

Independent Review of the Value Added of the Central Emergency Response Fund (CERF) in the Countries Affected by El Niño

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Executive Summary

The Central Emergency Response Fund (CERF) secretariat commissioned this independent review to assess CERF's response to the El Niño phenomenon in 2015-16. The review's three objectives are to:

- Provide the Emergency Relief Coordinator (ERC) with an appropriate level of assurance around the achievement of key performance benchmarks and planned results for the CERF mechanism.
- Assess the added value of CERF funding for the humanitarian response to the consequences resulting from the El Niño phenomenon.
- Examine the potential for a larger CERF to play a strategic role in providing early funding in slow-onset crises by responding to early warning systems and risk indicators in a more systematic and formalised manner.

The review focused on the appropriateness, effectiveness and added value of CERF for the El Niño response. It also identified lessons for CERF's role in supporting early action, particularly in slow onset emergencies, since the 2015-16 El Niño resulted in droughts in the countries to which CERF responded (except in Fiji). However, this should not preclude CERF from exploring its role in funding early action in rapid onset natural disasters and conflict-related crises.

This review uses the **definition of early action** in the draft inter-agency Standard Operating Procedures (SOPs) for early action to El Niño/La Niña episodes, which state that, "Early action consists of activities that can be implemented before the anticipated hazard to mitigate or even prevent its impacts" (page 5). The key distinction between early action and longer-term disaster preparedness is that it focuses on early warning for a specific impending hazard event rather than a range of potential risks and hazards using scenarios.

The team adopted a regional approach to ensure that findings were nuanced and reflected both differences and commonalities within and across regions. One team member visited selected countries in Asia and Africa while another visited selected countries in the Pacific and Latin America and the Caribbean regions. The report presents findings relating to CERF's appropriateness, effectiveness and added value by region. The sections below summarise findings across the regions.

Appropriateness

In most cases CERF was the first international funding to arrive in the countries reviewed. A number of factors influenced the timing of CERF funding, including whether UN agencies waited for emergency declarations by governments before applying, the quality and use of early warning systems and the extent to which these were used to guide a timely response, and the time taken to conduct and agree needs assessments. In development-oriented contexts in particular, agencies tended to apply for CERF funding when the crisis was already well advanced. Examples included several countries in Southern Africa and Papua New Guinea (PNG) in the Pacific, where early warning systems set up during the previous El Niño in 1997-98 did not translate into a timely response. On the other hand, in Honduras and El Salvador,

early warning systems and preparedness for joint action with government and NGO partners facilitated well-timed interventions. In Zimbabwe, the Resident Coordinator (RC) and agencies decided to apply for CERF funds for a drought in 2015 on the basis of assessment data, even though the government did not declare an emergency until February 2016, when the country experienced the impact of El Niño in the form of another severe drought.

Agencies and donors were not aware of the secretariat's criteria for accepting or rejecting funding requests and determining allocation size. However, given CERF's approach of kick starting humanitarian responses and financing a small proportion of the overall humanitarian response, the size of allocations appeared to be appropriate. This was particularly the case for smaller and more development-oriented countries in Africa with limited absorption capacity as they shifted from development to emergency mode. In Honduras and El Salvador, where there are fewer humanitarian funding sources, interviewees argued that the size of CERF allocations limited coverage.

The knowledge of Resident and Humanitarian Coordinators (RC/HCs), recipient agencies and other partners about CERF's role, remit and procedures was context specific, but OCHA consistently played a crucial role in supporting CERF processes. Where agencies were unfamiliar with CERF processes and requirements, it sometimes took time to agree concept notes and applications for CERF funding.

Effectiveness

Interviews and reports on the use of CERF funds afforded substantial evidence of the ways in which CERF funding contributed to the effectiveness of the humanitarian responses. However, agencies' tendency to apply for CERF funds when the impacts of the El Niño were already clear compromised the effectiveness of some CERF-funded projects. This was the case in PNG, where WFP and UNICEF interventions started after the "short season crop harvest" had already started; the delay in application for funds had several causes but was mainly due to the government's reluctance to request international aid. Similarly, in Viet Nam, rains arrived in some areas soon after CERF-funded activities started. In El Salvador and Honduras, UN agencies and their partners found the six-month timeframe of CERF Rapid Response (RR) funding a challenge in a slow onset crisis where they required more time to achieve meaningful outcomes. Pre-existing relationships with government counterparts often resulted in more effective responses, such as in Fiji, where UNICEF's partnerships with water and education authorities positioned it as a key government partner. Unlike some donors, CERF funded sectors other than food assistance, agriculture and livelihoods in what were deemed to be food security crises. This was very helpful, particularly in Southern Africa.

The review found numerous examples of ways in which agencies used other donor funding to complement CERF-financed activities. In Zimbabwe, WFP, UNICEF and FAO used CERF funding to pilot approaches that were then funded by other donors. CERF also complemented country-based pooled funds in Ethiopia and Somalia. Agencies used CERF funds to complement government assistance programmes in several countries (including Viet Nam, Swaziland and Zimbabwe). In Fiji and Lesotho, agencies used government safety net programmes to distribute cash.

