

CENTRAL EMERGENCY RESPONSE FUND
Meeting of the Advisory Group
23 and 24 June 2008
Geneva

Note from the Advisory Group

The Advisory Group was established by the General Assembly, in its resolution 60/124 of 15 December 2005, to advise the Secretary-General through the Under-Secretary-General for Humanitarian Affairs on the use and impact of the Central Emergency Response Fund (CERF). In its fifth meeting, which took place on 23 and 24 June in Geneva, the Advisory Group principally discussed the draft report of the two-year evaluation of the CERF, *inter alia*, in the context of observations and recommendations made by the Advisory Group during the course of its mandate. In this context, the Advisory Group debated a range of issues related to the Fund's performance and addressed outstanding challenges since its last meeting in October 2007.

The following observations and recommendations of the CERF Advisory Group are based on updates by the Under-Secretary-General and Manager of the Fund, consultations with UN agencies, the International Organization for Migration (IOM), non-governmental organization (NGO) partners and the Humanitarian/Resident Coordinator of the Democratic Republic of the Congo (DRC) and, in particular, discussions surrounding the two-year evaluation of the CERF with Dr. Martin Barber, the team leader of the evaluation.

1. The Advisory Group congratulated the Emergency Relief Coordinator and the CERF Secretariat for their performance in managing the Fund under difficult conditions. The Advisory Group recommended that the CERF continue in its present form with growth in size and capacity in proportion to external demands.
2. Members of the Advisory Group expressed their appreciation for the work of the evaluation team and noted that they were in broad agreement with the two-year evaluation report's conclusions and recommendations. The evaluation covers many issues and proposes recommendations that the Advisory Group has already raised. The Group, however, called for a number of clarifications in the evaluation, including on analysis and evidence.
3. In recognition of the severity of the food price crisis, the Under-Secretary-General, as Manager of the Fund, has set aside US\$100 million from existing CERF funds to support urgent humanitarian needs that arise as a result of the crisis, whether related to food, health, nutrition, agriculture or other areas. In consultation with UN humanitarian agencies and IOM, a guidance document has been developed and issued by the CERF Secretariat to help agencies in formulating requests for projects related to the food crisis. The Advisory Group commended the Under-Secretary-General as the Emergency Relief Coordinator, in establishing a set of actions in response to the crisis and suggested the development of policy to address future crises of a multi-national and rolling nature.
4. The food price crisis and other humanitarian demands have put a strain on financial resources. More funding may be required in order to address increasing humanitarian needs. The Advisory Group noted the high number of contributors to the CERF as a sign of confidence and shared responsibility. The Advisory Group commended the Office for the Coordination of Humanitarian Affairs (OCHA) for broadening the donor base of the Fund. It noted, however, that most funding still comes from a small group of traditional donors and that funding from non-traditional sources, such as non-OECD/DAC donors, the private sector and foundations, was still modest. The Group therefore recommended more effort be made in further developing the donor base of the CERF, including in the context of the General Assembly.

5. The Advisory Group suggested that a lack of visibility of CERF, both in local and international media, might be hindering efforts to raise additional financial resources, particularly from the private sector and foundations. The CERF is a good story that needs to be told, and this starts with the media. The Advisory Group recommended the increased use of local media outlets, in particular.
6. Communication between the CERF Secretariat and humanitarian country teams is crucial, facilitating an understanding of and access to the Fund, speeding disbursements and allowing aid to reach disaster victims efficiently and effectively. While recognizing the CERF's efforts in this regard, the Advisory Group reiterated the need for continued support by OCHA and the need to train and update humanitarian country teams on the CERF.
7. The Advisory Group sees the CERF as meeting genuine needs and filling important gaps and inequities in response. The Group acknowledged that the CERF has strengthened various aspects of humanitarian reform, including coordination in the field and the use of the cluster system. With regard to partnerships with NGOs, however, the Advisory Group noted that NGOs have not been involved to the extent possible and that a lot of work remains to be done.
8. The Advisory Group has reiterated the need to strengthen partnerships with NGOs and ensure that the Principles of Partnership (PoP) are applied in the determination and management of CERF allocations. Accordingly, the Advisory Group has recommended that the CERF continue to explore all options to improve NGO indirect access to funds, including more systematic use of country-level emergency response funds (ERFs) and common humanitarian funds (CHFs). The importance of the role of the Humanitarian/Resident Coordinator (HC/RC) in ensuring inclusion of *all* major players in emergency response on the country team was noted.
9. With regard to the evaluation report's recommendation that NGOs be pre-qualified to receive CERF funding, the Advisory Group stressed that, if undertaken, pre-qualification must be done in a fully transparent way, contributing to equal opportunities and supporting local NGOs.
10. The Advisory Group noted that the issues of NGO overheads, disbursements by UN agencies to implementing partners, notably NGOs, including the various sub-agreements that agencies have with NGOs, needed to be reviewed, harmonized and rationalized for effective delivery of CERF-funded response. To facilitate these reforms the Advisory Group recommended that proposals to the CERF should list the implementing partners, the amount of funding to each partner, the level of programme support costs to be granted, and the onward disbursement timeframe to ensure transparency and improve performance. While the CERF application template already requests some of this information, compliance has been an issue.
11. The Advisory Group also noted that other specific recommendations on how to improve collaboration with NGOs would be useful and may include using the existing CERF NGO Partnership Task Force to design concrete mechanisms and strategies for better collaboration with NGOs. Developing more effective 'pass through' arrangements between UN agencies receiving CERF funds and their NGO partners is one essential element in this. The Advisory Group asked for an update on partnerships with NGOs by the CERF Secretariat.
12. The Advisory Group continued to voice concern over the apparent lack of clarity in the case of CERF allocations destined for underfunded or neglected crises. The Advisory Group recommended that the criteria for these allocations be further defined so that it is clear where the funding is going and why. Views were also exchanged with regard to the draft evaluation report's recommendation to change the name of this funding window from "underfunded" to "protracted crises" to better reflect where the aid is destined. While support for this

recommendation by the Advisory Group was mixed, the Group did agree that allocations under this window should be made according to needs and not based solely on financial indicators.

