



**CENTRAL EMERGENCY RESPONSE FUND**  
**Meeting of the Advisory Group**  
**Tuesday, 23 May 2006**  
**New York**

**MEETING NOTES**

**Participants:**

*Advisory Group*

Dr. Catherine Bragg  
Dr. Barbara Carby  
Mr. P.G. Dhar Chakrabarti  
Mr. Ahmed El-Kholei  
Amb. Marika Fahlen  
Mr. Gregory C. Gottlieb  
Dr. Jemilah Mahmood  
Mr. Michael Mosselmans  
Amb. Siphon George Nene  
Ms. Elisabeth Kraakaas Rasmusson  
Mr. Park Soo-gil  
Mr. Ruud Treffers  
Mr. Tom Arnold  
Mr. Simon Mechale  
Mr. Mati Raidma  
Dr. Ronald J. Waldman

*UN*

Mr. Mark Malloch Brown  
Mr. Jan Egeland  
Mr. Warren Sach  
Mr. Mark Bowden  
Mr. Joel Boutroue  
Mr. Robert A. Enholm  
Ms. Agnes Asekenye-Oonyu  
Mr. Robert Smith

**I. Opening of the Meeting**

1. Mr. Jan Egeland, the Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator (ERC), welcomed members to the first biannual meeting of the Advisory Group (AG) for the CERF. The AG is composed of 12 technical experts and 4 alternates, all of whom are serving in their individual capacities. Members of the AG have a mandate to provide retrospective advice and policy guidance to the ERC on the use and impact of the fund in addition to advocating for its replenishment. The AG will also be responsible for reviewing the results from the CERF's external evaluation, which will be conducted two years after the Fund's inception.

2. Deputy Secretary-General Mr. Mark Malloch Brown also welcomed and thanked the members of the AG. He emphasized that members serve in their individual capacity and do not represent their respective countries or organizations. In this regard, the Advisory Group is composed of a broad range of experts, who will evaluate the management and use of the Fund.

**II. Election of Officers and Conduct of Meetings**

3. Members endorsed the terms of reference for the AG and elected Amb. Fahlen as chair and Dr. Carby and Amb. Nene as vice-chairs. The chair and vice-chairs will serve one year (renewable) terms.

**III. Use of the CERF**

4. Mr. Egeland reported on the use of the CERF since its launch on 9 March 2006. He indicated that as of May 2006, US\$ 261 million had been pledged and US\$ 106 million received for the grant component. The overall target for the Fund is US\$ 500 million: US\$ 450 million for grants and US\$ 50 million for the existing loan facility.

5. Mr. Egeland briefed the AG on the criteria and procedures established for the use of the Fund, to which UN operating agencies and IOM are eligible to apply. While NGOs can not receive CERF funds directly, they can benefit indirectly as implementing partners of UN agencies and IOM. Funding is granted under two windows: under-funded crises and rapid response emergencies. A maximum of US\$ 30 million has been set per emergency. For under-funded

crises, a minimum has been established at US\$ 1 million per country. US\$ 30 million of the CERF has been established as the minimum reserve for the Fund.

6. For under-funded emergencies for 2006, US\$ 75 million has been earmarked to strengthen the core elements of humanitarian response. The rest of the grant component of the CERF will be disbursed under the rapid response window, which will promote early action and response to reduce the loss of life and enhance response to time critical requirements. The goal is for grant requests to be processed in about 72 hours. Agencies are required to spend (or at least commit) rapid response grant funding within three months.

7. Under the rapid response window, Mr. Egeland noted that he has so far allocated US\$ 59.9 million to seven emergencies. Rapid response allocations are a field-driven process. The HC/RC identifies priority life-saving needs and recommends projects for funding, in consultation with the country team. Based on the HC/RC's recommendations, agencies submit proposals for funding, which are based on assessed needs. These applications are then reviewed by the ERC according to the criteria for the funding of rapid response activities, which include the following: projects must focus on remedying, mitigating, or averting direct physical harm within a short time span or for activities like common humanitarian services, which are necessary to enable core emergency humanitarian activities to be carried out. CERF grants should be used when other sources of funding have been exhausted. If a donor contribution is foreseen, the CERF's loan facility should be tapped instead. Regarding the loan component, Mr. Egeland said that the revamped CERF has given increased attention to CERF loans and as a result, there has been an increase in loan requests. If this trend continues, he noted, there may be a need to increase the amount of money in the loan facility.

8. Mr. Egeland described the circumstances and justification for each rapid response allocation, stressing that we are taking a case law approach. In some countries like Cote d'Ivoire, Mr. Egeland approved funding for protection activities. Some may argue protection activities are not life-saving, but he believes they are since they may prevent attacks and loss of life. In the case of the Horn of Africa, funding was used toward common services, such as logistics and air support, as these activities are hard to fund since they do not provide a lot of visibility to solicit a donor response. Also, some agricultural projects, which focus on livestock support, were funded in the Horn in order to sustain livelihoods. Chad serves as an example of an under-funded emergency, which was at the same time experiencing the effects of a new wave of displacement. As a result, Chad received an allocation from both the rapid response and under-funded emergency windows.

