

Global Humanitarian Assistance

# Central Emergency Response Fund (CERF)

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## Profile

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Assistance

A DEVELOPMENT INITIATIVE 

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# Central Emergency Response Fund (CERF)

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## Overview

A key element of the humanitarian reform process that began formally in 2005 was the need to improve funding for humanitarian crises on a global scale, especially through the use of pooled funding. This resulted in the evolution of the existing global revolving fund with a loans facility of US\$50 million into the present day Central Emergency Response Fund (CERF) with its substantial grant-making possibilities as well as the original loan element.

The CERF provides donor governments and the private sector with the opportunity to pool their financing on a global level to enable timely and reliable humanitarian assistance to those affected by natural disasters and armed conflicts. Donor contributions are unearmarked. Since its inception in 2006 the CERF has received total contributions of US\$2.1 billion and a further US\$254 million in pledges from more than 150 government and non-government donors, together with a great number of individual contributions from private citizens.

For agencies, money from the CERF can enable them to leverage funding from other donors for a particular project or programme. They can also apply to the fund for a loan in order to bridge the gap whilst they are waiting for other funding from donors or country-level pooled funds.

The CERF provides rapid funding to countries in response to an emergency but it also spends money in countries where it has identified an underfunded crisis. These decisions are based on needs assessments, the percentage of needs met and consultations with agencies and humanitarian coordinators. In this way the CERF aims to provide more equitable funding. Of the total US\$1.8 billion spent since 2006, US\$596.7 million or the equivalent of 32.2% went to underfunded emergencies.

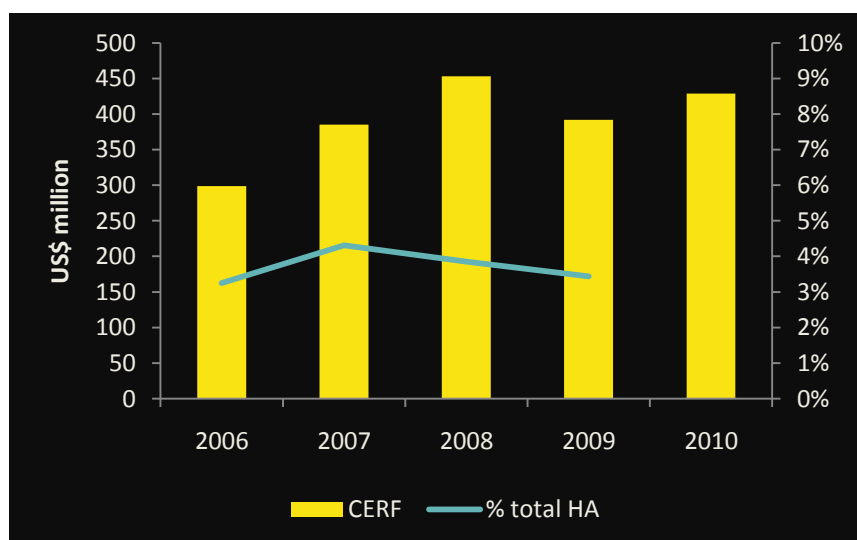


Figure 1: CERF income as a share of total humanitarian assistance (data is in current prices). [Source: UN OCHA CERF and OECD DAC]

Each year in December the CERF holds a donor conference. During this conference the secretariat provides an overview of the progress of the fund and asks donors to announce their pledges for the coming year. This is often only an indication of what money is likely to be received as it relies on budgetary decisions which are yet to be made by some donors.

#### Fast Facts

- The CERF pools unearmarked humanitarian contributions from donors.
- Grants are provided through windows for both rapid response and forgotten and underfunded emergencies.
- There were 79 governments, 24 non-government donors, together with a number of private individuals contributed to CERF in 2010
- There were 46 recipient countries in 2010
- The CERF provides direct funding to UN agencies only

## Donors

Between 2006 and 2009 the number of donors to the CERF increased from 54 to 91 providing a total of US\$1.5 billion throughout the period, equivalent to 3.8% of total humanitarian assistance during that time. Contributions ranged from US\$1,000 to US\$ 83.7 million from a combination of government and private sector donors. In 2010 there were 103 donors that contributed a total of US\$428.7 million.

## Governments

The majority of funding for the CERF comes from government donors. The top ten in the period 2006-2010 are all members of the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) and over the past five years these have contributed US\$1.7 billion which equates to an 84.6% share of total funding for that period.

