

# **Independent review of the role of CERF in smaller-scale emergencies**

**FINAL REPORT: Dec 30<sup>th</sup> , 2020**

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**Humanitarian Outcomes**

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# 1 Table of Contents<sup>1</sup>

1. Executive summary
2. Introduction and Aims
  - a. Scope of the Review
  - b. Country Selection
3. Summary of country findings
  - a. Djibouti
  - b. Haiti
  - c. Lesotho
4. CERF support for timely, multi sectoral response and stimulating Government action:
  - a. Rapid Response window
  - b. Gap filing role of UFE
  - c. Country specific findings on RR/UFE
5. CERF and donor engagement in smaller, chronic emergencies
  - a. The role of CERF
  - b. To what extent did CERF allocations leverage/mobilise additional funding from other sources, including internal resources?
6. Are larger and/or longer CERF allocations warranted in all or a subset of smaller emergencies?
  - a. CERF country-level allocations and absorption capacity
  - b. Absorption capacity
  - c. Can CERF contribute to resilience building, strengthening response and preparedness systems?
7. Overarching Conclusions

## Annexes

- A: Country Study – Djibouti
- B: Country Study – Haiti
- C: Country Study – Lesotho
- D: Review purpose, scope and key questions (Methodology)
- E: Terms of Reference

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<sup>1</sup> NB: The views expressed in this report are those of the researchers, not necessarily those of CERF/OCHA.

## 1. Executive Summary

Focusing on three ‘smaller emergencies’ among near-annual recipients of CERF funding—Djibouti, Haiti and Lesotho—this study sought to capture the distinctive forms of value-add that CERF brings to these emergency contexts. These countries are subject to chronic or cyclical emergencies. They were selected from other ‘smaller emergencies’ because CERF repeatedly serves as a primary donor to all catastrophic events which warrant a large-scale response. These occur relatively frequently and sometimes at multiple points within a calendar year. These three countries also share the fact that CERF allocations rarely appear to leverage additional support from larger *emergency* donors. This characteristic needs to be treated with an element of caution in that there is a possibility that funding leveraged by CERF allocations is not recorded by OCHA’s FTS system, from which funding data was drawn. Specifically, the three contexts selected had the following characteristics:

- Emergency appeals less than \$150 million in the review period;
- CERF contributions of 40% or more towards their emergency appeals. In two of the three cases studied here (Djibouti and Lesotho) the proportion of CERF funding is much higher;
- CERF allocations were viewed as consistent with CERF’s life-saving criteria; i.e., gaps in country led response justified the use of a global funding instrument.
- High levels of rural poverty: outside each capital, indicators in health, nutrition, WASH, etc. are chronically low, and easily pushed into emergency thresholds. In Djibouti and Haiti, capital cities have large zones of extreme vulnerability.
- Low absorption capacity of responsible government institutions; few emergency partners (donors and agencies/INGOs/NGOs).
- Little to no global media coverage of these crises, because they pose little risk or strategic interest to powerful regional states or to major donor countries.
- Populations under 5 million
- Relative political stability, with two LMIC countries
- Extreme levels of wealth inequality, high chronic vulnerability/emergency indicators across all essential sectors

The study was undertaken through remote interviews, desk reviews and a field visit to Djibouti (Covid-19 prevented further visits).

### Study Aims

The report begins by detailing the salient characteristics—common and divergent—of a representative sample of ‘smaller emergencies’: Lesotho, Djibouti and Haiti. The study tests a number of hypotheses. Firstly, that while CERF funding in these smaller emergencies constitutes a vital source of life-saving funding, the specific characteristics of these contexts cause CERF to work in a manner that contradicts one of its original aims: to avoid being the most significant source of humanitarian financing. In addition

- there is high reliance on CERF funding because there are few emergency donors and/or CERF rarely triggers follow-on funding
- a limited proportion of humanitarian needs are likely to be met
- sectors or clusters not initially prioritized for CERF funding might remain unaddressed
- CERF funded activities are not likely to extend beyond the duration of CERF support.

The study asks whether larger CERF allocations are justified given the low absorption capacity typical of these contexts. In what ways, if any, would CERF add value and save more lives by increasing the size of its allocations? What challenges might larger envelopes encounter, what consequences might they have? Are there any alternative emergency response models operating in these contexts that could reduce CERF dependency and enhance government ownership/leadership in emergencies?

## Key Findings

Thematic/context specific findings regarding CERF are detailed in the respective country studies (in Annex). An overarching finding is that for the two-year period under review, CERF added value to the humanitarian responses in Djibouti, Haiti and Lesotho in distinct but linked ways:

**1. CERF provided a reliable source of funding for each new shock** – Rapid Response and Underfunded windows are critical to short and longer-term agency programming in chronic and/or cyclical crises where donor interest is limited or has waned. In all three countries, CERF’s rapid response window supported time-critical, multi-sector innovations. CERF allocation processes and related assessments supported the generation of vulnerability data to drive government action in emergencies and to inform fund-raising for international donors. The speed and agility of Rapid Response funding, despite small amounts compared to reported needs, is a ‘life saver.’ The Underfunded window supported responses which allowed time to prepare, coordinate and include government counterparts in proposals, enabling agencies like FAO to align with the annual planting calendar, or to fill funding gaps.

**2. CERF was a trusted source of last resort funding in resource-scarce environments** -- Emergency donors prioritize larger scale emergencies elsewhere, skipping over Djibouti, Haiti and Lesotho, for reasons which are strategic, as well as those related to budget and capacity. Given the LMIC status of Djibouti and Lesotho, the predominance of long-term development programming, and absence of violent conflict, many emergency donors perceive these contexts as comparatively stable and place their resources (human and financial) elsewhere.

**3. CERF adds value within a chronic structural gap.** Irrespective of the ways in which CERF allocations add value, CERF allocations (be they at their current level or of greater size or frequency) are *not* the solution to these structural issues. Clearly the long-term solution is the strengthening of Government systems for emergency preparedness and response and shock responsive social protection.

**4. CERF allocations have supported humanitarian action and supported nexus approaches.** CERF allocations play out in the space between relatively weak national response capacity and a UN system struggling to address emergency needs. Little at present exists to bridge this gap. Ideally, reliance on CERF in future emergencies should decrease as emergency preparedness and social protection systems evolve. Interaction between national response mechanisms and external humanitarian response is a positive while the latter is still required. Funding and management of social safety nets with an effective crisis modifier should come from national governments, such is the goal of UN agencies working with Lesotho’s Ministry of Social Development. National disaster management agencies will remain complementary for extreme events and to a certain extent mirror the interaction of the UN led humanitarian and development systems:

- **CERF allocations formed the basis for structured/targeted discussions around needs and prioritisation.** In Lesotho and Djibouti, discussions around allocations were viewed as opportunities to focus Government attention on the needs and scale of rapid response operations.
- **CERF allocations supported engagement with government-led social welfare systems.** Across the case study countries there has been investment in social

protection, most notably in Lesotho and with little success in Haiti. There was little perception that an ongoing reliance on CERF during shocks would undermine resilience programming, government ownership or national preparedness. CERF does not appear to have compounded UN substitution for government capacity and reactivity during the 2018-2020 crisis period. Rather, CERF supported national partners by shaping institutional orientation and responsiveness at critical moments, pre- and post-disaster.

**5. UN agencies had difficulty leveraging additional funds from CERF contributions.** In all three contexts CERF shows mixed results in helping agencies secure follow-on funding. Notable exceptions include large operations with clear cost-efficient benefits to agencies, partners and populations (e.g., Haiti's UNHAS/WFP transport and logistics system). This poor leveraging is due in part to the behaviour of donors (above). On the whole, three agencies reported success in using RR funds to seek larger internal allocations that build on the proven results of early CERF financing. There was clear evidence of CERF allocations influencing donors decision making processes, even if this did not result in rapid, follow on funding.

**6. Agencies were hesitant to support larger envelopes due to poor absorption capacity.** Weak public institutions, dependency on outside solutions and worries over enabling a pattern of 'learned helplessness' among government partners—these structural deficits compounded by few emergency actors on the ground (Djibouti and Lesotho, more in Haiti) means that generating data and justifying expenditures for CERF allocation proposals is slow and onerous, even in key emergency sectors. For non-traditional emergency sectors such as protection and gender, quantifying needs was cited as a recurrent obstacle, also related to poor local capacity. Larger allocations alone would not be able to fix these problems, without additional support.

**7. It seems inevitable that CERF assistance will be needed for the foreseeable future.** CERF cannot *address* recurrent government capacity deficits and progress is limited in each context. CERF can continue to support programmatic linkages between emergency and resilient solutions as long as CERF's lifesaving criteria are fulfilled. This was evident in the 2019 Underfunded allocations to FAO and WHO in Haiti. In Djibouti and Lesotho, FAO's food security response focused on preventing further loss of livelihood assets among drought-affected pastoralists with herd vaccinations against Tuberculosis and Brucellosis, as these outbreaks spread. Further innovations involving sectoral overlapping and complementarity could be explored to address lifesaving and resilience needs simultaneously.

## Recommendations

**CERF should increase allocations for smaller emergencies where experience suggests that emergency funding will be lacking.** While there are specific caveats, the absence or the lack of attention of emergency donors in this subset of emergencies is, in and of itself, a justification for increased RR and UFE allocations where life-saving funding is required and needs remain the same or increase.

**Where allocations are warranted and absorption capacity is low for reasons which can remedied, larger and longer allocations might be considered.**

**Larger allocations should continue to focus on priority needs and avoid 'cake sharing' or dilution into non-life saving activities.** Agencies expressed concern that with more funding, money would flow into 'non-emergency sectors', diluting the capacity and reach of core emergency agencies.

**CERF allocations should also prioritise support to purposeful linkages between humanitarian action and resilient development.** As a baseline, CERF should continue to support life-saving

responses and 'do no harm'. Under these circumstances larger CERF allocations should be viewed in the context of local response capacity, and particularly Government capacity. Allocations which support the functioning of nationally led social protection systems appear to be suitable vehicles for CERF allocations, again with the caveat that these are not displacing more suitable, longer term financing.

**CERF may consider promoting activities with complementary, overlapping sectors in order to drive greater synergy between emergency and resilience.** In these smaller chronic and cyclical emergencies, CERF is likely to remain in great demand as agencies and governments face recurrent crises. To continue funding short-term response with little only incremental steps towards national solutions invites the challenge of innovation in the space between lifesaving and resilience. Although joint proposals are not currently accepted, for chronic smaller emergency countries CERF may consider promoting sets of complementary activities.

## Introduction and Aims

### 1.1 Background

CERF operates on the basis of need through both of its windows, rapid response (RR) and underfunded emergencies (UFE). The relative scale and severity of needs across multiple emergencies is the principal determinant for the allocation of funding. Beyond the assessment of needs, the CERF secretariat evaluates the prioritization strategy and proportion of the overall funding requirements that are requested from CERF. The secretariat also assesses the overall funding request by comparing to other current or historical emergencies with comparable context and humanitarian caseloads.

One core principle of CERF's rapid response modality has been that funds should jumpstart or expand activities; in other words, *CERF should not serve as the sole or primary donor*, nor should its allocations serve to sustain existing programmes. In a portion of smaller emergencies, however, experience has shown that significant, additional donor funding has not been forthcoming. CERF UFE allocations also often serve as a critical lifeline for emergencies suffering from a chronic lack of funding. UFE funds have been seen to reduce funding gaps and sustain operations in-country, as well as playing an important role of bringing partners to the coordination table (or sustaining engagement in coordination). One additional premise of CERF funding has been to help bring attention to these neglected emergencies. Again, evidence suggests that in smaller emergencies, CERF plays a more significant role than originally envisaged.

A number of reviews have highlighted positive attributes of interventions in smaller emergencies where CERF funding met a significant proportion of needs in crises that suffered from either a lack of donor attention or a narrow donor focus on a few sectors.<sup>2</sup> The review of CERF's role in the 2015-16 global El Niño episode noted that in many smaller emergencies, CERF funding brought partners to the table to prioritize needs and map response strategies. In Papua New Guinea in particular, CERF provided around 22% of total funding for the El Niño response during 2015-2016, but it was the only source of funding using an inter-sectoral approach. The same review also noted that CERF was not only one of the first sources of funding in several smaller countries, but the primary source of response funding in those countries.

In addition to the El Niño response, CERF played a critical role in Southern Africa after a sequence of severe weather events endangered and displaced millions of people, destroying crops, property and livestock, overwhelming national response capacity. In response, CERF allocated \$76 million across the region in 2019: \$34 million following Cyclones Idai and Kenneth, \$37 million for drought responses in Angola, Lesotho, Mozambique and Zimbabwe, and \$5 million from the UFE window for Madagascar. The cyclones attracted donor attention and funds, but drought and food insecurity remained under the radar, deprioritized in the face of the cyclones.

Recognising that CERF funding did not appear to be playing the leveraging role envisaged in the original design, the CERF secretariat has undertaken various pieces of funding analysis, including a 2014 study of donor decision-making and how CERF allocations might influence funding decisions.<sup>3</sup> The secretariat's own internal analysis of donor support to inter-agency Flash Appeals (2013-2017) demonstrates a pattern of larger sums to high profile, large-scale crises, with smaller emergencies receiving comparatively little support. CERF was the top donor to 11 out of 14 Flash Appeals (and other emergency response plans) for natural disasters during this period. The study on donor decision-making confirmed that in some smaller emergencies, CERF allocations did not prompt

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<sup>2</sup> <https://cerf.un.org/partner-resources/performance-and-accountability/country-reviews>

<sup>3</sup> <https://cerf.un.org/sites/default/files/resources/CERF%20and%20donor%20decision-making%20study%20-%20Final%20Feb2014.pdf>

donors to provide additional funding but arguably had the opposite effect.<sup>4</sup> In smaller, low-profile emergencies, donors treated CERF allocations as their sole contributions; explaining to their constituents that they were contributing to small emergencies through CERF, which lessened the political pressure to make further contributions. Clearly, donors also face the practical reality of administrative constraints (human resources and aid budgets) that limit commitments to a manageable number of crisis contexts.

As noted, CERF is a needs-based instrument and, as such, does not have a predetermined bias towards any emergency type or size. CERF allocations are perceived, however, to favour smaller emergencies in some instances. This view is based on two assumptions:

1. CERF plays a unique role as an apolitical equalizer in global humanitarian financing by helping to compensate for gaps caused by donor bias and preference;
2. A critical funding volume is required for a CERF allocation to meet its objective of promoting a more coherent and coordinated humanitarian response.

Viewed through this lens, a CERF dollar invested in a small emergency with few to no other donors has potentially greater impact than the same dollar invested in a large-scale high-profile emergency, where CERF is one donor among many.

In sum, there is sufficient evidence to state that in future smaller-scale, chronic emergencies, CERF funding is likely to constitute a large (or even the largest) portion of funding. In addition, in these same emergencies, it is understood that CERF funding will leverage little or no follow-on support from other emergency donors. Being the primary or predominant donor in this class of emergencies, and knowing that additional donor support is unlikely, should CERF approach its engagement in these contexts differently? This greater reliance on CERF funding as a 'life-line' to support life-saving response through a range of humanitarian partners also entails these related consequences:

- Few if any donors will respond, independently or because of CERF;
- Sectors or clusters not initially prioritized by CERF allocations will remain unaddressed;
- CERF-funded activities will likely not extend beyond the period of allocation.

This poses an interesting strategic dilemma: *Should CERF accept that it has a comparative advantage in these scenarios, as few if any other donors will engage? Should CERF cover a greater proportion of needs in such situations?* These broad questions are refined below and the purpose of this review is to deepen the set of evidence around these issues.

**National capacity constraints and NCEs.** It is important to note that in addition to numerous references to CERF value-add in such contexts, there are also cautionary notes. At the time of this study (pre-COVID), CERF's analysis of 'no cost extensions' (NCE's) showed that 14% of all RR projects required an NCE, which is already significant for the whole set of emergencies. A cursory analysis of the allocations suggests that NCE rates may be significantly higher in smaller emergencies.<sup>5</sup> The 2018 commissioned review of CERF's added value to the Cuba & Eastern Caribbean hurricane response

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<sup>4</sup> This behaviour has been noted in studies of other pooled-funding instruments.

<sup>5</sup> Requests for NCEs indicate that the CERF partner was unable to spend the allocated money within the time window specified. The high-level statistic, however, does not indicate the reasons behind the request. It is a reasonable assumption that in smaller emergencies (especially in rapid onset emergencies) there may be delays in setting up operations or partnerships with local actors that do not negate the validity of the allocation.



suggested that CERF should give greater consideration to the *capacity of recipient agencies to use CERF funds effectively*.

In addition, if CERF were to decide to fund a larger proportion of needs in the early phase of any given response, it would likely cover a greater proportion of immediate needs. Doing so where there is an explicit acknowledgment that follow-on funds are unlikely could be problematic for two reasons. Firstly, if the frequency of NCEs is seen as a problem at current funding levels, logic dictates that the problem might increase in proportion to funding levels if allocation timelines remain fixed. Secondly, a larger number of projects started with CERF funding may be wound down quickly in the absence of continued funding. The review will consider whether or not lower absorption rates might be considered a common trait in these types of emergencies.

## 1.2 Scope of the review

The overarching focus of the review is **the role of CERF in funding smaller-scale emergencies that are expected to attract limited donor funding**. The specific purpose of the review is **to offer evidence to strengthen CERF's decision making around emergencies of this type, at the level of country selection and at the level of individual allocations**. Before presenting the findings of specific relevance to the three smaller emergency countries, this section looks at the key questions associated with typical CERF country reviews. In objective terms, irrespective of the fact that these are allocations to smaller-scale emergencies, we asked:

- Did CERF processes achieve key management benchmarks: inclusivity and transparency of allocation processes and were M+E systems adequate?
- Are there reasonable grounds to believe that the use of CERF strengthened the humanitarian response and empowered the RC/HC function and coordination more broadly; facilitated adequate coverage and eliminated gaps; contributed to a timelier response; favoured the delivery of relevant life-saving actions at critical moments?

## 1.3 Country Selection

The original TOR uses the term 'smaller-scale emergencies which have often attracted limited donor funding.' As such, the scope includes emergencies with two key characteristics, the first being scale. The main parameter suggested by the CERF secretariat is 'emergencies with funding requirements up to \$150 million for the humanitarian response for which CERF funds are sought'. The second parameter is a shortfall in mainstream donor funding. CERF's analysis provided for this review looks at small emergencies (\$150 million appeal or less) for which CERF provided 40% of funding or more.<sup>6</sup>

The three countries selected, Djibouti, Lesotho and Haiti, fit these two criteria and offer geographic diversity. Besides CERF as the primary emergency donor, they also share a range of other traits, including:

- Chronic nature of crisis: rapid and slow onset emergencies of various types (including cyclones, drought and related food insecurity), public health emergencies (infectious disease outbreaks), mass displacement (conflict related);
- A contrast of HRP and non HRP countries;

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<sup>6</sup> It is important to note that of the two defining characteristics for this study listed above, the scale of the CERF request is determined at the moment of the crisis event, or soon thereafter. As a result, the percentage of emergency needs that were funded can only be calculated retrospectively. Donors' funding intentions are impossible to quantify or predict at the onset of a crisis.

- Different levels of national response capacity in disaster management and social safety nets;
- Few if any purely emergency actors on the ground;
- The region of each country is dominated by other crises receiving greater donor attention;
- Populations under 5 million;
- Relative political stability with extreme wealth inequality and high levels of rural poverty: outside each capital, indicators in health, nutrition, WASH, etc., are easily pushed into emergency thresholds. In Djibouti and Haiti, capital cities have zones of extreme vulnerability;
- Little to no international media coverage of their crises, with little strategic interest to powerful regional states or to major donor countries;
- Few or no high-value natural resources.

Notwithstanding these similarities, each context has some distinct features, detailed in the respective country studies below, but are summarized here:

- **Long-term UN presence.** While none of the countries has seen active conflict in the recent past, Haiti has experienced prolonged political unrest and widespread government opposition that has obstructed humanitarian access and operations from 2019 into 2020. Of the three countries only Haiti has a long-standing UN Mission, now a special political mission with no military component.
- **Degrees of state response capacity.** In addition to constant political turmoil, Haiti is subject to an evolving mix of natural catastrophes (cyclones, drought, earthquakes), the sum of which is comparable to a protracted crisis. UN agencies in Haiti, while committed to resilience and institutional development, are caught in a repeat cycle of emergency interventions. Haiti's 2010 earthquake continues to affect relationships between the government, communities and the aid sector; donor fatigue and decreasing funding levels are palpable. Djibouti and Lesotho are comparatively stable regimes with increasing GDP, though dividends in terms of HDI and employment are slow to manifest. In all three countries, investment in national disaster response capacity and shock-responsive social safety nets are low priority, although conditions are favourable in Lesotho and Djibouti, less so in Haiti.
- **Limited preparedness for slow and rapid onset calamities.** Djibouti and Lesotho are subject to low rainfall and increasingly arid conditions, related to progressive climate change. In addition, Djibouti is seeing severe weather events with significant flooding in low lying, poorer areas of the capital that are below sea level. Haiti too has seen a mix of slow and rapid onset disasters in recent years, including political violence related to widespread public protests. Each country has a different level of early warning, preparedness and response capacities at government level, with Haiti the weakest and Lesotho the strongest.
- **Perceptions of stability correspond with donor disengagement.** As lower middle-income countries (LMIC), Lesotho and Djibouti are the focus of long-term development by UN agencies and donors. Humanitarian programming dominates in Haiti because of chronic political instability, and a donor view that institutional development is too high risk. Development failures are addressed through humanitarian aid. The comparative stability of Lesotho and Djibouti in turn influences perceptions around the urgency of their crises, suggesting national authorities can and should manage. Yet donors concede that these countries' national disaster management systems fail to deliver a robust response (in terms of both speed and scale) and to save lives, or to mitigate protection issues for individuals and vulnerable groups. According to one INGO in Djibouti, "Donors see this as a development context but are not registering how recurring natural disasters are undermining their investments and programs." In Haiti, donors are less engaged in recent years out of frustration with an absence of government initiative, ownership and leadership ('fatigue').



## 2 Summary of country findings

### 2.1 DJIBOUTI

Since 2006 CERF has served emergency response needs in Djibouti every year except 2017. All allocations were drought-related except for Cyclone Nagar in 2018. With under a million inhabitants, 79% of whom are urban, Djibouti is defined by the high likelihood of recurrent, unpredictable climate-related disasters, with negligible bilateral contributions to emergency funding Appeals. Since the 1985 creation of ORSEC (*Organisation de la Réponse de Sécurité Civile*), the GoD is committed to improving disaster coordination and responsiveness. ORSEC remains the standing national body charged with emergency preparedness and response for natural catastrophes.<sup>7</sup> A national emergency response plan was triggered for the flooding of November 2019, but ORSEC coordination and response were perceived as non-assertive and unable to plan, prioritize or deliver life-saving goods and services quickly and effectively.

