

Making the case for an investment in the Central Emergency Response Fund (CERF)

CERF Secretariat, May 2017

CERF IN BRIEF

The United Nations General Assembly created the Central Emergency Response Fund (CERF) in 2005 as part of the humanitarian reform seeking to improve the way aid is financed, delivered and coordinated. Just a year earlier, in 2004, the Indian Ocean tsunami highlighted the importance of speed and reliability in funding for emergencies. Moreover, the outpouring of contributions for people affected by the disaster underscored the fact that not all crises receive the attention they deserve, with many receiving too little funding to meet humanitarian needs.



CERF is a cornerstone of our humanitarian assistance, giving us confidence that in a sudden crisis, help will be delivered as quickly as possible, in the early hours and days, to those who need it most. We also value the role of CERF in underfunded crises, because of our special commitment to people affected by smaller or less known crises who are likely to be forgotten

—Didier Burkhalter, Head of the Department of Foreign Affairs of the Swiss Confederation

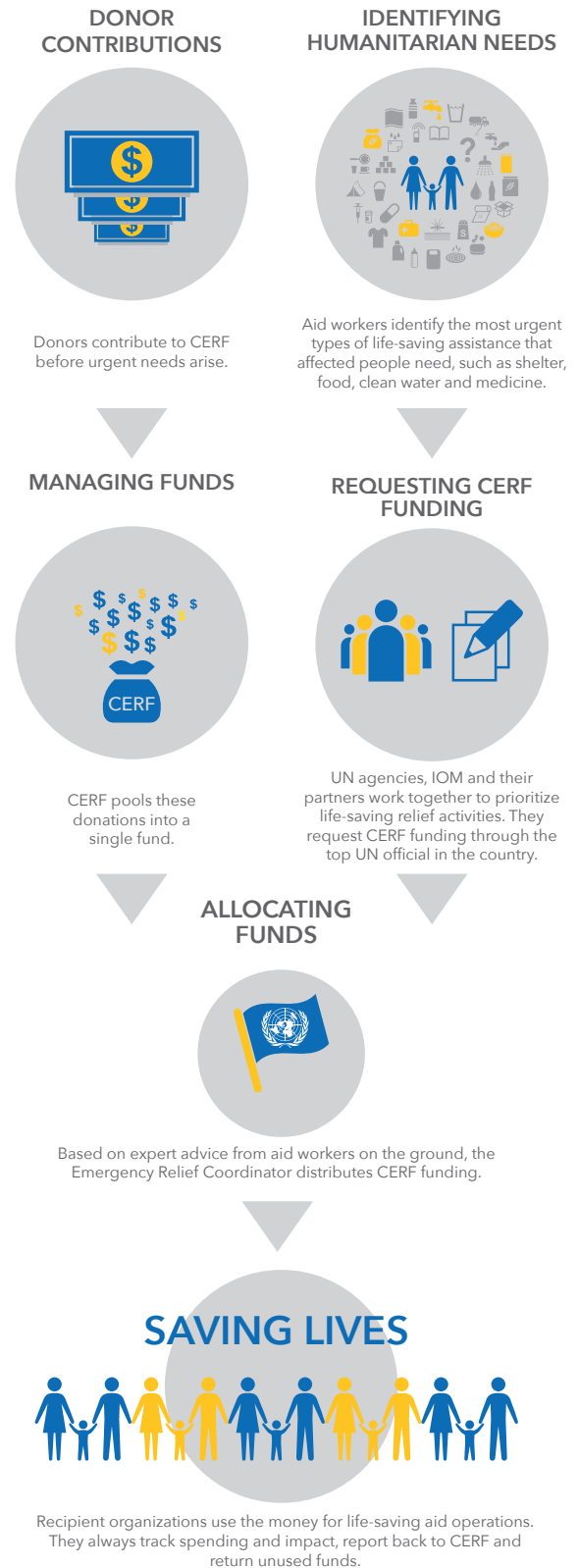
CERF was introduced as the UN's global emergency response fund to address these challenges - to deliver funding quickly to humanitarian responders and bring greater balance to emergency response. Eleven years on, CERF has earned its place in the current humanitarian ecosystem as one of the most effective ways to provide assistance, including supplies, basic services and protection to millions of people in need. It is also a lifeline for those caught up in the world's most neglected, underfunded and long-lasting crises.