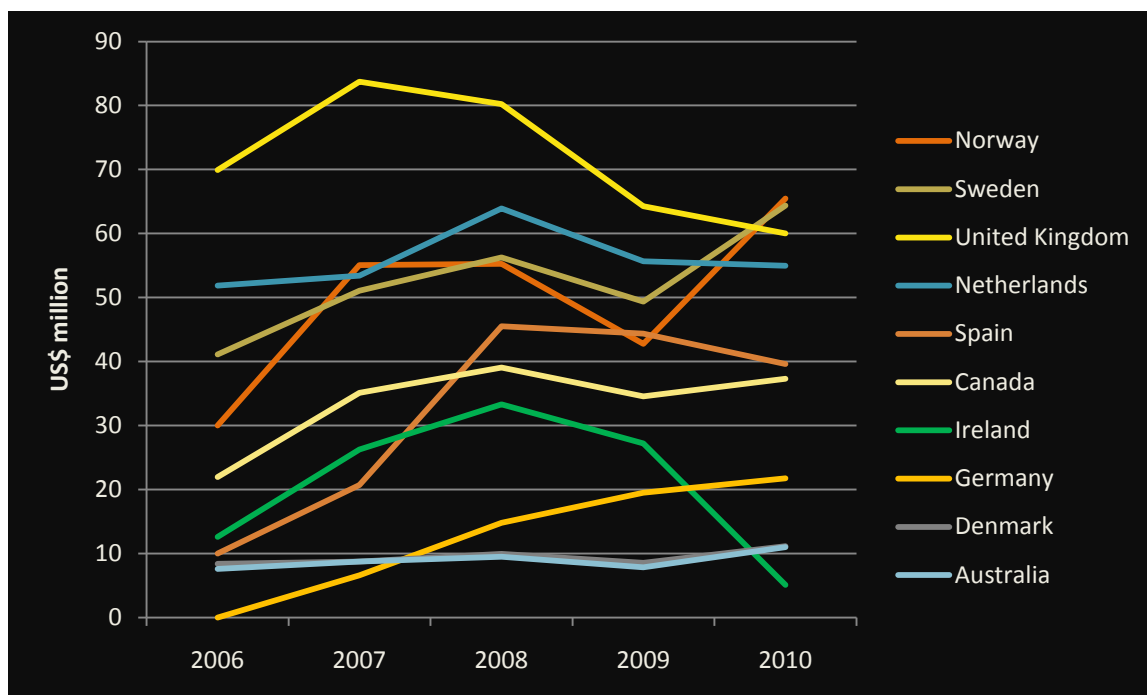
Looking at contributions made in donor's national currency, of the top ten donors only the Ireland has seen a decrease in contributions since 2006. Spain, in contrast has increased its contributions considerably over the five year period, more than tripling in 2010 what it gave in 2006. Other donors that have significantly increased their contributions include Norway, Canada, Sweden and Germany. Unlike the other donors the United States has been less consistent in its contributions to the fund giving money in only three out of the five years. The amounts it has donated are relatively small compared to other DAC donors, US\$10 million in 2006 and 2010 and US\$5 million in 2008.

Donors		2006	2007	2008	2009	2010
<b>United Kingdom</b>	GBP	40.0	40.0	40.0	40.0	40.0
<b>Netherlands</b>	EUR	40.0	40.0	40.0	40.0	40.0
<b>Sweden</b>	SEK	330.0	350.0	360.0	425.0	465.0
<b>Norway</b>	NOK	200.0	300.0	300.0	300.0	350.0

<b>Canada</b>	CAD	24.3	34.4	39.4	39.4	39.4
<b>Spain</b>	EUR	8.9	15.2	20.0	30.0	30.0
<b>Ireland</b>	EUR	10.0	20.0	22.6	20.0	4.0
<b>Germany</b>	EUR	0	5.0	10.0	15.0	15.0
<b>Denmark</b>	DKK	50.0	50.0	50.0	50.0	50.0
<b>Australia</b>	AUD	10.0	10.0	10.0	12.0	12.0

**Figure 2: Top ten donor contributions in national currency 2006-2010. Figures stated are in millions. [Source: UN OCHA CERF]**

When looking at contributions converted into US\$ a different pattern emerges. Due to differences in exchange rates some donors like the United Kingdom can appear to have reduced their contributions. According to the graph the United Kingdom gave less in 2010 than in 2006 whereas in reality their contributions in the national currency have remained constant as detailed above.



**Figure 3: Top ten donors in 2010 and their contributions from 2006 to 2010. [Source: UN OCHA CERF data]**

There are 97 non-DAC donor governments that have contributed to the CERF between 2006 and 2010. Over this period they gave US\$24.5 million to the fund which equated to 1.3% of the total for that period. Over the five years their share of the funding has risen by 0.3%. Up until 2009 the numbers of non-DAC donors contributing to the fund increased year on year from 33 to 61, however for 2010 there were only 56 non-DAC donors. The table below shows the top ten non-DAC donors in 2010. Notably the Russian Federation was a new donor to the CERF in 2010 and by contributing

US\$2 million it took the top spot from Korea which is now a member of the OECD DAC. Looking at the list it is surprising to see the Central African Republic (CAR), also a recipient, appears as the tenth largest non-DAC donor to the CERF ahead of others such as Mexico and the United Arab Emirates (UAE).

Top 10 non-DAC donors in 2010	US\$m
Russian Federation	2.00
China	1.50
Ukraine	0.50
India	0.50
South Africa	0.26
Poland	0.25
Liechtenstein	0.24
Brazil	0.20
Turkey	0.20
Central African Republic	0.20

Figure 4: Top ten non-DAC donors to CERF in 2010. Source: UN OCHA CERF

### Non-government donors

It is not only governments that are able to donate to the CERF. In recent years other donors, in particular from the private sector, have gained significance as humanitarian actors. Foundations, private individuals and even individual organisations such as the UAE Red Crescent have contributed to the CERF. In 2006 only two non-government donors gave money to the CERF. By 2010 this had increased to 22 private sector donors providing contributions over US\$10,000 and thousands of smaller contributions from other non-government donors and private individuals. The top donor in 2010 was Jefferies & Co. with a contribution of US\$1.0 million.