#### CERF Value Add

1. **Flexible, fast donor in resource-scarce environment** – Few other emergency donors prioritize Djibouti, due in part to its Lower Middle-Income Country (LMIC) status and perceived stability, mixed reactions to the slow progression of crisis indicators, and predominance of long-term development programming. Only Saudi Arabia and the United States Government spent more than CERF in 2018-2019.
2. **CERF allocations helped to stimulate government action, inter-ministerial communication and planning with donors and UN agencies**, a learning curve that repeats with each rapid-onset crisis preceding CERF's earliest engagement in country. 'Building back better' includes early warning and disaster planning/preparedness capacity, a recent government priority. UNDAF coordination mechanisms were nominally in place but not responsive (hence no HRP but a Flash Appeal, per RCO).
3. The Rapid Response window allows **time-critical, multi-sector response, and generates vulnerability data** to drive government action and inform fund-raising for external donors. The Underfunded window in 2019 allowed agencies to focus on the country's most vulnerable groups, particularly refugees and migrants (women and children) with severe acute malnutrition and susceptible to recurrent measles and malaria outbreaks, with integrated packages combining health and protection services. Recurrent drought impacted food security, livelihoods and safe water sources for vulnerable populations in rural areas as well as migrants and refugees. NCEs were relatively high due to protracted procurement of emergency supplies and government being slow to declare an emergency, mount and staff national needs assessments, fund and equip national staff, etc.
4. **Leveraging other funds** – CERF in Djibouti has not significantly improved agency success in leveraging external funds, yet its actions are valued by other donors for the emergency/vulnerability data (IPC, SMART, etc.) generated and the sectors and strategies it prioritizes in its responses. Regional donors, based in Nairobi or Addis, tend to prioritize neighbouring crises given their larger scale and repeat spillover across the region, often into Djibouti. Conflicts in Yemen and Somalia have absorbed the majority of emergency monies in recent years.

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<sup>7</sup> Plan ORSEC, created in March 1985 by Presidential decree and placed under the Ministry of Interior (Mol), was previously activated after the 1989, 1994, and 2004 floods, and many times since. Plan ORSEC consists of an emergency unit whose role is to provide immediate relief services and assess damages, and an Etat-Major consisting of the heads of key public sector agencies; it is convened at the request of the Mol.

5. **Year after year, UN agencies in Djibouti depend heavily on CERF for emergency funding; national authorities rely on UN relief supplies and services.** Continued reliance on UN agencies for relief goods and services suggests that the GoD have not yet adequately prioritized disaster readiness, despite commitments to do so. The UN development system must continue to work with the GoD to develop accountable and effective national social protection systems with crisis modifiers that can monitor vulnerability and respond appropriately in emergencies. Long term dependency on CERF allocations does not substitute for a structural solution.

### **2.1.2 Key findings – RR and UFE**

#### **1. Timeliness and speed of response**

There was satisfaction overall with the timeliness of CERF's response for the RR window. Several agencies saw CERF's intervention as critical, to the extent that CERF allocations were the main enabling factor in their response. While allocations were seen as timely, the responses of a number of agencies were relatively slow to develop. One factor challenging timely response is the low capacity of agencies to absorb and effectively spend large quantities of emergency funding. As is often the case for CERF RR allocations, there were challenges where Agencies had to rely on new partnerships and/or new procurement contracts. In the absence of emergency medical stocks and other life-saving equipment and materials, a number of responses were delayed by protracted procurement complications. Djibouti relies very heavily on imported goods and the importation of relief supplies from Ethiopia or elsewhere. The effect is slower overall reaction time (international shipping, overland trucking, border and port customs procedures), which in turn delays delivery, resulting in three NCEs.

In addition to challenges with procurement and timeliness, poor absorption capacity is explained in part by the overall lack of an emergency footing within UN agencies and a limited selection of NGOs (national and international). These, too, lack seasoned emergency capacity, attributable in part to the high operating costs in Djibouti. Two INGOs received CERF monies toward their 2019 Flash Appeal requirements. In general, a limited presence in country translates into less access to consistent emergency funding, smaller budgets and fewer interventions.

#### **2. UFE window**

The May 2019 Underfunded allocation was significant compared to the two Rapid Response allocations covered in this review, with nine projects for \$4,003,125. Although broad in multi-sectoral terms, it specifically targeted the most vulnerable segments of the population, including refugees and migrants who receive nothing from Djibouti social services. Malaria and measles outbreaks were escalating, and tuberculosis (TB) and brucellosis epidemics were decimating livestock and weakening resilience of rural/pastoralist families with few livelihood alternatives. A cumulative, ongoing drought (momentarily broken by Sagar) had depleted rural watering points to dangerous levels. The UFE allocation also addressed lingering needs from Sagar (nutrition, water-borne disease), but was primarily a response to the cumulative consequences of drought, continuing influx of migrants and refugees, and extreme vulnerability.

### **2.1.3 Larger Allocations**

In the case of Djibouti and the RR window, there is a clear argument for larger CERF allocations that cover a greater proportion of needs. There are multiple caveats, however, which are equally clear. Attention must be paid to the absorption capacity of UN agencies and government partners. 'Absorption capacity' in this case, is somewhat of a loaded term, synonymous with a lack of organizational and systemic preparedness. One overarching goal must be that Government, UN agencies and other partners have systems and structures in place, including pre-existing contractual

relationships and partnership agreements that enable the rapid onward disbursement of CERF or other emergency allocations. Amongst other things, this will require a different skill profile in UN agencies<sup>8</sup> and, over time, dramatically strengthened Government capacity. Investments in national preparedness and resilience are likely to yield slow returns, as these are governance challenges requiring development funding and technical support over the medium to long term.

Agencies provided clear examples of decisions to limit their physical coverage in response to smaller CERF allocations. In one particular case, this reduction in coverage was compounded by a costly need to ‘build back better’, in the case of flood resilient latrines. These were calculated to cost seven times that of a hand-dug pit latrine. The structural and material re-design would ensure durability over time, resist inundation and thus eliminate repeat installations. Logically, if agencies are to provide resilient solutions, they require flexible allocations, both in terms of scale and duration.

As is the case in Lesotho, a larger CERF envelope would require that UN agencies be ready and able to scale up without relying on outside surge capacity, as well as relationships (preferably pre-existing) with operational partners. Given the paucity of NGO partners in Djibouti, emergency preparedness would inevitably require planning as well as prepositioning for scaling up response in certain areas (geographic and technical).

As national revenue rises (port usage, road transit to Ethiopia, foreign military rents) and national emergency planning and response capacity is gradually enhanced, bilateral donors will decrease their humanitarian commitments, creating greater reliance on CERF. Further, the frequency and intensity of natural disasters is expected to grow, not abate. Deliberately integrating resilient development with emergency response in Djibouti also means demanding greater accountability from national partners for high-cost, reusable mechanical equipment for WASH and drainage after floods – repeat purchase of motorized water pumps in 2018 and 2019 shows poor partner accountability, over-reliance on UN agencies, and disregard for sustainability of investments.

## 2.2 HAITI

Haiti clearly fits the criteria for this study in that in numerical terms it is a smaller emergency, yet many characteristics set it apart from Djibouti and Lesotho. While CERF funding represents a significant proportion of contributions to emergencies in Lesotho and Djibouti, the proportion is smaller in relative terms (see overarching findings). Haiti clearly has less of a ‘working link’ between humanitarian and development actors, despite the clear need for long-term structural solutions. While all three countries experience repeat or cyclical natural disasters, Haiti’s chronic underdevelopment and governance challenges are seen as the primary cause of its underlying and ongoing state of crisis.

Despite a protracted crisis with a well-quantified scale of need, donor contributions to emergency response consistently fall short. As a result, CERF is regularly among top three humanitarian donors, alongside the American Government and ECHO.

### CERF Value Add

**1. Donor of preference to jumpstart relief operations** – While the role and timing of CERF from year to year can be radically different (COVID 19 today, last year mass unrest), “CERF plays a vital role in this hybrid situation of humanitarian emergency and protracted political failure,” said one agency head. CERF is perceived as more responsive and flexible in the face of rapidly shifting realities than

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<sup>8</sup> An overall lack of funding and funding profiles are almost certainly constraints to the human resources.

other donors. As elsewhere, CERF approval enabled WFP to obtain internal pre-financing until CERF funds arrived. In the months it takes other donors to weigh a proposal, agencies can use the same needs assessment and data to request and receive smaller, start-up funding from CERF.

**2. A reliable funding partner for each new shockwave** – In Haiti’s constantly shifting landscape with multiple annual crises and falling donor engagement, CERF is consistently the second or third largest emergency donor. The speed and agility of RR, despite small amounts compared to needs, is a “life saver.” The Underfunded window allows time to prepare, coordinate and include government counterparts in a proposal, enabling agencies like FAO to align with the annual planting calendar, or to fill a funding gap while waiting on other donor monies. Under OCHA leadership, CERF strives to address geographical gaps in coverage where needs are still great but the overall humanitarian budget falls short. One cumulative effect of this ongoing volatility is that agencies, donors and government are focused exclusively on the emergency at hand and forget about the need for long term solutions to the structural deficits that plague the country. Constantly hopping from one massive emergency to the next ensures that CERF finds itself in great demand, but to continue funding short-term response with little prospect of long-term solutions invites the challenge of innovation in the space between lifesaving and resilience.

**3. CERF potential as a connector between relief and resilience.** Scarce resources and a regular cycle of emergencies add to the deficit of longer-term development and resilience programming, making it hard to bridge the two. With its contributions to flexible cash initiatives CERF can remain ‘life-saving’ while supporting creative solutions to the absence of state-run social welfare/safety net mechanisms, or crisis modifiers in long-term development programs. Creative use of cash across multiple sectors can improve household resilience, if not systemically or structurally.

**4. Rigor of CERF proposals perceived as superior to HRP:** Donors and agencies reported that the strategy and project descriptions of recent HRP appeals were hastily constructed and poorly justified with data and field analysis, in contrast to CERF proposals they had seen. One donor, DFID, has requested a formal quality check of the HRP process, citing weak data and analysis. Reasons given for this difference in quality suggest that open-ended fundraising (HRP) is a general call for help based on a general analysis and menu of response options. Because CERF funds are guaranteed, and UFE amounts known in advance, the onus is on interested agencies to rationalize a proposed project-specific budget against empirical, sector-specific needs and concrete project outcomes.

**5. Difficulty leveraging external funds** – CERF in Haiti shows mixed results in helping agencies secure follow-on funding. Notable exceptions include large operations with clear cost-efficient benefits to agencies, partners and populations (e.g., UNHAS/WFP transport and logistics system).

### **2.2.1 Rapid Response**

As in Lesotho and Djibouti, CERF allocations add value in the space between an ideal, Government led response (rooted in preparedness and resilient development) and international emergency interventions. As in these other two countries, the shortfall in contributions from mainstream donors is the additional dimension to the gap. In this instance, however, there is little faith that a Government-led development solution is rising to meet the challenge. In addition, the donor shortfall is due to a lack of physical presence, a general ‘fatigue’ with poor government leadership and a lack of confidence in returns. How these factors should affect CERF allocations, or influence the question of larger allocations is an open question.

**Timeliness:** The speed of disbursement in both RR and UFE windows is generally around one week. This is exceptional among emergency donors and those interviewed (ECHO, OFDA) concur that this is a major advantage of CERF in the Haitian context of multiple rapid-onset, multi-sectoral crises, sometimes in a single year.

**Allocation process: inclusion, appropriateness, complementarity:** Agencies receiving larger allocations reported the process as guided by quick and efficient needs prioritization, with a narrow focus on emergency interventions for the most vulnerable. The exclusion of other agencies offering other vital goods and services, such as emergency shelter after the 2018 earthquake, was inevitable. UN agencies described allocation meetings as tense, even combative, generating intense pressure on the RC and OCHA representative to distribute resources generously.

### 2.2.2 Underfunded Emergencies

**Timeliness: UFE allows more time to synchronize allocation with planting season, to build off food distributions, support production and drive markets.** 2019 UFE for food security arrived in time with the agricultural calendar, as planned in agency proposals. ‘Emergency agriculture’ is FAO’s phased approach that is aligned with one-off food distributions or cash vouchers from WFP in order to produce harvests, and greater self-sufficiency, after relief supplies are exhausted. This helps prevent food aid dependency and helps restore not only local agricultural production but also trade. The UFE window also allows greater time to coordinate and plan with the Ministry of Agriculture to target the most vulnerable areas.

**UFE allows more time to include and reinforce government partners.** Agencies describe a superior connection with government services and personalities at the decentralized ‘department’ level, while central government relations are competitive and distrustful. Local officials are under-resourced and ill-equipped but on technical discussions and knowledge of local need before, during and after a crisis, they are valued partners. Many agencies consider local authorities as an “essential connection for our program design and data collection,” and maintain these relations regularly. The UFE window allows more time to draft proposals and incorporate state data and analysis than is possible with Rapid Response, with its shorter, emergency-focused window.

#### 2.2.3 Haiti’s chronic smaller emergencies--are larger allocations warranted?

Overall respondents were emphatic in their support for larger CERF allocations; potential caveats were few but clear.

**CERF should be increased because donors feel they ‘can no longer invest in Haiti’.** Discouraged by the chronic emergency mindset in Haiti, which prevailed long before the 2010 earthquake, donors are favouring emergencies where graduation from aid dependency seems possible. Such contexts need not be high visibility disasters and may include weak states, but evidence from Lesotho and to a lesser degree Djibouti shows their ability to support resilient development programming. Donors need return on investment (ROI) and are more accountable to their domestic constituencies than to the rural poor in a country like Haiti.

**CERF should increase because ‘pure’ emergency money is lacking.** Chronic high levels of emergency need in Haiti are not because ‘donors are not doing their job or have no impact’. CERF is much quicker than other donors; the trade-off is that amounts are smaller. Currently under COVID, for example, UNICEF is conducting mass awareness campaigns around transmission, testing and social protection, but at only a small scale for want of funding. To educate only a fraction of the population about a potentially life-threatening pandemic is unacceptable, UNICEF claimed.

### 2.2.4 Potential downsides of bigger envelopes

**Poor absorption capacity:** Also evident in the other case studies, the most significant caveat to larger envelopes is absorption capacity. In part this relates to the low capacity of local partners, but also concerns the periodic inability of Agencies to program and spend given access and security constraints. CERF allocations to Haiti’s protracted and cyclical crises saw two NCEs in 2019, specifically due to the insecurities of *paylok*. Apart from these NCEs, all agencies cited the difficulty



of spending money in Haiti's political and security climate; notably during countrywide lockdowns (*paylok*) and now COVID-19.

**More money could draw CERF into a systemic gap:** CERF is viewed as vital in humanitarian emergency response, a turbulent constant in Haiti. One experienced INGO leader noted "CERF moves us forward in first gear, but there is no second gear (recovery/resilience), no third gear (nexus), and definitely no fifth gear (development)." Yet CERF complements the life-saving elements of some programming with longer strategic aims (e.g., FAO's 'emergency farming' for increased self-sufficiency).

Overall, Haiti's constant state of emergency was not seen as conducive to conversations between UNDP, development donors and the community of emergency donors/aid actors. Donors conceded that coordination among them was poor and that OCHA was left to 'clean up', by orienting programs geographically according to respective needs. One consequence is that CERF is relatively out of alignment with other donors' strategies. The lack of 'transitional' funding and programming is a systemic problem that CERF cannot address. In order to add value, CERF funding would need to be part of an active and ongoing conversation with other donors; part of a bigger and coordinated effort. Overall, donors are perceived as being overly focused on their own strategies.

## 2.3 LESOTHO

Lesotho suffers from widespread moderate malnutrition, one pre-condition for severe acute malnutrition (SAM), and an issue requiring ongoing monitoring and multi-sectoral response. Cyclical and prolonged poor rainfall presents initially as a slow-onset crisis that *may* become drought, but predictive modelling alone cannot guarantee the imminent onset of an acute, life-threatening crisis. In Lesotho, water scarcity and livestock death first emerge as critical needs, with deepening food insecurity and SAM presenting nine to twelve months later. The exact timing and scale of life-threatening needs is always subject to debate and consensus based on evidence is required for both a national emergency declaration and a credible Flash Appeal.

CERF responded with two Rapid Response allocations in December 2018 and November 2019, the latter remaining active through April 2020, amounting to \$7,850,528. Both allocations targeted the consequences of a slow-onset crisis involving prolonged water scarcity. Consequences included widespread food insecurity and malnutrition, grave health risks, protection and WASH needs. The target of highly vulnerable households drew on the Integrated Food Security Phase Classification (IPC) analysis and National Vulnerability Assessment (NVAC) reports. Since 2012, CERF has served as a major donor for three slow-onset drought-related events (2012, 2016, 2019).

### CERF Value Add

**1. Donor of last resort in resource-scarce environment** – Other emergency donors prioritize larger scale emergencies in the region, skipping over Lesotho, due in part to its LMIC status and perceived stability, mixed reactions to the slow progression of crisis indicators, and predominance of long-term development programming.

**2. The Rapid Response window allows time-critical, multi-sector response, and generates vulnerability data** to drive government action around emergencies and to inform fund-raising for external donors. There have been no UFE allocations in Lesotho since CERF started in 2006.

**3. UN agencies supported a government-led social welfare system with crisis modifiers**—an investment in resilient development and nexus programming in a context defined by weak government, chronic underdevelopment and recurrent, slow-onset emergencies.

4. Lesotho's repeat slow-onset crises provide a **unique opportunity to compare the impact of a state-led social welfare (with crisis modifier) and a national disaster response** effort, both of which benefited from CERF support through separate UN agencies. Further analysis follows below.

5. **Leveraging other funds** – CERF in Lesotho has not improved agencies' success in leveraging external funds but its actions are reportedly valued by other donors for the emergency/vulnerability data (IPC, SMART, etc.) generated and the sectors and strategies it prioritizes in its responses.

There is consensus among donors and partners (UN and beyond) that CERF funding was critical and filled a crucial gap in 2018-2020. Aid actors in Lesotho also emphasize that a fully developed and well-funded shock-responsive social protection platform can reduce or even eliminate avoidable deaths during climate-related crises, and CERF contributed to this social protection in 2019. Given the small size of allocations, the small size of UN agencies themselves and low government capacity, "agencies sought to combine their respective abilities in complementary ways" and concentrate on the hardest hit areas for maximum collective impact (per RC/HC).

### 2.3.1 Rapid Response

Participating agencies described CERF allocations for 2018-2019 as critical. In some respects, the allocations were viewed as preferable to other sources of funding. First, the speed of decision-making around an agreed hierarchy of needs and relevant agency budgets made for successful proposals. Proposal consideration, approval and funds disbursement by CERF HQ were considered quick and efficient. Among donors, ECHO specifically appreciates CERF's speedy allocation process.

Agencies also perceived added value in the sense that CERF allows agencies to initiate activities immediately, which helps strengthen the case for proposals to other donors: 'The initial work of CERF funds gives us credibility to demonstrate results against a chosen strategy when approaching donors.'

The RR allocation process in 2018/2019 saw debate over early action on priority needs (food and health) versus secondary needs (health monitoring and surveillance, protection) in a context where drought-related food insecurity was the overwhelming threat. The CERF RR envelope was known to be small. Re-explaining CERF objectives and priorities was required for agencies seeking funds not directly related to addressing food insecurity, but these 'difficult conversations were managed fairly well'.

Historically, CERF allocations Lesotho show a high rate of no cost extensions (NCEs). From Jan 2015 to June 2019, 88% of all RR allocations were extended (7 of 8 total projects), with no UFE envelope.

### 2.3.2 Are larger CERF allocations warranted? Absorption capacity and scale.

A larger CERF envelope would require UN agencies to have the internal capacity to scale up, as well as relationships (preferably pre-existing) with operational partners. Specifically, they would have to engage partners at district-level to increase geographic coverage in hard-hit areas. UN agencies in Lesotho tend to be small with few staff and slim resources. Many are focused on long-term development and lack an emergency profile, in-house experience and surge capacity. Agencies with the ability to scale up (UNICEF, WFP, FAO) can also draw on internal funds to do so and have a wider network of donor relations to pursue. CERF funding helped UNICEF bring in a full time WASH specialist and to obtain additional ECHO funding, but smaller agencies did not have the staffing for additional fundraising beyond CERF. The relative ease of the CERF allocation process is attractive to smaller agencies who do not seek emergency funding elsewhere (heavy transaction costs).

WFP was clear that the geographical scope of their response was limited by the quantity of funding available--\$12m requested, \$7.1m received (\$970k from CERF)—but that more money could have

increased the number of cash vouchers. Other agencies were doubtful that larger CERF allocations would unquestionably save more lives without contributing to Lesotho's already weak governance and high aid dependency. The challenge of quantifying the effects of drought in non-traditional humanitarian sectors such as protection and gender was cited as common obstacle to justifying a greater funding request. Others questioned CERF's effect on the UN's development and resilience goals for the Government of Lesotho (e.g., substitution). Some agencies, themselves chronically underfunded, cited a wish to do "less with more" and to concentrate their limited funding on getting better performance and accountability from Lesotho's public services, its social protection system, and disaster management authority.

The low level of funding generally to Lesotho has fostered a reliance on CERF during emergencies that is also used to sustain programs and presence in country, given the expectation of annual drought-related emergencies and the ready availability of RR window. The often-seen 'cake sharing' of funds to maintain a balance between agencies was avoided in Lesotho by the reality of a small envelope and a crisis clearly dominated by food insecurity.

### 3 CERF support for timely, multi sectoral response and stimulating Government action

#### 3.1 Rapid Response window

Across the three case studies, it is clear that CERF allocations, especially RR, were highly valued and overall perceived to strengthen a timely emergency response and to add cohesion and coherence to UN relief operations. As above, UN and partners in both Lesotho and Djibouti place significant emphasis on supporting a Government-led response. In both cases, the data on vulnerability and humanitarian needs brought together for CERF applications was seen as a key tool in engaging Government and donors (see below). In Lesotho, one agency head stated: “CERF allows us to start a response at a critical time and craft a story/narrative to pitch to other donors. Having CERF funding gives us the credibility to back this ask”. In both cases, there was a perception that the CERF process hastened the Government responses and the eventual declaration of an emergency and / or the launch of emergency tools / structures. Again, in Lesotho, one agency head noted “CERF serves to prioritize issues for the government, who were very slow to declare an emergency.” She continued, “CERF helps mobilize political engagement and buy-in, generate data and statistics for funding proposals, and informs our advocacy”. In Lesotho, the CERF process supported connectivity between the work of the National Disaster Management Authority (NDMA) with its focus on food security and the national social protection architecture. In the case of Djibouti, the CERF process was seen to support inter-ministerial communication and planning with donors and UN agencies, a learning curve that is seen as incremental in each rapid-onset crisis.

Although the relationship with the Government in Haiti is different, again agencies valued the focused needs assessment and targeting to request and receive smaller, start-up funding from CERF. In Haiti CERF is seen as the preferred donor to jumpstart relief operations. As noted above, in Haiti’s constantly shifting landscape with multiple annual crises and falling donor engagement, CERF is consistently the second or third largest emergency donor. Given the variety of issues affecting Haiti, the role and timing of CERF from year to year can be radically different. Overall, however, CERF is seen as playing “a vital role in this hybrid situation of humanitarian emergency and protracted political failure.”<sup>9</sup> Another interviewee noted that the speed and agility of RR, despite small amounts compared to needs, were a “life saver.” CERF is perceived as more responsive and flexible in the face of rapidly shifting realities than other donors.

As detailed in the country analysis section in Annex, a characteristic of the broader context in Haiti is a lack of trust between all parties concerned. In part, this is a hangover from the earthquake of 2010 and the unprecedented scale of both emergency need and aid budgets that were mobilized. Donors and agencies reported that the strategy and project descriptions of more recent HRP appeals seemed hastily constructed and justified with weak data and field analysis. One emergency donor has requested a formal quality check of the HRP process, citing weak data and needs analysis. One reason given for this perceived difference in quality is that the ‘open-ended’ fundraising of the HRP is a general call for help, based on a general analysis and menu of response options. In contrast, CERF proposals (RR and UFE) are perceived as rigorous in part because CERF funds are guaranteed. The onus falls to agencies to justify a persuasive use of emergency funds with empirical, sector-specific needs and concrete project outcomes.

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<sup>9</sup> Interview with one UN agency head

On balance, CERF was lauded for its relatively simple and quick application process, in relation to other emergency donors. Lower ‘transaction costs’ make CERF a more attractive option for smaller agencies with limited in-country staff, despite the likelihood of smaller tranches (\$150k to \$500k, except for WPF and UNICEF). In several interviews, this ease of use was understood to dissuade the pursuit of other potentially larger funding sources with more onerous application processes. In addition, and as often seen in CERF country studies, agencies without a distinctly life-saving profile (e.g., UNFPA) perceived challenges with the allocation process and their proposal. Some smaller agencies felt that even with CERF’s relatively light process, they could not afford the extra effort given the uncertainty of return on the investment.