Since 2006, donors to CERF have enabled the UN agencies, funds and programmes, and their implementing partners to provide over US\$4.7 billion worth of life-saving assistance thanks to the voluntary contributions from 126 UN Member States and observers as well as several regional governments, corporate donors, foundations and individuals. Each year on average, CERF grants have helped humanitarian partners deliver critical health care to 20 million people, food assistance to 10 million people, water and sanitation to 8 million people, livelihood support to 5 million people, protection to 4 million people, and shelter to 1 million. In addition, the Fund supports services for refugees and displaced people, nutrition programmes, mine action, emergency education and camp management for millions of people in need.

HOW CERF WORKS

CERF pools voluntary contributions from donors around the world into a single fund with a \$450 million annual target.

During emergencies, humanitarian organizations on the ground jointly prioritize needs and apply for funding from CERF. In each country that applies for a CERF allocation, the Resident Coordinator/the Humanitarian Coordinator (RC/HC) leads a process by the Humanitarian Country Team (HCT) to develop proposals that prioritize essential life-saving activities in strategic, focused and coherent manner.



CERF allocates funds for life-saving work at the most critical phases of an emergency:

- In the beginning, when resources can jump-start a humanitarian response;
- When an ongoing crisis deteriorates;
- When a crisis fails to attract enough resources for an effective response.

The Fund issues grants for these phases through two windows:

- The Rapid Response Window (RR) provides assistance to new emergencies, to existing emergencies that have deteriorated significantly, or in response to time-critical needs, accounting for two-thirds of CERF annual grants.
- The Underfunded Emergencies Window (UFE) delivers support for critical needs in underfunded and often protracted crises. Grants are allocated in two rounds in a year, accounting for about one-third of CERF annual grants.

CERF also has a loan facility of \$30 million. Up to one-year loans can be provided to cover critical funding gaps in humanitarian operations based on indication that donor funding is forthcoming.

CERF IN ACTION

From natural disasters in Nepal and the Asia-Pacific region to the protracted conflicts in Syria and South Sudan, as well as fighting in Yemen and extreme weather events fueled by El Niño in East and Southern Africa and Central America, recent humanitarian events have put the humanitarian community under great strain. Every humanitarian emergency is unique, but all have two things in common: great human suffering and a need for funds to alleviate that suffering. CERF as the **essential enabler of the global humanitarian response** allows responders to kick-start relief efforts immediately wherever and whenever a new crisis emerges through a vast network of partners in a coordinated and prioritized response.

- CERF has been fast to respond when disaster strikes, **approving emergency funding within hours Hurricane Matthew hit Haiti and Cuba in October 2016**, and in **48 hours when the massive earthquake struck Nepal** in 2015.
- CERF has also been one of the **first and largest supporters of early humanitarian action in response to El Niño**. Since mid-2015, CERF has allocated close to \$118 million in 19 countries.

CERF's timely provision of funds for global humanitarian action on El Niño illustrates the Fund's global reach and its important role in triggering timely response to emergencies while other funding is being raised.

CERF is a **lifeline for the world's most underfunded and protracted crises** that fail to attract adequate resources. In January 2017, Secretary-General António Guterres released US\$100 million from CERF's first round of UFE to sustain aid operations in nine neglected emergencies. This allocation is expected to reach more than 6 million people in crises where levels of vulnerability are alarmingly high but funding remains critically low – Cameroon, DPRK, Libya, Madagascar, Mali, Niger, Nigeria, Somalia and Uganda.

CERF supported the scale up of humanitarian operations at a critical juncture in the **system-wide L3 emergencies**, including crises of Iraq, South Sudan, Syria and Yemen:

- **Yemen** was the largest recipient of CERF funds in 2015 with \$44 million allocated to sustain food-aid; to provide fuel, clean water and sanitation services and nutrition; and to support 2.6 million IDPs, refugees and migrants.
- The **Syria crisis** received a total of \$212 million since 2011 to bring assistance to million Syrians affected by the ongoing conflict, including refugees that fled to neighbouring countries of Turkey, Lebanon, Iraq, Jordan and Egypt.
- Since the fighting erupted in December 2013 in **South Sudan**, a total of \$203 million was allocated to this crisis, including \$88 million for life-saving assistance in the country and \$115 million for South Sudanese refugees in DRC, Ethiopia, Kenya, Sudan and Uganda.

