

Purpose

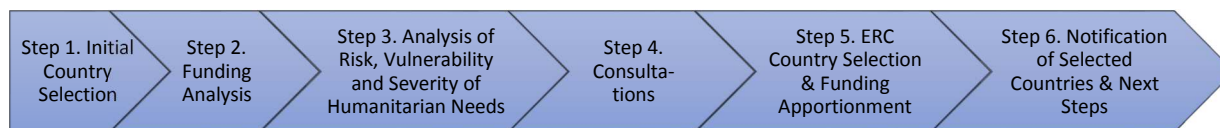
This paper provides a general overview of the country selection decision-making process for the Central Emergency Response Fund (CERF) Underfunded Emergencies (UFE) Window. Additional details and technical guidance are further elaborated in CERF Underfunded Emergencies Window: Procedures and Criteria¹. Some aspects of this process may differ each round due to available information or timing; and therefore, a specific methodology paper is produced for each UFE allocation explaining the round-specific details, and is available on the CERF website.

CERF's Mandate and Objectives

The CERF was established by the General Assembly in 2005² to ensure a more predictable and timely response to humanitarian emergencies. The three primary objectives of the fund are to: 1) promote early action and response to reduce loss of life; 2) enhance response to time-critical humanitarian requirements; and 3) strengthen core elements of humanitarian response in underfunded crises. The fund's creation was part of the larger Humanitarian Reform process that aimed to enhance humanitarian response capacity, predictability, accountability and partnership through, among other things, an improved leadership system, a new Cluster Approach for better coordination, and more adequate, timely and flexible financing.

Through the CERF UFE window, the Emergency Relief Coordinator (ERC) allocates financial support for life-saving activities in the least funded and forgotten humanitarian emergencies twice a year. Countries with salient humanitarian needs are eligible for UFE support. The ERC's country selection is based on quantitative data analysis on funding and humanitarian needs, risk and vulnerability, and qualitative, contextual information collected from consultations with UN agency and OCHA headquarters, NGOs and other public source documents. UFE grants support essential humanitarian activities, and partners are expected to simultaneously seek other resources to complement the CERF funding.

The application process for a UFE grant is similar to that of a CERF Rapid Response (RR) window request, in that an application is based on a field-driven process that gives the Resident Coordinator/Humanitarian Coordinator (RC/HC) overall authority to determine priority activities for funding and submitting a consolidated funding request to the ERC. Consultations in country with the Humanitarian Country Team (HCT) and inter-cluster coordination mechanism, if present, are key to identifying needs and priorities for CERF funding.



Overview of the UFE Country Selection Process

Twice a year, the CERF identifies and allocates funding to the most underfunded humanitarian emergencies. The UFE window accounts for one third of CERF grants, i.e., on average, some \$150 million

¹ http://www.unocha.org/cerf/sites/default/files/CERF/UFE_Guidelines_March_2010_Review_June_2011.pdf

² General Assembly Resolution A/RES/60/124 "Strengthening of the coordination of emergency humanitarian assistance of the United Nations"

of the fund's annual target of \$450 million.³ The selection of humanitarian emergencies for the UFE allocation rounds build on two components: (1) a quantitative analysis of data on humanitarian needs, funding levels, risk and vulnerability, and (2) qualitative, contextual information collected from consultations and documents.

Each UFE round commences with the circulation of the CERF UFE Guidance Note on the CERF website. The guidance note specifies the level of funding to be allocated; provides the selection criteria; identifies ineligible countries - those that had received support in the previous UFE round and, thus, have ongoing UFE allocations under implementation or for other reasons; and provides a timeline for the round.

The CERF secretariat begins by identifying the most underfunded emergencies with severe humanitarian needs among the countries with a Humanitarian Response Plan or equivalent appeal, henceforth known as "HRP countries." Simultaneously, the headquarters representatives of the UN agencies and OCHA that participate in the Underfunded Emergencies Work Group (UFEWG)⁴ identifies, and recommends a specific number of countries without an HRP or common appeal plan, referred to as "non-HRP countries." CERF then combines the HRP and non-HRP information to assess the level of underfunding and the level of severity, risk and vulnerability for each of the listed countries. The primary source for the quantitative data on funding requirements and commitments for countries with an HRP or other plan, are collected from the Financial Tracking Services (FTS)⁵. The qualitative information, as well as some funding and programmatic information for non-HRP countries is provided by the UFEWG.