### 3.2 Gap filling role of the UFE

Allocations through the Underfunded window allowed time to prepare, coordinate and include government counterparts in a proposal, enabling agencies like FAO to align with the annual planting calendar, or to fill a funding gap while waiting on other donor monies. Under each respective RC or HC’s leadership and with OCHA’s support, CERF funding was directed to address geographical gaps in coverage where needs were still great, but the overall humanitarian budget fell short. One cumulative effect of the ongoing volatility in Haiti for example is that agencies, donors and government are focused exclusively on the emergency at hand and may neglect investments in long term solutions to the structural deficits that plague the country.

The Underfunded window in 2019 in Djibouti was noted as having allowed agencies to focus on the country’s most vulnerable groups, particularly refugees and migrants (women and children) with severe acute malnutrition and susceptible to recurrent measles and malaria outbreaks, with integrated packages combining health and protection services. Recurrent drought impacted food security, livelihoods and safe water sources for vulnerable populations in rural areas as well as migrants and refugees. There have been no UFE allocations in Lesotho since CERF started in 2006.

### 3.3 CERF and donor engagement in smaller, chronic emergencies

#### 3.3.1 The role of CERF

In each of the individual country studies (Annex), it is clear that CERF allocations add value in a ‘gap’ in the system wide response. In very general terms, this gap has a several dimensions:

- The absence of strong Government response systems and capacity; emergency preparedness planning and/or shock responsive social protection systems (each a characteristic of ‘resilient development’.)
- Low response capacity in national and international non-Governmental partners
- The absence of a predictable response, at sufficient scale, by mainstream emergency donors.

While all three countries share some common characteristics, there are specific similarities between Djibouti and Lesotho. In both countries, government is the key partner. The LMIC designation applied to Djibouti and Lesotho is not reflected in State capacity to deliver services under stress, or the quality of basic public services and disaster preparedness at national and in rural/remote areas. The decision to work predominantly through or with state/public service delivery systems in Lesotho was deemed to be appropriate on balance. The use of Government staff and structures, bridging the country’s social protection system and its disaster preparedness and response structures was

undoubtedly slower than a 'stand-alone' parallel international response, but in keeping with the desire of UN agencies to partner Government. In Djibouti, the lack of capacity in Government to coordinate and undertake needs assessment made for a slower response, but again, the UN system recognises the necessity to continue to push for improvements and that these appear to be coming incrementally as the frequency of disasters increases. In the immediate term, however, the failure to adequately prepare and invest in disaster readiness, despite recurrent, predictable crisis events, result in an unreliable public sector as the primary partner of relief agencies. There are some variations in this assessment across different sectors and depend on the degree that sector is reliant on government partners and public infrastructure to deliver emergency goods and services.

In each of the three countries, Government led response systems require outside expertise and resources to manage both slow and rapid onset disasters. In Lesotho and Djibouti, Governments are full and equal partners in development. In critical moments of life-saving urgency, however, they rely on outside expertise and resources.

In Lesotho and Djibouti, Government capacity for response and inter-ministerial coordination has historically shown significant shortcomings. There is hope that systems will strengthen, and the increasing frequency of natural disasters will provide a significant incentive energy for this shift. Thus far, however, there has been no strong sense that self-reliance in small emergencies by each respective Government is being established at pace. A CERF country study from 2012 noted that 'The Government of Djibouti takes the lead in directing the response to the ongoing crisis but has demonstrated uneven capacity to coordinate international inputs'<sup>10</sup> and that 'Government capacity is very limited.' A quick comparison of the World Bank's 2004 description of the post-flood reconstruction landscape in Djibouti and the UN's 2019 Flash Flood Rapid Needs Assessment<sup>11</sup> reveals that the government's ability to anticipate or drive any one step of the emergency response chain has been strikingly resistant to change. In both countries, the option to resort to parallel response structures is limited. In larger, protracted emergencies, especially those with ongoing conflict, UN agencies have relied more heavily on INGO partnerships as well as those with larger National NGO partners. Partners of this type are simply too few to make a significant difference in Lesotho or Djibouti. The limitation of partner capacity is discussed below.

Haitian institutions rely heavily on outside assistance for the delivery of public services, both systemically and in acute emergencies. Donor fatigue, however, a consequence of poor governance and a lack of confidence in returns, is so acute that development programming is negligible compared to emergency relief.

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<sup>10</sup> Independent Review of the Value Added of CERF in Djibouti (2011) Barnaby Willitts-King

<https://cerf.un.org/sites/default/files/resources/CERF%20Djibouti%20final%20report%20Oct%202012.pdf>

<sup>11</sup> The now-public 2004 [World Bank report](#) for a \$3.23m post-flood IDA grant in Djibouti paints a near identical picture of low absorption capacity, in terms of national emergency preparedness and response, as that described in the [UN Humanitarian Needs Rapid Assessment](#) report of Dec. 2019. Near total reliance on outside funding and capacity does not appear to vary with greater or lesser beneficiary numbers, or scale of damage, over time.

### 3.3.2 To what extent did CERF allocations help leverage/mobilise additional funding from other sources, including internal resources?

One core premise of this study is that mainstream donors make disproportionately fewer/smaller contributions to appeals in smaller emergencies, leaving CERF as a core donor, which contradicts its operating principles. The extent to which CERF contributions allow agencies to leverage additional resources from donors is a standard question in CERF country studies. In this instance, the review team looked specifically at whether CERF recipient agencies were able to leverage internal or any other funds using CERF allocations. In addition, the review looked at this question from the perspective of donors.

Again, Haiti is different from Lesotho and Djibouti in that needs are consistently high, but donor fatigue is higher. Lesotho and Djibouti are donor orphans in different ways, but both appear to be deprioritised for *humanitarian* funding for several reasons:

- Their LMIC designation, including the expectation of a Government led response
- Localization is a priority for donors and UN agencies in these three contexts; i.e., supporting the strengthening of national capacity, including capacity to understand and measuring risk and vulnerability; disaster preparedness and shock responsive social protection. Donors cited these countries as deprioritised, in relative terms, against larger emergencies in their respective regions (e.g., Somalia and Yemen in the Horn; Zimbabwe in Southern Africa).
- Few large humanitarian donors have a *significant* physical presence in country; they tend to be covered from regional hubs.

In each country, the lack of emergency funding has created something of a reliance on CERF funding. Donors interviewed for this study cited well-known, widely documented reasons for not contributing follow on funding after CERF allocations. The situation in each country, however, is nuanced. In all cases, donors noted limited resources and compelling interests in other, larger scale crises in the same regions. For Djibouti, CERF allocations do not appear to have improved agencies success in leveraging funds, external or internal. Regional donors, based in Nairobi or Addis, have tended to prioritise neighbouring crises given their larger scale and repeat spill-over across the region, often into Djibouti. Conflicts in Yemen and Somalia have absorbed the majority of emergency monies in recent years. The actions of CERF, however, are valued by other donors for the emergency/vulnerability data generated (IPC, SMART) and the strategies and sectors which are prioritised in the allocation process.

In Lesotho in particular, donors cited the importance of CERF process and decisions in allowing them to make the case with their own Headquarters that additional emergency funding might be required. In the case of Lesotho, donors referred to additional contributions that *had* been leveraged, at least in part, by CERF contributions. This money was not necessarily quick to arrive, and it flowed through additional contributions to the social protection system rather than the emergency appeal. At the time the interviews for this review, CERF's contribution accounted for 100% of funding to the emergency appeal. There is clear evidence, however, that the CERF allocations were of greater importance than the cash value. In Haiti, CERF showed mixed results in helping agencies secure follow-on funding. Notable exceptions include large operations with clear cost-efficient benefits to agencies, partners and populations (e.g., UNHAS/WFP transport and logistics system).

In part, the lack of partners can be attributed to a lack of emergency funding. As noted in section 2, there are several reasons why consistent humanitarian funding is not available: partly a strategic decision on the part of donors, these are LMIC's and the onus is on social protection and system strengthening. When emergencies occur, these countries are not likely to be prioritised, even if the administrative means to provide emergency funding exist. Such INGOs as are present tend to be working on small, direct funding agreements with emergency donors such as ECHO as well as relatively small-scale development programming or community reliance work. In the absence of clusters and other conventional/standing humanitarian co-ordinations structures, it is hard to bring these actors on board at short notice. Without capable non-Governmental partners, UN agencies must implement directly, through smaller national partners and/or Government. Their capacity to scale up partnership arrangements is also contingent (as above) on experienced staff on the ground.

In all three countries, competition for funding is high. This pressure notwithstanding, agencies in Lesotho and Djibouti were reasonably content with the transparency / inclusivity of allocations. In Haiti, however, they became highly pressurised. In Haiti, during previous massive emergencies (2010 earthquake, 2017 Hurricane Matthew), agency budgets skyrocketed, followed by lean periods of scarce funding and agencies struggling to maintain capacity. Finding the right proportion or happy medium in Haiti between being disaster ready and committing to resilient development is challenging for many agencies, interviewees reported, for doing both well requires a large funding stream that is not available. Donor fatigue is a major factor, which also explains funding scarcity when there is no large-scale catastrophic event, as in 2010 or 2017.

Again, in this respect, in Lesotho and Djibouti, UN agencies themselves recognised that they could possibly do more to secure additional donor funding as a follow on to CERF allocations. Some acknowledged their own lack of initiative to travel outside the country to visit donors in their regional hubs (Addis Ababa, Nairobi, Pretoria, etc.).

### **3.4 Are larger and/or longer CERF allocations warranted in all or a subset of smaller emergencies?**

As well as looking at the added value of CERF in the three review countries, the review was tasked to look at broader issues. Specifically, if the RC/HC and the CERF secretariat can foresee poor coverage of needs as a result of limited funding, should CERF consider larger allocations; longer implementation time of grants; or repeated/sequenced allocations? The TOR for the review also required a general analysis/assessment of the ability of UN agencies and partners to absorb/spend larger quantities of funding in normal CERF timeframes and under these circumstances: does low absorption capacity appear to be a common trait in small scale emergencies and if this is the case, what might CERF do differently? Should CERF consider funding certain types of services/activities over others in such contexts?

#### **3.4.1 CERF country-level allocations and absorption capacity**

In order to look at this question it is helpful to lay out a simple, linear logic which runs through from section 1. It is broadly accepted that CERF allocations were warranted, that they applied the life-saving criteria appropriately and were largely in line with CERF's management benchmarks. Section 2 confirms that CERF adds value in a predictable gap and that, in each case, there was no expectation of leveraging follow-on funding. It is reasonable to state that larger allocations would



enable greater coverage of needs. The proviso is that recipient agencies and partners would have the capacity to spend the money within CERF's normal timeframes. Questions about the capacity of agencies to spend arise mainly as a result of the relatively high proportion of NCE's in these as well as other smaller emergencies. Specific consequences of the absence of follow-on funding were not an objective of this study, but anecdotally agencies frequently reported a 'missed opportunity' of not being able to continue the inherent capacity building of national partners that CERF funded projects allow. A longer delivery timeframe would have helped cement new capacities, behaviours and thinking, some CERF recipients reported.

- **Absorption capacity**

The review looked at the issue of low absorption and how exactly CERF recipient agencies might be unable to spend larger allocations, even if such a direction was agreed. Especially for RR allocations, the ability of recipient agencies and their partners to spend allocations equates to their ability to complete a rapid programme cycle within CERF's relatively tight timelines—including needs assessments and design running concurrent with the CERF application, to procurement and implementation.<sup>12</sup> It is commonly accepted that the proportion of No-Cost Extensions (NCE's) / per allocation can be a direct indicator of low absorption capacity. A long history of CERF country reviews reveals that NCE's are associated with instances where recipient agencies enter new partnership arrangements and/or start new international procurement in order to programme CERF allocations. In addition, security and or access constraints which had not been predicted at the time of allocation have hindered agencies' ability to spend. In relation to the sample of smaller emergency countries in this review, the term has some particular facets/ characteristics. Many of these were common to Lesotho and Djibouti. Haiti, however, has a number of specific characteristics.

Given the patterns of funding in recent years, CERF decisions at country level did not explicitly account for the possibility of funding shortfalls; i.e., CERF allocations were proportionate with other emergencies. In Djibouti an initial request for \$10 million was countered by an offer of \$4 million from the CERF secretariat. Even though a pattern of low donor funding had been established and it was reasonable to assume that follow-on contributions might be low, this was not a determinant factor of CERF decision making. The OCHA Regional Office covering Lesotho stated that a larger allocation was ill-advised on the basis of perceived low absorption capacity in country. Again in general terms, this was perceived to be a shared characteristic across each of these contexts. While low absorption capacity was deemed to be a factor overall, recipient agencies in both Djibouti and Lesotho clearly stated that some specific projects were deliberately limited to match the amount of funding available, rather than adjusted to the needs on the ground and their capacity to deliver.

CERF allocations to Haiti's protracted and cyclical crises saw a high rate of NCEs in 2019. For large parts of 2019, movement was restricted as a result of an unpredictable pattern of public protest (known locally as 'Paylok'). Out of three RR allocations in 2019, UNICEF requested an extension because medical staff was not able to reach patients and malnutrition victims during the lockdown, nor were clinics receiving deliveries of medicines and supplies. In the UFE window, both 2019 allocations (WHO, UNICEF) requested extensions for the same reasons—inability to move and to

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<sup>12</sup> A reviewer to an early draft noted that RR time constraints and larger allocations may have to increase in sync, if CERF accepted to cover a greater proportion of need. This would make concerns over time constraints moot if execution periods were extended in conjunction with larger allocations. And, "CERF is now regularly giving longer implementation times and the revised CERF SGB includes specific provisions for this." Another option could be follow-up grants.

service their caseload of cholera victims, to run the treatment centres and provide WASH necessities, conduct surveillance and/or run tests. Aside from these NCEs, all agencies cited the difficulty of spending money in Haiti's political and security climate, now with COVID-19 in addition to Paylok. Over and above these access constraints, agencies reported that local NGO partners did not wish to receive and account for funds they were unsure of spending (and possibly losing to theft) if violence returned. Partners also noted ongoing deterioration of trust on the part of populations, already cynical of the intentions/abilities of the aid community.

There is reason to believe, especially for the RR window, that larger allocations might lead to a proportionate increase in NCEs. The previous section, however, highlights the essential role of CERF and the extent to which it contributes to an otherwise unmet gap in all three countries. In addition, individual agencies across the three case study countries stated clearly that for specific projects, they had limited the scale of their activities to match the size of CERF allocations. In these instances, they were clear that larger allocations would have allowed greater coverage, either geographically (WFP in Lesotho) and / or to increase their ability to build back better (UNICEF in Djibouti, described below).

- **Can CERF contribute to resilience building, strengthening response and preparedness systems?**

In the section below, findings from the three countries are synthesized to capture the opportunity, and expressed need, for CERF to address the 'systemic gap' between nascent national emergency response capacity and greater resilience of affected communities. CERF can play a catalytic role here, and in many cases is already doing so, with its limited resources. Larger envelopes would potentially accelerate and expand these gains in tangible, measurable ways.

Two questions emerge:

- Do, or could, CERF allocations contribute directly to resilience building or system strengthening;
- Would larger CERF allocations draw CERF deeper into the systemic gap i.e. potentially displace or undermine Government accountability or resilience building/development efforts?

In Lesotho and Djibouti, CERF allocations are clearly seen as opportunities to engage Government and to focus attention on both the need for and the scale of rapid responses. In particular, the RC/HCs interviewed for this study noted the impact of the CERF allocation and delivery process on government planning, coordination and implementation (including data collection and needs prioritization, interagency coordination and division of labour, drafting funding appeals and strategy, procurement of supplies and delivery to project delivery sites, deployment of staff, managing the beneficiary interface, real-time monitoring and evaluation, etc.).

Development actors in Djibouti, Lesotho and Haiti have begun to push for social safety net models that are shock responsive, but full national ownership might take decades. Internally, the GoD repeatedly claims commitment to national early warning capacity for droughts and other weather-related crises, as well as its national disaster management committee. Progress on these commitments has been slow, however. While this degree of engagement with government partners is not uncommon to CERF allocations globally, the effects of shaping and orienting public institutions involved with emergency response and vulnerability tracking over years, even decades, would

logically contribute to stronger national response systems. The predictability of this outcome would be even higher in stable countries with growing GDPs, such as Lesotho and Djibouti. Yet the history of Djibouti crisis response as documented in the cited World Bank 2004 report and in CERF's own 2012 evaluation would suggest otherwise.

Dependence on outside actors both for crisis response to save lives in rapid-onset disaster, and to fund reconstruction efforts over the mid- to long-term as well, does not appear to have evolved significantly despite relative political stability and increasing annual GDP. Given the small size of these countries, disasters of this scale represent large-scale existential threats to life, livelihoods and political stability. Large scale disasters increase in frequency and intensity, yet these governments remain effectively passive, reactive, seemingly in denial.

Notwithstanding its emergency designation, CERF was seen as supporting programming with longer terms strategic aims, notably through the UFE window. FAO gave examples of sustainable farming inputs to follow food distributions, and many agencies discussed cash or voucher modalities over longer periods to enable families to re-establish their livelihoods and autonomy gradually, and with greater chance of success. WHO in Djibouti used CERF funding for strengthening the capacity of treatment for severe acute malnutrition through public health structures. Rapid response allocations, however, were seen as having more limited value. In Djibouti, UNICEF installed flood-resistant latrines to improve upon classic hand-dug pit latrines that overflow in heavy rains, leak raw sewage and spread disease in poor urban neighbourhoods. UNICEF's WASH team calculated the increased cost of this more durable latrine model at seven times the cost of simple pit latrines. Because of this added cost, UNICEF had to reduce its coverage.

It would not be surprising if repeat CERF allocations, year after year, resulted in an increased reliance on CERF (an unintended consequence). Yet few agencies and partners described the frequency of CERF interventions as problematic. Regular injections of short-term emergency funding were not seen as threatening the promotion of resilient development, 'nexus' aspirations, or localization. Instead, national response capacity and poor governance were cited as the primary threat to these objectives. Respondents emphasized the specific value of CERF in terms of rapidity, flexibility and ease-of-use, especially where other emergency funding was scant or non-existent. Several donors echoed this view of CERF as an essential 'first responder' whose early action served to alert other donors of the gravity and scale of a given crisis, and as 'ammunition' for internal advocacy around possible funding amounts, sectors and partners. This signal to other donors was recognized and valued irrespective of a donor's final decision, or ability, to engage.

Climate change alarmism can be a distraction from deeper problems of minimal social infrastructure, land management and poor governance, yet it is clear that these three countries are constrained by both modes of fragility. Haiti and Djibouti's poor physical infrastructure and non-responsive social services are the background against which extreme weather occurs, and for which CERF's agility and speed are well adapted. In Lesotho, CERF allocations can bring significant value in the void created by inadequate national response mechanisms. Supporting improvements in emergency preparedness and crisis modifiers with line Ministries is one focus of the UN's role, and a government priority, in all three countries. For Haiti and Djibouti, the social welfare gap remains significant; Lesotho is more advanced in this regard. In Djibouti and Lesotho, the absence of an active and responsive set of emergency donors appears to exacerbate this gap.

## Overarching conclusions

- 1. The case for larger and/or longer allocations in smaller emergencies.** CERF allocations alone will never fill the systemic gap in which they add value. A longer-term solution relies on strengthened Government systems and resilience building. It is clear that under these circumstances that CERF *is* adding value in a gap which is inherently structural. It is equally clear that a greater quantity or frequency of CERF funding is *not* the solution to the structural issues at hand. The long-term solution is ultimately the strengthening of Government systems for social protection and emergency preparedness. It is important to note that in Haiti, there is little faith that, on the whole, Government-led structures and systems will rise to meet the challenge. This point nuances the overarching findings laid out below.

Larger or longer CERF allocations would be warranted, if there was a reasonable degree of confidence that the basic criteria of the humanitarian imperative were met:

- CERF projects would support greater geographical coverage of humanitarian need;
- Technical assessments and allocation processes meet key performance benchmarks;
- It is possible to predict based on historic analysis and current assessment that a shortfall in support from mainstream humanitarian donors is likely;

Additional desirable criteria may include:

- CERF projects would contribute towards system strengthening and resilience building;
  - Support longer term efforts towards system strengthening/ disaster preparedness and resilience building. As noted, the case for larger and longer-term allocations *related to system strengthening* is hard to make for Haiti.
- 2. A case can also be made for increasing the duration of the RR and UFE.** In each of the three countries it is likely that appeals for rapid onset shocks are likely to be underfunded. Projects that meet CERF's life-saving criteria and are selected through inclusive and transparent process remain worthy of support. In these contexts, government data collection, procurement protocols and partnership arrangements often meet significant delays. Increasing the implementation window to six or nine months would accommodate the absorption issue, the paucity of viable relief actors, and reduce the prevalence of NCE's.
  - 3. Larger and longer allocations might be considered where projects clearly contribute to building resilience or building back better.** If agencies can make a clear case that they are providing resilient solutions, while also saving lives, and that this requires additional funding or a longer implementation window, this might be considered. There is no question that CERF's life-saving criteria should still apply; but solutions with measurable, medium term outputs and outcomes, in addition to life saving characteristics should also be considered. Again, with the proviso that no longer-term funding is realistically expected.

The Lesotho and Djibouti governments are key partners, as a matter of strategic importance and for want of scalable alternatives. Relief activities require the engagement of government partners in needs assessments, data collection and implementation. These discussions might require inter-ministerial cooperation and the engagement of sub-national structures. A longer implementation window would appear warranted-to complete a project cycle at scale. The added benefit here is that the intervention can be seen as bolstering the strengthening of government response structures; if and only if such interventions do not substitute for or undermine investment in nationally owned, shock responsive systems.

4. **Integrated proposals for greater complementarity and multisectoral response.** Where country proposals to CERF are small (under \$500k), consider allowing integrated proposals: For smaller emergency allocations (as in Lesotho and Djibouti) where agencies are chronically underfunded and other emergency donors absent, CERF should allow joint proposals and integrated delivery between smaller, complementary agencies within or across sectors in order to lower transaction costs, promote ONE UN values and improve coordination and integration generally. This was discontinued in 2019 due to cumbersome processing and delays, but may be reconsidered for these smaller, chronic emergencies.

## ANNEX A – Country Study – CERF Allocations in Djibouti

Djibouti is part of a multi-country study of CERF’s comparative advantage in small-scale disasters (under \$150m) where, instead of being a ‘catalytic’ donor that leverages larger follow-on funding, it acts as the largest or only donor for UN agencies doing emergency response. Led by a dynamic and OCHA-experienced Resident Coordinator, UN agencies in Djibouti strive to practice ONE UN values and reforms, through programming to increase localization of capacity, government ownership and national resilience.

Since 2006 CERF has served emergency response needs in Djibouti every year except 2017. All allocations were drought-related except for Cyclone Nagar in 2018. With under a million inhabitants, 79% of whom are urban, Djibouti is defined by the high likelihood of recurrent, unpredictable climate-related disasters, with negligible bilateral contributions to emergency funding Appeals. Since the 1985 creation of ORSEC (*Organisation de la Réponse de Sécurité Civile*), the GoD is committed to improving disaster coordination and responsiveness. ORSEC remains the standing national body charged with emergency preparedness and response for natural catastrophes.<sup>13</sup> A national emergency response plan was triggered for the flooding of November 2019, but ORSEC coordination and response were perceived as non-assertive and unable to plan, prioritize or deliver life-saving goods and services quickly and effectively.

