

## OVERVIEW OF CERF ACTIVITIES IN 2008

### FUNDING LEVELS AND COMMITMENTS

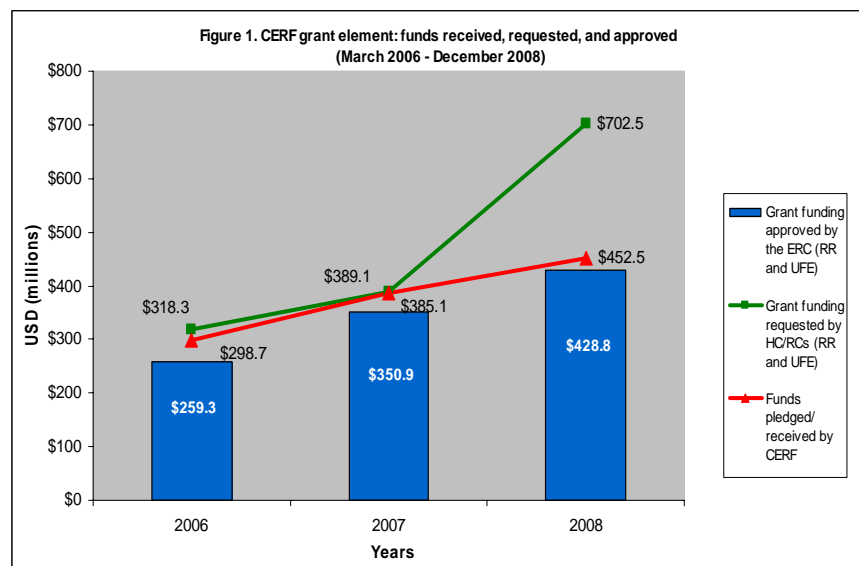
In 2008, the funding target set by the General Assembly for the Central Emergency Response Fund (CERF) was surpassed with the obtaining of over \$452.5 million in pledges (see Figure 1). By the end of the year, the Fund received \$447.3 million in paid contributions from 67 Member States, one Observer State, six private organizations, and individual contributions through the United Nations Foundation. With respect to 2009, about \$380 million was pledged at the annual high-level conference on CERF in December 2008, bringing the total pledged since 2006 to over \$1.5 billion. Funds for 2009 were pledged at the time of a very unfavorable exchange rate for many currencies versus the US dollar, obscuring significant increases in contributions in the national currencies of several Member States. The high-level conference was successful in facilitating a constructive exchange with Member States on the use and management of the Fund, in addition to broadening the donor base given that 10 new Member States pledged funding. In total 104 Member/Observer States have contributed to the Fund since inception, well over half of the membership of the General Assembly.

The amount of CERF funding requested by Humanitarian/Resident Coordinators increased by 81 percent from \$389.1 million in 2007 to \$702.5 million in 2008. The Fund met about 61 percent or \$428.8 million<sup>1</sup> of the funding requested in 2008, while at the same time ensuring that a \$30 million reserve remained until the end of the year.<sup>2</sup> More than half of the unmet funding stemmed from requests related to the global food crisis. The increase in volume of funding requested may be attributed to the widespread effects of the food crisis as well as increased familiarization/awareness of the Fund. In terms of number of projects, about 12 percent of the 589 projects submitted were rejected or withdrawn due to several factors, including projects that were not in line with CERF's life-saving criteria.

The Emergency Relief Coordinator (ERC) granted funding to 14 UN agencies and the International Organization for Migration (IOM) for humanitarian programmes that were in line with the mandate and the three objectives of the Fund. The number of UN agencies that received funds from CERF increased by three in 2008, with the United Nations Human Settlements Programme (UN-HABITAT), the Joint United Nations Programme on HIV/AIDS (UNAIDS), and the Office of the United Nations High Commissioner for Human Rights (OHCHR), all receiving grants for the first time. The World Food Programme (WFP), the United Nations Children's Fund (UNICEF), and the United Nations High Commissioner for Refugees (UNHCR) were the top three funded agencies. A breakdown of funding per agency for 2008 may be found in Figure 2.

A total of 55 countries benefited from the CERF in 2008. Approximately 56 percent of funding was provided to Sub-Saharan Africa, with Asia receiving 28 percent, the Caribbean and Latin America 7 percent, and the Middle East 9 percent. A breakdown of funding per region for 2008 may be found in Figure 3.