The draft funding, risk and vulnerability analysis is shared with the UFEWG, members of the International Council of Voluntary Agencies (ICVA) led NGO Finance Working Group, and other parts of OCHA, including the Programme Support Branch (PSB). CERF holds consultations with each group (either via meeting or by email) before finalizing the analysis. Based on the final analysis, the CERF secretariat makes a recommendation on the selection of countries to the ERC who makes the final decision both on which countries will be included in the UFE round and the funding apportionment.

Step 1. Initial Short-Listing of Countries

All countries with an HRP, regional (refugee) response plan (RRP) or a similar humanitarian strategy are considered, as long as funding for the strategy is tracked in detail on the FTS⁶. The non-HRP countries recommended by the UFEWG recommended will also be included in the analysis.

Countries may be **excluded** from consideration for the following reasons: having received a UFE allocation for the prior round; those with new or upcoming Rapid Response applications; regional appeals with no country requirements specified; and if a funding cap based on the global average has been identified.

Step 2. Funding Analysis

The objective of the funding analysis is to identify emergencies with the highest levels of underfunding. This is the primary criterion for inclusion in a UFE round. The data for the funding analysis of HRP countries comes from FTS while members of the UFEWG provide the data for non-HRP countries.

In the analysis, available funding for humanitarian programming is compared to funding requirements to calculate the funding level. The funding level of each eligible HRP country and the recommended non-HRP countries is compared to the average funding level. Emergencies whose funding level is below the

³ Per endorsement of the UN General Assembly in December 2016 (A/RES/71/127), the CERF annual funding target increased to \$1 billion by 2018.

⁴ Comprised of recipient agencies, funds and programmes - FAO, IOM, UNDP, UNFPA, UNHCR, UNICEF, WFP, WHO and OCHA's Coordination and Response Division.

⁵ <https://fts.unocha.org/>

⁶ fts.unocha.org

average will be considered for UFE funding. The funding level of each HRP is calculated in several ways including analysis of UN agencies as a share of UN funding requirements with the NGO component removed to make HRP funding levels comparable to non-HRP funding information, which is only available for UN agencies; and the best-funded cluster or sector is removed, to get a less skewed view of the funding level ('dominant sector' removed); and for both HRP and non-HRP countries, the best-funded agency removed, to get a less skewed view of the funding level ('dominant agency' removed).

The funding analysis also includes tracking of past CERF allocations and allocations from country-based pooled funds and, if available, projections on affected people, targeted people, funding requirements and funding from other sources.

Step 3. Analysis of Risk, Vulnerability and Severity of Humanitarian Needs

For the emergencies defined as underfunded during the funding analysis, the level of risk, vulnerability and severity of humanitarian needs is assessed. Data on all aspects of risk, vulnerability and humanitarian needs are combined into a single index - the CERF Index for Risk and Vulnerability (CIRV).⁷ CIRV includes six measures that cover the full range of factors influencing the humanitarian situation, which are listed in the index. The six measures are standardized and then weighted according to the scope of information each covers before being included in the CIRV. The Index for Risk Management (INFORM) accounts for 50 per cent of CIRV since it already includes about 50 different measures, and the five other components together account for the remaining 50 per cent.

CERF Index for Risk and Vulnerability (CIRV)	
50% of CIRV	50% of CIRV
Index for Risk Management (INFORM)⁸ Accounts for 1/2 of CIRV Includes about 50 indicators Based on quantitative data Forward-looking (3-5 years) Dimensions include conflict, natural disaster, displaced and other vulnerable people, coping capacity	Projected risk of increase in humanitarian needs From IASC Alert, Early Warning & Readiness Report ⁹ Accounts for 1/12 of CIRV Based on qualitative assessments Forward-looking (6 months)
	Food Insecurity From FEWSNet Food Assistance Outlook Brief, ¹⁰ FAO's Global Information and Early Warning System, and WFP's Vulnerability Analysis and Mapping Accounts for 1/12 of CIRV Based on quantitative data on food insecurity Forward-looking (6 months)
	Prevalence of conflict From Uppsala Conflict Data Program ¹¹ Accounts for 1/12 of CIRV Based on quantitative data on civil and int'l conflict ¹²
	Change in conflict intensity and conflict risk alert From International Crisis Group ¹³

⁷ First introduced for the 2016 first allocation round, see www.unocha.org/cerf/resources/how-apply/underfunded-emergencies-0

⁸ www.inform-index.org

⁹ <https://interagencystandingcommittee.org/reference-group-early-warning-and-preparedness/news/iasc-early-warning-early-action-and-readiness>

¹⁰ http://fscluster.org/sites/default/files/documents/september202017_final20faob1.pdf