9. With respect to under-funded grants, the ERC in consultation with the IASC identifies those chronically cash-strapped countries, which are in need of funding for humanitarian focused projects. Allocations are supposed to be made twice a year, in January and July. As the CERF was launched in March, the allocations schedule for 2006 has been amended so that funding will be distributed in May and August/September. Once the allocations have been decided, the HC/RCs consult the country teams to prioritize projects, which will be submitted to the ERC for his endorsement. For the May allocation, the bulk of the money (US\$ 17 million) went to the Democratic Republic of the Congo (DRC) as critical needs of this forgotten emergency continued to be unmet due to low donor funding. DRC also has one of the highest mortality rates due to preventable diseases and conflict-related causes. The rest of the under-funded allocations were provided as smaller grants of US\$ 14 million to 11 countries. In total, US\$ 32 million was allocated by the ERC to under-funded crises in May 2006.

10. Out of the money allocated by the ERC under both windows of the CERF grant component, US\$ 23,949,647 was disbursed as of 23 May 2006 and the remainder - US\$ 45,993,901 - is being processed. Agencies are required to report on the use of the funding. Based on this information, the ERC will report on the use of the CERF to the IASC on an annual basis. The management of the CERF will also undergo a yearly audit as well as an external evaluation after the second year. A CERF annual report will be drafted for the General Assembly and ECOSOC on the detailed use of the Fund. The CERF website and FTS will be regularly updated to report on funds received as well as disbursements processed. The website will include project

proposals and accompanying documents, which will be sorted by emergency/country as well as by agency.

11. Management and application guidelines have been developed for the CERF, but the CERF Secretariat is looking to compress the process. For the initial disbursements under the CERF grant component, applications took a number of weeks to process as all of the documents were being used for the first time. The process has now been improved, review times reduced, and, in the future, trained OCHA field staff will help further reduce the timeline. HC/RCS will also be given additional guidance.

12. Following Mr. Egeland's presentation, a discussion ensued, the contents of which has been summarized into the following four sub-headings:

#### Monitoring and Evaluation

13. Questions were raised regarding the number of beneficiaries targeted, assessment and impact of the fund, outcomes and results-based management, timeliness of disbursements to emergency activities, and the possibility of a full management audit. Members also reiterated the need to be able to analyse "results" versus "outputs," as a means for assessing CERF performance and for maintaining its credibility among its supporters. Questions were also raised about the external, 2-year evaluation of the CERF and the AG's involvement in developing the terms of reference for the CERF external evaluation team.

14. In response to the questions, Mr. Egeland noted that the quality of the agencies and implementing partners is the crucial element to ensure that money gets to the people targeted. OCHA staff members also agreed that needs assessments are critical and the Needs Analysis Framework, which will be piloted in 5 countries, is a step in the right direction. Regarding indicators, there is no agreed measurement for defining who constitutes a beneficiary among IASC partners. Furthermore, the use of performance indicators is difficult as data sets do not exist. Global acute malnutrition (GAM) and mortality rates are also late outcome indicators of a crisis. This is one of the reasons why performance is evaluated retrospectively.

15. Mr. Egeland reiterated OCHA's commitment to undertake an evaluation which reviews the management and use of the CERF and its performance. The terms of reference for the external evaluation will be shared with AG.

#### Fund Guidelines and Allocations

16. Questions were raised regarding the distinction between the rapid response and under-funded windows of the CERF, including how under-funding is defined and how allocations to particular emergencies are determined. Some AG members recommended that levels of under-funding be determined on a per-capita basis to provide a more accurate picture of funding levels. AG members also discussed the scope of use of CERF funds, including the definition of "life-saving activity" and whether early warning and prevention activities are appropriate uses of the Fund. They discussed the role of national governments and/or sub-regional bodies in the process, the definition of "life-saving" activities, the role of NGOs, duplications in funding, interest earned on CERF funds, the amount of indirect costs and/or administrative fees, the possibility of "payback" or a return of unused CERF funds, project implementation periods, the Fund's loan component, overall Fund replenishment, and the commitment of the HC/RCS to adequately vet project proposals.

17. In response to these questions, Mr. Egeland explained that OCHA had been working very closely with CERF-eligible agencies and organizations on the implementation of the Fund. On the issue of programme support costs, Mr. Egeland indicated that after some negotiation, all CERF-eligible agencies and organizations agreed to a 7 percent rate, with the exception of UNICEF (10%), who will endeavour to gain approval from its management board to a rate of 7% during its June meeting. Agencies agreed that the rapid response grants would be committed within three months and under-funded grants within six months.

18. Mr. Egeland agreed that OCHA needs to ensure that agencies receiving money are working with NGOs (including national ones) as true partners and not only as implementers. He explained that NGOs indirectly benefit from the CERF by receiving support to implement projects and by using common services established with CERF funding, but added that it is unlikely that the CERF will be able to fund NGOs directly in the short-term due to Member State concerns.