- **CERF Value Add**

From 2018 to 2020, with a combination of Rapid Response and Underfunded allocations, CERF improved the humanitarian response in Djibouti in five distinguishable but linked ways:

1. **Flexible, fast donor in resource-scarce environment** – Few other emergency donors prioritize Djibouti, due in part to its Lower Middle-Income Country (LMIC) status and perceived stability, mixed reactions to the slow progression of crisis indicators, and predominance of long-term development programming. Only Saudi Arabia and the US Government spent more than CERF in 2018-2019.
2. **CERF allocations helped to stimulate government action, inter-ministerial communication and planning with donors and UN agencies**, a learning curve that repeats with each rapid-onset crisis preceding CERF’s earliest engagement in country. ‘Building back better’ includes early warning and disaster planning/preparedness capacity, a recent government priority. UNDAF coordination mechanisms were nominally in place but not responsive (hence no HRP but a Flash Appeal, per RCO).
3. The Rapid Response window allows **time-critical, multi-sector response, and generates vulnerability data** to drive government action and inform fund-raising for external donors. The Underfunded window in 2019 allowed agencies to focus on the country’s most vulnerable groups, particularly refugees and migrants (women and children) with severe acute malnutrition and susceptible to recurrent measles and malaria outbreaks, with integrated packages combining health and protection services. Recurrent drought impacted food security, livelihoods and safe water sources for vulnerable populations in rural areas as well as migrants and refugees. NCEs were relatively high due to protracted procurement of

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<sup>13</sup> Plan ORSEC, created in March 1985 by Presidential decree and placed under the Ministry of Interior (Mol), was previously activated after the 1989, 1994, and 2004 floods, and many times since. Plan ORSEC consists of an emergency unit whose role is to provide immediate relief services and assess damages, and an Etat-Major consisting of the heads of key public sector agencies; it is convened at the request of the Mol.

emergency supplies and government being slow to declare an emergency, mount and staff national needs assessments, fund and equip national staff, etc.

4. **Leveraging other funds** – CERF in Djibouti has not improved agency success in leveraging external funds, yet its actions are valued by other donors for the emergency/vulnerability data (IPC, SMART, etc.) generated and the sectors and strategies it prioritizes in its responses. Regional donors, based in Nairobi or Addis, tend to prioritize neighbouring crises given their larger scale and repeat spill over across the region, often into Djibouti. Conflicts in Yemen and Somalia have absorbed the majority of emergency monies in recent years.
5. **Year after year, UN agencies in Djibouti depend heavily on CERF for emergency funding; national authorities rely on UN relief supplies and services.** Continued reliance on UN agencies for relief goods and services suggests that the GoD will not prioritize disaster readiness as long as its UN partners act on its behalf. This dependency could become a liability ('learned helplessness') by making UN commitments to resilient development, nexus programming, and localization seem hollow and disingenuous. For an LMIC country that imports 90% of its food, importing human capacity and resources to save lives and 'build back better' may seem normal to national leadership, but CERF and its UN partners must pressure the GoD to develop accountable and effective national social protection systems with crisis modifiers that can monitor vulnerability and respond appropriately in emergencies. Otherwise CERF will be doing the same thing in twenty years.

## I - Context and Background

A reported 7% annual economic growth rate recently elevated Djibouti to lower middle-income country (LMIC), a designation that improves the terms of international loans and ability to attract private investment. The LMIC status brings optimism and pride to political elites yet unemployment and illiteracy remain high (40%; 46%)<sup>14</sup> and economic diversification static (Ethiopian port fees comprise 80% of GDP).

The LMIC designation notwithstanding, Djibouti is beset by chronic underdevelopment, weak governance, poor public services and infrastructure in both rural and poor urban areas. Eighty-five percent of Djibouti's population lives in the capital city and 90% of the national food supply is imported. The most vulnerable segments of the urban population live in areas with weak infrastructure and inadequate housing ('shanties') that sits at or below sea level. In a recent malaria outbreak during flooding, 89% of all cases were in the capital (site of stagnant flood waters and raw sewage), which explains the high proportion of poor residents vulnerable to health complications following recent tropical storms. Many key health indicators hover regularly near emergency levels: including high levels of chronic food insecurity (51% in rural households), very high infant mortality (30 per 1000), global acute malnutrition at 18%, 35% poverty nationwide, with 21% extremely poor. Djibouti also hosts 130,000 migrants and 27,000 refugees, of whom 5,000 are in Djibouti City.

This overall backdrop of fragility is a particular challenge in the face of the rising threat of extreme weather events that have intensified in recent years (in frequency and power) in tandem with shifting seasonal climate patterns. Cyclone Sagar in May 2018 devastated urban infrastructure and triggered a series of public health emergencies that are still being addressed today. Months of drought followed Sagar through 2019 until November when torrential rains flooded much of the country, creating a new spike in epidemics and malnutrition. Morbidity and mortality hit hardest in poor urban areas (malaria and measles outbreaks), as waves of livestock losses (TB, brucellosis) and acute maternal and infant malnutrition spread across the arid interior.

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<sup>14</sup> <https://www.afdb.org/fr/countries/east-africa/djibouti/djibouti-economic-outlook>

**National response capacity.** Disaster response and preparedness is ostensibly led by the MOI under ORSEC, the public institution charged with damage assessments and drafting requests for emergency funding. Relevant line ministries should, in principle, have led the emergency responses under the ORSEC in 2018 and 2019. Despite a belief in incremental improvement, Djibouti's response and preparedness systems remain weak overall, including systems to manage public health risks following natural catastrophes. These weaknesses have required the UN to drive the coordination, data collection, strategy and delivery of recent response efforts. In an LMIC like Djibouti (or Lesotho) where a "One UN" emphasizes national ownership and resilient development, the UN's hands-on leadership (RC) and direct interventions to save lives paint a different picture. The prominent role played nearly annually by CERF as a "donor to UN agencies during emergencies" is not blocking government progress in DRR leadership. Nor is it helping either, by fostering localization and national ownership in times of crisis. Rather, one donor claimed, national authorities "see the UN as a source of handouts during crisis, not as a partner in greater disaster readiness and response."<sup>15</sup>

Government shortcomings in the overall response to Sagar and the 2019 flash floods were formally acknowledged at the March 6, 2020 Post Disaster Needs Assessment (PDNA) launch event. Leadership in charge of the emergency plan (ORSEC<sup>16</sup>) pledged to draw lessons from their past performance and to invest in inter-ministerial, cross-sector coordination in order to improve reactivity before the next crisis. The event featured endorsement speeches from UN and World Bank officials, was interpreted as evidence of greater commitment from Government. The current priority of the PDNA is resilient reconstruction in the wake of recent disasters, far costlier than simply rebuilding the same fragile structures, from housing to boreholes and pit latrines. The RCO and UN agencies should multiply their efforts to strengthen Government structures and systems.

**Coordination.** Djibouti has no history of a dedicated UN-led coordination structures; the current RC has no HC designation. UN agencies' core programming leans more toward development programming. As is the case in Lesotho, this means that they tend not to have a depth of emergency experience in the country office (with some exceptions). There is little to no national NGO sector, and INGO's are few and also tend to be focused on longer term programming. In keeping with other similar country contexts, much of the development programming is focused on rural areas and significantly less so on urban populations.

**Geopolitically strategic but few aid donors present.** A heavy presence of military bases from donor countries, and now China, results in a willing stand-by contingent of first responders and donated relief supplies in rapid-onset disasters (floods, cyclones), but aid donors are few with very limited staff (ECHO, USAID). Djibouti's perceived stability and its LMIC status alongside its more volatile neighbours mean that emergency needs are tracked from regional capitals (Addis, Nairobi). Most aid flows favour larger disasters and conflicts in the region (Yemen, Somalia), where beneficiaries annually number in the millions. Ministry of Social Affairs and other state actors responsible for vulnerability monitoring and emergency assistance describe trips to regional capitals to present needs, priority projects and relief planning (social safety nets, etc.).

**Safety nets and state social protection.** Disaster preparedness and social protection systems in Djibouti are less developed than in Lesotho. In addition, Djibouti is subject to a combination of rapid and slow-onset crises against a foundation of weak infrastructure and high chronic vulnerability across multiple sectors. CERF allocations, however, play in the same 'space' in both countries: the need for the UN system and partners to bridge gap between an incomplete national response and a clear set of humanitarian needs.

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<sup>15</sup> *Conseiller de coopération, Ambassade de France (no AFD presence).*

<sup>16</sup> *Organisation de la Réponse de Sécurité Civile*



## 2018-2020 CERF funding in Djibouti

- 1) Rapid Response, June 2018, \$1.2 million.** Cyclone Sagar hit Djibouti on 20 May 2018, causing widespread flooding and destruction of infrastructure, homes and livelihoods. An estimated 110 mm of rain (representing the one-year average) was recorded in a single day. National authorities estimated that up to 10,000 families (50,000 people) were severely affected in Djibouti City alone, with 15,000 people in need of urgent humanitarian assistance, including refugees, IDPs and host communities.

| Organization | Project title   | Amount in US\$ |
|--------------|---|----------------|
| UNICEF       | <u>Life-saving WASH response to Cyclone Sagar</u>   | \$916,791      |
| WHO          | <u>Strengthening disease surveillance and response of epidemic-prone diseases in the areas affected by Cyclone Sagar</u>  | \$180,000      |
| IOM          | <u>Strengthening disease surveillance and response of epidemic-prone diseases in the areas affected by cyclone Sagar.</u> | \$100,000      |

- 2) Underfunded allocation, April 2019, \$4,003,125:** Under the UN Resident Coordinator, UNCT members convened repeatedly regarding the worsening humanitarian situation in early 2019 after the Sagar response. Funding gaps affected programming for livelihoods and nutrition, access to safe water, increased immunization coverage for active outbreaks (malaria, measles), and protection needs for newly arriving refugee populations (case management for GBV). Identified priorities included the need to scale up life-saving interventions for migrants, refugees and their host communities in light of prolonged drought and the regular flow of new refugees and migrants. Immediate lifesaving programs in food security, nutrition, health, WASH and protection for vulnerable households were identified based on joint needs assessments involving government partners. The request amounted to \$9,940,000, with agencies mobilizing over \$2.7m.

| Organization | Project title  | Amount in US\$ |
|--------------|--|----------------|
| FAO          | <u>Critical food security interventions for drought-affected, food insecure population</u>           | \$800,000      |
| UNHCR        | <u>Emergency protection for conflict affected refugees</u>   | \$150,000      |
| IOM          | <u>Emergency WASH along migration and transhumance routes</u>  | \$503,158      |
| UNICEF       | <u>Emergency Measles vaccination campaign</u>  | \$210,000      |
| UNICEF       | <u>Emergency WASH along migration and transhumance routes</u>  | \$849,999      |
| WFP          | <u>Provision of nutritional assistance (prevention and treatment of Moderate Acute Malnutrition)</u> | \$750,000      |
| WHO          | <u>Emergency Nutrition interventions / SAM</u>   | \$130,000      |
| WHO          | <u>Emergency Measles vaccination campaign</u>  | \$259,968      |
| WHO          | <u>Emergency Response to Malaria Outbreak in Djibouti</u>  | \$350,000      |

**3) Rapid Response, December 2019, \$1,727,350:** In the wake of both Cyclone Sagar in May 2018 and the November 2019 floods, ministry representatives under ORSEC led coordination and response for Djibouti city, peri-urban and rural areas. These initiatives proved overly procedural and the committees tasked with generating vulnerability data produced few results. Under guidance from the RC, UN agencies broke the stasis by forming the necessary interagency coordination cells and driving a country-wide needs assessment. This produced a multisector response strategy and the Flash Appeal of November 2019 for \$14.3 million for 150,000 flood-affected people, to which CERF was the major contributor with \$3m.

The prolonged drought that followed Cyclone Sagar in May 2018 was broken by heavy rains in late November 2019. Flash flooding destroyed infrastructure, homes and livelihoods across the country. An estimated 150,000 people, including migrants and refugees, required immediate help. Flooded areas were the same as those under Sagar, with 95% of affected households reported losing food stocks in Djibouti city. Loss of crops and livestock in rural areas was compounded by the desert locust invasion, triggered by the rains.

| Organization | Project title  | Amount in US\$ |
|--------------|--|----------------|
| UNICEF       | <u>Improving access to lifesaving interventions to families affected by floods in Djibouti</u>   | \$504,900      |
| FAO          | <u>Rapid response for food security and livelihood restoration of rural food-insecure communities affected by floods and locust invasion</u> | \$300,000      |
| IOM          | <u>Lifesaving emergency assistance to vulnerable migrants affected by floods in Djibouti</u>   | \$338,444      |
| UNDP         | <u>Reduce flooding and restoring sanitary conditions through emergency drainage and waste management interventions</u>                       | \$100,024      |
| WFP          | <u>Food assistance to flood-affected households in Djibouti city</u>   | \$737,350      |
| WHO          | <u>Emergency response to vector borne and waterborne diseases</u>  | \$990,000      |

### CERF History in Djibouti from 2012

From its first year of operation in 2006 to present, CERF has provided over \$48.6 million to Djibouti through the Rapid Response (45) and Underfunded windows (77). During 14 years of operation, CERF has intervened for 13 of those years, with grants ranging from \$26k to \$1.1m. This pattern shows the recurrent nature both of natural disasters in Djibouti and the government's continued reliance on outside resources to manage life-threatening shocks, even as allocation amounts being comparatively low." For both Cyclone Sagar and the subsequent floods, CERF was the primary emergency donor, despite the presence of many bilateral donors in Djibouti.

|      | CERF Contribution | Country Funding Request    | Total Funding Received   |
|------|-------------------|----------------------------|--|
| 2012 | \$4,019,325       | \$79,310,556               | \$40,222,828   |
|      | UFE: \$4,019,325  | 51% of requirements funded | CERF provides 5.06% of overall requirements and 10% of funding received. |
| 2013 | 6,307,018         | \$69,982,984               | \$24,753,575   |

|      |   |                               |   |
|------|---|-------------------------------|---|
|      | UFE: \$6,307,018                        | 28% of requirements funded.   | CERF provides 11% of requirements and 25% of funding received   |
| 2014 | \$3,997,510                             | \$74,100,000                  | \$21,000,000  |
|      | UFE: \$3,997,510                        | 35% of requirements funded.   | CERF provides 9% of requirements and 19% of funding received    |
| 2015 | \$3,000,059                             | \$82,000,000                  | \$17,300,000  |
|      | UFE: \$3,000,059                        | 21% of requirements funded.   | CERF provides 3.6% of requirements and 17% of funding received  |
| 2016 | \$1,972,054                             | \$74,800,000                  | \$26,300,000  |
|      | RR: \$1,972,054                         | 35% of requirements funded.   | CERF provides 2.6% of requirements and 7.5% of funding received |
| 2017 | \$0                                     | \$43,000,000                  | \$19,958,492 (FTS)  |
|      | n/a                                     | 27.3% of requirements funded. | CERF provides 0% of requirements and 0% of funding received     |
| 2018 | \$1,196,791 (CERF)                      | \$??                          | \$10,491,858 (FTS)  |
|      | RR: \$1,196,791 (FTS)                   | % of requirements funded.     | CERF provides % of requirements and 11.4% of funding received   |
| 2019 | \$5,246,493 (CERF)<br>\$4,003,125 (FTS) | \$??                          | \$28,036,080 (FTS)  |
|      | RR: \$1,248,469<br>UFE: \$4,003,125     | % of requirements funded.     | CERF provides % of requirements and 14.3% of funding received   |
| 2020 | \$1,727,350 (CERF)<br>\$3,184,718 (FTS) | \$14,300,000                  | \$8,045,154 (FTS)   |
|      | RR: \$1,727,350                         | 23.1% of requirements funded. | CERF provides % of requirements and 39.6% of funding received   |

### Observations

- Country funding requirements are remarkably consistent \$76 million plus or minus \$6 million.
- Overall funding contributions also quite consistent \$21 million plus or minus \$5 million – the single outlier is 2012 with \$40 million received.
- Total CERF contributions per year are somewhat consistent between \$2 and \$4 million, the outlier being 2013 when CERF contributed \$6 million. This was also the year with the lowest ‘ask’. As such, CERF provided the highest proportion of overall needs in this year at 25%

The amount received was \$3.3m, of which \$3m was from the Rapid Response window. Total response funding including contributions outside of the Appeal amounted to \$4.1m, of which 73% was CERF. Nearly 50% went to Health and Food Security, with WASH and NFI/shelter taking another 25%. Malnutrition and epidemic outbreaks were the most severe shocks in terms of morbidity and mortality, hence the dominance of these sectors.

### II – Key findings

#### 4 CERF value-add: Timeliness and speed of response

There was satisfaction overall with the timeliness of CERF's response for the RR window. Several agencies saw CERF's intervention as critical, to the extent that CERF allocations were the main enabling factor in their response. While allocations were seen as timely, the responses of a number of agencies were relatively slow to develop. One factor challenging timely response is the low capacity of agencies to absorb and effectively spend large quantities of emergency funding. As is often the case for CERF RR allocations, there were challenges where agencies had to rely on new partnerships and/or new procurement contracts. In the absence of emergency medical stocks and other life-saving equipment and materials, a number of responses were delayed by protracted procurement complications. Djibouti relies very heavily on imported goods and the importation of relief supplies from Ethiopia or elsewhere. The effect is slower overall reaction time (international shipping, overland trucking, border and port customs procedures), which in turn delays delivery, resulting in three NCEs.

In addition to challenges with procurement and timeliness, poor absorption capacity is explained in part by the overall lack of an emergency footing within UN agencies and a limited selection of NGOs (national and international). These, too, lack seasoned emergency capacity, attributable in part to the high operating costs in Djibouti. Two INGOs received CERF monies toward their 2019 Flash Appeal requirements. In general, a limited presence in country translates into less access to consistent emergency funding, smaller budgets and fewer interventions.

**UFE window:** The May 2019 Underfunded allocation was significant compared to the two Rapid Response allocations covered in this review, with nine projects for \$4,003,125. Although broad in multi-sectoral terms, it specifically targeted the most vulnerable segments of the population, including refugees and migrants who receive nothing from Djibouti social services. Malaria and measles outbreaks were escalating, and TB and Brucellosis epidemics were decimating livestock and weakening resilience of rural/pastoralist families with few livelihood alternatives. A cumulative, ongoing drought (momentarily broken by Sagar) had depleted rural watering points to dangerous levels. The UFE allocation also addressed lingering needs from Sagar (nutrition, water-borne disease), but was primarily a response to the cumulative consequences of drought, continuing influx of migrants and refugees, and extreme vulnerability.

**Agency consultation process.** The consultation experience was seen, overall, as inclusive and engaged, with voluntary complementarity between agencies and collective recognition of critical priorities. There were reports of some confusion over definition of 'life-saving', notably from non-recipient agencies. In keeping with findings from other country studies, the review team found that a range of UN agencies offered what they felt were life-saving interventions, but they varied in their ability to justify their CERF eligibility convincingly. In this case, one proposal on maternal health was not successful, despite infant mortality and maternal health being a key medical issue. Again, as commonly found in CERF country studies, smaller UN Agencies who are infrequent recipients of CERF funding had leadership teams with no prior experience of CERF. A lack of familiarity with process was a significant hindrance.

Some agency staff reported that the CERF review process, as opposed to country level, was overly focused on budget details. Scrutinizing proposed budgets is, however, mandatory for accountability purposes.

**Enhancing inter-agency coordination, inclusiveness and complementarity.** There is no HRP in Djibouti, and humanitarian activities are coordinated through existing mechanisms within the UNDAF and designated government bodies. The CERF allocation processes offer agencies an urgent occasion to focus on emergency needs and to design complementary, multisectoral responses. For agencies with little in-house experience with emergency needs analysis, program design and

delivery, CERF prompted increased awareness and capacity, particularly those working primarily in longer-term development mode.

Government partners, specifically the Ministry of Social Affairs (MASS), reported constructive engagement and positive results by the UN under the Resident Coordinator since her arrival in 2018. Before her, all coordination and response planning had been bilateral with individual donors and UN agencies. Following Sagar, the RC introduced multilateral, real-time coordination in subsequent emergencies in 2019, which MASS described as a “welcome but challenging learning curve.” MASS hopes this coordination dynamic will become the norm in future emergencies, but they realize it requires an individual with “vision and leadership” (i.e., personality driven), which they do not see coming from the GoD. MASS claimed it worked hard to provide data on needs for the 2019 Flash Appeal, which they did without expectation of benefit to themselves, but in good faith as a member of a joint coordination effort to generate a funding request. They claimed to have never been informed of any final funding decisions by CERF (allocation amounts, which UN programmes selected). Post-fundraising coordination and communication is as essential as real-time response coordination, MASS believes.

## **2. Appropriateness: The use of a global, rapid response mechanism in a development setting with regular rainfall shortage and rapid onset disasters caused by extreme weather events.**

While climate change alarmism can be a distraction from deeper problems of minimal social infrastructure and poor governance, it is undeniable that Djibouti is host to both modes of fragility. Djibouti’s poor physical infrastructure and non-responsive social services are the background against which extreme weather occur, and for which CERF’s agility and speed are well adapted. The two sides of a large WASH project highlighted in the 2019 UFE proposal (WHO and UNICEF) were (a) safe drinking water for the urban poor during a spike in flood-related water-borne disease and (b) WASH stations in remote desert areas along transhumance and migration routes during the post-Sagar drought. Changing climate patterns in desert and coastal areas mean less annual rainfall in rural arid areas. This is offset by heavy flooding in the coastal population centre, where stagnant water collects in low-lying poor neighbourhoods and infectious diseases spread quickly.

UN agencies led by staff with years of emergency experience elsewhere, including the current Resident Coordinator, realize that in stable, lower middle-income countries like Djibouti, CERF should not be needed in times of crisis. Djibouti’s national disaster planning and response capacity should be more autonomous, its social services able to track and assist the most vulnerable because these families are already registered with the appropriate authority. UN development programming, and that of other actors like the World Bank, support national authorities with these priorities.

As apparent in Lesotho, CERF allocations can bring significant value in the void created by inadequate Government response mechanisms. Supporting improvements in emergency preparedness and crisis modifiers within ongoing development work with line Ministries is one focus of the UN’s role and a Government focus in both countries. For Djibouti’s rapid onset emergencies, this social welfare gap remains significant and more clear-cut than in Lesotho. Again, similar to Lesotho, the absence of an active and responsive set of emergency donors appears to exacerbate this gap.

In the absence of significant government progress and few emergency donors, it seems inevitable that CERF assistance will be sought for the foreseeable future, supporting UN agencies that in this context are primarily development actors for whom a quick pivot into disaster relief is not yet instinctive, nor agile. Such a dynamic runs counter to the spirit and letter of wider UN interests and aims in support of local solutions, not imported ones. CERF cannot address these pre-existing systemic problems, particularly the absence of disaster planning and preparedness among government ministries and UN agencies. CERF can, however, support programmatic linkages

between purely emergency and resilient solutions as long as CERF's lifesaving criteria are fulfilled. This is evident in many of the 2019 Underfunded allocations to FAO and WHO, in particular. FAO's food security response focused on preventing further loss of livelihood assets among drought-affected pastoralists with herd vaccinations against tuberculosis and brucellosis, as these outbreaks spread. While joint proposals are not currently accepted (OCHA adviser, Nairobi), CERF insistence on its live-saving criteria can dissuade the proposal of complementary activities linking emergency and recovery support. This may warrant reconsideration in smaller, chronic emergencies such as Djibouti.

The evaluation team visited a CERF-supported reference hospital in Ali-Sabieh, where WHO, UNICEF and WFP offered complementary, coordinated support in favour of WASH, measles vaccinations, an severe acute malnutrition (SAM) feeding program (in patient) and a moderate acute malnutrition (MAM) support for registered families in Ali-Sabieh. Medical equipment for cases of acute malnutrition with medical complications was included for the hospital, adding an emergency layer to a longer-term response. This latter addition was in recognition of the newly decentralized health management system, a challenge in rural areas with diminishing rains and poor outreach services for a vulnerable, highly mobile and thinly populated demographic.