¹¹ www.pcr.uu.se/research/UCDP

¹² www.pcr.uu.se/research/ucdp/datasets

¹³ <https://www.crisisgroup.org/crisiswatch>

Accounts for 1/12 of CIRV
 Based on qualitative assessment of conflict
 Conflict risk alerts are forward-looking

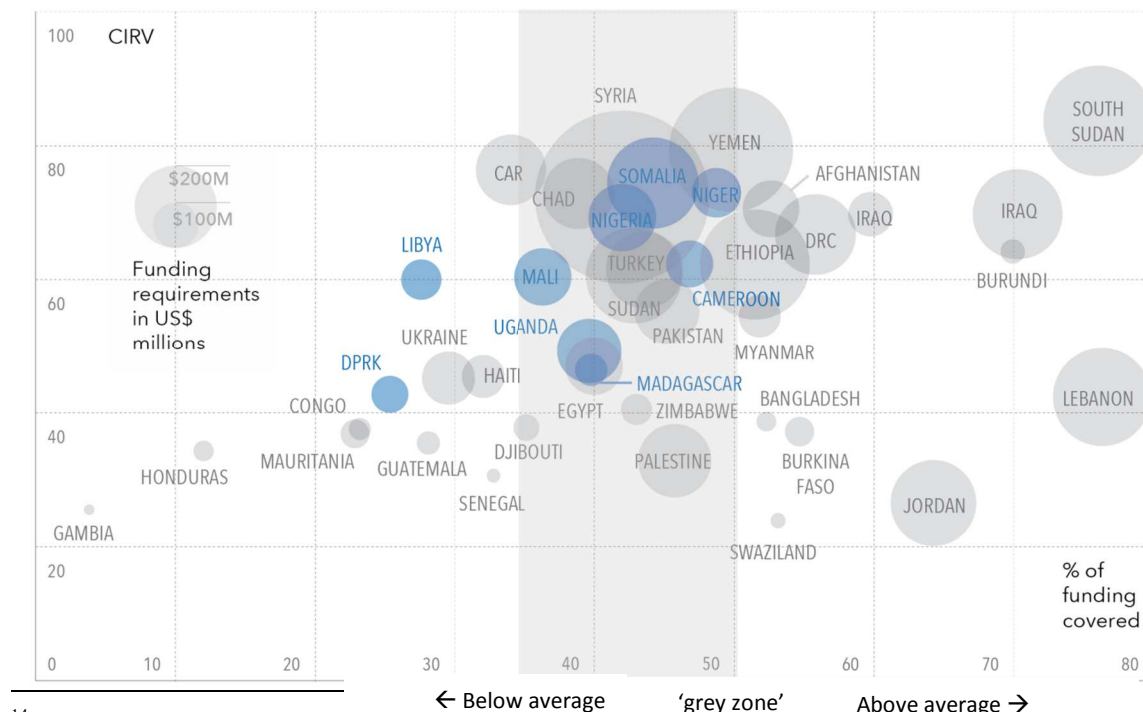
Human rights violations
 From Political Terror Scale¹⁴
 Accounts for 1/12 of CIRV
 Based on US State Department, Amnesty International,
 Human Rights Watch reports

The CIRV includes indicators that:

- Are based on historical data (e.g., UCDP, PTS) and data that are forward-looking (INFORM, IASC Early Warning Report, FEWSNet)
- Cover humanitarian needs arising from conflict (INFORM, UCDP, Crisis Group) and natural disasters (INFORM, FEWSNet)
- Cover the need for material humanitarian assistance (INFORM, FEWSNet) and protection-related issues (PTS)
- Are based on quantitative analysis (INFORM, UCDP, etc.) and qualitative assessments (IASC Early Warning Report, Crisis Group)
- Take stock of the current situation (UCDP, PTS) and that indicate change (IASC Early Warning Report, FEWSNet, Crisis Group)

Graph 1 below visualizes the funding, risk and vulnerability analysis for the UFE 2017 first round allocation of \$100 million. The horizontal axis shows the funding level and the vertical axis shows the level of risk and vulnerability on the CERF Index for Risk and Vulnerability (higher scores indicate higher levels of vulnerability). The size of the bubbles indicates absolute funding requirements. Grey bubbles show countries excluded from this UFE round, for the reasons detailed above. The graph shows that, on average, crises with higher levels of vulnerability, as well as larger emergencies, continue to be better funded than crises with smaller appeals and lower levels of vulnerability. The ERC decided to focus this allocation on the intersection of life-saving needs in neglected emergencies affecting nine countries: Nigeria, Niger, Cameroon, Uganda, Libya, Somalia, Madagascar, Mali and DPRK.