Since 2011, in keeping with the rising number of displaced people, CERF has allocated over \$1.5 billion to support hundreds of millions of people forced from their homes by violence, instability and natural disasters. In 2015 and 2016, two-thirds of CERF allocations supported operations targeting IDPs, refugees and host communities. This trend continues into 2017.

With more than 20 million people in **North-East Nigeria, South Sudan, Somalia and Yemen facing or at the tipping point of famine**, CERF allocated \$22 million for Nigeria and \$18 million for Somalia at the end of January 2017, to help UN agencies and partners address ongoing conflict and severe drought in these countries.

From 2006 to 2017
CERF has allocated
\$4.8 billion
to **98 countries**

2005/2006

15 DEC 2005
CERF established by UN General Assembly resolution 60/124.

2006
CERF approval times are down from five to **three** days for rapid response and 11 to **six** days for underfunded emergencies (UFE).

2007

Approval time for UFE funding reduced to **five** days.

DRC, Bangladesh and Sudan are top recipients of CERF funds (**\$104M** combined).


55
crises receive CERF funds in a single year—the most ever.

2008

 **Haiti hurricane**
CERF surpasses the **\$450M** funding target.

14 JUL
\$100M from CERF for response to surging food prices reaching **17.8M** people in **26** countries

2009

 **Horn of Africa** receives a third of CERF funds.
Global recession dampens donor giving for the year.

84
Member States and observers, the most ever, contribute funds in a single year.

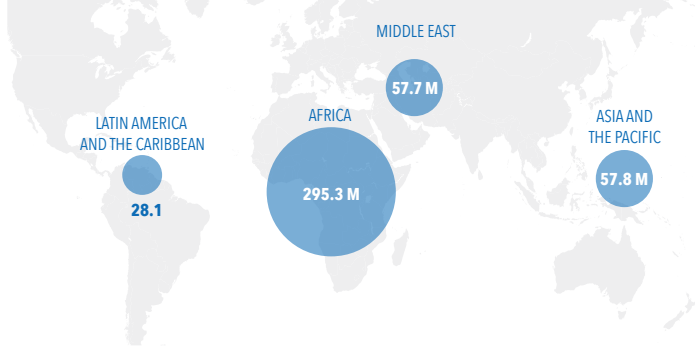
2010

 **Haiti earthquake**
Funding approved in just **10 hours**.

In 2010
22M people receive food aid.
19M people receive water and sanitation aid.
19.5M children immunized.
1.5M people receive emergency shelter.

CERF ALLOCATIONS IN 2016 BY REGION

in US\$ million



CERF AND THE GRAND BARGAIN

In May 2016 in Istanbul, many donors and humanitarian partners announced agreement on the Grand Bargain (GB), a call to get more means into the hands of people in need, more effectively and efficiently. The Grand Bargain recognises that, faced with a woefully under-resourced humanitarian response system, the status quo is no longer an option, and while more resources are clearly needed, existing resources must be used more efficiently.

CERF embodies many of the aspirations set out in the GB - It is flexible and un-earmarked; it facilitates a collective and strategic humanitarian response by country-level actors; it provides cash programming with no specific conditions for eligibility; it is cost-effective - lower management cost - and enhances leadership and coordination. In addition, CERF is transparent, publishing all grants decisions in real-time on its website and grant reports are publicly available for each allocation to demonstrate the results achieved and the added-value; Accountability to Affected People has been fully integrated into CERF's application format and forms part of proposal review; and CERF has a light reporting framework that focusses on the overarching strategic results achieved and on capturing key lessons.

In line with one of the commitments of the GB to reduce the management cost of aid organisations, the programme support cost for CERF was reduced from 3% to 2% effective 1 June 2016. The reduction is expected to free up approximately \$4 million for additional life-saving assistance. This estimate is based on the funding level of \$450 million per year.

CERF PARTNERSHIP IN HUMANITARIAN ACTION

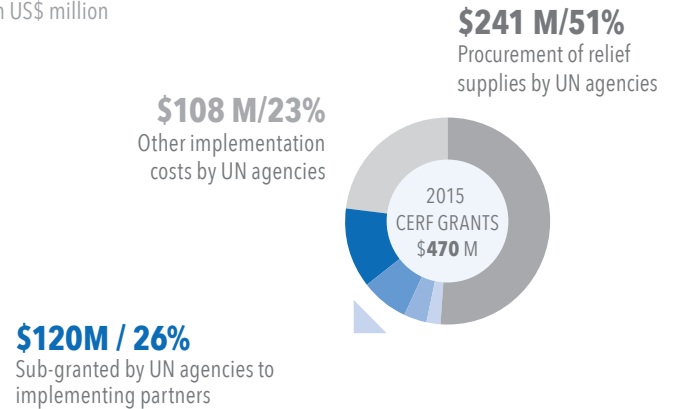
CERF represents an important global source of funding for local responders and NGOs. Each year, about one quarter of CERF funds is implemented by NGOs and local responders who have partnered with UN agencies and IOM.

