

Global Humanitarian Assistance

Emergency Response Funds (ERFs)

Profile

July 2011



Global Humanitarian
Assistance

A DEVELOPMENT INITIATIVE 

Contents

Overview	1
Donors.....	3
Governments	4
Non-governments	5
Recipients.....	5
Kenya ERF – In Focus.....	7
Somalia ERF – In Focus.....	8
Implementing agencies.....	9
United Nations (UN) agencies and the International Organisation for Migration (IOM)	9
Non-governmental organisations (NGOs).....	10
Sectors.....	11
Further reading	12
Annex 1: Fund management.....	13
Funding limit	13

Emergency response funds (ERFs)

Overview

The main aim of emergency response funds (ERFs) is to provide rapid and flexible funding to in-country actors to address unforeseen humanitarian needs. ERFs also provide governments and the private sector with an opportunity to pool their unearmarked contributions to a specific country to enable timely and reliable humanitarian assistance in response to emergencies. For those donors that do not have a presence in country or in-depth country knowledge, ERFs offer a platform through which they can channel their funding. For donors with in-country representation, funding an ERF can lessen the administrative burden associated with bilateral funding and promotes coordination of humanitarian interventions.

ERF funding is available to both NGOs and UN agencies for emergency response and occasionally emergency preparedness. There are limits set on the size of projects which vary between each fund and range from US\$100,000-700,000. This means that project sizes are usually smaller when viewed alongside bilateral funding or projects supported by common humanitarian funds (CHF) where they exist, and can attract more proposals from NGOs.

The Office for the Coordination of Humanitarian Affairs (OCHA) is responsible for the day-to-day management of ERFs in country including financial administration. All project applications have to be approved by the Humanitarian Coordinator (HC) before they can receive a grant from the fund.

Fast Facts

- A small scale in-country fund that pools unearmarked contributions from government and private sector donors.
- The majority of funding goes to NGOs.
- The top three donors to ERFs in 2010 were Saudi Arabia, India and the United Kingdom.
- There are currently 14 funds in operation.
- The total number of donors since 2006 is 58.

The first ever ERF was established in Angola in 1997 to respond to increasing humanitarian needs caused by years of conflict. Up until 2004 when the fund closed it had received US\$24.5 million from eight donors. When the humanitarian reform process began in 2005 it built on existing thinking on the use of these pooled funding mechanisms for channelling humanitarian assistance. As a result several new ERFs were initiated in countries that were subject to complex humanitarian emergencies. There are currently 14 stand-alone ERFs in operation.

ERFs past and present	Lifespan	Number of donors	Notes
Indonesia	2001-present	5 governments	
Sudan	2006-present		A facility within the CHF
Ethiopia	2006-present	9 governments	
Haiti	2007-present	33 governments 9 others	US\$ 87m received for earthquake in 2010
Zimbabwe	2007-present	5 governments	Dormant in 2008
Palestine/OPT	2007-present	7 governments	
Iraq	2007-present	7 governments	
Afghanistan	2009-present	5 governments	
Kenya	2009-present	2 governments	
Uganda	2009-present	3 governments	
Colombia	2009-present	3 governments	
Nepal	2009-present	2 governments	
Myanmar	2007-present	2 governments	
Pakistan	2010-present	7 governments 1 other	
Yemen	2010-present	3 governments	
Angola	1998-2004	6 governments 2 others	Closed
DRC	2000-2006	6 governments	Merged with CHF
Liberia	2004-2005	1 government	Closed
Somalia	2004-2010	5 governments	Converted into CHF in June 2010
CAR	2007-2008	5 governments	Converted to CHF in July 2008

Figure 1: List of past and present ERFs and number of donors. Until end of 2010

In 2010 the fund in Haiti received the largest amount ever received by an ERF, US\$82 million, in response to the earthquake that struck in January of that year. The majority of this funding came from non-traditional donors.

The term 'non-traditional donors' is used to describe donors that are outside of the Organisation for Economic Cooperation and Development (OECD)'s Development Assistance Committee (DAC) member group. These donors are often also referred to as non-DAC or emerging, however as the group is so diverse none of these terms accurately reflect this sub-set of actors.