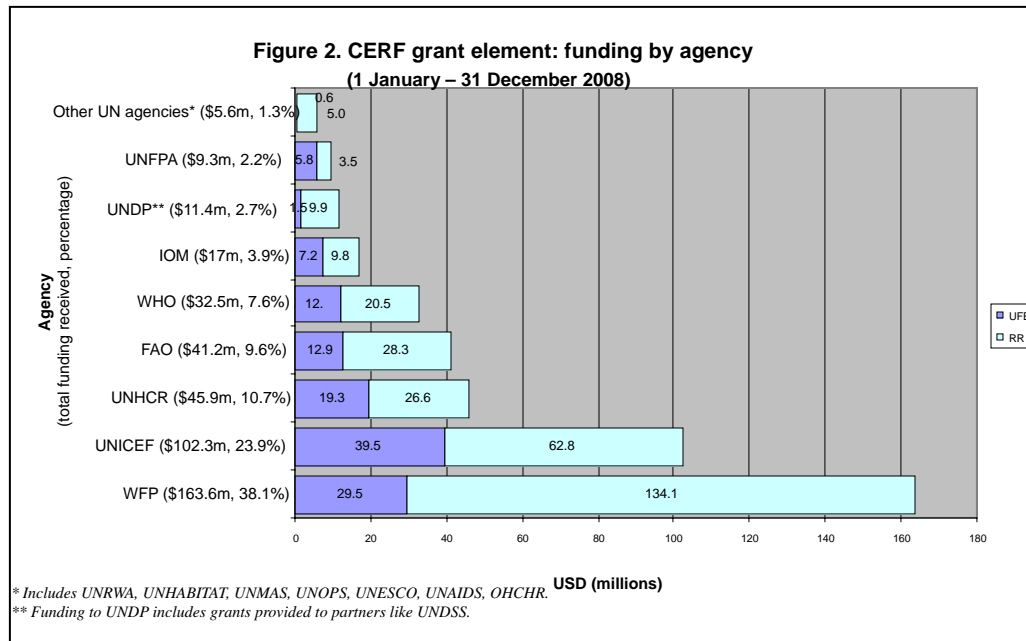
CERF grants were used by humanitarian partners, including non-governmental organizations (NGOs) and governments as indirect recipients, to implement life-saving activities and to improve access to affected populations. The Fund has been particularly effective at jump-starting critical common humanitarian services for relief operations, such as humanitarian air services or logistical support for coordinated aid delivery of assistance, as well as supporting telecommunications and security services for humanitarian partners. In total, about \$29 million was provided in 2008 for these types of common services. The sectors of food (32.3 percent), health and nutrition (21.6 percent) and agriculture (10 percent) were the three top funded. Food, and health and nutrition were also the top funded sectors in 2006 and 2007. A breakdown of funding per sector for 2008 may be found in Figure 4.



<sup>1</sup> All financial information reflects funds approved by the ERC as at 31 December 2008.

<sup>2</sup> See ST/SGB/2006/10.

A breakdown of CERF funding by window shows that \$300.5 million was provided from the rapid response window, while the remaining \$128.3 million was allocated from the underfunded emergencies window for humanitarian activities within existing response efforts (see Table 1). Funding committed through the rapid response window amounted to 70 percent of the total commitments, which is broadly in keeping with the Fund's mandate to provide