In 2015, CERF disbursed funds to 11 United Nations agencies, funds and programmes. These organizations provided over a quarter of this funding (\$120 million) to their implementing partners including 143 international NGOs, 320 national and local NGOs, 161 government entities and 24 Red Cross/Red Crescent societies. In addition to their implementing capacity, NGOs provide local knowledge in emergency response. As part of the humanitarian coordination structures, they play a key role in deciding how CERF funds are used.

In 2015, UN agencies used more than half of CERF funding received (\$241 million) to procure relief supplies for affected people. Many of these supplies were then distributed by NGOs and other partners to people in need.

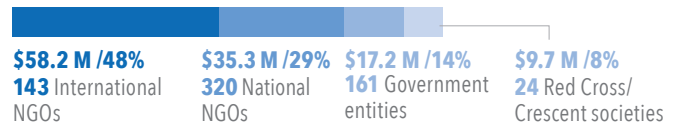
SUBGRANT FUNDING IN 2015

in US\$ million



\$120M / 26%

Sub-granted by UN agencies to implementing partners



2011	2012	2013	2014	2015	2016	2017
<p>Horn of Africa drought CERF allocates more than \$128M for response in Djibouti, Ethiopia, Kenya and Somalia.</p>	<p>Sahel drought- CERF allocates more than \$100M for response.</p> <p>Syria regional crisis CERF allocates more than \$50M.</p> <p>In 2012 15.5M people receive water and sanitation aid.</p>	<p>Super Typhoon Haiyan hits the Philippines. CERF funding approved in 48 hours.</p> <p>In 2013 9.3M people receive food aid.</p>	<p>Three L3 crises under way. CERF allocates \$116M for South Sudan regional response; \$60M for Central African Republic regional response; \$26M for Iraq.</p>	<p>Four L3 crises under way: Iraq, South Sudan, Syria and Yemen.</p> <p>\$77M for Syria regional response-largest single allocation for an emergency to date.</p> <p>CERF allocated about \$59M for response to El Niño -related climate events.</p> <p>In 2015 and 2016 almost 70% of CERF allocations have been provided to operations in support of people displaced by crises in more than 40 countries</p>	<p>CERF allocates more than \$118M for El Niño-related response in 19 countries since 2015.</p> <p>\$18M for assisting people affected by Boko-Haram related violence.</p> <p>\$16M was provided to Haiti and Cuba within hours Hurricane Matthew hit.</p>	<p>\$100M released to sustain aid operations in nine neglected emergencies to reach more than 6 million people in crises where funding remains critically low.</p> <p>Four crises on the verge of famine. CERF allocated \$22M for Nigeria and \$18M for Somalia, and more in the pipeline for Somalia and South Sudan.</p> <p>\$18.5M for Ethiopia in response to severe drought in the Horn of Africa.</p>

WHY \$1 BILLION CERF

A strong CERF is essential to ensuring a responsive and effective humanitarian system and it is a common responsibility of all Member States to ensure that CERF is sufficiently resourced to respond to ever growing needs. Since CERF was established in 2006, its annual funding target of \$450 million has remained unchanged. During these past ten years global humanitarian needs have quadrupled from \$5.2 billion to over \$22 billion in 2016, whereby the share of CERF current funding target against the global requirements has declined from 8.7 to 2.1 per cent.* Taking into account the inflation factor over the past ten years, the \$450 million annual target is equal to only \$374 million in 2006 dollars. Conversely, to keep the same funding level as in 2006, CERF would have to raise close to \$542 million in 2017.

The humanitarian reality in which CERF operates in 2017 is very different from when it was established a decade ago. The ever-increasing scale and intensity of emergencies points to the need for a larger CERF commensurate with the growing needs. In December 2016, the UN General Assembly (GA) endorsed the Secretary-General's call to expand CERF's annual funding target to \$1 billion by 2018. Recognizing the significant achievements of the CERF in facilitating life-saving assistance to crisis-affected people, the GA resolution A/RES/71/127 was adopted, which called upon all Member State, and invited the private sector and all concerned individuals and institutions, to consider increasing their voluntary contributions to the Fund.