13. The Advisory Group debated the feasibility of the short implementation period of CERF-funded rapid response projects (currently three months) and if more flexibility could be provided from the outset of projects. The use of funding envelopes (the setting aside of a predetermined amount of money) for sudden onset disasters to facilitate the submission of proposals was noted as a positive development.
14. The Advisory Group continued to emphasize the importance of establishing a performance and accountability framework to measure the impact of programmes, the effectiveness of management, and to support HC/RCs in the field to better measure and manage programmes and allow them to address gaps and requirements.
15. The Advisory Group sees inadequate monitoring and reporting as a system-wide problem. The Group suggested the development of a monitoring and reporting framework to be piloted in CAP and flash appeal countries before being applied across the board. Such a framework, with harmonized reporting templates and timelines, would permit agencies, HC/RCs and cluster leads to contribute, manage and use available information in an ongoing effort to improve overall performance, accountability and transparency. This would provide ample information to monitor the impact of CERF as well as other humanitarian mechanisms. The Group recommended that such a framework should be developed urgently. Work on this should be led by OCHA, drawing from other UN and non-UN agencies.
16. A specific issue raised by the Advisory Group was of insufficient accountability of Resident Coordinators (RCs) to the Under-Secretary-General for Humanitarian Affairs, and that further efforts should be made to measure how much CERF funding is being channelled to RCs and to countries without an OCHA presence.
17. The Advisory Group noted that more work was required at the field level to ensure that needs are based on comprehensive and common needs assessments. Where they are required, add value and do not dilute the technical mandate of an agency, joint needs assessments are encouraged. The Group also noted that planning for emergency response should be done within the context of preparedness activities. Issues such as methodologies to be used for needs assessment can be discussed and agreed on by the country team beforehand. Projects submitted to CERF should reflect country priorities and should not increase vulnerability and risk.
18. In general, the Advisory Group supported the conclusion of the draft evaluation report on the Under-Secretary-General's role in overall quality assurance of programmes using mechanisms such as evaluations and independent assessments. The Advisory Group noted that such mechanisms must be unobtrusive and not place too onerous a burden on field staff seeking to carry out their duties.
19. Noting that capacity needs to be commensurate with the task, the Advisory Group stressed the need to increase the capacity of the CERF Secretariat to allow it to carry out its functions and to better realize the potential of the CERF. The Group also noted its concern over the current working conditions of the CERF Secretariat, and expressed strong support to improve the work environment and to increase office space. In view of the observations by the evaluation team on implementation capacity of CERF funds, the Advisory Group also addressed the need to ascertain the implementation capacity of UN agencies requesting CERF funds.
20. Accordingly, the Advisory Group agreed with the evaluation report's recommendation that two-thirds of the three percent programme support cost (PSC) retained by the UN Secretariat

be allocated to support all OCHA activities related to the CERF. The Advisory Group noted the evaluation team's finding that disaster response improved when OCHA sent staff to the field in support of the HC/RC. Furthermore, the Group recommended that OCHA staff be deployed in cases of emergencies in countries without a RC.

21. Furthermore, in order to ensure that administrative and financial tasks are carried out efficiently and that further streamlining is pursued, the Advisory Group agreed with the evaluation report's recommendation to add capacity in the UN Office of the Controller in order to support the CERF.
22. The Advisory Group took note of the potential to streamline administrative procedures of the CERF. In this regard, the Group was concerned that the umbrella Letter of Understanding (LoU) between the CERF Secretariat and implementing agencies had not yet been finalized by the UN Office of the Controller. The Advisory Group strongly recommended that the issue be resolved as soon as possible.
23. Noting that incompatibility between UN and agency financial reporting systems is causing added work for CERF recipients who must comply with CERF reporting requirements, the Advisory Group recommended the harmonization of financial reports to reduce the burden on agencies. The Group requested that a solution be found in collaboration with the UN Office of the Controller and that a timeframe on harmonization be established.
24. The Advisory Group also supported the evaluation team's recommendation to create within OCHA a Humanitarian Financing Service, led by a Director of Humanitarian Financing.
25. With regard to the evaluation report, the Advisory Group suggested that the report should make reference to the recommendations it proposed with respect to UN-NGO partnerships and the dialogue that it initiated with the UN Office of the Controller, which led to the inclusion of CERF Secretariat operating costs within the three percent programme support costs retained by the UN Secretariat.
26. In line with the proposed rotation of the Advisory Group membership, all members of the Advisory Group have submitted their resignation, The ERC thanked the members of the Advisory Group for their contribution to the effective management and operations of the CERF and informed about his intention to call for a new Advisory Group meeting in the autumn 2008, basing the composition of and terms of reference for the Advisory Group on the recommendation of the evaluation and agreement by the General Assembly.