

## Background

Every year, the CERF secretariat commissions reviews under the CERF's Performance and Accountability Framework (PAF) to assess CERF's added value to humanitarian responses around the world. The reviews, which are carried out by independent consultants also seek to provide an appropriate level of assurance that funds are managed properly and lead to meaningful results in line with CERF's mandate. In addition, reviews may have a specific thematic focus to help answer broader strategic questions that will help guide CERF operations and feed into wider global discussions.

In early 2022, the Emergency Relief Coordinator decided to use CERF to further advance localization in line with the commitments set forth by the Inter-Agency Standing Committee and the Grand Bargain. Consequently, since 2022 CERF has for Underfunded Emergencies (UFE) allocations urged country teams to undertake dedicated consultations with relevant Local and National Actors (LNAs) to inform allocation priorities and set ambitious goals for involving LNAs as implementing partners, in the form of context-specific sub-granting targets. As LNAs are already favored as implementing partners for UN agencies under UFE allocations, with more than 70 per cent of sub-granted funding going to LNAs as opposed to INGOs, a key focus of the localization push is around strategic engagement with LNAs and quality of partnerships. In support of this, CERF has also allowed added flexibility for capacity-building activities for LNAs in its UFE allocations.

The following paper outlines the key findings of a review commissioned to assess CERF's localization efforts. Its main objectives were to evaluate the extent to which CERF has helped advance country-level localization and to establish learning of broader relevance to advancing localization in humanitarian action. The review included an in-depth desk assessment of all grants under the 2022 and 2023 UFE rounds, on-site visits to Burkina Faso and Mozambique, and remote assessment of six other countries<sup>1</sup>. The review examines 2022 and 2023<sup>2</sup> UFE allocations only, starting with the second UFE allocation of 2022 which was the first UFE allocation with the added localization focus. As such, the review only covers learning from the initial three UFE allocations that piloted the localization criteria, whereas more recent learning and developments in localization efforts under UFE allocations from 2024 and onwards are not captured by this review.

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<sup>1</sup> Cameroon, Central African Republic, Chad, Lebanon, Myanmar, and Yemen.

<sup>2</sup> CERF allocated US\$ 150 million in 2022 UFE R2, \$100 million in 2022 UFE R2, \$146 million in 2023 UFE R1, and \$ 129 million in 2023 UFE R2.

## Key findings

**The review found that that CERF's localization efforts have been positively received and were especially welcome in countries where LNAs had limited access to funding.** They provided an important opportunity for RC/HCs to further strengthen localization. Their main benefits observed in most contexts included improved humanitarian access and contextual relevance of CERF-funded interventions. The review noted that these benefits could be further realized by improved LNA involvement in planning and decision-making processes.

**The review, however, noted that CERF-related localization efforts were inconsistently applied across countries** depending on response priorities, country characteristics, and interpretation of CERF's added value. When dedicated consultations with LNAs took place, they were still regarded as limited, with local actors perceiving the process as covering issues outside their remit.

**The CERF UFE allocations were found to have prompted progress in partnerships with LNAs with certain UN agencies attempting to further contract LNAs.** These relationships, however, were often considered transactional rather than collaborative. The review also found that the quality of partnerships varied widely and often depended on individual agencies' policies and practices rather than on CERF funding.

The review found that while CERF's encouragement to increase partnerships with LNAs lead to an overall increase in LNA sub-granting under UFE allocations<sup>3</sup>, **the levels of funding provided to local actors often fell short of the ambitious targets** set out by RC/HCs at country level. The emphasis on defining a minimum percentage of the total CERF allocation to be sub-granted by UN agencies to LNAs created a positive momentum, however sometimes overshadowed the importance of equitable partnerships and quality funding.

**The review noted that CERF allocations had a limited impact on enhancing the participation and leadership of LNAs in coordination mechanisms.** While CERF's efforts provided some opportunities for LNAs to participate in coordination structures, these were largely operational, rather than strategic. The review observed that beyond CERF allocations, LNAs face significant barriers to meaningful participation and leadership in humanitarian coordination mechanisms. The review pointed to key systemic challenges faced by LNAs, such as resource constraints and limited understanding of coordination structures.

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<sup>3</sup> The proportion of CERF UFE funding sub-granted to LNAs increased with 2.5 percentage points between 2021 (pre localization push) and 2023, with more than 23 per cent of all UFE funding being passed on to LNAs in 2023. Furthermore, the proportion of UFE sub-granting going to LNAs as opposed to INGOs further shifted in favor of LNAs with an increase from 70 per cent in 2021 to 78 per cent in 2023.

**In countries with Country-Based Pooled Funds (CBPFs), CERF's localization efforts were found to have been more effective** due to the complementary role of CBPFs in addressing structural barriers and providing direct funding to LNAs. However, in countries without CBPFs, CERF's focus on localization was further valued due to the absence of mechanisms enabling sustained support for LNAs and limited availability of direct funding for these organizations.

## Conclusions

**Overall, the study concluded that while CERF's efforts led to some advancements, CERF's ability to drive meaningful localization is limited by its reliance on centralized decision-making processes at the country level** with limited direct engagement of LNAs and by UN agencies and their own policies and practices.

The review noted that to further its localization efforts, CERF should focus on fostering equitable partnerships, improving capacity-building efforts, encouraging further coordination and alignment with country level localization targets and leveraging complementary mechanisms such as CBPFs.

The study further concluded that the challenge for CERF is to find strategies that can balance its primary mandate of timely, effective emergency response in underfunded crises with the broader humanitarian goal of enhancing local capacity and leadership. This requires continuous adaptation of its operational frameworks to encourage greater inclusion and support of local entities within its funding and coordination processes.

## Key recommendations

The review provided several recommendations for consideration by OCHA and partners. For the purpose of this summary note an overview of key recommendations are provided below, condensed and summarized for brevity. For a detailed list of all recommendations in their full articulation, the review report will shortly be available on the CERF's website.

- **Maintain country-specific flexibility and CERF's added value**, acknowledging that this may sometimes result in fewer partnerships and reduced funding for LNAs, as localization should not be the Fund's primary priority.
- **Encourage UN agencies to act as champions for localization** by promoting cultural and structural changes within their organizations and ensuring that localization principles are embedded in their operations and strategies.
- **Issue comprehensive and flexible guidance on eligible capacity-building activities**, the use of localization indicators, setting appropriate sub-granting targets, providing information on anticipated partnerships in UFE applications, and reporting on benefits of localization.
- **Maintain LNA sub-granting targets as a useful indication of localization progress** while emphasizing the **quality of partnerships**.

- **Adapt CERF consultation processes to reflect local contexts and ensure meaningful participation of LNAs.** Promote transparency by involving LNAs in strategic discussions, including design and review stages.
- **Move beyond transactional relationships by fostering genuine, equitable partnerships with LNAs.** Encourage UN agencies to follow the Principles of Partnership.
- **Strengthen planning and coordination between CERF and CBPFs** to maximize their collective impact on localization.
- **Develop indicators to measure the quality of partnerships** and the impact of localization efforts on humanitarian outcomes and **revise reporting templates accordingly.**

The CERF secretariat will identify and implement relevant follow-up actions to those recommendations of the review directed at CERF and will engage with relevant partners on the recommendations directed to other stakeholders.