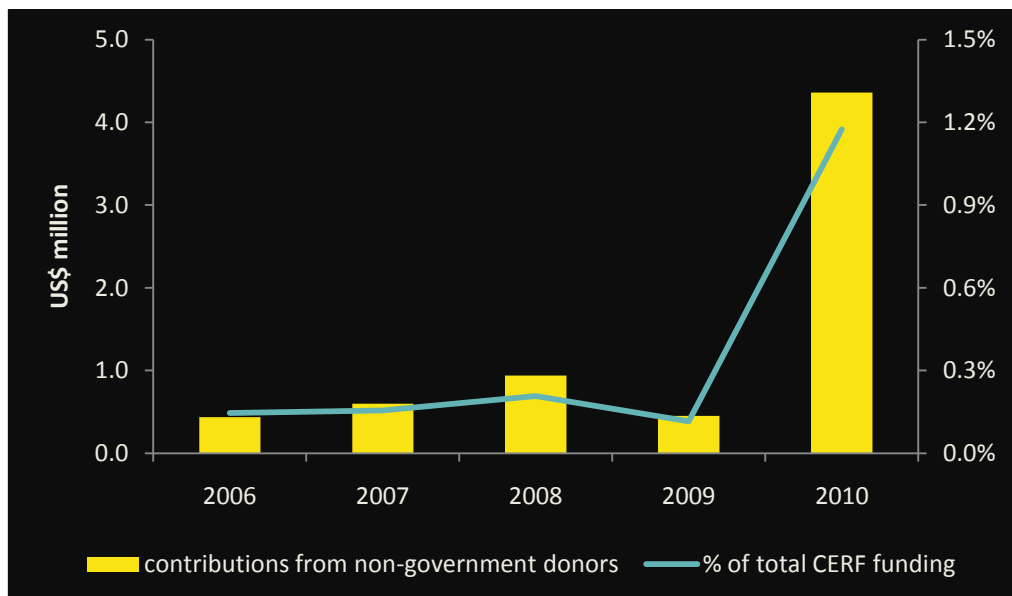


Figure 5: Non-government contributions to CERF and as a share of total CERF funding 2006-2010. [Source: UN OCHA CERF data]

### Donor timeliness

Of the funds pledged at the December 2009 High Level Conference, 62% were received in 2009 or before the end of the first quarter of 2010. Previously twenty six donors paid their contributions within the first four months after the pledging conference held in December 2008 and of those donors six had paid by the beginning of 2009. In contrast, 11 donors delayed the payment of part or all of their contribution until either December 2009 or as late as 2010.

### Recipients

The number of countries that have been in receipt of CERF funding since 2006 is 79. During the first three years of the CERF’s operation the Democratic Republic of Congo (DRC) was the top recipient country receiving 12.6% of total funds disbursed. However, in 2009 Somalia received the largest amount of money, US\$60.5 million, which was also the highest amount disbursed to one country in a single year. Somalia did not receive any funding in 2010<sup>1</sup>. Both the DRC and Somalia are classed as complex emergencies due to the fact that they have endured years of suffering caused by ongoing conflict. Conversely, the top two recipients in 2010, Haiti and Pakistan, are countries that have witnessed huge natural disasters. The funding disbursed to these two countries accounted for 21.3% of the total US\$415.2 million, which was allocated to 46 countries.

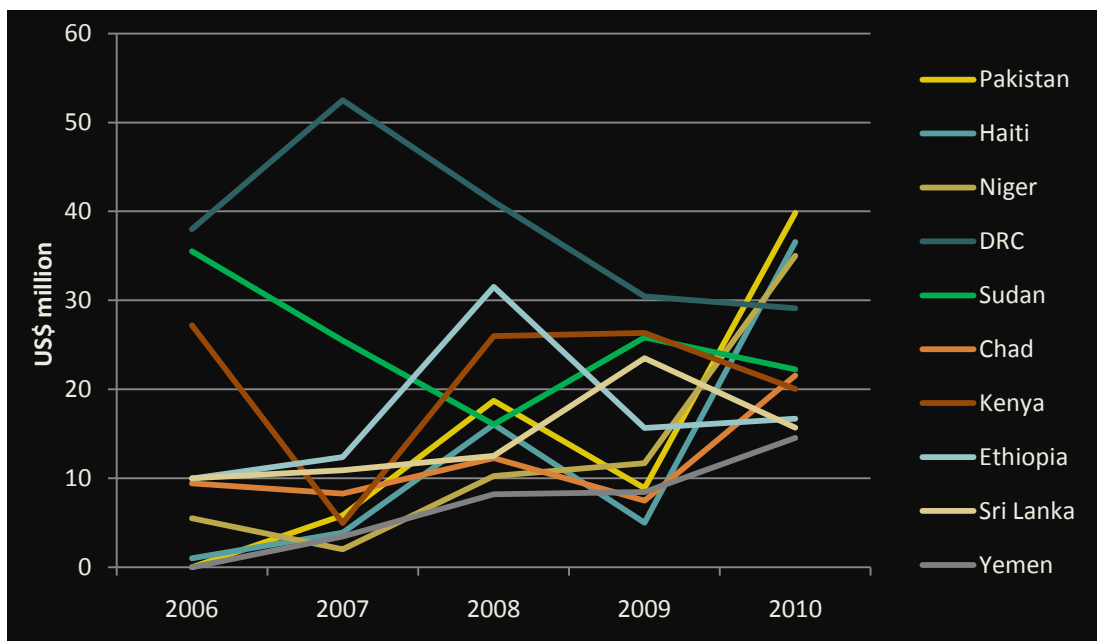


Figure 6: Top ten recipients in 2010 and the money from 2006 to 2010.[Source: UN OCHA CERF]