### **3. Questions around larger allocations**

In the case of Djibouti and the RR window, there is a clear argument for larger CERF allocations that cover a greater proportion of needs. There are multiple caveats, however, which are equally clear. Attention must be paid to the absorption capacity of UN agencies and government partners. 'Absorption capacity' in this case, is somewhat of a loaded term, synonymous with a lack of organizational and systemic preparedness. One overarching goal must be that Government, UN agencies and other partners have systems and structures in place, including pre-existing contractual relationships and partnership agreements that enable the rapid onward disbursement of CERF or other emergency allocations. Amongst other things, this will require a different skill profile in UN agencies<sup>17</sup> and, over time, dramatically strengthened Government capacity. Investments in national preparedness and resilience are likely to yield slow returns, as these are governance challenges requiring development funding and technical support over the medium to long term.

Agencies provided clear examples of decisions to limit their physical coverage in response to smaller CERF allocations. In one particular case, this reduction in coverage was compounded by a costly need to 'build back better', in the case of flood resilient latrines. These were calculated to cost seven times that of a hand-dug pit latrine. The structural and material re-design would ensure durability over time, resist inundation and thus eliminate repeat installations. Logically, if agencies are to provide resilient solutions, they require flexible allocations, both in terms of scale and duration.

As is the case in Lesotho, a larger CERF envelope would require that UN agencies be ready and able to scale up without relying on outside surge capacity, as well as relationships (preferably pre-existing) with operational partners. Given the paucity of NGO partners in Djibouti, emergency preparedness would inevitably require planning as well as prepositioning for scaling up response in certain areas (geographic and technical).

Embracing the need for response efforts that integrate resiliency and preparedness, agencies have learned that 'building back better' is costly. A 'resilient' pit latrine designed by UNICEF, for instance, costs 7x that of a traditional hand-dug hole, given Djibouti's high water table in flood-prone areas with the highest density of urban poor, which are below or at sea level.

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<sup>17</sup> An overall lack of funding and funding profiles are almost certainly constraints to the human resources.

Going forward, agencies and donors alike should be pushing for more resilient development among national institutions and improving their connection to communities most vulnerable to extreme weather and its health and livelihood consequences. This means longer-term development programming that is risk-informed by early warning systems, disaster preparedness and mitigation, with flexible financing and crisis modifiers to allow a pivot to emergency cash transfers in rapid-onset crises. In Djibouti this is an attainable goal.

As national revenue rises (port usage, road transit to Ethiopia, foreign military rents) and national emergency planning and response capacity is gradually enhanced, bilateral donors will decrease their humanitarian commitments, creating greater reliance on CERF. Further, the frequency and intensity of natural disasters is expected to grow, not abate. Deliberately integrating resilient development with emergency response in Djibouti also means demanding greater accountability from national partners for high-cost, reusable mechanical equipment for WASH and drainage after floods – repeat purchase of motorized water pumps in 2018 and 2019 shows poor partner accountability, over-reliance on UN agencies, and disregard for sustainability of investments.

## ANNEX B – Country Study – CERF allocations in Haiti

Haiti ranks 169 out of 189 countries on the 2019 Human Development Index and has been the subject of a UN Security Council mandate for 25 years. A devastating earthquake in January 2010 captured the global spotlight and attracted a three-billion-dollar relief budget. Notwithstanding the scale of relief efforts, the response saw severe challenges with governance and land rights over and above typical challenges of ‘short-termism’ and fragmentation in international emergency interventions. The mantra ‘build back better’ permeated the response but there was relatively little success in doing so. In general terms, Haiti has continued to struggle at all levels: ongoing political and economic crisis, social unrest, extreme poverty and frequent natural disasters.

Haiti clearly fits the criteria for this study in that in numerical terms it is a smaller emergency,<sup>18</sup> yet many characteristics set it apart from Djibouti and Lesotho. While CERF funding represents a significant proportion of contributions to emergencies in Lesotho and Djibouti, the proportion is smaller in relative terms (see overarching findings). Haiti clearly has less of a ‘working link’ between humanitarian and development actors, despite the clear need for long-term structural solutions. While all three countries experience repeat or cyclical natural disasters, Haiti’s chronic underdevelopment and governance challenges are seen as the primary cause of its underlying and ongoing state of crisis.

As is the case in Lesotho and Djibouti, CERF allocations add value in the space between an ideal, Government led response (rooted in preparedness and resilient development) and international emergency interventions. As in these other two countries, the shortfall in contributions from mainstream donors is the additional dimension to the gap. In this instance, however, there is little faith that a Government-led development solution is rising to meet the challenge. In addition, the donor shortfall is due to a lack of physical presence, a general ‘fatigue’ with poor government leadership and a lack of confidence in returns. How these factors should affect CERF allocations, or influence the question of larger allocations is an open question.

- **CERF Value Add**

Despite a protracted crisis with a well-quantified scale of need, donor contributions to emergency response consistently fall short. As a result, CERF is regularly among top three humanitarian donors, alongside the American Government and ECHO. Among these, CERF distinguishes itself as a fast-acting, responsive emergency donor the following ways:

**1. Donor of preference to jumpstart relief operations** – Every year seems to produce a new, unanticipated crisis in Haiti. While the role and timing of CERF from year to year can be radically different (COVID 19 today, last year mass unrest), “CERF plays a vital role in this hybrid situation of humanitarian emergency and protracted political failure,” said one agency head. CERF is perceived as more responsive and flexible in the face of rapidly shifting realities than other donors. As elsewhere, CERF approval enabled WFP to obtain internal pre-financing until CERF funds arrived. In the months it takes other donors to weigh a proposal, agencies can use the same needs assessment and data to request and receive smaller, start-up funding from CERF.

**2. A reliable funding partner for each new shockwave** – In Haiti’s constantly shifting landscape with multiple annual crises and falling donor engagement, CERF is consistently the second or third largest emergency donor. The speed and agility of RR, despite small amounts compared to needs, is a “life saver.” The Underfunded window allows time to prepare, coordinate and include government

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<sup>18</sup> Crisis with a \$150 million appeal or less, for which CERF provides 40% of funding or more.



counterparts in a proposal, enabling agencies like FAO to align with the annual planting calendar, or to fill a funding gap while waiting on other donor monies. Under OCHA leadership, CERF strives to address geographical gaps in coverage where needs are still great but the overall humanitarian budget falls short. One cumulative effect of this ongoing volatility is that agencies, donors and government are focused exclusively on the emergency at hand and forget about the need for long term solutions to the structural deficits that plague the country. Constantly hopping from one massive emergency to the next ensures that CERF finds itself in great demand, but to continue funding short-term response with little prospect of long-term solutions invites the challenge of innovation in the space between lifesaving and resilience.

**3. CERF potential as a connector between relief and resilience.** Scarce resources and a regular cycle of emergencies add to the deficit of longer-term development and resilience programming, making it hard to bridge the two. With its contributions to flexible cash initiatives CERF can remain ‘life-saving’ while supporting creative solutions to the absence of state-run social welfare/safety net mechanisms, or crisis modifiers in long-term development programs. Creative use of cash across multiple sectors can improve household resilience, if not systemically or structurally.

**4. Rigor of CERF proposals perceived as superior to HRP:** Donors and agencies reported that the strategy and project descriptions of recent HRP appeals were hastily constructed and poorly justified with data and field analysis, in contrast to CERF proposals they had seen. One donor, DFID, has requested a formal quality check of the HRP process, citing weak data and analysis. Reasons given for this difference in quality suggest that open-ended fundraising (HRP) is a general call for help based on a general analysis and menu of response options. Because CERF funds are guaranteed, and UFE amounts known in advance, the onus is on interested agencies to rationalize a proposed project-specific budget against empirical, sector-specific needs and concrete project outcomes.

**5. Difficulty leveraging external funds** – CERF in Haiti shows mixed results in helping agencies secure follow-on funding. Notable exceptions include large operations with clear cost-efficient benefits to agencies, partners and populations (e.g., UNHAS/WFP transport and logistics system). This poor leveraging ability is reportedly due to decreasing donor funds, itself a reflection of donor frustration with government progress in disaster response, perceptions of sanctioned corruption and diversion of funds by authorities at all levels. Three agencies reported success in using RR funds to lobby for larger internal allocations that build on the proven results and scalability of early CERF financing.

#### **I. Context and Background**

This year’s Humanitarian Response Plan identifies 4.6 million people or 40% of the population in need, with 1.2m in IPC category 4. The 2020 HRP operations target 2.1 million persons as most vulnerable, fully 20% of the population. Donor frustration with government leadership and inability to translate massive aid transfers into improved management and delivery of basic public services means longer-term development programming is limited. Nexus-related programming and ambitions are stalled. Emergency response has become the default mode of thinking and acting. “The permanent reliance on short term solutions influences how authorities here think, plan and act, and none of it is good,” stressed one agency representative. Another stated: “We have a politico-economic situation that creates the humanitarian crisis; root causes are structural and rarely natural or man-made.” Such bleak repetition demotivates aid personnel and donors alike; while short-term, ad hoc emergency funding dominates, it appears to be decreasing in absolute value year on year.

More than half of the Haitian population are chronically food insecure; 22% of Haitian children are chronically malnourished. A senior UN official in this review described Haiti’s protracted crisis as a “development failure, not just a peace and security challenge.” Further, on the 2019 Climate Risk Index, Haiti is the fourth most severely affected by extreme weather events.

At the current juncture, in addition to the COVID-19 preparedness response, rural areas with highest vulnerability are the most difficult to access. The ‘El-Nino’ related drought that began in 2018 continued through 2019 and the present (June 2020), with wide-ranging, very gradual effects around the country. Public agitation over years of poor governance is a self-inflicted wound born of deep desperation, blocking access to aid actors and increasing rural and urban vulnerability. The IPC map has remained red in many locations since Hurricane Matthew in 2017.

Coordination with national ministries and local authorities are a constant across all CERF interventions, with varying degrees of traction or positive outcome for beneficiaries. All nine humanitarian sectors engage their government counterparts regularly, to improve both coordination and to reinforce national capacity. These include: Shelter with UCLBP (*Unité de construction, logement et de batiment publique*), Health and Nutrition with *Ministere de Santé*, (a recent SMART survey was jointly conducted), Protection with the *Office de protection de citoyen* (for human rights, GBV, children, migrants), Food Security with the *Coordination Nationale de la Sécurité Alimentaire*, WASH with the *Direction Nationale de l’Eau Potable et de l’assainissement*, Logistics and WFP collaborate with the *Directorat de Protection Civile*.

Despite a close operational integration, the processes are slow and bureaucratic compared to CERF dynamics, and as a result some UN agencies explained this agility allows them in rapid-onset emergencies to focus locally through the state’s decentralized public services or utilities. Whatever their capacity, they are closest to affected population, and any collaboration with them is welcomed in moments of crisis given the absence of central authorities.

For monthly inter-sector coordination meetings, government partners are reportedly absent, signalling a wider disinterest in humanitarian assessments, planning and programming. Agencies described the dilemma of engaging government counterparts as a choice between ‘quicker to go alone’ and bringing them onboard with their slowness and efforts to control the process. One agency representative framed the power relations between CERF and its weak state counterparts thus, “CERF isn’t substituting for national capacity in a country like this because the State is already so weak. In the big scheme of public services and the commitments of any State to its people, CERF services and financial amounts are small.” CERF is in the spotlight at the early moments of emergencies, especially with the Rapid Response window, but “over time is more valuable to UN agencies than to authorities.”

Donors and UN agencies have developed a close and effective relationship with the *Directorat de Protection Civile* around DRR capacity since the 2010 earthquake. But because it is not an officially recognized government body, it has no budget. In last year’s earthquake, the GOH Executive Branch established its own emergency commission and circumvented the DPC, who had been heavily supported by OFDA and other donors with a sophisticated surveillance and early warning system; they also conduct disaster response simulations. For hurricanes Maria and Irene, they helped prepare the GOH and brought UN agencies into this process. When the hurricanes hit, each response phase went very well – preventive evacuations, sheltering in place where necessary, etc., all evidence that DPC capacity was improving. With the earthquake in NW Haiti in 2018, central Government sought more control and asserted itself, by-passing the DPC and cancelling UN missions by not greenlighting them. Relations with GOH thus continue to be sensitive in a perceived struggle over visibility in disaster response with the UN system, yet central authorities lack resources, capacity and preparedness. With INGOs and NGOs and their coordination bodies, government representatives demand that reporting and budget information be shared and suspend operating licenses for non-compliance.

*Specific context and CERF allocations covered by this review:* Since the 2010 earthquake and including the last two years covered by this study, Haiti has experienced a mix of fast and slow-onset crises that came on top of extreme poverty and widespread anti-government protest in the form of

a countrywide shutdown (known locally as ‘paylok’). Mass direct action stopped movement of goods and services, effectively isolating communities in need.

Since 2017, HRP requests have doubled whilst contributions hover at around 20%. Among the top three emergency donors after USAID and ECHO, the 2018-20 CERF envelopes are small relative to overall need and total contributions. Still, they are appreciated by other donors and aid actors for their flexibility and quick response time in disasters.

| HRP required    | Total contribution  | Donor 1                | Donor 2                 | Donor 3                 |
|-----------------|---------------------|------------------------|-------------------------|-------------------------|
| 2020 - \$424.3m | \$43.1m (as of May) | USG - \$11.6m or 26.9% | CERF - \$9.8m or 22.9%  | ECHO - \$7.2m or 16.9%  |
| 2019 - \$126.2m | \$83.9m             | USG – \$26.6m or 31.8% | ECHO - \$21.4m or 25.5% | CERF \$11.1m or 13.3%   |
| 2018 - \$252.2m | \$78m               | USG - \$18.4m or 23.5% | ECHO - \$16.2m or 20.8% | CERF - \$13.1m or 16.6% |

Given the chronic underfunded state of agencies and programming in Haiti, CERF’s smaller allocations foster competition. Overall, CERF proposals are seen as rigorous, cost-efficient and data driven. Some donors mentioned the need for impact evaluations to bolster agency demands for follow-on funding and to refurbish CERF’s ‘quick impact’ reputation. As is always the case with CERF allocations, eligibility is conditioned on meeting basic lifesaving criteria. This can pose challenges for agencies lacking quantitative metrics for vulnerability in certain sectors, such as social protection and livelihoods.

Competition, however, creates pressure on the small OCHA office and the RC/HC. Inter-agency tension and pressure on OCHA are reportedly higher than in other small emergencies. In part, this is perceived to be related to previously extraordinary budgets (\$3.59bn in 2010 vs \$122.5m in 2017). Agencies have been pushed hard down the hard path of ‘right-sizing’ amidst new crises and persistent extreme need in every sector, compounded by political malaise and public unrest. Clearly, a high dependency on CERF among UN agencies to help jumpstart and sustain response efforts, alongside a decreasing aid budget and lower levels of mainstream donor funding, raises the question of higher CERF allocations. This question is addressed below.

### CERF History in Haiti

|      | CERF Contribution                   | HRP Funding Request           | Total Funding Received                  |
|------|-------------------------------------|-------------------------------|---|
| 2012 | \$11,897,489                        | \$151,100,000                 | \$126,477,696                           |
|      | RR: \$3,947,974<br>UFE: \$7,949,515 | 46.5% of requirements funded  | CERF provides 9.4% of funding received. |
| 2013 | \$7,480,100                         | \$152,300,000                 | \$135,092,455                           |
|      | UFE: \$7,480,100                    | 47.8% of requirements funded. | CERF provides 5.5% of funding received  |
| 2014 | \$8,973,975                         | \$157,500,000                 | \$201,414,260                           |
|      | RR: \$2,668,206<br>UFE: \$6,205,232 | 80% of requirements funded.   | CERF provides >5% of funding received   |
| 2015 | \$7,889,801                         | \$25,500,000                  | \$60,900,844                            |
|      | RR: \$9,157,785                     | 52% of requirements funded.   | CERF provides 13% of funding received   |
| 2016 | \$11,651,224                        | \$332,200,000                 | \$234,293,107                           |

|       |                                       |  |   |
|-------|---------------------------------------|--|---|
|       | RR: \$10,383,240                      | 66.1% of requirements funded.  | CERF provides >5% of funding received   |
| 2017  | \$0                                   | \$192,200,000  | \$122,529,907   |
|       | n/a                                   | 39% of requirements funded.  | CERF provides 0% of requirements and 0% of funding received   |
| 2018  | \$12,142,837                          | \$252,200,000  | \$78,267,741  |
|       | UFE: \$8,985,177<br>RR: \$3,157,660   | 11.7% of requirements funded.  | CERF provides 16% of funding received   |
| 2019  | \$11,154,605                          | \$126,200,000  | \$83,883,606  |
|       | RR: \$6,136,239<br>UFE: \$5,018,366   | 35.7% of requirements funded.  | CERF provides 13% of funding received   |
| 2020  | \$9,888,406                           | \$424,300,000  | \$42,484,550  |
|       | RR: n/a<br>UFE: \$6,999,406           | 8.6% of requirements funded (as of May 25 2020)                                | CERF provides 23% of funding received   |
| Total | RR: \$99,009,086<br>UFE: \$51,910,166 | Total HRP: \$2,949,300,000<br>43% of requirements funded on average since 2012 | Total funding: \$1,085,433,165 or \$120,593,796 annual average, with CERF providing 13.9% on average since 2012 |

## I. CERF Added Value – RR and UFE, 2018-2020

### 1. Rapid Response, 2018-2019 (no 2020)

| Agency                            | Sector                           | Approved amount    | Approval    | Disbursement   |
|-----------------------------------|----------------------------------|--------------------|-------------|----------------|
| World Food Programme              | Food Assistance                  | <b>\$3,000,000</b> | 21 Aug 2019 | 23 Aug 2019    |
| Food and Agriculture Organization | Agriculture                      | <b>\$1,625,000</b> | 16 Aug 2019 | 20 Aug 2019    |
| World Food Programme              | Common Services and Coordination | <b>\$1,054,807</b> | 13 Nov 2019 | 18 Nov 2019    |
| United Nations Children’s Fund    | Nutrition                        | <b>\$456,432</b>   | 15 Aug 2019 | 19 Aug 2019    |
| <b>Total</b>                      |                                  | <b>\$6,136,239</b> |             | <b>NCE x 1</b> |

| Agency                         | Sector    | Approved amount    | Approval    | Disbursement |
|--------------------------------|-----------|--------------------|-------------|--------------|
| United Nations Children’s Fund | Education | <b>\$2,119,579</b> | 21 Dec 2018 | 26 Dec 2018  |
| United Nations Population Fund | Health    | <b>\$389,420</b>   | 24 Dec 2018 | 27 Dec 2018  |

|  |                            |                    |             |                |
|--|----------------------------|--------------------|-------------|----------------|
| International Organization for Migration | Shelter and Non-Food Items | \$648,661          | 20 Dec 2018 | 24 Dec 2018    |
| <b>Total</b>                             |                            | <b>\$3,157,660</b> |             | <b>NCE n/a</b> |

**Background:** Interviewees reported significant differences between 2019 and 2020 Rapid Response rounds. RR 2019 was seen as providing ‘liberty to select zones where needs were gravest in the southeast of the country’, where needs were focused on nutrition and food security. 2020 RR was seen as complicated by OCHA’s push for agencies to work in same zone where donors and projects already were. Agencies saw this as hard to accept on multiple levels (duplication of effort, primarily) and was perceived as wasting the opportunity to work in more zones of greater need. In 2020 OCHA was seen as resistant to the inclusion of food security on the basis that it was already well funded. ‘Paylok’ created an obstacle in 2020, as it had in 2019, causing WFP to turn to cash transfers.

UNICEF reported that ECHO, OFDA, FFP requested empirical evidence for the claim that national nutrition levels were deteriorating. In the absence of data, ECHO agreed to finance a SMART survey in January 2020 to capture nutritional realities across the country. For the 2020 HRP and for CERF proposals, UNICEF was asked to reduce its demand by 15% because of missing data, and other agencies similarly reduced their demands as part of necessary compromise. In the end, nutrition was not included in the 2020 allocation; WASH and health dominated. For the other two smaller emergencies in this study, emergency nutrition figured highly in the Lesotho drought response as food insecurity had been measured progressively leading up to the national emergency declaration.

**Timeliness:** The speed of disbursement in both RR and UFE windows is generally around one week. This is exceptional among emergency donors and those interviewed (ECHO, OFDA) concur that this is a major advantage of CERF in the Haitian context of multiple rapid-onset, multi-sectoral crises, sometimes in a single year. The allocation process for RR can last several weeks as essential data is collected following sudden disasters (emergencies), whereas for hurricanes there are early warning units under the DPC that can assist with needs assessment as soon as a storm makes landfall. Compiling the data and debating between agencies on priority needs and complementary strategies can take several weeks before a formal funding request is sent to the CERF secretariat. Back and forth with individual agencies on their proposals, proposed budgets and response strategies was minimal but warranted, agencies reported. Following approval, disbursement rates are generally between seven to ten days.

**Allocation process: inclusion, appropriateness, complementarity:** Agencies receiving larger allocations reported the process as guided by quick and efficient needs prioritization, with a narrow focus on emergency interventions for the most vulnerable. The exclusion of other agencies offering other vital goods and services, such as emergency shelter after the 2018 earthquake, was inevitable. UN agencies described allocation meetings as tense, even combative, generating intense pressure on the RC and OCHA representative to distribute resources generously. National and regional agency offices pursued a pressure campaign on OCHA Haiti and New York to meet expectations that were impossible to satisfy. Formal complaints were lodged with OCHA and the RC. Given its small size and limited staff, OCHA Haiti has floated its preference to see agencies draft independent proposals for future RR allocations and submit directly to New York. Some OCHA country staff recommended removing OCHA Haiti from allocation decisions, as this would help preserve the collaborative spirit necessary for its primary task of coordination in emergencies. This would depart from CERF’s purpose, which is to operate under the leadership of the RC/HC at country level.

Examples of CERF-related inter-agency partnerships include FAO and WFP (food/cash from WFP and FAO for seeds, tools and follow up), UNICEF and FAO for special needs with female-headed

households, and between IOM and UNICEF for displaced persons post-earthquake. Agencies reportedly consider Nexus issues in their emergency work but this rarely translates into programming. One exception is the cash transfer working group ('Cash Learning Partnership') which considers social safety net modalities during emergencies. Government engagement is pronounced here with the Minister of Social Affairs' piloting their own cash transfer program, guided by UNICEF.

**Data driven approach to prioritization has its downsides.** Part of the 'life-saving' criterion is quantification and measurability of needs. This is second nature to agencies with solid humanitarian profiles (UNICEF, WFP, FAO) but presents challenges for protection actors working on SGBV, for instance: "We sometimes have trouble generating the data we need to quantify the problem we are seeking money to address. But we are working on it. GBV for instance hasn't been funded in last few years because our data is almost entirely qualitative, which doesn't make it any less of a crisis in Haiti today."

Larger agencies have the resources to generate regular data, and when an emergency appears to dominate in a single sector, such as food security, a single agency can monopolize the CERF allocation process and budget. A UN protection agency described changing their CERF proposal accordingly, to increase their chances of approval: "So we decided to intervene where food security needs were greatest, and where protection issues were present but not extreme, because we knew which geographies OCHA would favour." In other complex emergencies, another agency observed, "CERF decisions are made on data, but not here. This OCHA office is small, overwhelmed and cannot push back against the big emergency agencies."

**Grand Bargain and NGO involvement:** INGOs that sit on HCT report that the 2020 allocation process was well coordinated geographically, prioritizing needs in most remote, poorest areas of Haiti with highest vulnerability, highest climate change risk and highest emergency indicators historically.