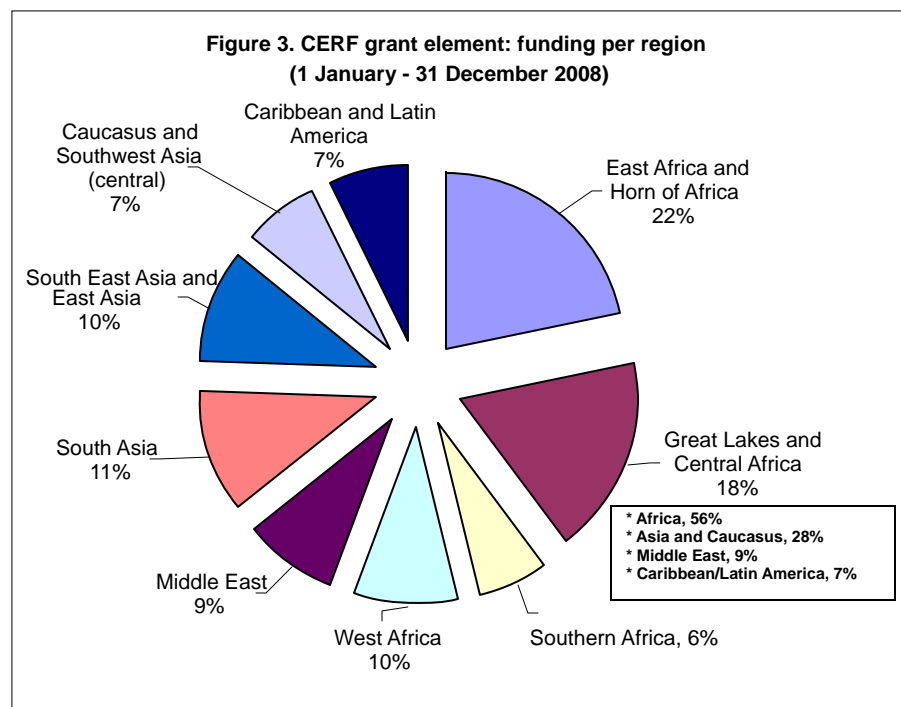


two-thirds of the grant component for rapid response activities.

Of the funding committed from the rapid response window, about \$107 million was allocated for natural disaster response. In keeping with a trend set in 2007, the overwhelming majority of natural disaster funding was provided for flood or hurricane/cyclone response (see Figure 5). About 67 percent of

natural disaster funding was provided to the natural disaster prone regions of South East Asia (27 percent), the Caribbean (16 percent), South Asia (13 percent), and Southern Africa (11 percent). The single largest allocation of natural disaster funding was provided for the response to cyclone Nargis in Myanmar in May 2008 (\$26 million); this was also the largest rapid response allocation provided to a single humanitarian emergency in 2008.

Additional funding for countries experiencing the effects of natural disasters and/or other factors was provided through a reserve of \$100 million, which was set aside by the ERC within existing rapid response resources for essential humanitarian needs stemming from the unprecedented rise in food prices. The reserve funded priority humanitarian projects in the food and agriculture sectors, as well as health and nutrition, water and sanitation, and logistics to ensure a multi-sectoral approach, which placed primary emphasis on protecting households most vulnerable to food price shocks from nutritional deprivation and from resorting to harmful coping strategies. Funding from this reserve was allocated to 26 countries in line with criteria established in consultations with UN agencies/IOM. East Africa and the Horn of Africa received the largest contribution from the reserve, totaling 37 percent of funds disbursed. The largest country allocation was provided to Ethiopia (approximately \$20 million of the reserve). The loan element was also used for this global response, with \$30 million advanced to WFP to support its programmes in countries at particular risk in view of food price increases. This was the only loan advanced in 2008, and it was repaid before the end of the year.

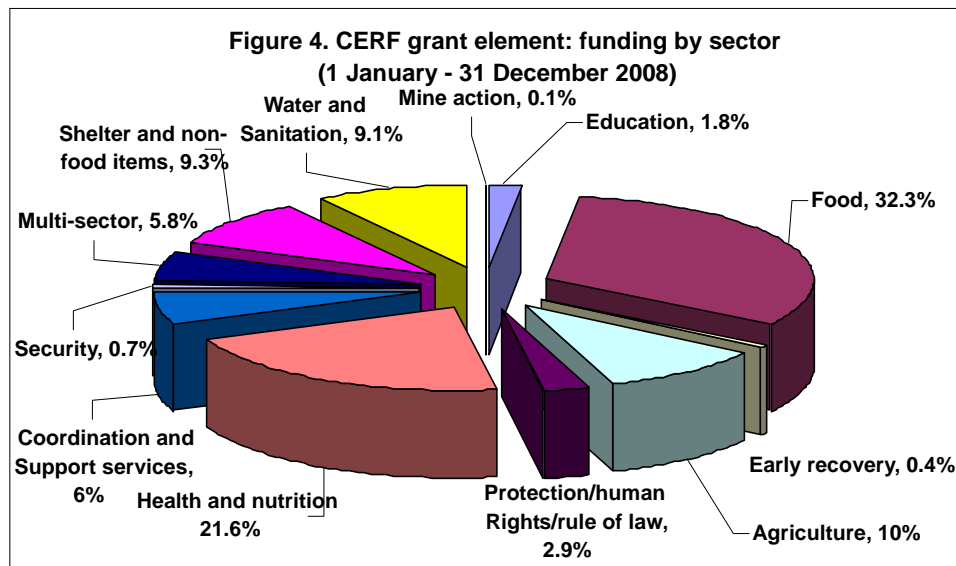


The remaining \$221.8 million of funding allocated from the grant element was provided from both the rapid response and underfunded emergencies windows to complex emergencies or countries with humanitarian needs stemming from a variety of factors. The largest recipient of funding in this category was the

Democratic Republic of Congo (\$41.1 million), which received funds to help mitigate the consequences of the long-standing crisis and to improve access to the most affected populations.