### Recipient-donors

Over the last few years the changing dynamics of aid architecture has resulted in more and more recipients of aid also becoming donors. China and India are the two countries that constantly appear in the headlines for their receipt of large amounts of development assistance whilst at the same time gaining significance as donors. This is also true in the humanitarian sphere.

<sup>1</sup> Somalia received an allocation of US\$33 million in late December 2009. This was implemented in 2010.

In 2010 15 recipients of the CERF also made contributions to the fund. Although some of these countries are experiencing great humanitarian need such as Pakistan and Colombia, perhaps the reason for this is that these recipient countries want to be included in the global humanitarian space and demonstrate solidarity to the cause in the same way as other donors.

In 2010 China contributed US\$1.5 million to the CERF. In the same year the CERF allocated US\$4.7 million to China in response to an earthquake that struck the country in April. The amount that China received from the fund was just over three times the amount that the country had contributed.

	Received (US\$m)	Contributed (US\$m)
Afghanistan	11.0	0.002
CAR	6.1	0.20
Chile	10.3	0.03
China	4.7	1.50
Colombia	6.6	0.03
Djibouti	3.0	0.004
Georgia	0.3	0.002
Madagascar	4.7	0.002
Mauritania	1.8	0.004
Mozambique	2.6	0.004
Myanmar	12.5	0.01
Pakistan	51.8	0.02
Philippines	3.0	0.01
Sri Lanka	15.7	0.01
Tajikistan	0.9	0.002

Figure 7: Countries that were both recipients and donors of the CERF in 2010. [Source: UN OCHA CERF]

## CERF funding windows

Allocations from the CERF are made from two different windows.

- The rapid response window – funding for sudden onset emergencies or crises, both natural disasters and complex emergencies and funding for rapid deteriorations of existing complex emergencies.

### Rapid Response Window – In Focus

In January 2010 a devastating earthquake hit the Haitian capital Port-au-Prince causing major loss of life and human suffering. The international community responded immediately with contributions of humanitarian assistance. The CERF was one of the first donors to disburse funds to the emergency through its rapid response window. Almost US\$11 million was transferred to agencies in Haiti on 20<sup>th</sup> January 2010, a week after the earthquake struck. Between January and April the CERF contributed a total of US\$36 million, all through the rapid response window. Overall the CERF funding accounted for 2% of the total humanitarian assistance to Haiti in 2010.

- The underfunded emergencies window – funding that aims to address forgotten needs and to support activities within existing humanitarian response efforts in underfunded emergencies.

### Underfunded Window – In Focus

Ethiopia houses a large number of Sudanese, Somali, Kenyan and Eritrean refugees, reported at over 120,000 in 2009, as well as having a substantial number of internally displaced persons (IDPs). Despite the humanitarian need of these groups Ethiopia was not subject to either a UN consolidated appeal or a flash appeal in 2010. The joint government and partners humanitarian requirements document (a non-CAP document) published in January of that year requested US\$286 million, of which 81% was required for food, yet this does not include the needs of the refugees. The CERF decided to allocate US\$17 million to Ethiopia through the first underfunded window based on requests from UN agency headquarters. The World Food Programme (WFP) received the largest share of the funding for a targeted supplementary feeding programme, a component of **WFP/Ethiopia’s Protracted Relief and Recovery Operation**, aimed specifically at the refugee population.

A third of CERF funding is put aside for allocations through the underfunded emergency window, reflected in the proportion of funding spent in both 2009 and 2010.

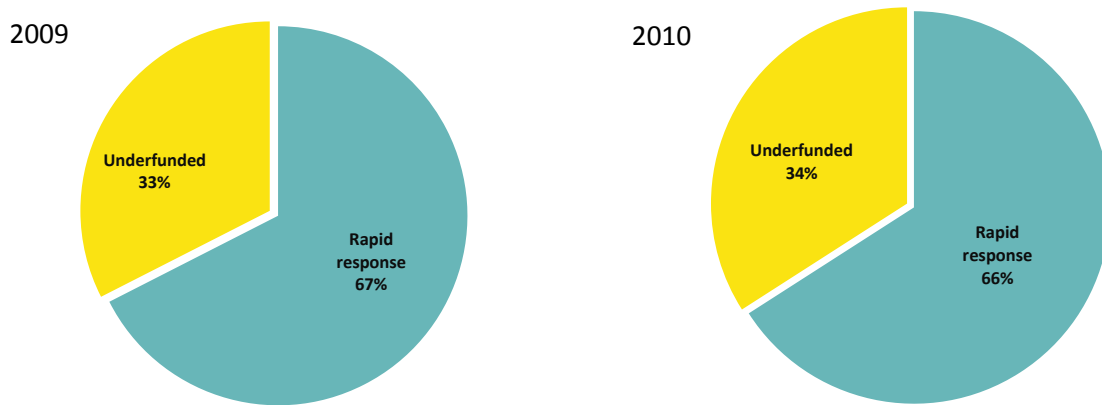


Figure 8: Funding from CERF windows 2009-2010 [Development Initiatives based on UN OCHA CERF]

In 2010 four of the top ten recipients, including the top two, Pakistan and Haiti, only received funding through the rapid response window. Ethiopia was the only donor in the top ten list to receive all of its funding through the underfunded window and not be included in the UN consolidated appeal process (CAP).