On coordination with government partners around response coordination, the Department of Civil Protection leads, who are also a co-lead of logistics cluster. Their role is to ensure linkages between the UN relief operations and national and local authorities, including organizing public distributions and providing security for beneficiaries, program staff, relief supplies and equipment. National police are also close collaborators on distributions, to reinforce security and ensure that beneficiaries are not targeted by criminals/bandits.

From the perspective of the CLIO (*Cadre de Liaison Inter-Organisations*), there is proactive engagement and dialog with NGOs by OCHA, although no direct consultation on CERF. This happens instead with UN agencies once they receive funds for a CERF activity, and an RFP is issued. There is a long-standing gap, since before the earthquake, between the Haitian NGO community receiving funds from US churches (and other independent sources that exert no quality control, reporting requirements or accountability), and the humanitarian community of UN agencies and INGOs. Many of these Haitian groups are reportedly not registered with the Haitian Government or affiliated with OCHA's coordination system, and are perceived as relatively unaccountable to communities and their donors.<sup>19</sup> Opportunities for technical oversight through synergy and greater accountability with the UN are lost.

OCHA is working with CLIO to connect the two spheres through its emergency strategies for actors at all levels, providing clarity to local partners on sectors, programming and budgets. This is coherent with Grand Bargain objectives and is widely supported. One consequence given scarce funding is increased UN-NGO partnerships, as agencies have high overheads and national groups have little to

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<sup>19</sup> <https://timothyschwartzhaiti.com/part-ii-save-ngo-sec-from-itself-and-haiti-from-the-ngos/>

none. Such partnerships may appear more cost-efficient but will require greater oversight and monitoring from UN agencies than with INGO partners. INGO intermediaries with higher overheads will likely play a reduced role, however, with the prospect of reduced sectoral expertise.

## 2. Underfunded window, 2018-2020

| Agency                            | Sector                        | Approved amount    | Approval date | Disbursement date |
|-----------------------------------|-------------------------------|--------------------|---------------|-------------------|
| United Nations Children's Fund    | Education, Health, Protection | \$2,000,002        | 12 Mar 2020   | 16 Mar 2020       |
| United Nations Population Fund    | Health, Protection            | \$1,699,396        | 12 Mar 2020   | 16 Mar 2020       |
| Food and Agriculture Organization | Agriculture                   | \$1,250,000        | 12 Mar 2020   | 17 Mar 2020       |
| World Food Programme              | Food Assistance               | \$1,249,881        | 12 Mar 2020   | 17 Mar 2020       |
| World Health Organization         | Health                        | \$800,126          | 12 Mar 2020   | 20 Mar 2020       |
| <b>Total</b>                      |                               | <b>\$6,999,405</b> |               | <b>NCE n/a</b>    |

| Agency                         | Sector               | Approved amount    | Approval date | Disbursement date |
|--------------------------------|----------------------|--------------------|---------------|-------------------|
| United Nations Children's Fund | Water and Sanitation | \$3,400,714        | 30 Apr 2019   | 02 May 2019       |
| World Health Organization      | Health               | \$1,617,652        | 16 Apr 2019   | 23 Apr 2019       |
| <b>Total</b>                   |                      | <b>\$5,018,366</b> |               | <b>NCE x 2</b>    |

| Agency                                   | Sector                     | Approved amount | Approval date | Disbursement date |
|--|----------------------------|-----------------|---------------|-------------------|
| International Organization for Migration | Shelter and Non-Food Items | \$2,779,840     | 20 Mar 2018   | 28 Mar 2018       |
| World Health Organization                | Health                     | \$1,723,155     | 23 Mar 2018   | 05 Apr 2018       |
| United Nations Children's Fund           | Health                     | \$1,300,018     | 20 Mar 2018   | 28 Mar 2018       |
| Food and Agriculture Organization        | Agriculture                | \$984,569       | 15 Mar 2018   | 20 Mar 2018       |

|                                |                      |                    |             |                |
|--------------------------------|----------------------|--------------------|-------------|----------------|
| World Food Programme           | Food Assistance      | <b>\$749,901</b>   | 20 Mar 2018 | 29 Mar 2018    |
| United Nations Children's Fund | Nutrition            | <b>\$699,977</b>   | 21 Mar 2018 | 29 Mar 2018    |
| United Nations Population Fund | Health               | <b>\$497,717</b>   | 23 Mar 2018 | 04 Apr 2018    |
| United Nations Children's Fund | Water and Sanitation | <b>\$250,000</b>   | 15 Mar 2018 | 19 Mar 2018    |
| <b>Total</b>                   |                      | <b>\$8,985,177</b> |             | <b>NCE n/a</b> |

When UFE allocations are announced, agencies are very keen to add something to their limited resources. As was the case for the RR window, this created a very significant amount of competition, each agency fighting for their respective priorities and needs. In 2019 the UFE budget was \$7m compared to total requirements of \$180m. To minimize conflict, OCHA adopted a process of determining what sectors need money without referring to specific agencies, or who would do what. While this worked in Haiti, OCHA reportedly received continuous outside lobbying and pressure from agency HQs, demanding a share of the money.

**Timeliness: UFE allows more time to synchronize allocation with planting season, to build off food distributions, support production and drive markets.** 2019 UFE for food security arrived in time with the agricultural calendar, as planned in agency proposals. 'Emergency agriculture' is FAO's phased approach that is aligned with one-off food distributions or cash vouchers from WFP in order to produce harvests, and greater self-sufficiency, after relief supplies are exhausted. This helps prevent food aid dependency and helps restore not only local agricultural production but also trade. Such projects require regular follow-up and must be coordinated with the seasonal planting calendar. This makes them less appropriate for RR and better for the UFE window. The UFE window also allows greater time to coordinate and plan with the Ministry of Agriculture to target the most vulnerable areas.

**UFE allows more time to include and reinforce government partners.** Agencies describe a superior connection with government services and personalities at the decentralized 'department' level, while central government relations are competitive and distrustful. Local officials are under-resourced and ill-equipped but on technical discussions and knowledge of local need before, during and after a crisis, they are valued partners. Many agencies consider local authorities as an "essential connection for our program design and data collection," and maintain these relations regularly. The UFE window allows more time to draft proposals and incorporate state data and analysis than is possible with Rapid Response, with its shorter, emergency-focused window. Consequently, the quality of interagency coordination and integration with government depends on which window and how much time is available to complete a proposal. Tight calendars raise institutional pressure and increase the tendency to fight and compete. Agencies reported that their communications with CERF secretariat were constructive and responsive to the constraints and realities of the field environment, and to the high procurement costs here.

**Participation, inclusivity, collaboration:** Overall agencies described the UFE allocation process as less participative than the RR window. OCHA was perceived as making final decisions on financial amounts with little or no consultation, and to push for one sector over another in a given geographic area, ostensibly to better coordinate with other donor-funded interventions already underway. In other cases, allocations were seen to favour agencies that pressed OCHA harder for their demands.



While this is a commonly heard critique and may be anecdotal, its recurrence is significant: OCHA claim in its defence that the HCT decides the UFE distribution, but events are viewed differently by agencies—that OCHA decides. One example concerns a nutrition and food security proposal for the UFE 2020 round, related to *paylok*. The agency had good empirical data on the scale and severity of needs from a recent food security survey and were confident to receive the approximately \$3m requested. At the last minute, they learned that \$7m would go to WFP and that nutrition would only receive \$400k. The perception was of a backroom decision made without consultation, agreement between agencies or on existing data.

On the other hand, agencies that report a ‘natural’ synergy between their respective response profiles and expertise (FAO and WFP, for example, or UNICEF and WHO), find it easy to build complementary CERF proposals. This helps ensure that the same beneficiaries are benefiting from a range of multisector inputs, or in a phased fashion where relevant. While this is valuable and commendable in itself, agencies argued that other donors need to be supporting this approach in their bilateral MOUs with UN agencies. One agency described its MOU with WFP to ensure data sharing on beneficiaries in order to complement interventions and to maximize benefits, including in their joint relations with the GOH’s *Coordination Nationale de la Sécurité Alimentaire* (whose staff are paid from FAO resources). Other joined-up efforts between agencies for which wider donor support is regularly sought include cash for work to benefit family resilience, restoring ag feeder roads that connect remote production areas to market towns.

## II. Small-scale emergencies and Haiti—are larger allocations warranted?

Overall respondents were emphatic in their support for larger CERF allocations and the potential positives are listed below. Potential caveats were few but equally clear and follow here.

**CERF should be increased because donors feel they ‘can no longer invest in Haiti’.** Discouraged by the chronic emergency mindset in Haiti, which prevailed long before the 2010 earthquake, donors are favouring emergencies where graduation from aid dependency seems possible. Such contexts need not be high visibility disasters and may include weak states, but evidence from Lesotho and to a lesser degree Djibouti shows their ability to support resilient development programming. Although very slow, Lesotho and Djibouti show greater promise reaching Nexus objectives than Haiti.<sup>20</sup> Donors need return on investment (ROI) and are more accountable to their domestic constituencies than to the rural poor in a country like Haiti. The credibility of CERF and the family of UN emergency actors is not a function of ROI: with 4.6 million or 40% of Haitians facing extreme need, 4.1m in IPC 3 and 1.2m in IPC 4 in remote areas, CERF’s life-saving mandate remains essential in Haiti, irrespective of donor frustrations with the slow progress of resilient development.

**CERF should increase because ‘pure’ emergency money is lacking.** Chronic high levels of emergency need in Haiti are not because ‘donors are not doing their job or have no impact’. CERF is much quicker than other donors; the trade-off is that amounts are smaller. Currently under COVID, for example, UNICEF is conducting mass awareness campaigns around transmission, testing and social protection, but only a small scale for want of funding. Project execution within six months, even under lockdown, is not a problem when project geography and targeting are clearly delimited in

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<sup>20</sup> “[...] In protracted situations, humanitarian and development actors need to work side-by-side and collaborate. This shift to ‘reinforce and do not replace’ the roles of national and local actors in the prevention and delivery of assistance is central to the change in mindset and behaviour required to sustainably reduce need, risk and vulnerability.”

[https://www.unocha.org/sites/unocha/files/NWOW%20Booklet%20low%20res.002\\_0.pdf](https://www.unocha.org/sites/unocha/files/NWOW%20Booklet%20low%20res.002_0.pdf)

advance. But to educate only a fraction of the population about a potentially life-threatening pandemic is unacceptable.

**Increase funding, perhaps, but save more lives by excluding agencies with no immediate life-saving role.** “Sharing the cake with non-emergency agencies depletes what humanitarian agencies could do with more funding,” argued one agency head. A larger CERF budget in Haiti could be allocated in a number of ways and surely save additional lives but would invite wider inclusion and diversity of interventions. In an extremely resource-poor context, this would dilute the narrow life-saving criterion. For most of the agencies interviewed, CERF’s priority should be to increase the number of lives saved, and it could do this not by increasing the envelope but by excluding ‘non-emergency agencies’. The counter view here is that CERF should allow country operations the space they need to set their own priorities and select agencies for implementation according to sectoral needs. CERF should not be involved in ‘excluding’ agencies on any grounds.

The exception here would be the current transport and logistics system (UNHAS/WFP) for humanitarian actors. Extending the terms of service would eliminate the need for individual agencies to fundraise for the cost of these same expenditures alone. Serving all emergency aid actors simultaneously avoids donors paying repeatedly for the same service (for each agency they fund). NGOs who benefit from the service do not have transport and storage costs in their budgets and could use this budget line to increase their own goods and services.

**Larger envelopes would enable resilience-focused, short-term cash transfers.** Under COVID, with IMF financing and UNICEF support, the GOH Ministry of Social Affairs is distributing \$30 to 1.5m households. This demonstrates GOH capacity under pressure, provided resources are available with close external oversight to prevent diversion. Other emergency donors support cash transfers but reject any proposed linkage to secondary outcomes, such as increasing subsistence means or livelihoods. The cash working group in Haiti is developing cash modalities that respond to the need for social safety nets and offer sectoral diversity (other than food security), without having to wait for development programs to adopt crisis modifiers. CERF could support the use of transfers for specific ends (protection, WASH, farming, education) targeting long term change at the household level, including follow-up. “This is the only point in the system where alternatives to distributions and short-term assistance can get traction and show resilience results,” said one INGO member of the cash working group.

### **Perceived downsides of bigger envelopes**

**Poor absorption capacity:** As is evident in both of the other case studies, arguably the most significant caveat to larger envelopes is absorption capacity. In part this relates to the low capacity of local partners, but also concerns the periodic inability of Agencies to program and spend given access and security constraints. CERF allocations to Haiti’s protracted and cyclical crises saw a high rate of NCEs in 2019, specifically due to the insecurities of *paylok*. Out of three RR allocations in 2019, UNICEF requested an extension because its medical staff were unable to reach patients and malnutrition victims during the lockdown, nor were clinics receiving deliveries of medicines and supplies. In the UFE window, both 2019 allocations (WHO, UNICEF) requested extensions for the same reasons—inability to move and to service their caseload of cholera victims, to run the treatment centres and provide WASH necessities, conduct surveillance, run tests, etc.<sup>21</sup> Apart from these NCEs, all agencies cited the difficulty of spending money in Haiti’s political and security climate; notably during countrywide lockdowns (*paylok*) and now COVID-19.

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<sup>21</sup> Project completion date for Rapid Response is six months after disbursement date, unless otherwise specified. For Underfunded Emergencies grants approved in the first round (March) the end date is December 31 of the same year; for projects approved in the second round (September) it is June 30 of the following year.

Freedom of movement is directly linked to ability to spend, as both require security and stability. The pattern of public protest in 2019 was unpredictable, and while July presented a better working environment, by the end of August, *paylok* had resumed. For three months, “work was impossible.”<sup>22</sup> Mobility returned by end December, but monies weren’t spent, because NGO partners did not wish to receive and account for funds they were unsure of spending (and possibly losing to theft) if violence returned. An unpredictable working environment can be just as destabilizing as a violent or insecure one. A secondary consequence noted by agencies is the blow to accountability to communities, a further breach of trust for populations, whose cynicism towards the aid community in Haiti is reportedly high. Distrust impedes information sharing and data collection, raising another barrier of access between agencies and affected communities. There was a broad consensus in interviews that rising donor fatigue and the related drop in resources was linked to the deterioration of national partner capacity; the long-term consequence being a loss of local expertise as well as capacity.

**More money could draw CERF into a systemic gap:** CERF is viewed as vital in humanitarian emergency response, a turbulent constant in Haiti. One experienced INGO leader noted “CERF moves us forward in first gear, but there is no second gear (recovery/resilience), no third gear (nexus), and definitely no fifth gear (development).” CERF is viewed as a specialist donor, one of the few focused exclusively on lifesaving and, as such, it has a broad ‘horizontal’ spread. CERF funding simultaneously supports multiple sectors. Notwithstanding its emergency designation, CERF does complement the life-saving elements of some programming with longer strategic aims (e.g., FAO’s ‘emergency farming’ for increased self-sufficiency).

Haiti, however, has a much greater need for funding and programming in resilience, recovery and other ‘nexus’ related programs. If, as a result of a larger budget, CERF begins to fund in this ‘transitional space’, one respondent felt that it would increase competition for funds: “all agencies will jump in, creating more competition and confusion. They’ll assume they have a right to this ‘nexus’ funding, and that CERF is a legitimate space for them.”

Others argued that given challenges with absorption noted above, CERF would struggle to increase its spend if it were to strictly respect its life saving criteria. Naturally, money would flow into ‘non-emergency sectors’. This was seen as a trade off in the sense that it could enable targeted attempts to address Haiti’s cycles of aid dependency, resilience-focused cash transfers or other modes of transitioning out of emergency. A number of interviewees argued for larger CERF allocations to advocate for greater emphasis on resilience in sector-specific CERF projects.

Overall, however, Haiti’s constant state of emergency was not seen as conducive to conversations between UNDP, development donors and the community of emergency donors/aid actors. Donors conceded that coordination among them was poor and that OCHA was left to ‘clean up’, by orienting programs geographically according to respective needs. One consequence is that CERF is relatively out of alignment with other donors’ strategies. The lack of ‘transitional’ funding and programming is a systemic problem that CERF cannot address. In order to add value, CERF funding would need to be part of an active and ongoing conversation with other donors; part of a bigger and coordinated effort. Overall, donors are perceived as being overly focused on their own strategies.

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<sup>22</sup> Interview with UN Agency staff member.

## ANNEX C – Country Study – Review of CERF allocations in Lesotho

Lesotho suffers from widespread moderate malnutrition, one pre-condition for severe acute malnutrition (SAM), and an issue requiring ongoing monitoring and multi-sectoral response. Cyclical and prolonged poor rainfall presents initially as a slow-onset crisis that *may* become drought, but predictive modelling alone cannot guarantee the imminent onset of an acute, life-threatening crisis. In Lesotho, water scarcity and livestock death first emerge as critical needs, with deepening food insecurity and SAM presenting nine to twelve months later. The exact timing and scale of life-threatening needs is always subject to debate and consensus based on evidence is required for both a national emergency declaration and a credible Flash Appeal.

There is consensus among donors and partners (UN and beyond) that CERF funding was critical and filled a crucial gap in 2018-2020. Aid actors also emphasize that a fully developed and well-funded shock-responsive social protection platform can reduce or even eliminate avoidable deaths during climate-related crises, and CERF contributed to this social protection mechanism in 2019. Given the small size of allocations, the small size of UN agencies themselves, and low government capacity, “agencies sought to combine their respective abilities in complementary ways” and concentrate on the hardest hit areas for maximum collective impact (per RC/HC).

From CERF’s first year of operation in 2006 to present, CERF has provided \$31.5 million to Lesotho with 44 grants through the Rapid Response window. Over 14 years of operation, CERF intervened in Lesotho for 9 of those years, with grants ranging from \$75k to \$2.7m. This pattern of intermittent engagement shows the sporadic nature of slow-onset disasters in Lesotho and the government’s need for outside resources when life-threatening shocks exceed domestic coping ability, with individual allocation amounts being comparatively low. Intermittent CERF engagement is also a positive, as repeat annual allocations would be evidence of few coping mechanisms and little government response capacity.

- **CERF Value Add**

For the two-year period of this study, CERF improved the humanitarian response in Lesotho in five distinguishable but linked ways:

- 1. Donor of last resort in resource-scarce environment** – Other emergency donors prioritize larger scale emergencies in the region, skipping over Lesotho, due in part to its LMIC status and perceived stability, mixed reactions to the slow progression of crisis indicators, and predominance of long-term development programming.

- 2. The Rapid Response window allows time-critical, multi-sector response, and generates vulnerability data** to drive government action around emergencies and to inform fund-raising for external donors. There have been no UFE allocations in Lesotho since CERF started in 2006, perhaps influenced by the lack of HRP, limited visibility and non-inclusion in the UFE Working Group.

- 3. UN agencies supported a government-led social welfare system with crisis modifiers**—an investment in resilient development and nexus programming in a context defined by weak government, chronic underdevelopment and recurrent, slow-onset emergencies.

- 4. Lesotho’s repeat slow-onset crises provide a unique opportunity to compare the impact of a state-led social welfare (with crisis modifier) and a national disaster response effort**, both of which benefited from CERF support through separate UN agencies. Further analysis follows below.

- 5. Leveraging other funds** – CERF in Lesotho has not improved agencies’ success in leveraging external funds but its actions are reportedly valued by other donors for the emergency/vulnerability

data (IPC, SMART, etc.) generated and the sectors and strategies it prioritizes in its responses. In the 2019 region-wide water shortage crisis, donors chose other countries over Lesotho.

- **Appropriateness, speed and transparency of allocation process**

While CERF is an ideal instrument for rapid onset crisis response where immediate needs are measurable and readily containable, its applicability in Lesotho's slow-onset crisis has been contested. Lesotho's prolonged poor rainfall in 2018-2019 came on top of underlying, chronic and extreme vulnerability due to rural poverty, poor basic services and government inaction. For these failings an institution-building, development response is more appropriate, in the eyes of donors and many UN agencies.

Generally, however, there is consensus among donors and partners (UN and beyond) that CERF funding was critical and filled a crucial gap in 2018-2020. Aid actors in Lesotho also emphasize that a fully developed and well-funded shock-responsive social protection platform can reduce or even eliminate avoidable deaths during climate-related crises, and CERF contributed to this social protection in 2019. Given the small size of allocations, the small size of UN agencies themselves and low government capacity, "agencies sought to combine their respective abilities in complementary ways" and concentrate on the hardest hit areas for maximum collective impact (per RC/HC).

The two RR allocations of 2019 differ in that the first allocation encouraged and approved integrated proposals for smaller sectoral needs (IOM, UNFPA and UNICEF joined up for protection and SGBV). The second RR round prohibited this combined inter-agency approach, which had the effect of excluding smaller agencies from participating and was perceived as 'non inclusive' or exclusionary by agencies affected. The joined-up approach was commendable because it made a virtue of resource scarcity by drawing on the comparative technical know-how from three smaller agencies to offer a more holistic response to protection vulnerabilities among target populations. This approach was also lauded as emblematic of ONE UN values by turning competition into complementarity and by improving cost efficiency by lowering transaction costs. Yet OCHA prohibited this approach in the second RR round of 2019, excluding smaller agencies. OCHA regional officers explained this decision by saying that fewer agencies favoured larger allocations for emergency sectors that most reflected priorities of the crisis: food security, nutrition, health/WASH.

- **Timeliness benchmarks**

From needs prioritization discussions, budgetary decisions, project proposals and submission to CERF HQ, this processing time was acceptable according to dates recorded and perceptions of agencies. Agencies reported being slowed by the wait for government assessments and official data on household vulnerability (Ministry of Social Development, for example), and by the bureaucratic pace of ministerial partnerships in general—relationships of structural support that are intrinsic to UN roles in country. Budgeting individual allocations between agencies tried to stress cooperation and complementarity, but the process was tense and competitive for both allocations, as some agencies were eliminated. Alternatives to the frustrations of competition are few, as smaller allocations should avoid equitable allocations among agencies and instead distribute according to clearly established priorities. The processing time from approval to disbursement and start of activities was reported as short, as long as proposals were clear and well-documented.

On the frequency of no-cost extensions (NCE) for both allocations, agencies reported that the six-month window requires a clear attention to deadlines and punctuality in planning and delivery which is unrealistic with government partners, who are subject to greater administrative oversight and bureaucratic process than UN agencies. Agencies working with cash transfers through the Ministry of Social Development reported significant delays, as this was a pilot effort and learning

experience. To reduce the frequency of NCEs in Lesotho, CERF should consider offering waivers to projects with high government involvement, as agencies report the six-month window as unrealistic.

## I. Context and Background

General background: Lesotho has a population of about two million and a nominal GDP of \$1,299. While enjoying relative political stability and categorized as a LMIC, unemployment is high as 23.6%. Lesotho remains one of the 20% most unequal countries in the world. In rural areas, poverty is high and access to basic services severely limited. In the last two decades, coping mechanisms in lean times have shifted from subsistence production toward remittances and informal cash labour in neighbouring South Africa. During regional rain shortages rising food prices contribute to widespread vulnerability and hunger. Even in normal times, Lesotho produces less than 20% of its food, importing 90% of all consumables from South Africa, including most agricultural inputs.

Food insecurity, largely as a result of poor rainfall, is a recurrent feature across the region. In 2019-20 southern Africa saw over 11 million people experiencing crisis or emergency levels of food insecurity (IPC Phases 3 and above) in nine countries (Angola, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Zambia and Zimbabwe). As of November 2019, Angola, Botswana, Lesotho and Namibia declared drought emergencies, requiring international assistance. SADC reports those facing acute food insecurity as increased by 88% from 2018/19, emphasizing a deteriorating situation due to predictions of a failed 2019/20 rainy season.<sup>23</sup> Amongst these countries, Lesotho is the second smallest. During the period of this study (2018-2020), recurrent episodes of poor rainfall pre-empted periods of food insecurity. In broad terms, food insecurity was a consequence of diminished crop production and inflated food and livestock prices. Secondary consequences included under-nutrition in children, public health and social protection issues (including SGBV).