Funding to the ERFs increased dramatically between 2006 and 2008 as a total of nine funds were established and donors increased their support especially to the ERF in Ethiopia. In 2009 despite the launch of a further four ERFs, funding declined by 11.1%, again predominantly due to a decrease in financial support to Ethiopia's fund. In 2010, of the 15 funds that were in operation at some point during the year, 13 attracted funding totalling US\$154.3 million, the highest amount to date. This can be attributed to two funds in particular, Haiti and Pakistan that received donor contributions in response to the large-scale disasters.

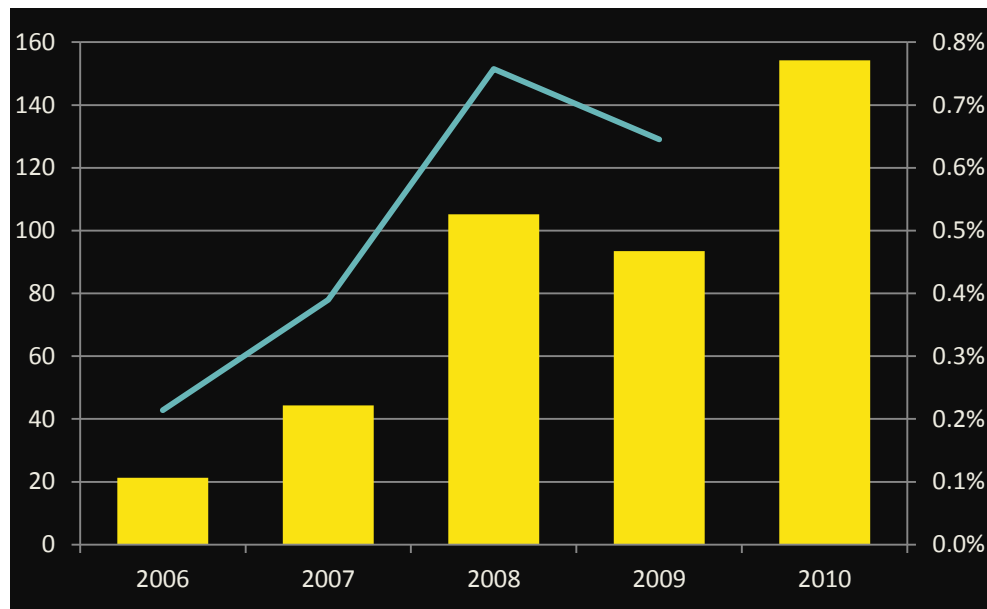


Figure 2: Funding to the ERFs, 2006-2010, and as a share of total humanitarian aid 2006-2010. [Source: Development Initiatives based on UN OCHA FTS, UN OCHA Somalia, CAR, Ethiopia and Indonesia and OECD DAC]

Donors

Between 2006 and 2010 the number of donors using the ERFs increased from six to 56. The reason for this increase was not only that new country funds were created but also that different types of donors were starting to channel money through these funds. In 2006 five of the six donors were members of the OECD DAC. By 2010 out of 56 donors only ten were members of the DAC, the remainder were non-DAC government donors, private sector donors and organisations, providing a total of US\$95.9 million of the US\$154.3 million.

2006	US\$m	2007	US\$m	2008	US\$m	2009	US\$m	2010	US\$m
United Kingdom	12.3	United Kingdom	10.7	United Kingdom	36.8	Netherlands	22.4	Saudi Arabia	50.0
Netherlands	5.6	Norway	9.4	Netherlands	29.7	Sweden	20.4	India	20.0
Norway	1.6	Netherlands	9.4	Sweden	13.9	UNDG Iraq Trust Fund	15.0	United Kingdom	17.2
Sweden	1.1	Sweden	8.9	Norway	9.7	United Kingdom	14.3	Sweden	9.6
Switzerland	0.2	Spain	4.0	Ireland	7.0	Norway	8.8	Norway	9.4
OFID	0.5	Ireland	1.1	Spain	2.2	Denmark	8.7	Brazil	8.0
		Canada	0.5	Italy	1.7	Ireland	2.7	France	6.7
		Saudi Arabia	0.3	CERF	1.6	Spain	1.5	Denmark	6.4
				Sudan CHF	1.5	Switzerland	1.5	UNDG Iraq Trust Fund	4.9
				Switzerland	1.2	Italy	1.0	Spain	3.5

Figure 3: Top ten donors to ERFs 2006-2010. [Source: UN OCHA FTS, UN OCHA Somalia, CAR, Ethiopia and Indonesia]

Governments

Between 2006 and 2009 the vast majority of funding to ERFs came from DAC donors. Over that period only two non-DAC donor government (Saudi Arabia and Singapore) provided funding to an ERF. Yet in 2010 31 non-DAC governments chose to channel their humanitarian aid through these mechanisms, a considerable increase on previous years.