## ADVISORY GROUP AND INTER-AGENCY CONSULTATION

The Advisory Group met twice during the reporting period to provide policy guidance and advice on the use and management of the Fund and to examine the Fund's performance. The Advisory Group took note of the increased needs which are placing increased demand on humanitarian financing tools like CERF, and underscored the importance of inter-linking the elements of the humanitarian reform and of greater collaboration among partners to meet these needs. This was considered particularly important given the potential impact of the financial crisis on the level of CERF funding. The Advisory Group continued to look at ways to further expand the Fund's performance and accountability measures, as well as the engagement of NGOs in CERF processes. In accordance with the terms of reference of the Advisory Group, one-third of its members



\* Multi-sector largely constitutes funding for refugee assistance programmes.

\*\* Early recovery includes a project for urgent support following a severe weather crisis in Tajikistan.

\*\*\* Coordination and support services include funding for common services like logistics and humanitarian air support.

were scheduled to rotate in 2008. In October 2008, the Secretary-General announced the appointment of nine new members and the reappointment of seven of the previous 16 members, who committed to continuing to serve as part of the Group.

Consultations with UN agencies, NGOs and other partners on the use and management of the Fund took place regularly through Inter-Agency Standing Committee (IASC) structures as well as at the working level through the CERF inter-agency group, and the CERF partnership task force.<sup>3</sup> Twenty-four inter-agency meetings and four partnership task force meetings took place in 2008. Key achievements reached through the inter-agency group include the finalization of guidelines for regional submissions, and for grant requests for emergency telecommunications equipment and services; the development of a strategy and a priority list of countries for CERF allocations for the food price crisis; agreement on the procedures and priority country allocations from the CERF underfunded emergencies window; development of a management response matrix in response to the 37 recommendations presented in the two year evaluation of the Fund; and, the preparation and finalization of the Secretary-General's Report to the General Assembly on the CERF.

**Table 1. Overview of the CERF grant element in 2008**

|   | Rapid response window  | Underfunded window   |
|---|--|--|
| <b>Amount approved</b>  | \$300.5  | \$128.3  |
| <b>Number of recipient countries</b>                              | 53   | 20   |
| <b>Number of projects funded</b>                                  | 377 (87%)  | 141 (91%)  |
| <b>Number of projects rejected/withdrawn</b>                      | 57 (13%)   | 14 (9%)  |
| <b>Average project size</b>                                       | \$797,024  | \$910,258  |
| <b>Top three countries</b>  | <ul style="list-style-type: none"> <li>▪ Myanmar (9%)</li> <li>▪ Ethiopia (7%)</li> <li>▪ Kenya (7%)</li> </ul>                    | <ul style="list-style-type: none"> <li>▪ DRC (30%)</li> <li>▪ Ethiopia (8%)</li> <li>▪ Afghanistan (7%)</li> </ul>                       |
| <b>Top three sectors</b>  | <ul style="list-style-type: none"> <li>▪ Food (37.6%)</li> <li>▪ Health/nutrition (20.4%)</li> <li>▪ Agriculture (9.9%)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Health/nutrition (25%)</li> <li>▪ Food (20%)</li> <li>▪ Shelter/non food items (14%)</li> </ul> |
| <b>Timeliness</b><br>(final project submission to ERC's approval) | 3 working days   | 5 working days   |