UN / Government interface around social protection / vulnerability: In keeping with Lesotho's overall stability and LMIC status, donors and UN agencies are principally engaged in development programming in support of Government. This includes a Social Protection platform under the Ministry of Social Development, at the core of which is the National Information System for Social Assistance (NISSA).<sup>24</sup> Key partners include UNICEF (the technical lead for NISSA) European Commission (main donor) and the World Bank. According to the World Bank, "Lesotho spends 4.5% of its GDP on social protection programs, in contrast to below 2% in the average Sub-Saharan country or the average lower middle-income country."<sup>25</sup> Lesotho's social development system is seen as having strengthened over the past few years, and as having been critical to national resilience in the face of drought and crop failure. Within the past 2 years, DG ECHO has engaged with the platform, with a view to making the system shock responsive (below).

A separate set of structures are tasked with disaster management in Lesotho. The overall coordinating body is the National Disaster Management Authority (NDMA),<sup>26</sup> chaired by the National Disaster Relief Coordinator. UN agencies, NGOs (local and international), local donors and technical line Ministries all collaborate with the NDMA around disaster planning and response. The NDMA has

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<sup>23</sup>[https://www.sadc.int/files/7315/6284/6868/SADC\\_2019\\_Synthesis\\_Report\\_on\\_the\\_State\\_of\\_Food\\_and\\_Nutrition\\_Security\\_and\\_Vulnerability\\_in\\_Southern\\_Africa.pdf](https://www.sadc.int/files/7315/6284/6868/SADC_2019_Synthesis_Report_on_the_State_of_Food_and_Nutrition_Security_and_Vulnerability_in_Southern_Africa.pdf)

<sup>24</sup> [https://ec.europa.eu/international-partnerships/file/social-protection-lesotho-nissa-project\\_en](https://ec.europa.eu/international-partnerships/file/social-protection-lesotho-nissa-project_en)

<sup>25</sup> <https://blogs.worldbank.org/african/how-lesotho-one-worlds-most-unequal-countries-became-lot-more-equal>

<sup>26</sup> HCT Response Plan Executive Summary 3122019

several sectoral focus areas and it sits atop two food related coordination cells<sup>27</sup>. It has a decentralized structure of District Headquarters, each with a District Disaster Relief Administrator and a District Disaster Relief Coordinator. The NDMA, supported by the responsible UN agencies (notably WFP and FAO in the case of food security), is responsible for household level vulnerability, which is measured through a series of assessment tools. These are annual (Lesotho Vulnerability Assessment Committee or LVAC), supplemented by: ongoing assessments under the Integrated Phased Classification (IPC) approach and ad-hoc rapid assessments. In simple terms, UN agencies work under and support the NDMA to drive national level humanitarian coordination with data collection, distribution mechanisms and donor relations for funding.

Specific context of CERF allocations: Following the 2016/17 El Niño-induced drought, the 2018 rains were poor, resulting in a 2019 decline in production of major cereals by more than 60 percent compared to 2018, including a 78 per cent decrease for maize, 61 per cent for wheat, and 93 percent for sorghum.<sup>28</sup> By the latter half of 2019, drought effects had intensified, with a marked decrease in food security for communities relying on farming as their primary livelihood, an increase in rates of severe malnutrition and severe water shortages for humans and livestock. Widespread water shortages are dire for clinics, schools and other public service facilities, both rural and urban. Further, abnormally high temperatures, dry soil and little prospect of rainfall discouraged planting for the 2020 cropping season, anticipating poor harvests into 2021.

The 2019-2020 situation and the last major drought (2015/16) differ in that presently 433,000 people or 30% of the rural population face acute food insecurity (IPC 3 and above) from October 2019 to March 2020.

On October 30, 2019 the Government of Lesotho (GoL) officially declared a state of emergency and developed a national mitigation and response plan to run through June 2020. This was followed immediately by a November 2019 Flash Appeal that estimated one quarter of the population in need of humanitarian assistance.

To supplement the emergency declaration, the Government named additional ministerial and technical committees to reinforce the NDMA both nationally and at the district level. With the support of partners, a national Drought Response and Resilience Plan was finalized, targeting 508,125 people with a budget of \$83.2 million. The GOL allocated \$11.5 million, expecting to reach 20% of the food insecure population across 10 affected districts.

Immediately following the emergency declaration in November 2019, a UN Flash Appeal was launched to support the Government's Response Plan. The Appeal requested \$33.7m for 207k life-saving interventions in 10 districts from November 2019 to April 2020. This was based on an 'Emergency' (level 3) IPC category (or Integrated Food Security Phase Classification), of 508,000 'severely food insecure' people in need, over 25% of Lesotho's 2 million people. The two priority sectors were Food Security and Water, Sanitation and Hygiene (WASH). Smaller grants for social protection, nutrition and health followed. Through the 2019 Rapid Response allocation of \$5,550,533, the HCT targeted 273,635 people in four districts of the country; i.e. Maseru, Quthing and Qacha's Nek—projected to be in IPC Phase 3 (Crisis) or higher.

### **CERF Funding History in Lesotho, 2012-2020**

CERF responded with two Rapid Response allocations in December 2018 and November 2019, the latter remaining active through April 2020, amounting to \$7,850,528. Both allocations targeted the consequences of a slow-onset crisis involving prolonged water scarcity. Consequences included

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<sup>27</sup> Food Management Unit and the Food and Nutrition Coordinating Office.

<sup>28</sup> 2019-2020 Lesotho Flash Appeal.

widespread food insecurity and malnutrition, grave health risks, protection and WASH needs. The target of highly vulnerable households drew on the Integrated Food Security Phase Classification (IPC) analysis and National Vulnerability Assessment (NVAC) reports.

Since 2012, CERF has served as a major donor for three slow-onset drought-related events (2012, 2016, 2019).

|      | <b>CERF Contribution</b>   | <b>Country Funding Request</b> | <b>Total Funding Received</b>                               |
|------|--|--------------------------------|---|
| 2012 | \$6,220,011  | \$38.5m                        | \$28,331,509  |
|      | RR: \$6,220,011  | 61.9% of requirements funded   | CERF provides of 22% of funding received.                   |
| 2013 | \$0  | \$??                           | \$3,974,855   |
|      |  | n/a                            | n/a   |
| 2014 | \$0  | \$0                            | \$512,907   |
|      |  | n/a                            | n/a   |
| 2015 | \$0  | \$??                           | \$212,089   |
|      |  | n/a                            | n/a   |
| 2016 | \$4,782,918  | \$??                           | \$27,942,430  |
|      | RR: \$4,782,918  | % of requirements funded.      | CERF provides of 17.1% of funding received                  |
| 2017 | \$0  | \$??                           | \$5,873,509   |
|      |  | n/a                            | n/a   |
| 2018 | \$0  | \$??                           | \$1,172,504   |
|      |  | n/a                            | n/a   |
| 2019 | \$7,850,528 (CERF allocation page) versus \$5,550,533 (Lesotho FTS page) | \$                             | \$10,965,774  |
|      | RR: \$7,850,528  | % of requirements funded.      | CERF provides 50.6% of funding received                     |
| 2020 | \$3,049,997 (FTS)<br>\$750,002 (CERF)                                    | \$33,745,000 (from 2019)       | \$3,810,956   |
|      | RR: \$750,002  | 10% of requirements funded.    | CERF provides % of requirements and 80% of funding received |

#### **CERF Rapid Response 2018-19**

| <b>Agency</b>                     | <b>Project</b>                                     | <b>Sector</b>   | <b>Amount in US\$</b> |
|-----------------------------------|--|-----------------|-----------------------|
| World Food Programme              | Assistance to populations affected by drought      | Food Assistance | <b>\$2,716,917</b>    |
| Food and Agriculture Organization | FAO Emergency and Early Action Support to Affected | Agriculture     | <b>\$1,462,944</b>    |



|  |   |                      |                    |
|--|---|----------------------|--------------------|
|  | Communities caused by Drought conditions in Lesotho   |                      |                    |
| World Food Programme                     | Support to Drought affected populations in the Southern districts of Lesotho  | Food Assistance      | <b>\$970,000</b>   |
| Food and Agriculture Organization        | FAO Integrated Emergency Support to Affected Communities caused by persistent Drought conditions in Lesotho                 | Agriculture          | <b>\$879,992</b>   |
| United Nations Children's Fund           | Hygiene promotion   | Water and Sanitation | <b>\$591,175</b>   |
| International Organization for Migration | Provision of Life-Saving Protection, Gender Based Violence services and Psychosocial support to drought affected population | Protection           | <b>\$301,655</b>   |
| United Nations Population Fund           | Preventing and Responding to GBV in Drought Affected Communities  | Protection           | <b>\$300,001</b>   |
| United Nations Children's Fund           | Drought Nutrition Support   | Nutrition            | <b>\$157,427</b>   |
| World Health Organization                | Response to the health effects of drought in Lesotho  | Health               | <b>\$150,002</b>   |
| United Nations Children's Fund           | Provision of Life-Saving Protection, Gender Based Violence services and Psychosocial support to drought affected population | Protection           | <b>\$119,883</b>   |
| World Health Organization                | Response to the health effects of drought in Lesotho  | Health               | <b>\$100,337</b>   |
| United Nations Population Fund           | Provision of Life-Saving Protection, Gender Based Violence services and Psychosocial support to drought affected population | Protection           | <b>\$100,195</b>   |
| <b>Total</b>                             |   |                      | <b>\$7,850,528</b> |

### **Rapid Response 2019-2020**

|                                |  |                                 |                  |
|--------------------------------|--|---------------------------------|------------------|
| United Nations Children's Fund | Drought affected population have access to lifesaving nutrition, safe water and hygiene services | Nutrition, Water and Sanitation | <b>\$750,002</b> |
|--------------------------------|--|---------------------------------|------------------|

The Rapid Response allocation in late 2019 was based primarily on projections of food insecurity by WFP as part of the response coordinated with the NDMA. On the basis of vulnerability assessments and meteorological projections, the Government declared Lesotho to be in a drought emergency on October 30, 2019. Some months prior, having recognized warning signs as the late 2018 CERF allocation drew to a close, WFP, UNICEF and other UNCT members and partners had put an early response in place. At the time of the CERF application, WFP had funding to reach vulnerable people in three of the four highest priority districts. Support from CERF was requested to expand the drought response and humanitarian assistance to poor and very poor households in four additional affected districts in the south of the country.

## **II. Key Findings**

Lesotho from 2018-2020 is characterized by several dilemmas which exist at the intersection of the international response architecture slow-onset emergencies, where life-threatening urgencies are hard to parse from chronic development challenges.

Lesotho has two mechanisms which deal with vulnerability, the social protection system (Government led and supported by development actors) and the National Disaster Management Authority (NDMA). Overall, however, interviewees noted that these two systems have historically lacked co-ordination. Although beyond the scope of this study, similar tensions were noted in other countries in Southern Africa.

As such, nutrition and other humanitarian requirements can easily exceed the six-month CERF window because they do not manifest immediately, as in rapid-onset emergencies (Haiti, Djibouti).

### **1. CERF value-add: Timeliness and speed of response**

Participating agencies described CERF allocations for 2018-2019 as critical. In some respects, the allocations were viewed as preferable to other sources of funding. First, the speed of decision-making around an agreed hierarchy of needs and relevant agency budgets made for successful proposals. Proposal consideration, approval and funds disbursement by CERF HQ were considered quick and efficient. Among donors, ECHO specifically appreciates CERF's speedy allocation process.

Agencies also perceived added value in the sense that CERF allows agencies to initiate activities immediately, which helps strengthen the case for proposals to other donors: 'The initial work of CERF funds gives us credibility to demonstrate results against a chosen strategy when approaching donors.'

The RR allocation process in 2018/2019 saw debate over early action on priority needs (food and health) versus secondary needs (health monitoring and surveillance, protection) in a context where drought-related food insecurity was the overwhelming threat. The CERF RR envelope was known to be small. Re-explaining CERF objectives and priorities was required for agencies seeking funds not directly related to addressing food insecurity, but these 'difficult conversations were managed fairly well'. Diluting the small pot of money among more agencies was understood as unhelpful under the circumstances. Excluded agencies were unhappy, but on the whole agencies agreed with a narrow interpretation of needs and that RR allocations should reflect this.

It appears reasonable to state that CERF played a role in supporting UN agencies to bridge the two main response mechanisms in Lesotho (covered in more detail below). There was a solid consensus in interviews that WFP's early response was timely and significantly in advance of an official emergency declaration. In this context, it was seen as appropriate to work with and through Government systems and data collection, even though it took significantly more time than a wholly

independent response on the part of the UN and its partners. The first CERF allocation (check this) provided important stop-gap funding while discussions take place with government and political engagement was achieved.

## **2. Appropriateness: The use of a global, rapid response mechanism in a slow onset crisis and a development setting**

As above, Lesotho has two sets of structures with a focus on vulnerability. The first is Lesotho's Social Protection platform and the NDMA. Interviewees described the social protection system as a status or 'rights based' system, through which vulnerable segments of society are eligible for supplemental cash payments. Via a local partner, UNICEF runs a community-focused assessment mechanism that populates the national database (NISSA). A fully functional, well-funded and shock responsive social protection system, an example of best practice for 'resilient development', would be sufficient to deal with most shocks of this nature in Lesotho. Interviewees noted that the platform had strengthened in the past 18 months. One interviewee also noted that for the past year or more, the European Union, through its humanitarian branch, DG ECHO, has been working to ensure that this social protection platform is shock responsive in times of national emergency.

For the 2019 response in particular, interviewees very consistently stated that the drive for the early response and subsequent emergency declaration stemmed from the work of the NDMA and its food security partners, notably WFP. Partners noted that WFP's vulnerability assessments led to a response that was 'ahead of the curve' in comparison to the efforts of Government. After the Oct. 2019 Emergency Declaration, the NISSA was used for the first time to identify households eligible for emergency assistance; in previous responses, the identification of vulnerable families had been a discrete exercise. NISSA data was complemented by a community level participatory targeting exercise, to reinforce the notion that the most vulnerable households should be prioritized. As above, WFP noted that using the NISSA and running verification through government staff and structures slowed their response time but emphasized that this was a better way of doing things overall. UNICEF made the same point: that they could have spent more quickly and reached people faster by avoiding government partners and using NGO partners exclusively, but that prior commitment to resilient development in Lesotho means respecting national frameworks in times of crisis.

In the 2019 response, WFP used CERF funding to expand its own initial response beyond its initial priority areas. World Bank funding was later used by the GoL to further expand and complement the geographical response (NDMA/WFP with CERF support) via the social protection system. On the one hand, this looks like a textbook implementation of shock responsive social protection. The availability of World Bank funding at this particular time, however, was described as 'fortuitous'; i.e., while the procedures to deploy the social protection platform in a shock responsive fashion had been designed into the system, the funding used was an underspend and available only because one particular project cycle was coming to an end and underspent.

These two parallel platforms serve to monitor and address immediate vulnerabilities using different methods that are not harmonized. While the two systems worked together in the 2019 response, both look at vulnerability in different ways on an ongoing basis. In keeping with humanitarian norms, the WFP-backed system has more individualized data and is people-centred whereas the UNICEF-supported national welfare system enhances government management and the social contract. Neither system is fully funded, and both rely on external support.

As social protection systems evolve, this type of interplay between social protection systems and humanitarian response mechanisms, arguably exacerbated by typical tensions and mandate-driven positions taken by UN agencies, is not uncommon. The funding and operations of a social safety net with an effective crisis modifier should come from the Government of Lesotho itself: this is the end

goal of UN agencies working with the Ministry of Social Development. The NDMA and its associated structures have a supportive, complementary role to play. In part, the space between these two mechanisms defines the gap in which CERF funds add value. In other crisis contexts, this space is filled by an active and responsive set of emergency donors.

### **3. Donor absence and the ambiguity of slow-onset emergencies**

Lesotho's occasional emergency donors do not consistently react to episodes of low rainfall, increasing the value of CERF as a reliable source of possible funding.

Several reasons were given for donor non-engagement, by donors and agencies.

- First, donors reported their funding priorities were elsewhere in the region (Zimbabwe, Mozambique), places with higher numbers of drought-affected, and government partners with whom donors have greater concerns about governance.
- Second, donors and agencies struggle with an adequate evidence base for poor rainfall as directly responsible for life-threatening conditions to meet CERF standards. The GOL emergency declaration adds weight but contains no substantive data or predictive modelling of the looming crisis. One donor stressed that their analyses did not match the claims of UN agencies (IPC data).<sup>29</sup>
- Third, donor reticence is founded on the prevalence of remittances and informal cash labour that offsets crop and livestock losses during prolonged drought. The 'lean periods' caused by poor rains are compounded by chronic underdevelopment, for which they believe adequate survival strategies exist. The view that CERF is an opportunity to relieve funding gaps across agencies was also cited.
- Finally, few donors are physically present in Lesotho but are based elsewhere in the region. While their monitoring visits in Lesotho are routine, UN agencies cited the need for greater proactivity in developing and maintaining donor relations with regular visits to these regional offices. A critical issue and long-acknowledged challenge appears in the absence of existing funding agreements with humanitarian agencies in Lesotho, for all of the reasons above amongst others. Relatively small donations which are outside of existing funding arrangements mean significantly higher transaction costs for both donors and recipient agencies. Agency representatives said that donors' application and oversight procedures were too onerous for the same amounts they could likely obtain from CERF with much less effort, quicker response time, and less reporting burdens. One donor noted that while they did recognise the need for an emergency response in Lesotho in 2019 on the basis of the available data, they were unable to contribute to the UN for purely administrative reasons: principally a lack of programme staff to process additional grants.<sup>30</sup>

### **4. Are larger CERF allocations warranted? Absorption capacity and scale.**

As per the framing question of this study, the statement that a larger allocation would have saved more lives relies on two suppositions: that the funding could have been absorbed and utilized effectively within CERF's normal timeframe; that the CERF secretariat could realistically suppose that

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<sup>29</sup> USAID/FFP representative based in Pretoria who had supported the CERF EL Nino response in 2015/2016 but since then claimed not to accept the validity of IPC data and recommendations across the southern region, including Angola.

<sup>30</sup> Commonly cited example of this phenomenon: In Lesotho 25% of population, or 500k persons, required drought-related food aid. In Zimbabwe 2.5m people required food assistance, only 13% of population – donors will fund the 2.5m person effort for greater visibility and impact.

no additional donor funding would be forthcoming. If longer timeframes were warranted to avoid NCE's and/or to absorb more funds, this option was also raised.

As noted, the objective of CERF support to WFP was 'to save lives, reduce food consumption gaps and prevent malnutrition of 13,335 people experiencing the highest survival deficit ranging from 29–35% between October and March 2020, thus requiring assistance'. WFP was clear that the geographical scope of their response was limited by the quantity of funding available--\$12m requested, \$7.1m received (\$970k from CERF)—but that more money could have increased the number of cash vouchers. Although local partners aren't required for cash vouchers and normally this would accelerate delivery, government involvement in every sector slows things down. As this was a first-time cash voucher effort and involved government services, it was a learning process. As a result, an NCE was required.

Other agencies were doubtful that larger CERF allocations would unquestionably save more lives without contributing to Lesotho's already weak governance and high aid dependency. The challenge of quantifying the effects of drought in non-traditional humanitarian sectors such as protection and gender was cited as common obstacle to justifying a greater funding request. Others questioned CERF's effect on the UN's development and resilience goals for the Government of Lesotho (substitution). Some agencies, themselves chronically underfunded, cited a wish to do "less with more" and to concentrate their limited funding on getting better performance and accountability from Lesotho's public services, its social protection system, and disaster management authority.

A larger CERF envelope would require UN agencies to have the internal capacity to scale up, as well as relationships (preferably pre-existing) with operational partners. Specifically, they would have to engage partners at district-level to increase geographic coverage in hard-hit areas. UN agencies in Lesotho tend to be small with few staff and slim resources. Many are focused on long-term development and lack an emergency profile, in-house experience and surge capacity. Agencies with the ability to scale up (UNICEF, WFP, FAO) can also draw on internal funds to do so and have a wider network of donor relations to pursue. CERF funding helped UNICEF bring in a full time WASH specialist and to obtain additional ECHO funding, but smaller agencies did not have the staffing for additional fundraising beyond CERF. The relative ease of the CERF allocation process is attractive to smaller agencies who do not seek emergency funding elsewhere (heavy transaction costs).

In terms of partnerships, looking at Lesotho as a primarily development context and a LMIC, Government structures are the default response partners, but risky in the sense that they can be slow and follow politics rather than needs. INGO and NGO partners with emergency experience are few, as reliable funding is scarce; a number of INGOs cover Lesotho from a regional hub.

Historically, CERF allocations Lesotho show a high rate of no cost extensions (NCEs). From Jan 2015 to June 2019, 88% of all RR allocations were extended (7 of 8 total projects), with no UFE envelope. Reasons given included problems delivering within the six-month window, a deadline requiring punctuality in planning and delivery unrealistic for government partners, who are subject to a greater degree of administrative oversight and bureaucratic process than UN agencies. Agencies working with cash transfers through the Ministry of Social Development reported significant delays, as this was a pilot effort and learning experience.

This high rate of NCEs in Lesotho would suggest that a larger RR allocation might not be readily absorbed. In fact this depends on the agency—cash transfers can be spread to other affected regions with little additional human effort and no additional time investment, but the close follow up required for successful subsistence farming or livestock raising demands additional staff, training and management. Add to this the paucity of implementing partners and the slowness of government ministries—doubling the RR envelope would necessitate another six-month window to prepare and implement in additional districts. Doubling the budget may double the lifesaving in cases of acute

malnutrition or cash transfers, but not in protection or SGBV, where quality of delivery depends on case management and careful follow up.

## **5. Reliance on CERF**

The low level of funding generally to Lesotho has fostered a reliance on CERF during emergencies that is also used to sustain programs and presence in country, given the expectation of annual drought-related emergencies and the ready availability of RR window. The often-seen 'cake sharing' of funds to maintain a balance between agencies was avoided in Lesotho by the reality of a small envelope and a crisis clearly dominated by food insecurity. The slow-onset nature of events saw some emergency donors hesitate, and in a small country with low response capacity and limited needs analysis, CERF proved timely and essential in enabling agencies to provide quick relief to the most affected. The key influences on allocation are comparative priorities of need, past agency performance and rapid response capacity.

Ultimately, agencies recognized, the answer to Lesotho's development challenges should not be more CERF funding in the absence of structural reforms and institutional development. Reliance on CERF to fill gaps and maintain agency presence until the next disaster is perhaps impossible to police but should not be encouraged through 'cake sharing'. Promoting flexibility within development programs and government partnerships (e.g., social protection program under the Ministry of Social Development) by using crisis modifiers is proving effective in relatively stable countries like Lesotho. This could be scaled and mainstreamed in Haiti as well. Conflict triggers and crisis modifiers should be encouraged generally as alternatives to reliance on CERF to finance emergency response.

## **ANNEX D: Review purpose, scope and key questions (Methodology)**

### **Overarching questions:**

At the level of country selection (RR and UFE):

- Does CERF have a comparative advantage in funding smaller scale emergencies?
- Should CERF consider giving a greater priority to smaller scale emergencies either in terms of allocation numbers or as a higher proportion of CERF funds overall?

At the level of each individual allocation (RR and UFE):

- Is there a particular type or sub-set of smaller scale emergencies in which the CERF secretariat can reasonably predict that additional resources are not forthcoming?
- Where the RC/HC and the CERF secretariat can foresee poor coverage of needs, should CERF consider larger allocations, longer grant implementation time, or repeat / sequenced allocations?
- If lower absorption capacity appears to be a common trait in smaller scale emergencies, what might CERF do differently?
- And should CERF consider funding certain types of services/activities over others in such contexts?