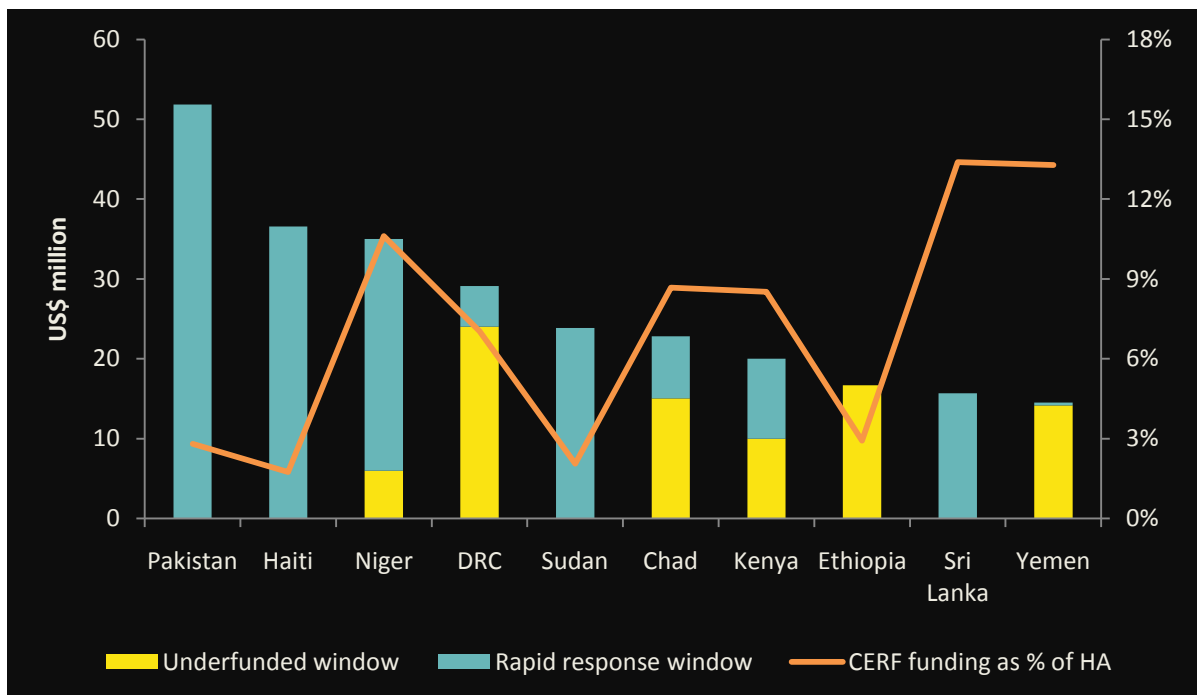


Figure 9: CERF allocations through the underfunded and rapid response windows in 2010 and total amount received as a share of humanitarian assistance. [Source: UN OCHA CERF data]

In 2010 the CERF secretariat increased the time period for implementation of a rapid response grant from three months to six months in recognition of the time constraints with which UN agencies and implementing partners are often faced.

## Implementing organisations

### UN agencies

At present the CERF can only directly disburse funding to UN agencies and IOM. Over the past five years the fund has allocated money to 17 different UN agencies with WFP being the top recipient each year, receiving an average of 35.5% of funding for predominantly food related projects. The largest amount disbursed at any one time to WFP was US\$25 million through the rapid response window for food to Somalia in January 2010. UNICEF has consistently received the second highest amount of funding each year for a much broader range of sectoral activities. In April 2008 UNICEF received its highest amount of funding, US\$7.3 million for a water and sanitation project in the DRC.