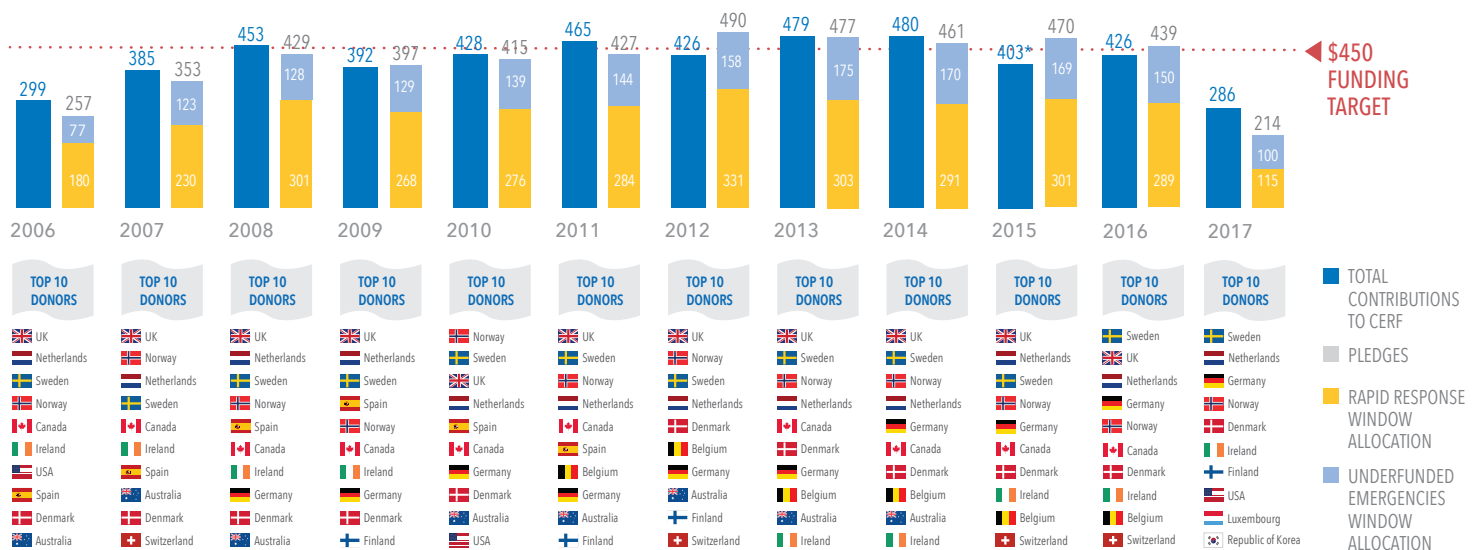
In late February and early March 2017 CERF was faced with a precarious cash flow position, partly due to the funding shortfall of \$24 million on the \$450 million target in 2016, delayed conversion of donor pledges to contributions in the first two months of 2017 and increasing demands on CERF's limited funds. CERF was heavily dependent on a few key donors' internal budgetary procedures for timely transfer of pledges to avoid near depletion of the Fund.

CERF is specifically mandated to deliver funding when ongoing humanitarian crises rapidly deteriorate and to enable fast scale-up and delivery. South Sudan and the three other countries currently at risk of famine are clear examples where CERF can jump-start activities to mitigate the impact on the most vulnerable people. But only a larger CERF could respond with significant impact necessary to reduce the loss of lives.

A larger CERF can better address today's humanitarian needs. It will have a greater impact while still maintaining its focus, scope and speed. An expansion of CERF will bolster the availability of global contingency financing for responding to humanitarian shocks and to meet the needs of underfunded crises, ensuring that CERF can continue to meet its General Assembly mandated objectives in the future. In addition, an expansion of CERF will offer clear opportunities for strategic, operational and efficiency gains beyond a simple proportional increase in allocations, while reducing transaction costs leading to increased efficiency and transparency as well as coherence of UN-led humanitarian response.