### **PAF questions on CERF's added value**

As part of the country case studies, the researchers will also assess CERF's added value using a select number of country-level indicators from the CERF Performance and Accountability Framework (PAF) to answer whether CERF operations successfully added value to the broader humanitarian endeavour. Although these are standard PAF questions, the review team will consider each specifically in relation to smaller scale emergencies.

CERF's added value refers to the following four objectives: (a) fast delivery of assistance to people in need, (b) better response to time-critical needs, (c) improved coordination among the humanitarian community, and (d) leveraging additional resources from other sources.

In particular, the review will seek to assess/answer the following questions:

*Are CERF processes achieving key management benchmarks in that:*

- CERF submissions are based on an inclusive planning 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?

*Are there reasonable grounds to believe that CERF operations favour the following results?:*

- CERF strengthens humanitarian response by empowering the RC/HC and enhancing the quality of coordination within the cluster approach and across clusters.
- CERF facilitates adequate coverage, eliminates gaps and facilitates an effective division of labour among humanitarian actors.
- CERF contributes to a timelier response to needs.
- CERF favours the delivery of relevant life-saving actions at critical moments.

Additional questions:

*To what extent did CERF allocations to the case study emergencies help leverage/mobilise additional funding from other sources for the response?*

- Were funded UN agencies or their partners able to leverage **internal** funds to complement CERF allocations (either non-earmarked funding or internal rapid response mechanisms).

*To what extent did CERF allocations to the case study emergencies consider the absorption capacity of partners (both UN Agencies and their respective partners)?*

- What proportion of projects in the latest allocation round required NCE's?
- To what extent were these delays reasonable / defensible in the context of this particular response

*To what extent did CERF allocations to the case study emergencies demonstrably complement national response capacity?*

Study questions include whether there is predictability in emergencies of this type where CERF acts alone, and if so, should CERF consider increasing its overall envelope? Are there certain sectoral priorities that tend to dominate in this sub-set of emergencies? And how does this dominance of a few life-saving sectors affect CERF's goal of inter-agency complementarity and inclusivity? How should CERF address the low absorption capacity of actors and partners in these contexts? Would larger allocations over a longer period, for example, save more lives?



## **ANNEX E: INDEPENDENT REVIEW OF THE CENTRAL EMERGENCY RESPONSE FUND'S ROLE IN SMALLER-SCALE EMERGENCIES**

**Terms of Reference / 19 Jan 2020**

### **1. Background on the CERF Performance and Accountability Framework**

It is widely recognized that the key strengths of CERF lie in its ability to respond quickly, predictably and in the relatively high degree of flexibility it affords users compared with other sources of humanitarian funding. Member States and private donors require adequate assurances that the considerable funds involved are managed appropriately and that 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 Performance and Accountability Framework (PAF) for CERF is regarded as an effective tool.

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. 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 developed a PAF, a first draft of which was circulated in 2009. The PAF was formally adopted in 2010.

The CERF PAF established, 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. Following a pilot review conducted in Kenya in early 2010, the CERF secretariat has aimed to conduct between three and five country reviews per year.<sup>31</sup>

A major aim of the reviews is to provide the ERC with an appropriate level of assurance around the achievement of key performance benchmarks and planned results for the CERF mechanism around the intended inputs, outputs and outcomes as defined by the PAF. This review is based in large part on the PAF criteria and it looks at achievement of key performance benchmarks. It does so, however, in a specific subset of emergencies: smaller emergencies and builds on previous PAF reviews in such responses.

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<sup>31</sup> A full list of reviews conducted to date and final reports is available online at <http://unocha.org/cerf/reportsevaluations/evaluations/country-reviews/performance-and-accountability-framework>

This is a forward looking review which explores strategic questions relevant to allocation to smaller emergencies. The final report will include recommendations aimed at improving operational aspects of CERF and may also identify relevant policy issues, which need to be addressed at a global level.

## **2. Background, Purpose and Scope of the PAF Review**

### **2.1 Background and context**

CERF operates on the basis of need through both of its windows -- rapid response (RR) and underfunded emergencies (UFE). The relative scale and severity of needs across multiple emergencies is the principal determinant for the allocation of funding. Beyond the assessment of needs, the CERF secretariat evaluates the proportion of the overall funding requirements that are requested from CERF. The secretariat also assesses the overall funding request by comparing to other current or historical emergencies with comparable context and humanitarian caseloads.

One core principle of CERF's rapid response modality has been that funds should jumpstart or expand activities i.e. *CERF should not serve as the sole or primary donor*. In a portion of smaller emergencies, however, experience has shown that significant, additional donor funding is not forthcoming. CERF allocations for underfunded emergencies (UFE) also often serve as a critical lifeline for emergencies suffering from a chronic lack of funding. CERF UFE funds have been seen to reduce funding gaps and sustain operations in-country, as well as playing an important role of bringing (or keeping) partners at the coordination table. One additional premise of CERF funding has been to help bring attention to these neglected emergencies. Again, evidence suggests that in smaller emergencies, CERF plays a more significant role than originally envisaged.

A number of reviews have highlighted positive attributes of CERF interventions in smaller emergencies; where CERF funding met a significant proportion of needs in responses that suffered from either a lack of donor attention or a restrictively narrow donor focus on a few sectors. For example, CERF was seen to play a critical role in Southern Africa (including Angola and Lesotho) In 2019 CERF allocated \$76 million across the region, including \$34million for the responses to Cyclones Idai and Kenneth; \$37 million for drought responses in Angola, Lesotho, Mozambique and Zimbabwe, and \$5 million from the UFE window for Madagascar. While the cyclones attracted attention and funds, the drought and food insecurity remained under the radar and were deprioritized in the face of the cyclones.

The review of CERF's role in the 2015-16 El Nino episode also noted that in many of the smaller emergencies, CERF funding brought partners to the table to prioritize. In Papua New Guinea in particular, CERF provided around 22% of total funding for the El Niño response during 2015-2016, but it was the only source of funding using an inter-sectoral approach. The same review also noted that CERF was not only one of the first sources of funding in several smaller countries but the primary source of funding for the response.

Recognising that CERF funding did not appear to be playing the 'kick-starting' role envisaged in the original design, the CERF secretariat has undertaken various pieces of funding analysis and also commissioned an independent study in 2014 to deepen insight into donor decision-making, including if and how CERF allocations influence funding decisions. The Secretariat's own objective

analysis<sup>32</sup> of donor support to inter-agency Flash Appeals (2013-2017) demonstrates a trend of higher levels of funding to high profile, large-scale crises, with smaller emergencies receiving comparatively little support. CERF was the top donor to 11 out of the 14 Flash Appeals (and other emergency response plans) for natural disasters during this period. The study on donor behavior confirmed that in some smaller emergencies, CERF allocations did not prompt donors to provide additional funding; arguably having the opposite effect<sup>33</sup>. In smaller, low-profile emergencies, donors treated CERF allocations as their sole contributions; explaining to their constituents that they were contributing to small emergencies through CERF, which lessened the political pressure to make further contributions. Clearly donors also face the practical reality of needing to focus limited capacity (human resources and aid budgets) on a manageable number of crisis contexts.

As above, CERF is a needs-based instrument and, as such, does not have a predetermined bias towards any emergency type or size. CERF allocations are seen, however, as favouring smaller emergencies in some instances. This view is based on two assumptions:

1. that CERF plays a unique role as an apolitical equalizer in global humanitarian financing by helping to compensate for gaps caused by donor bias and preferences
2. that a critical funding volume is required for a CERF allocation to meet its objective of promoting a more coherent and coordinated humanitarian response.

Viewed through this lens, a CERF dollar invested in a small emergency has the potential for greater impact than the same dollar invested in a large-scale high-profile emergency.

In summary, there is sufficient evidence to state that in future smaller-scale emergencies, CERF funding is likely to constitute a large (or even the largest) portion of funding. In addition, in these same emergencies, one original operating assumption of CERF, that funding will kick start a larger response by mainstream donors, is false. In very simple terms, it appears that these particular circumstances cause CERF to work in a manner which contradicts one of its original aims: to avoid being the most significant source of humanitarian financing. While CERF funding has been shown to constitute a 'life-line' that has enabled life-saving response through a range of humanitarian partners; a range of consequences remain:

- a limited proportion of needs are likely to be met
- sectors or clusters not initially prioritized for CERF funding will remain unaddressed
- activities funded by CERF may not extend beyond the duration of CERF support.

*This poses an interesting strategic dilemma: should CERF shift its original position and accept that it has a comparative advantage in these scenarios? Should it potentially provide even more meaningful allocations? These broad questions are refined below and the purpose of this review is to deepen the set of evidence around these issues.*

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<sup>32</sup> Undertaken by the CERF secretariat

<sup>33</sup> This behaviour has been noted in studies of other pooled-funding instruments.

It is important to note that in addition to numerous references to value added by CERF in such contexts, there are also cautionary notes. CERF's latest analysis of 'no cost extensions' (NCE's), shows that 14% of all RR projects required an NCE, which is already significant for the whole set of emergencies. A cursory analysis of the allocations suggests that NCE rates may be significantly higher in smaller emergencies<sup>34</sup>. The 2018 commissioned review of CERF's added value to the Cuba & Eastern Caribbean hurricane response suggested that CERF should give greater consideration to the *capacity of recipient agencies to use CERF funds effectively*.

In addition, if CERF were to decide to fund a larger proportion of needs in the early phase of any given response (already noted as deviating from its original intent) it would likely to cover a greater proportion of immediate needs. Doing so, however, in contexts where there is an explicit acknowledgment that follow on funds are unlikely could be problematic for two reasons. Firstly, if the frequency of NCEs is seen as a problem at current funding levels, logic dictates that the problem might increase in proportion to funding levels. Secondly, a larger number of projects started with CERF funding may be wound down quickly in the absence of continued funding. The review will consider whether or not lower absorption rates might be considered a common trait in these types of emergencies.

## 2.2 Scope of the review

The original TOR uses the term 'smaller-scale emergencies which have often attracted limited donor funding.' As such, the scope includes emergencies with two key characteristics, the first being scale. The main parameter suggested by the CERF Secretariat is 'emergencies with funding requirements up to \$150 million for the humanitarian response for which CERF funds are sought'. The second parameter is a shortfall in mainstream donor funding. CERF's analysis provided for this review looks at small emergencies (\$150 million appeal or less) for which CERF provided 20% of funding or more. As such, all emergencies which fit these two criteria are considered within the review's scope.

It is important to note, however, that other than fitting the two primary criteria, the 'smaller-scale emergencies' do not appear to be homogenous or consistent in any other sense. The list contains a range of country contexts, which include:

- Rapid and slow onset emergencies of various types (including cyclones, drought and related food insecurity), public health emergencies (infectious disease outbreaks), mass displacement (conflict related)
- HRP and non HRP countries
- Countries with a wide range of Government response capacity
- Small disasters in countries with a large and ongoing response (and HRP); i.e., countries in which there are two geographically and / or thematically distinct crises which receive different levels of global / donor attention.

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<sup>34</sup> Requests for NCE's indicate that the CERF partner was unable to spend the allocated money within the time window specified. The high level statistic, however, does not indicate the reasons behind the request. It is a reasonable assumption that in smaller emergencies (especially in rapid onset emergencies) there may be delays in setting up operations or partnerships with local actors that do not negate the validity of the allocation.

It is important to note that of the two criteria listed above, only the scale of the request is available close to the onset of the response. The percentage of needs funded can only be calculated retrospectively. Donors' funding intentions are very difficult to measure in real time at the onset of a response.

The rationale behind the selection of case studies is below at section 4. The review team will, however, try to cover a range of these emergency types, not least with a view to understanding if any particular characteristics add to the likelihood of the responses remaining underfunded.

### **3. Review purpose and key review questions**

#### **3.1. Review purpose**

As outlined in sections 1 and 2, the overarching focus of the review is **the role of CERF in funding smaller-scale emergencies which have often attracted limited donor funding.**

The specific purpose of the review is **to offer evidence which will strengthen CERF's decision making around emergencies of this type, at the level of country selection and at the level of individual allocations.**

The overall approach of the review will be to assess the added value of CERF funding to emergencies which fit the criteria laid out in section 2 (a more detailed methodology and approach for the evaluation and country selection criteria are below at section 4). The main methods applied will be a desk review of relevant documents, a review of funding data and key informant interviews (KIIs). The KIIs will be undertaken remotely where necessary, but primarily during visits to four case study countries. As well as KIIs, the country visits will allow for meetings with relevant in-country stakeholders and include travel to CERF-funded humanitarian projects if possible.

#### **3.2 Key review questions**

##### **Overarching questions:**

At the level of country selection (RR and UFE):

- Does CERF have a comparative advantage in funding smaller-scale emergencies?
- Should CERF consider giving a greater weighting / priority to small scale disasters of this type i.e. as a proportion of CERF allocations, should a greater number of allocations go to this emergency type and, by extension, a higher proportion of CERF funds overall?

At the level of each individual allocation (RR and UFE):

- Is there a particular type or sub-set of small scale emergency in which the CERF secretariat can reasonably predict that other resources may not be mobilised?
- Where the RC/HC and the CERF secretariat can foresee poor coverage of needs as a result of limited funding, should CERF should consider larger allocations; longer implementation time of grants; or repeated / sequenced allocations?
- If lower absorption capacity appears to be a common trait in small scale emergencies, what might CERF do differently?
- And should CERF consider funding certain types of services/activities over others in such contexts?

#### **PAF questions on CERF's added value**

Assurances will be sought around some of the key objectives of CERF's added value using a select number of country-level indicators from the CERF Performance and Accountability Framework to answer whether CERF operations in the selected countries have successfully added value to the broader humanitarian endeavor. Although these are standard PAF questions, the review team will consider each specifically in relation to smaller scale emergencies.

CERF's added value refers to the following four objectives: (a) fast delivery of assistance to people in need, (b) better response to time-critical needs, (c) improved coordination among the humanitarian community, and (d) leveraging additional resources from other sources.

In particular, the review will seek to assess/answer the following questions:

*Are CERF processes achieving key management benchmarks in that:*

- CERF submissions are based on an inclusive planning 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?

*Are there reasonable grounds to believe that CERF operations favour the following results?:*

- CERF strengthens humanitarian response by empowering the RC/HC and enhancing the quality of coordination within the cluster approach and across clusters.
- CERF facilitates adequate coverage, eliminates gaps and facilitates an effective division of labour among humanitarian actors.
- CERF contributes to a timelier response to needs.
- CERF favours the delivery of relevant life-saving actions at critical moments.

Additional questions:

*To what extent did CERF allocations to the case study emergencies help leverage/mobilise additional funding from other sources for the response?:*

- Were funded UN agencies or their partners able to leverage **internal** funds to complement CERF allocations (either non-earmarked funding or internal rapid response mechanisms).

*To what extent did CERF allocations to the case study emergencies consider the absorption capacity of partners (both UN Agencies and their respective partners)?*

- What proportion of projects in the latest allocation round required NCE's?
- To what extent were these delays reasonable / defensible in the context of this particular response

*To what extent did CERF allocations to the case study emergencies demonstrably complement national response capacity?*

#### **4. Review Approach**

##### **4.1 Overall approach / Research Methods**

The formal assessment of agency performance vis-à-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 and the specific thematic/forward looking questions pertaining to the five allocations part of the review.

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. Nor will the review mechanism seek to provide comprehensive and detailed narratives and contextual analysis around how and why results are being achieved. It will rather focus on providing assurance around key issues of the fund's strategic and operational impact.

The analytical approach will be deliberately kept rapid and light. Prior to leaving the four countries under review, the Consultants will provide the respective RC/HCs a short informal debrief (verbal or written) of initial observations and potential recommendations in relation to the key review questions identified above. The RC/HCs together with the respective UNCTs/HCTs, and the

concerned OCHA offices may subsequently be requested to provide a management response to any recommendations in the report once it has been finalized.

#### 4.2 Cases study country selection

As above in section 2.2, the emergencies which fall within the scope of this study are a non-homogenous group; they cover a wide variety of crisis types and contexts. The review will cover as broad a range of crisis types and contexts as possible within the limit of the four case studies and desk review. Ideally, the 4 case studies will cover the following criteria, which are not mutually exclusive:

- At least one response for which CERF provided 40% or more of funding; this is considered a key criterion. [The study essentially looks at how CERF funding interacts with small emergencies; logic dictates that the strengths and weaknesses of this modality will be more pronounced where CERF provides a higher proportion of funding.]
- CERF allocations in 2019 [Primarily to ensure recall on the part of interviewees.]
- One discrete (thematically and/or geographically distinct), small emergency in a country with a larger, UN led response
- One country with established national response capacity (i.e. an emergency with a Government lead).
- One HRP country and one non-HRP country
- At least one UFE allocation
- One rapid onset and one slow onset / cyclical crisis.

In addition, a number of practical and pragmatic criteria will need to be taken into consideration.

- The willingness and capacity of the OCHA team and recipient agencies in any given country to participate.
- Security and ease of access (including the availability of visas within the review’s time frame).
- Language constraints (the review team can work in English, French and Spanish).
- Minimising the number of long-haul flights to the extent possible.

The first country visit, undertaken by both of the review team members, will be used in part to field test the review questions and interview guide. The following countries represent those in which CERF provided 40% or more of funding.

| Allocation year | Country | Emergency type | Percentage of funding provided by CERF | CERF window |
|-----------------|---------|----------------|--|-------------|
| 2018            | Lesotho | Drought        | 102%                                   | RR          |
| 2017            | Angola  | Displacement   | 58%                                    | RR          |



|      |                          |                                  |     |     |
|------|--------------------------|----------------------------------|-----|-----|
| 2017 | Sri Lanka                | Drought                          | 51% | RR  |
| 2018 | Libya                    | Measles                          | 50% | RR  |
| 2017 | Central African Republic | Displacement                     | 50% | RR  |
| 2019 | Cuba                     | Storm (hurricane, cyclone, etc.) | 46% | RR  |
| 2017 | Myanmar                  | Storm (hurricane, cyclone, etc.) | 45% | RR  |
| 2019 | Djibouti                 | Multiple (Drought and Refugees)  | 40% | UFE |

Of this group, only Cuba and Djibouti received allocations in 2019. Cuba was the among the focus countries in a recent PAF country study and another study would arguably add limited value. In addition, the strength of national response capacity in Cuba means that the international system plays a very specific and limited support role that may not make a good general case.

Djibouti has a number of advantages. It is the only under-funded allocation on the list and appears further down the list for a rapid response allocation.

|      |          |                                  |     |    |
|------|----------|----------------------------------|-----|----|
| 2018 | Djibouti | Storm (hurricane, cyclone, etc.) | 26% | RR |
|------|----------|----------------------------------|-----|----|

Other small emergency (SE), non-HRP countries to choose from:

- Lesotho: drought, \$5.5m received, 102% of requirements
- Angola: displacement, \$10.5m received, 58% of requirements
- Sri Lanka: drought, \$3.2m received, 51% of requirements
- Myanmar: storm/cyclone, \$2.16m received, 45% of requirements

Small HRP countries with SE, independent of main crisis:-

- Lebanon: measles outbreak, \$1.12 received, which was 23% of requirements
- Cameroon: \$5m received for displacement (nationwide), 34% of requirements

## 5. Data Collection

Desk review: A quantitative analysis will be conducted on the data, reports and files available at the HQ and country level. The desk review includes:

- Remote interviews with key stakeholders,
- If relevant, surveys targeted at key stakeholders,
- Review of relevant studies and evaluations,
- Funding data from the CERF Grant Management System (GMS) as well as the OCHA-managed Financial Tracking Service (FTS),
- Timelines on sums requested, allocated from the CERF GMS
- CERF applications and 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,
- Humanitarian appeals and other humanitarian strategy documents.

Semi-structured interviews at country level will include: RC/HCs for the concerned countries, the respective OCHA Offices and Office of the Regional Coordinator (where applicable/no OCHA Office), OCHA staff, Cluster leads, Cluster Coordinators at capital level, UNCT/HCT members, agency CERF focal points and agencies at HQ level, NGO partners implementing CERF projects and those without access to CERF funds, host government (tbd), and donors. UN Agencies will be asked to provide relevant documents and indicate interview partners to facilitate the review.

Interviews at headquarter level will include: Stakeholders at OCHA headquarters in New York, relevant agency focal points, and selected donor representatives as relevant. Interviews will also take place with selected CERF secretariat staff to get further background and perspective.

Select project site visits: The consultants will, if possible, also visit sites of CERF-funded projects to help provide limited anecdotal information regarding the use of funding at the affected population level and can provide a field-level snapshot and some direct contact with affected people and other key informants in field locations.

In-country working session to review provisional results. This will be used as learning opportunities to discuss, validate and fill key gaps in the findings and recommendations.

## 6. Proposed Consultants

It is anticipated that two independent Consultants will be required to prepare the review for which the following combined skills are required:

- Expertise in UN humanitarian reform & financing and CERF
- Knowledge of the Humanitarian Programme Cycle
- 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
- Sound understanding of humanitarian funding data and ability to analyse funding data and trends
- Expertise and extensive experience in humanitarian evaluation, including proven project and programme evaluation skills
- Expertise in project management and implementation
- Expertise in analyzing financial data in tandem with other types of information
- Ability to analyze and integrate diverse and complex quantitative and qualitative data from a wide range of sources
- Fluency in written and spoken English. Knowledge of French is desirable (tbd).

In addition, it is anticipated that one data/funding analysis expert will be required for a limited number of days to assist with funding analysis, trends, and data extraction to provide support to the two evaluation experts and support the evidence base forming part of the review.

## **7. Management and Support**

The review will be managed by the CERF secretariat, and the secretariat's responsibilities will include:

- Provide necessary administrative, coordination and logistical support to the Consultants,
- Facilitate the Consultants' access to specific information, key informants and expertise necessary to perform the assessment,
- Identify country-level focal points and introduce to the Consultants to support the missions as part of the review,
- Monitor and assess the quality of the review and its process,
- Ensure sufficient engagement by the UNCT/HCTs during the mission and in response to the draft and final report,
- Disseminate final report and upload on the CERF website,
- Facilitate relevant management response to the final report and subsequent follow up.

The respective OCHA Country Offices and Regional Coordinator's office (RCO) will support the consultants to liaise with key partners and other stakeholders and make available to the consultant necessary information regarding CERF-funded programmes, projects and activities in the country. Following the preparation of a draft report, the country offices will provide factual verifications of the report. The country offices/RCOs will also provide support in kind to the consultants during mission (e.g. arranging meetings with project staff, stakeholders and beneficiaries; and assistance for any project site visit).

## **8. Deliverables**

Under the overall direction of the CERF secretariat, the consultant will be expected to produce the following main outputs:

- (1) Inception report
- (2) Interview Guides
- (3) Four country visits (including presentation/debrief for RC/HC and OCHA Country Office)
- (4) Draft report (including solicitation of comments from all stakeholders)
- (5) One final report in English to the ERC, through the CERF secretariat, in an electronic version, plus an Executive Summary to be disseminated to RC/HCs and consulted partners.
- (6) Presentation of the findings and recommendations of the review to the Advisory Group, at the bi-annual CERF Advisory Group meeting (June 2020-tbd).

The final report will be structured in the form of short observations and conclusions around the different assurance concerns linked to the review. Country specific analysis and observations will be included in the report in support of the strategic questions outlined above. The report will also include, as appropriate, a set of specific, well targeted and action-oriented recommendations pertaining to the review questions and/or or raising any policy issues. Recommendations should logically follow from the observations and conclusions. The annexes will include a brief description of the methods used and the analysis performed, and a list of persons interviewed.

## **9. Process**

Phase 1: Preparation

Phase 2: Data collection and analysis

Phase 3: Synthesis, report writing and review

Phase 4: Production, dissemination and follow up