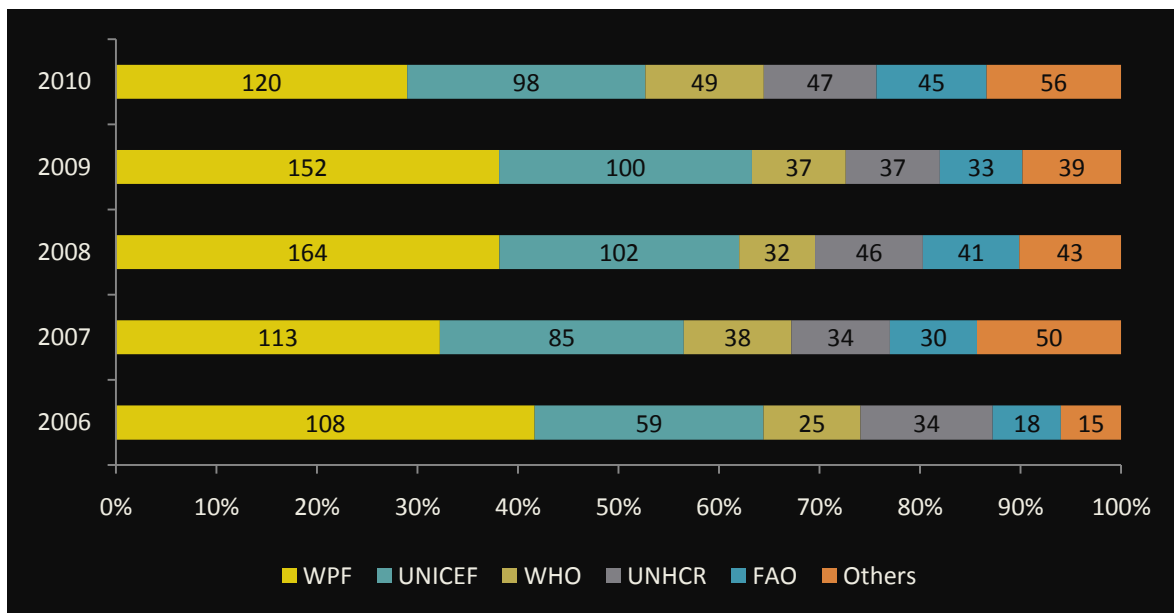


Figure 10: CERF disbursements to UN agencies 2006-2010 (figures in graph expressed in US\$m) [Source: UN OCHA CERF data]

### NGOs

Despite the continued call for NGO access to direct CERF funding, UN agencies remain the only direct partners. However many agencies use international and local NGOs to implement projects that have been funded by the CERF. In 2008, of the countries that reported on funding, 23% of the money received was channelled through NGOs, whilst in Bolivia all CERF funding was spent through such organisations. In 2009 the amount of CERF funding reportedly spent through NGOs dropped to 14%.

### Sectors

Between 2006 and 2009 the food sector received the largest share of CERF funding, 30.1%, and was the top sector for each year. In 2010 the health sector (which includes nutrition projects) received the largest amount of funding, US\$120 million.

In 2007 an additional two sectors received money for the first time, the economic and recovery sector and the security sector. In 2010 a further sector, camp management, received an unprecedented share of CERF funding, US\$6.9 million, and the equivalent of 1.7%.

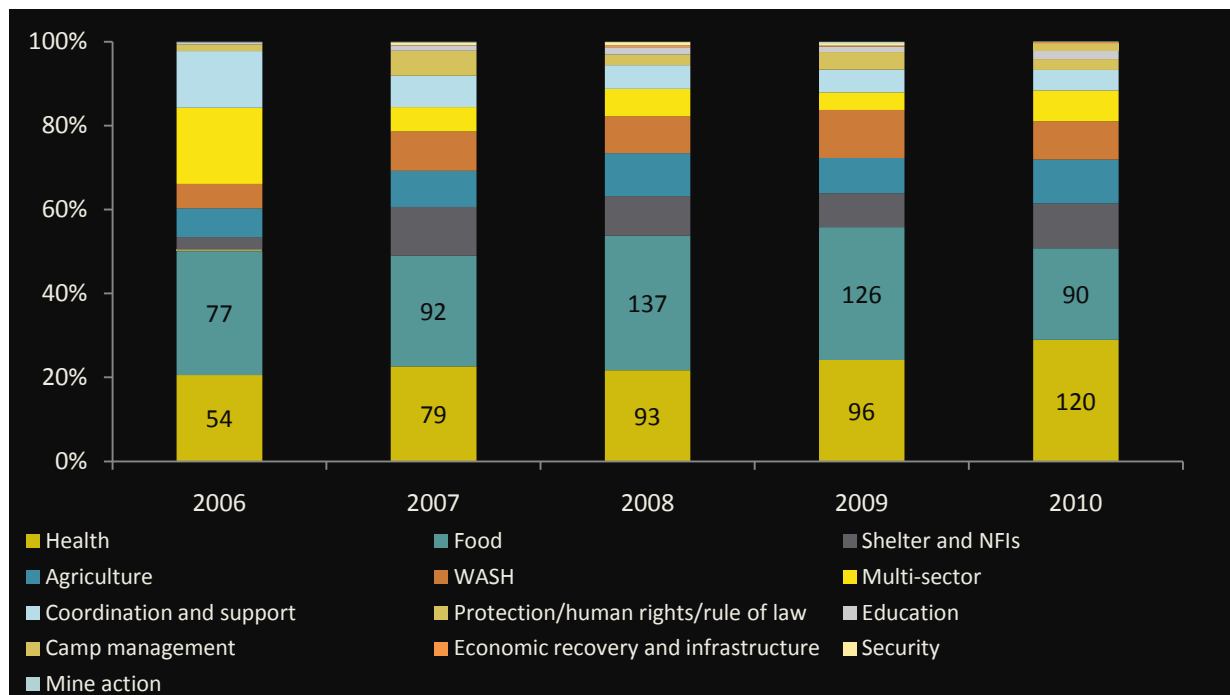


Figure 11: CERF funding by sector, 2006-2010 (figures in graph expressed in US\$m). [Source: UN OCHA CERF data]

## CERF support for UN appeals

The CERF is a global UN fund. Allocations are normally made in response to appeals within the UN consolidated appeal process (CAP) and other UN appeals if a country has one. In 2010 the CERF contributed to 14 out of the 17 UN CAP appeals and five out of the eight other UN appeals. Of the 46 countries that received CERF funding, 22 had appeals.