Graph 1: Funding, requirements, risk and vulnerability analysis for the UFE 2017 first round allocation



¹⁴ www.politicalterrorsscale.org

More details on the UFE 2017 first round country selection and allocation decision can be found at: http://www.unocha.org/cerf/sites/default/files/CERF/UFE_2017_FAR_Overview_of_Decisions.pdf

Step 4. Consultations

The CERF secretariat shares the draft funding, risk and vulnerability analysis with the UFEWG, members of the ICVA led NGO Finance Working Group, and OCHA PSB. Separate consultations are held each group (either via meeting or by email) before finalizing the analysis. Based on the final analysis, the CERF secretariat makes a recommendation on the selection of countries to the ERC who makes the final decision both on which countries will be included in the UFE round and the funding apportionment.

Step 5. ERC Country Selection and Funding Apportionment

Once the most underfunded emergencies with the highest levels of vulnerability have been identified and the ERC has decided on which countries will be included in a UFE allocation round, the available funding envelope is apportioned among the selected countries. The CERF secretariat makes a recommendation to the ERC for consideration and decision.

For the apportionment, 25 per cent of the available funding envelope is distributed evenly among the selected countries, to create a baseline and ensure all recommended countries receive allocations large enough to have a meaningful impact. The remaining 75 per cent are allocated among the selected countries as a function of their funding gap.

Step 6. Notification of Selected Countries and Next Steps

The ERC informs the respective RC/HCs of their country's selection and may emphasize particular gaps to consider during the prioritization process. RC/HCs are requested to confirm their commitment to lead the prioritization process and asked to submit a strategy on the proposed use of funds to the CERF approximately two weeks after the final decision is communicated.

Based on the agreed strategy, the RC/HC and country team are to submit the full CERF application by a date specified in the ERC. The application process for a UFE grant is similar to that of an RR window request in that the RC/HC coordinates the prioritization process within the UN country team/humanitarian country team, the inter-cluster coordination mechanism, where present, and submits the final application for the ERC's consideration.

Once the consolidated CERF UFE application is submitted by the RC/HC, the CERF secretariat reviews the request and formulates recommendations to the ERC on the overall UFE allocation and on individual projects. During this phase the CERF secretariat consults with the country desk officers from OCHA CRD and continues to liaise with relevant country level actors as necessary to clarify or revise aspects of the submission. Concerted efforts are made to minimize and streamline requests to the field to reduce transaction costs and processing time.

The application review includes feedback from CERF on the overall strategy for use of funds and the humanitarian community's capacity to respond, then on the individual projects proposed for funding. The actual activities proposed must adhere to the established CERF Life-Saving Criteria¹⁵, as well as support in a coherent manner the collective objectives outlined in the CERF strategy while avoiding duplication and/or overlap. In addition, as the CERF's added value is enhanced when CERF funding complements other resources; CERF looks at how well the HCT and individual agencies proposed seeking and/or

¹⁵ CERF Life-Saving Criteria can be found at: <http://www.unocha.org/cerf/resources/guidance-and-templates>. The Life-Saving Criteria does not seek to define which humanitarian activities are life-saving per se, rather it provides a sector based eligibility criteria that defines CERF's specific niche in responding to humanitarian need.

utilizing other funds—country-based pooled funds, bilateral grants, in-kind contributions, etc.—in concert with CERF funding.

At the same time, the secretariat reviews project budgets to ensure these comply with UN rules for trust fund management and budget inputs are commensurate with the planned activities and expected outputs while recognizing that CERF funds support a portion of a UN agency's overall programme.

Following the review of the application at the strategic and project levels, the CERF secretariat presents recommendations for funding to the ERC for decision. While the overall submission is assessed as a consolidated CERF allocation, each individual project is processed individually once its scope and objectives have been approved within the overall agreed allocation. This ensures that individual projects can be approved and grants disbursed as soon as they are cleared without having to wait for 'slower' projects.

Once all project grants are disbursed the ERC will officially communicate to the RC/HC the details of the overall allocation and related implementation timeline and reporting requirements.

As per ST/SGB/2010/5 the implementation period for UFE first round grants starts on the day funds are disbursed and end on 31 December of the same calendar year while second round grants starts on the day the funds are disbursed and end on 30 June of the following calendar year. This allows an average of nine months for project implementation.

Conclusion

The CERF secretariat has refined the process and analysis for UFE rounds over years and continues to adjust it in response to feedback and lessons learned from previous allocation rounds.

CERF secretariat
18 October 2017

Please refer to the "Partner Resources" section of the CERF website (www.unocha.org/cerf) for relevant templates and guidance documents.

For further information, please contact the CERF secretariat at cerf@un.org.