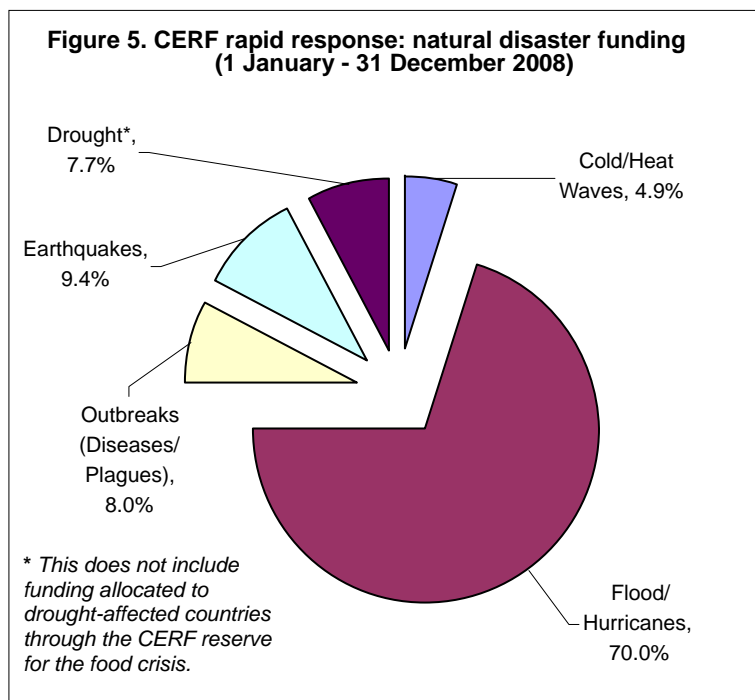
<sup>3</sup> This task force was established in June 2007 to examine issues regarding partnership arrangements between agencies and partners with an aim to improve the timeliness and predictability of CERF funding.

## TRAINING AND SUPPORT

Two-day workshops on the CERF application process were held in Johannesburg, Rome, Cairo, Nairobi, and Bangkok in 2008. About 220 UN and NGO partners in the field and at headquarters participated. Sessions on humanitarian financing/CERF were presented by the CERF Secretariat in a Humanitarian Coordinators retreat in Switzerland in May 2008 and a Resident Coordinators workshop in South Africa in November 2008. Two refresher trainings on the underfunded window were conducted for OCHA desk officers in the Coordination and Response Division (CRD) in advance of the bi-annual allocation of funds from this window. A briefing on the Fund and other humanitarian pooled funding mechanisms also formed part of an all-day humanitarian reform workshop for CRD staff in December 2008.

On a regular basis, the CERF Secretariat provided coaching/guidance to country teams on applying for and reporting on the use of CERF funds. The CERF Secretariat reviewed more than 50 annual reports on the use of CERF funds in 2007 that were submitted by Humanitarian/Resident Coordinators in 2008. These reports were reviewed against the project proposals to ensure that funds were spent properly and that the target population was reached with the

proposed activities; guidance was provided subsequently to Humanitarian/Resident Coordinators, as needed.



Of the priority countries selected for underfunded allocations, six benefited from surge capacity support. OCHA or UN agency staff were deployed to Niger, Burkina Faso, Pakistan, Cote d'Ivoire, Republic of Congo, and Kenya to support the Humanitarian/Resident Coordinator and the country team in the prioritization of needs, selection of projects, and preparation of the grant request. Results from these missions showed that surge capacity was effective in improving the quality of proposals. The CERF Secretariat also visited the Democratic Republic of the Congo, Mozambique, Pakistan, and Ethiopia to review CERF-funded programmes with a view to improving support to the field and to capture best practices and lessons learned.

As part of ongoing efforts to clarify and improve CERF policies and procedures, guidelines were developed for regional submissions, for grants requests for emergency telecommunications equipment and services, and for grant requests in response to the global food crisis. The guidelines on the allocation of funds from the underfunded window were further refined, as was the reporting template for Humanitarian/Resident Coordinators. Synthesized guidance was developed for Humanitarian/Resident Coordinators regarding the process for applying for funds from the loan and grant elements. Internal standard operating procedures and guidance were also drafted.

## EVALUATION

As requested by the General Assembly, the Secretary-General commissioned an independent review of the Fund in 2008, at the end of the second year of operation. The evaluation concluded that the Fund has largely achieved its objectives, and has become in a short-time frame, a valuable and impartial tool for humanitarian action by helping to accelerate response and increase coverage of needs, and by serving as a catalyst for improved field-level coordination and evidence-based prioritization. The evaluation also outlined several challenges and presented a series of 37 recommendations to ensure that the Fund continued to meet its objectives. The evaluation report and a working draft of the management response matrix to the evaluation's recommendations may be found on the CERF's website (<http://cerf.un.org>).

**MORE DETAILED INFORMATION ON CERF ACTIVITIES IN 2008 WILL BE AVAILABLE IN THE 2008 CERF ANNUAL REPORT, WHICH WILL BE ISSUED IN APRIL 2009.**