Including individual country appeals within the West Africa appeal, Benin received the largest proportion (98%) of CERF funding to total CAP appeal funding. The Guatemalan flash appeal, launched in response to a tropical storm, received CERF funding that accounted for a 44.3% share of total appeal funding. Yet in some cases where the CERF identifies forgotten or underfunded humanitarian need it allocates money to projects outside of the UN appeal as in Mongolia and Nepal in 2009.

UN CAP Appeal	Coverage	appeal funding	CERF funding to appeal	CERF funding outside appeal	CERF as % of appeal funding
<b>Afghanistan humanitarian action plan</b>	67%	517.0	11.0		2%
<b>Chad</b>	69%	376.9	22.8		6%
<b>DRC</b>	60%	493.1	29.1		6%
<b>CAR</b>	44%	65.9	6.1		9%
<b>Republic of Congo</b>	56%	33.2	2.9		9%
<b>Kenya emergency humanitarian response plan</b>	65%	392.5	20.0		5%
<b>occupied Palestinian territory</b>	50%	299.9	-		
<b>Somalia*</b>	64%	381.4	-		
<b>Sudan</b>	60%	1180.9	23.9		2%
<b>Uganda</b>	49%	90.4	-		
<b>Yemen humanitarian response plan</b>	52%	96.9	14.5		15%
<b>West Africa</b>	49%	380.5	0.0		0%
<i>Benin</i>	9%	4.5	4.4		98%
<i>Burkina Faso</i>	47%	15.4	-		
<i>Cote d'Ivoire</i>	5%	2.5	-		
<i>Ghana</i>	0%	0.0	-		
<i>Guinea</i>	66%	14.5	2.0		14%
<i>Guinea-Bissau</i>	9%	0.4	-		
<i>Liberia</i>	4%	0.3	-		
<i>Mali</i>	55%	4.8	1.5		31%
<i>Mauritania</i>	23%	2.1	1.7		83%
<i>Niger</i>	14%	5.5	-		
<i>Niger (Emergency Humanitarian Action Plan)</i>	74%	275.1	35.0		13%
<i>Nigeria</i>	13%	2.2	0.8	1.2	38%
<i>Senegal</i>	21%	3.7	-	0.3	
<i>Sierra Leone</i>	41%	10.6	-		
<i>Togo</i>	32%	2.4	1.2	1.4	51%
<b>Zimbabwe</b>	47%	223.4	10.4		5%
<b>Flash Appeals</b>					
<b>Guatemala flash appeal</b>	46%	7.6	3.4		44%
<b>Haiti revised humanitarian appeal</b>	72%	1072.9	36.6		3%
<b>Kyrgyzstan flash appeal</b>	62%	56.7	11.2		20%
<b>Pakistan floods emergency response plan</b>	50%	975.6	42.0		4%
<b>Other UN appeals</b>					
<b>Burkina Faso emergency humanitarian action plan</b>	18%	2.6	2.0		75%
<b>Guatemala food insecurity and</b>	26%	8.9	-		

acute malnutrition appeal					
Iraq humanitarian action plan	32%	59.7	-	1.5	
Mongolia Dzud appeal	17%	3.0	0.6	3.0	20%
Nepal humanitarian transition appeal	58%	72.7	1.0	1.0	1%
Pakistan humanitarian response plan	47%	313.3	9.9		3%
Sri Lanka common humanitarian action plan	51%	146.6	15.7		11%
Regional response plan for Iraqi refugees	27%	97.2	-		

Figure 12: CERF funding to UN CAP appeals and other appeals in 2010. [Source: UN OCHA CERF and FTS data]

\*Data modified to reflect that CERF does not report any funding to Somalia in 2010

## Pros and cons of the CERF

Pros	Cons
1. Has windows for both rapid response and forgotten and underfunded disasters	1. Can be slow to disburse in times of sudden onset emergencies
2. Equitable funding response to disasters - CERF underfunded window contributes to reducing funding discrepancies across major emergencies	2. Limited independent monitoring and evaluation so CERF Secretariat heavily reliant on UN agency reporting, which can be of variable quality
3. Unearmarked funding to the CERF Secretariat enables it to provide more equitable funding.	3. CERF Secretariat/OCHA cannot visit CERF-funded projects so cannot take account of beneficiary views. Reliant on UN agency internal procedures for beneficiary accountability.
4. Upfront funding-to CERF Secretariat so it can provide funds early on in the year	4. UN agencies are criticized as being slow and having high administration costs
5. Been able to attract funding from private sector, foundations and organisations such as the Red Crescent of the UAE and Humanity First.	5. UN centric - coordinated and managed by the UN with limited involvement of other actors. Potential for conflicts of interest so required strong humanitarian coordinator to operate effectively.
6. Enables developing countries and non-DAC donors that may not have a sufficient humanitarian infrastructure to contribute	6. No direct funding to NGOs even though NGOs implement most UN programmes. This can slow down response, particularly when UN agency sub-contracting procedures are not suitable for emergency situations.
7. Can provide loans to agencies to enable them to start programmes whilst they are awaiting other funding to come through either from donors or country level pooled funds	7. Office for Coordination of Humanitarian Affairs (OCHA) cannot access funds which prevents it from channelling money to NGOs directly
8. Enables donors to implement the principles of Good Humanitarian Donorship (GHD): reduce donor earmarking, foster coordination, strategic funding allocations based on need	8. In some cases, NGO implementers receive funding in instalments despite UN agencies receiving 100% of funds up-front. They may also get limited overhead costs though UN agencies receive 7%.
9. Can help UN agencies to leverage funding from other donors	9. Difficult to assess what proportion of funds are implemented by NGO partners as relies on reports from humanitarian coordinators
10. Effective at disbursing large sums of money	

