

Background:

Established in 2006 in the United Nations General Assembly as a ‘fund for all, by all’, the Central Emergency Response Fund (CERF) is the UN’s global emergency response fund. With a track record of more than 10 years, CERF is known as a fast and flexible funding tool enabling frontline humanitarian partners to kick-start urgent response in sudden onset or rapidly deteriorating crises. However, since CERF was established, humanitarian crises have increased in scale, complexity and duration. In the last ten years, the number of people in need of urgent humanitarian assistance has grown from 32 million to 130 million. During these past ten years, global humanitarian needs have quadrupled from \$5.2 billion to over \$22 billion in 2016, whereby the share of CERF current funding target against the global requirements has declined from 8.7 to 2.1 per cent. The present level of the CERF has not kept pace with the growing scale of needs.

In this respect, the UN Secretary General recommended an expansion of CERF to \$1 billion by 2018. This was endorsed by the UN General Assembly (GA) in late 2016 where the GA resolution called upon all Member States, and invited the private sector and all concerned individuals and institutions, to consider increasing their voluntary contributions to the Fund, emphasizing the need to broaden and diversify the income base of the Fund. As a GA established ‘fund for all, by all’, CERF seeks to enhance member state leadership and commitment to expand and diversify the donor base. More than 126 UN Member states and observers, regional Governments, private donors and individuals have contributed to CERF. However, CERF’s top 10 donors contribute more than 90% of the funding to CERF. These include: UK, Netherlands, Sweden, Norway, Canada, Germany, Denmark, Australia, Ireland and Spain. At the same time, a unique feature of CERF is that many non-OECD DAC countries including 46 CERF recipient countries as well as countries in the least-developed, middle and upper middle income categories have contributed to CERF¹. While modest in amount and regularity, their contributions express the commitment to CERF from a wide group of Member States. In addition, it also represents an opportunity to capitalize on their potential in terms of their increased political and financial engagement to CERF. In general, CERF donors’ annual contributions range from \$80million to \$1000.

Initiative to Promote a Fair Sharing Approach:

The CERF Advisory Group has requested the CERF Secretariat to explore a ‘fair sharing’ approach to expand and diversify the donor base for CERF². Subsequently, at the CERF High Level Conference in December 2016, Sweden proposed a partnership with CERF and other Member States to explore additional income where all Member States contribute to CERF based on their economic strength and capacity, reflecting CERF’s role as a platform for shared responsibility for humanity.

¹69 Member States have yet to contribute to CERF.

² In 2015, CERF commissioned an external study to review the technical aspects related to funding of CERF through assessed contributions. Due to limited support by a significant number of the UN’s Member States, as well as the expected impact on CERF’s grant allocation pace that assessed contributions could be expected to have, funding of CERF through assessed contributions has so far not been further explored.

Fair burden sharing is a well-known concept for a range of ‘public good’ issues that requires international co-operation – e.g., Paris agreement and negotiations on reducing carbon emissions. However, to avoid the ‘political’ dynamics associated with the term ‘burden sharing’ (costing of burden, responsibility of sovereign states), the term *solidarity funding* may be more appropriate to CERF, not least as a ‘fund for all, by all’ established in the UN General Assembly. However, this term may not resonate well with partners where the term may not align with their political ideology. A more ‘appropriate’ term may need to be found to express the core issues of sharing the responsibility to help people most in need.

Both the ‘what’ is done and ‘how’ is important to ensure optimal success of an initiative that mobilises and incentivizes all Member States to both contribute and to contribute more to CERF, including among Member States that are not among the top 20. The CERF Secretariat would therefore like to explore the possibility of ‘fair sharing’ initiative through a two-stage process:

- An understanding of the conceptual and operational parameters and options to express shared responsibility in terms of Member State contributions to CERF linked to their economic capability. This would be done through an external consultancy with the objective to submit a report outlining how CERF could approach this. Additional details will be covered in the ToR.
- An initiative that calls on Member States to increase their contributions to CERF - in this challenging environment – as an expression of solidarity to people most in need requires their political leadership and commitment. Therefore the technical review of options should be used to inform the strategy for a political approach that reinforces the leadership of Member States and promotes their ownership in mobilizing additional funding to CERF.

Key Principles (there could be others):

The following outlines some key principles to set the overall approach in developing the initiative:

- Framing the issue the right way is critical to promote the collaboration of the diverse Member States of the GA. A ‘partnership’ initiative (joint leadership) between Member States that represent the top donors to CERF as well as recipient countries and others grounded on the understanding of the humanitarian action being a common challenge and CERF as a platform to express ‘shared responsibility’.
- Even under a fair-share approach contributions from Member States are considered voluntary commitments towards CERF.
- The definition of ‘capability’ of Member States to contribute should rest with Member States individually but a range of contribution thresholds will be outlined through the technical consultancy.
- Current key donors should not reduce their share of contributions to CERF in view of any potential increase from other Member States or if they exceed ‘fair-share’ thresholds.

Possible Way Forward:

- Technical consultancy to review the options of a possible solidarity funding approach to mobilise additional and regular resources to CERF by all Member States.

- Establish a Steering Group with Member State representations that includes representatives from both key donors and other Member States that represent the category of Member States that are being targeted by the initiative. The objective of the Steering Group will be to provide guidance to the overall process and review the options and proposed recommendations by the technical consultancy.
 - Co-chairs: The SG could have two lead chairs to represent the partnership between top donors and other Member States to CERF. E.g., Sweden could be one of the co-chairs with another Member State that represents a key grouping that is important for this initiative (Africa group?).
- Based on recommendations, the launch of the initiative could be a milestone for key Member States to show their leadership to CERF at an event (Sept).
- This could set the launch of 'actions' to mobilise outreach and advocacy in the lead-up to the HLC for 2017 in December. Ideally, it should lead to an increased number of Member States making commitments to CERF based on various income thresholds as defined in the report linked to their economic capability.