Added value

CERF added value to the El Niño response in a variety of ways such as strengthening coordination, helping to kick start emergency responses (particularly in development-oriented contexts such as Honduras, El Salvador, PNG, Lesotho, Swaziland and Viet Nam), strengthening the credibility of UN agencies vis-à-vis the government because they brought resources to the table (e.g., in Viet Nam, Central America), filling critical funding gaps in contexts with ongoing humanitarian responses (Ethiopia and Somalia), and funding neglected sectors or activities (including protection). In Honduras and El Salvador, CERF was critical because it was the primary source of funding for the response. In some contexts, CERF funding had unexpected additional benefits. In Viet Nam, UNICEF's government implementing partners decided to strengthen accountability to affected populations in future responses. In Swaziland, the CERF-funded water

project led the government to sign up to international water safety standards. For agencies, CERF also added value by enabling them to leverage additional donor funds.

Lessons for CERF's Role in Supporting Early Action

Understanding exposure of vulnerable populations to risk, making financial provisions in advance, and putting in place plans to guide response are increasingly accepted as the most effective approaches to ensuring an adequate and timely response to emergencies. Thus, there are three pillars required for effective early action - a pre-disaster plan that identifies appropriate early actions, pre-agreed triggers or decision-making procedures for the release of funds and implementation of the actions, and pre-agreed financing. There is growing evidence that financing early action before the full impact of a hazard is felt can save lives, mitigate suffering and lower the cost of response. Early action also has the potential to mitigate the procrastination that characterises resource allocation processes in slow onset emergencies.

The broader disaster risk financing landscape is evolving rapidly and includes both development and humanitarian financing instruments. There are currently two key humanitarian risk-based financing mechanisms for early action; the Red Cross Forecast-based Financing (FbF) mechanism and the NGO START Fund "Anticipation Window". In addition, agencies such as WFP and FAO have developed internal funding instruments to provide funds to country programmes at critical moments to enable early action. However, the financing landscape currently lacks a mechanism for early action financing at scale, which would enable a coordinated multi-sector response.

Conclusions

CERF's key added value in financing early action is its convening power, bringing agencies around the table to develop coordinated and, where appropriate, joint multi-sectoral responses. The fact that CERF was usually the first significant international funding to arrive also gave UN agencies credibility vis-à-vis the government in development-oriented contexts. This could be a useful tool for engaging governments in discussions around early action.

CERF's comparative advantage is that it is fast, needs-based, and able to release funds without a formal government request for international assistance. This is important for financing early action since it can allow agencies to start working with governments to mitigate the impact of disasters in a less politically-charged environment. While the Zimbabwe example shows that agencies can apply for funds before an official disaster declaration, the review demonstrates that the humanitarian system is not set up to respond early in slow onset emergencies. Some countries that face recurrent droughts, such as Zimbabwe and Somalia, are developing information and early warning systems with thresholds to trigger early responses. FAO Viet Nam is also piloting FbF and ensuring early action in response to early warnings. These could help trigger CERF funding for early action. CERF has the potential to play a unique and influential role in early action, taking its place in a progressive policy space that contributes directly to the Agenda for Action aspiration to 'end needs'.

Recommendations

The key recommendation emerging from this review is that CERF should fund early action systematically when the early warning certainty level is relatively high. This would reduce the likelihood of providing funding in the event that the disaster does not materialise. In the context of an expanded CERF, the funding of early action is one of the areas for change that enjoys broad support. Investing in CERF's capabilities to fund early action is also consistent with its founding objective of supporting 'time critical interventions'. In addition, as the humanitarian system better understands the benefits of responding earlier to mitigate the impacts of risk and as the technical feasibility of responding earlier has advanced, it is appropriate that CERF keeps pace with the demands of this evolving system. CERF is well positioned to take on a role in funding early action since it is an established and respected humanitarian financing instrument with a global remit.

In order to shift to financing early action systematically, CERF needs to decide on its approach to key issues. These are the degree of assurance it will provide about the availability of early action funding; processes and triggers for releasing funding; establishing a separate window similar to the existing RR and UFE windows; establishing the level of funding that it will provide for early action; and adopting a learning approach to early action pilots.

The CERF secretariat will need to work with key actors to address practical challenges related to the shift to early action financing, using resources such as the El Niño Standard Operating Procedures recently developed by an interagency working group. This will allow a consensus to be reached on the conceptual and practical definition of what early action means for CERF; to agree on how CERF will work with country-level actors to ensure CERF early action allocations are based on appropriate analysis and early action planning (in the context of high-level commitments to strengthen risk-informed planning and response); to adapt CERF's technical capabilities and processes to accommodate early action, establish strategic partnerships, measure performance and capture relevant learning; and to build a critical mass of support for financing early action.

The full report can be accessed on the [CERF website](#).