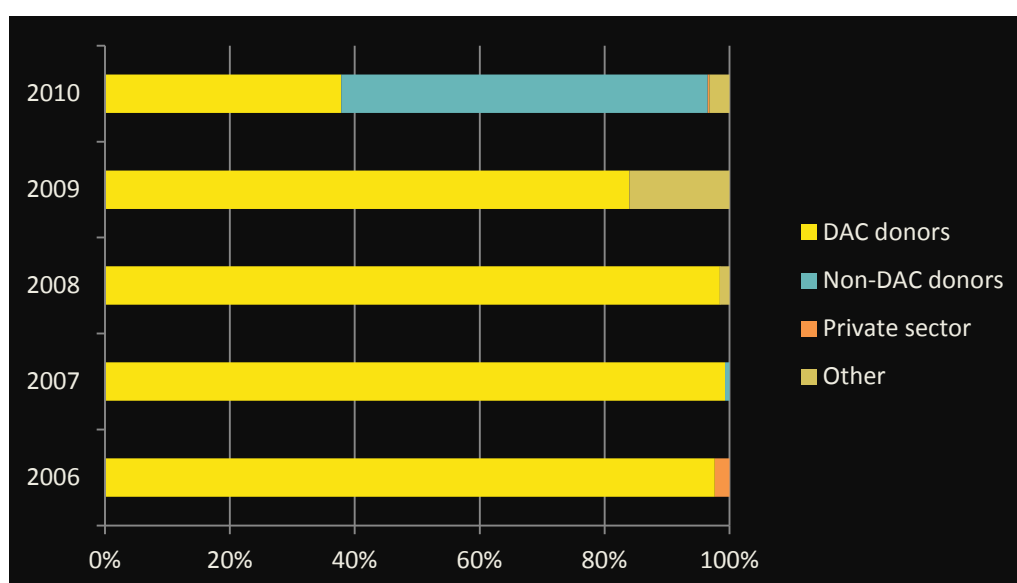


Figure 4: Donors to ERFs in 2006-2010. [Source: UN OCHA FTS, UN OCHA Somalia, CAR, Ethiopia and Indonesia]

The United Kingdom was the largest donor from 2006-2008 with other DAC donors occupying the second and third places. The Netherlands took over as the largest donor in 2009 and the United

Kingdom slipped to fourth place. In 2010 the top two donors were not members of the DAC; Saudi Arabia contributed US\$50 million and India US\$20 million to the funds respectively. This meant that non-DAC governments were responsible for almost 60% of funding to ERFs that year.

Non-governments

Increasingly more non-government organisations and individuals are contributing to humanitarian emergencies. As with non-DAC donors the ERFs provide these actors with a mechanism by which they can also participate in the response. In 2010 a total of seven private organisations channelled US\$0.4 million through the Haiti fund. A further number of individuals and smaller unspecified organisations donated US\$0.3 million.

The United Nations Development Group (UNDG)-managed development fund in Iraq was the largest non-government donor in 2009 and 2010, channelling US\$15.0 million and US\$4.9 million respectively to the Iraq ERF. The common humanitarian fund (CHF) in Sudan, a larger in-country pooled fund, is reported to have contributed US\$2.5 million to the Sudan ERF in 2010.