11. CERF Secretariat is working to improve reporting and accountability through the Performance Accountability Framework (PAF) and independent country reviews

**Sources:** Stoddard (2008), *International Humanitarian Financing: Review and comparative assessment of instruments*  
Mowjee (2010), *Independent Review of the Value Added of the Central Emergency Response Fund (CERF) in Kenya*

## Annex: Fund management

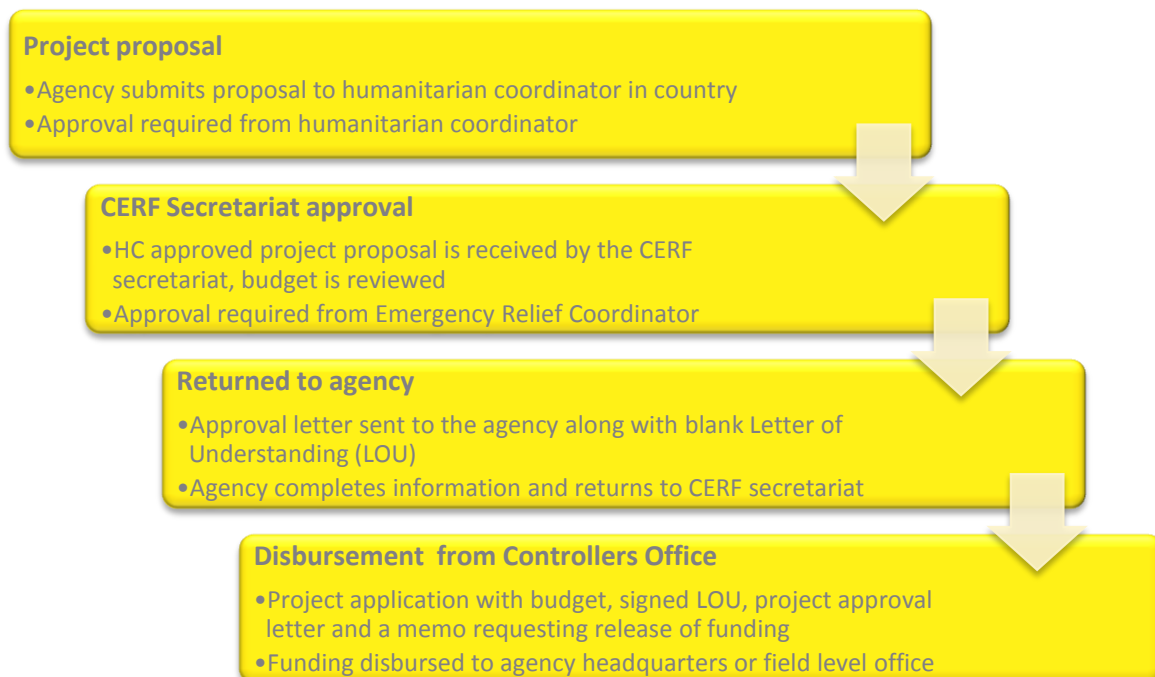
The CERF is managed by a secretariat which sits within the UN Office for the Coordination of Humanitarian Affairs (OCHA) in New York. The team comprises financial and humanitarian affairs officers who report to the Chief, currently Steve O'Malley. Direct disbursements from the fund are administered by the UN controller in New York. There is no funding minimum or maximum limit imposed by the CERF secretariat.

In order to provide an oversight of the use of funds an Advisory Group was established which at present has 18 members. Their role is to offer periodic policy guidance and expert advice on the use and impact of the Fund. Members of the Advisory Group serve in their individual capacity, and not as representatives of their countries or governments. They include both donor and recipient government officials, representatives of humanitarian non-governmental organisations (NGOs), and academic experts. According to the CERF they have been carefully selected to reflect a geographical and gender balance.<sup>2</sup> Membership is reviewed annually. The Group's 18 members are appointed by the Secretary-General to three-year terms. Six members rotate each year to ensure a mix of continuity and fresh perspectives.

### Allocation process

There are several stages to the allocation process that involve different stakeholders and as a result the CERF secretariat is under pressure to ensure timely disbursement of funding. Following a recommendation made in the CERF two-year evaluation, a letter of understanding (LOU) has been introduced to limit the need for incessant back and forth between recipient and fund administrators.

The diagram below provides an overview of the allocation process.



<sup>2</sup> <http://ochaonline.un.org/CERFAdvisoryGroup/CERFAdvisoryGroup20102011/tabid/6943/language/en-US/Default.aspx>



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