19. Mr. Egeland also explained that, in rapid response contexts, CERF funds are given to jump start relief operations before traditional sources of funding kick in. So, although prevention is one of the most under-funded of all elements of international assistance, it is not an activity eligible for CERF funding. He indicated that a separate fund should be established for prevention and risk reduction.

20. For under-funded crises, the CERF aims to provide seed money to help address core humanitarian needs. He explained that the under-funding tranche in early May was allocated to those emergencies determined to be under-funded based on financial figures for 2005 and early 2006 both inside and outside the consolidated and flash appeals as well as other indicators such as high mortality rates. Projects/sectors that do not fall into the life-saving category were excluded from the determination of under-funding. Mr. Egeland also explained that he set a minimum level of US \$1 million per emergency for grant allocations from the under-funded window. Mr. Egeland also highlighted the use of the CERF for food. While the food sector is traditionally well-resourced, the past year has seen food deficits and pipeline breaks. CERF money was therefore given to WFP in Niger to avoid a pipeline break which could have resulted in a great loss of life. Mr. Egeland also indicated that livelihood support projects were considered as life-saving activities, particularly in the Horn of Africa, since supporting this area with the CERF would prevent dependency on food aid later on. These allocations should encourage a broader donor response to these emergencies and empower the humanitarian country teams to cover minimum levels of life-saving needs.

21. Mr. Egeland indicated that there is no provision within the CERF guidelines to recover a CERF grant if a project becomes over-funded in the same calendar year as the grant allocation. Members agreed that donors and agencies should be encouraged to report donations and expenditures to the financial tracking service so that over-funding may be tracked and minimized.

22. Following the discussion AG members requested more information on the CERF proposals and decision-making process so that they may review the type and quality of submissions as well as the decision-making process. Such information should include CERF proposals (both approved and not approved), spreadsheets detailing approved and rejected projects and activities by sector and figures on the percentage of CERF funds passed on to NGOs. AG members also requested that the CERF Secretariat put together "case studies" of both accepted and rejected proposals and a flow chart of allocation decisions under both funding windows so that they may be able to discuss the decision-making process for Fund allocations.

#### Advisory Group and Responsibilities

23. Questions were raised about the specific roles and responsibilities of the AG body, the importance of retrospective advice, the role of alternates, and mechanisms for communication and/or interaction between biannual meetings.

24. Mr. Egeland reiterated the importance of the AG's role in providing guidance and expert advice for the implementation and management of both the grant and the loan components of the CERF. He emphasized the AG's role as providing retrospective advice in order to avoid slowing down the process. He indicated that allocations should be reviewed by the Group at biannual meetings, at which time members will be able to make policy recommendations on the allocations and the process. Only members should attend future meetings. If a member can not attend, one of the alternate members will attend as a substitute on a rotational basis.

25. Several AG members agreed with this approach, but also indicated that they would like to discuss current dilemmas rather than agreeing or disagreeing with what's already been done.

Some AG members also suggested that the individual members of the Group also engage in media advocacy and fundraising, including with the private sector, in support of the Fund. Mr. Egeland suggested a coordinated round of op-ed pieces in the newspapers of AG members and indicated that OCHA could provide AG members with media kits and stock opinion pieces that they could customize and sign for local or regional advocacy campaigns. The AG also suggested that the CERF website include success stories so as to demonstrate publicly the value of the Fund and make it easier for AG members to advocate for its replenishment.

26. AG members also requested that they have input to the Report of the Secretary-General on the CERF to the General Assembly before or during their fall meeting.

#### The CERF Secretariat

27. Questions were raised about the eventual size of the CERF Secretariat and the obstacles it faces. Mr. Egeland noted that the CERF Secretariat is supposed to be composed of five members in the UN grades of: 1 P5, 1 P4, 2 P3s, and 1 general service staff.

#### **IV. Organization of Work**

28. Questions were raised about the frequency of contact between OCHA and AG members in between meetings, with some proposing communication via email or through a chat room on the CERF website. AG members requested that the CERF Secretariat provide them with quarterly updates on use of the Fund, while agreeing to keep themselves more generally informed through the CERF website.

#### **V. Date and Agenda for the Next Meeting**

29. The AG will meet twice each year in order to review the use of the Fund and to facilitate its annual replenishment. The AG decided by consensus to hold the next meeting in Geneva in early October, possibly following the Executive Committee of UNHCR.

30. The AG chair concluded the meeting by reiterating the importance of the CERF as a means for reinforcing coordination, for improving accountability to the donors and beneficiaries, for supporting projects like protection or common services. She highlighted the important role in particular of the AG in ensuring that the CERF adds value to humanitarian response and results in a positive impact on its beneficiaries.

31. After summarizing the meeting, the AG chair requested that the next meeting focus on the following issues:

- Review and assessment of fund allocations, performance and management
- Review, in particular the determination of under-funded allocations and overall decision making for both rapid response and under-funded windows.
- Discussion of funding trends and replenishment needs.
- Discussion of the role of NGOs
- Review of the terms of reference for the external evaluation
- Discussion on the draft report of the Secretary-General on the CERF
- Discussion of a media advocacy and fundraising strategy by the AG