* source: UN OCHA Financial Tracking Service

CERF FUNDING (as of 12 May 2017) in US\$ million



IT'S EVERY MEMBER STATE'S RESPONSIBILITY

While CERF was established as a "Fund for all, by all", Member States have accounted for 99.7 per cent of all donations since 2006; the top 10 donors have provided almost 90 per cent of all contributions received and the top 20 donors have accounted for more than 98 per cent. Reliance upon a few donors makes the fund vulnerable to the risks pertaining to domestic policy shifts.

The CERF secretariat consistently seeks to broaden the diversity of donors and expand its financial support base while still maintaining and where possible increasing funding from CERF's strongest supporters. New and additional support from a diverse range of Member States and regional and private entities is needed for the

Fund to be able to provide urgent 'first aid' to people trapped in the midst of the worst natural catastrophes and human atrocities of our lifetime, or refugees risking everything in the attempt to reach a safe haven. **A \$1 Billion CERF is neither an ambition nor a convenient target. This is an absolute bare minimum for a world with over 130 million people requiring urgent humanitarian assistance and 24 people forced from their homes every minute, adding to the record 65 million refugees, IDPs and asylum seekers.**

A strong CERF able to deliver on its mandate is every Member State's responsibility and a step forward to our commitments to leave no one behind.

CERF IS...



Neutral, impartial and independent

- CERF is apolitical and fully unearmarked to ensure funding goes to meet the most urgent, life-saving needs at the earliest stage when it can have the most impact. Funding to CERF is true good humanitarian donorship.



Fast

- Humanitarian response connotes urgency and time-criticality. CERF is one of the first to arrive whenever and wherever needs arise. For example, in the aftermath of Haiti's devastating earthquake in 2010, CERF announced funding within 10 hours of the earthquake.



Prioritized

- CERF-funded interventions are based on life-saving priorities set collectively by humanitarian partners on the ground, using existing coordination structures and processes. In this way, the Fund reinforces collaboration and coordination among humanitarian organizations, promoting partnership, predictability and a focus on what is most important.



Effective and Efficient

- CERF maximizes the value of donors' funds by directing them where and when they are most needed. It works strategically, allocating funds through existing humanitarian structure with an eye to strengthening the overall response to an emergency. It supports targeted interventions with the highest potential impact as agreed jointly by responders.



Reliable

- Humanitarian organizations raise funding once a crisis is under way. But that takes time, and in a disaster, time lost can mean lives lost. CERF raises and pools funds in advance and directs them to where they can have the greatest impact in an emergency. When emergencies strike, humanitarian organizations can receive assurance of CERF funding within hours, which facilitates the immediate phase of the life-saving response.



Contributes to the SDGs

- "CERF is keeping pace through its close links with the newly adopted 2030 agenda for Sustainable Development, which aims to improve the lives of everyone, everywhere. Achieving the 17 Sustainable Development Goals will depend in no small part on reaching the millions of vulnerable children, women and men suffering the devastating impacts of humanitarian crises. This is CERF's raison d'être, and the Fund has an important contribution to make in realizing the 2030 Agenda's overarching objective of leaving no one behind."

- Ban Ki-moon, UN Secretary-General.



Based on Needs Alone

- CERF is a lifeline for the world's most neglected and protracted humanitarian crises that don't make the headlines and struggle to attract funding. Up to one third of CERF funds are allocated for such crises every year. In January 2017, Secretary-General António Guterres released US\$100 million from CERF's first round of UFE to sustain aid operations in nine neglected emergencies. This allocation is expected to reach more than 6 million people in crises where levels of vulnerability are alarmingly high but funding remains critically low - Cameroon, DPRK, Libya, Madagascar, Mali, Niger, Nigeria, Somalia and Uganda.



Supports Refugees and IDPs

- From 2011 to 2015, CERF has allocated over \$1.5 billion to support millions of people forced from their homes by violence, instability and natural disasters. In 2015 and 2016, two-thirds of CERF allocations supported operations targeting IDPs, refugees and host communities.



Funded El Niño

- the Fund has been one of the first and largest supporters of early humanitarian action in response to El Niño, providing \$118 million to 19 countries since mid-2015.



Embodies the Grand Bargain

- CERF is flexible and un-earmarked; it facilitates a collective and strategic humanitarian response by country-level actors and enhances leadership and coordination; it supports cash programming with no specific conditions for eligibility; it is cost-effective and efficient offering strong value-for-money for its donors.



Partners with NGOs

- Each year, about one quarter of CERF funds is implemented by NGOs and local responders who have partnered with UN agencies.