out of a total of \$477.3 million allocated in 2012), there are \$17.8 million in reported sub-grants. This surpasses the totals from 2009 and 2010 which only reported about \$12 million each. This would confirm the understanding that there has indeed been a significant improvement in the reporting of sub-grants since this exercise was launched in 2010 and it may be an indication that the steep upward trend in reporting observed in 2012 will continue this year.

| YEAR | Total amount of CERF funds provided US\$ million | Total funding to CERF projects included in the analysis US\$ million | Total amount of CERF sub-grants reported US\$ million | Sub-granting share of those CERF projects that reported sub-grants % | Total reported sub-grants share of all CERF projects included in the analysis % |
|--------------|---|---|--|---|--|
| 2009 | 397.4 | 397.4 | 12.8 | 29.4 | 3.2 |
| 2010 | 415.2 | 415.2 | 12.0 | 33.8 | 2.9 |
| 2011 | 426.2 | 426.2 | 74.7 | 36.0 | 17.5 |
| 2012* | 477.3 | 67.8 | 17.8 | 32.6 | 26.4 |

* Partial data based on reporting from 12 finalised country reports out of a total of 48 reports due, representing \$67.8 million in CERF grants to 70 projects out of a total of \$477.3 million allocated in 2012 towards 520 projects.

The sub-granting share, however, has remained largely steady. For 2012, those projects that did report one or more sub-grants indicated that an average of 32.6 per cent of CERF grants had gone to implementing partners, a level comparable to previous years which fluctuated between 29 and 36 per cent.

Table three provides a preliminary breakdown of reported sub-grants by type of implementing partner. As can be seen, international non-governmental organizations (NGOs) are by far the largest reported recipients of CERF funds as implementing partners in 2012. This holds true for both the RR and UFE windows with 63.5 per cent and 78.3 per cent of all sub-grants under each window respectively. Government implementing partners is a distant second receiving 22.8 per cent of all sub-granted funds under the RR window and only 9.9 per cent under the UFE window equivalent to an overall share of 17.9 per cent. For sub-grants reported under the UFE window, national NGO's surpassed government partners as second largest implementing partner of CERF funds with 11.2 per cent of total sub-grants.

The preliminary distribution of sub-grants per type of implementing partner in 2012 varies significantly from 2011 data. For 2011 sub-grants to international NGOs came to 46.1 per cent which is considerably lower than the 69.2 per cent reported in the current data set for 2012. With 20.8 per cent in 2011 the share for government partners is comparable to the current 17.9 per cent indicated for 2012, whereas national NGOs represented a much higher share in 2011 with 33.1 per cent. It is, however, too early to draw firm conclusions in this respect as the final distribution for 2012 may change considerably once the full data set is available for analysis.

| Table 3 - CERF 2012 Sub-granting by Type of Implementing Partner* | | | | | | |
|--|----------------------------|---|-----------------------------------|---|-------------------|-------------------------|
| PARTNER TYPE | Rapid Response US\$ | Percentage of sub-granted Rapid Response | Underfunded Emergency US\$ | % of sub-granted Underfunded Emergency | Total US\$ | % of sub-granted |
| Government | 2,511,110 | 22.8 | 683,075 | 9.9 | 3,194,186 | 17.9 |
| International NGOs | 6,986,519 | 63.5 | 5,388,301 | 78.3 | 12,374,820 | 69.2 |
| National NGOs | 559,047 | 5.1 | 770,118 | 11.2 | 1,329,165 | 7.4 |
| Red Cross/ Red Crescent | 941,354 | 8.6 | 43,087 | 0.6 | 984,441 | 5.5 |
| TOTAL | 10,998,030 | 100 | 6,884,581 | 100 | 17,882,612 | 100 |

* Partial data based on reporting from 12 finalised country reports out of a total of 48 reports due, representing \$67.8 million in CERF grants out of a total of \$477.3 million allocated in 2012.

4. Conclusion and Next Steps

As outlined above, the limited available information (only 12 out of 48 reports finalised) prevents an elaborate analysis of 2012 CERF sub-grant data. The breakdowns calculated to date and presented in this paper are, however, to a large degree consistent with results from previous years.

Disbursements of sub-grants took place on average 58 working days after the disbursement of the initial CERF grant. There were, however, significant differences between the RR and UFE windows, most likely at least partly due to the small sample size (only three UFE recipient countries are included in the current data set). In addition, it should be recalled that disbursement date alone is an insufficient indicator for timely response or operational effectiveness. For example, agencies may have funding agreement with implementing partners that are not necessarily tied to the duration of CERF grant (e.g. UNHCR's annual sub-project agreements). More detailed discussions on this are contained in papers prepared by the CERF secretariat for previous AG meetings.

The share of funds going to implementing partners also seems to be holding steady. As in previous years, those projects that did report making one or more sub-grants indicated that roughly a third of the CERF grant went to implementing partners. Of these, INGOs received the majority of sub-granted funds by a significant margin followed by government partners. This is in line with findings from previous years although the current share indicated for international NGOs in 2012 is well above the corresponding figure for 2011.

The CERF secretariat will over the coming month include additional data on sub-grants in its database from the full set of completed RC/HC reports and will revert to the Advisory Group with a more extensive analysis for its fall meeting. In addition, once the complete analysis of 2012 sub-grants is available the CERF secretariat will approach recipient agencies to discuss the data and to better understand the findings and their operational impact.