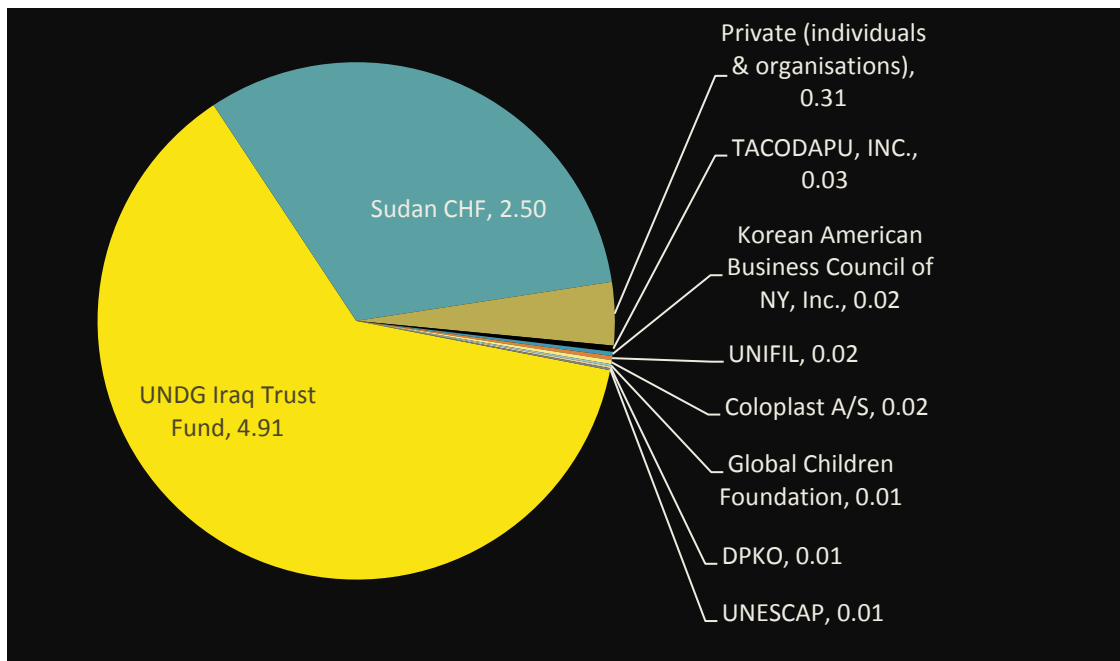


Figure 5: Non-government donor contributions to ERFs in 2010. [Source: UN OCHA FTS]

Recipients

At the beginning of 2010 there were 13 ERFs in operation. Over the course of the year two new funds were established in Pakistan and Yemen and the ERF in Somalia was converted to a CHF. By the close of the year there were a total of 14 operational funds.

The size of these in-country funds varies greatly between countries. Over the last five years the fund in Ethiopia received the largest amount of money, totalling US\$151.5 million. Yet in 2010 it was also the fund that experienced the steepest decline in contributions, -87.5%. This can be explained by the

fact that the fund carried over US\$39.3 million from 2009 giving a total income of US\$56.0 million for 2010, therefore reducing the need for further injections of cash.

Haiti's fund, launched in 2008, received the highest ever level of contributions of all the funds in 2010, US\$81.6 million. This was in response to the earthquake that ruined the capital Port-au-Prince and surrounding areas in January of that year. Prior to this the fund's income was relatively small and had only attracted contributions totalling US\$5.5 million in 2008. A large proportion (60%) of the money disbursed by the Haiti ERF was spent on shelter, non-food items and coordination.

Sectors	Ethiopia	Haiti	Pakistan
Agriculture	7.7	6.3	0.2
Coordination and support services	0.8	19.2	
Economic recovery and reconstruction		8.5	
Education	0.01	0.6	
Food	5.5	0.1	0.6
Health	0.1	4.7	0.4
Protection/human rights/rule of law		1.3	
Sector not yet specified	0.2		
Shelter and non-food items	2.7	16.4	1.5
Water and sanitation	8.7	2.2	3.2
Total	25.7	59.3	5.9

Figure 6: Sector spend by three ERFs in 2010. [Source: UN OCHA FTS and UN OCHA Ethiopia]

The newly established fund in Pakistan received US\$32.8 million in 2010 channelling donors' contributions in response to a large-scale natural disaster. By the end of the year it had disbursed only US\$5.9 million to five sectors. To date the fund has committed US\$12.7 million to 41 projects with the majority, 36.4% to the water and sanitation (WASH) sector.

The smallest fund is in Nepal; although it is now in its fourth year it has only ever received two contributions totalling US\$134,575 in 2008, the majority of which was spent on agriculture projects.

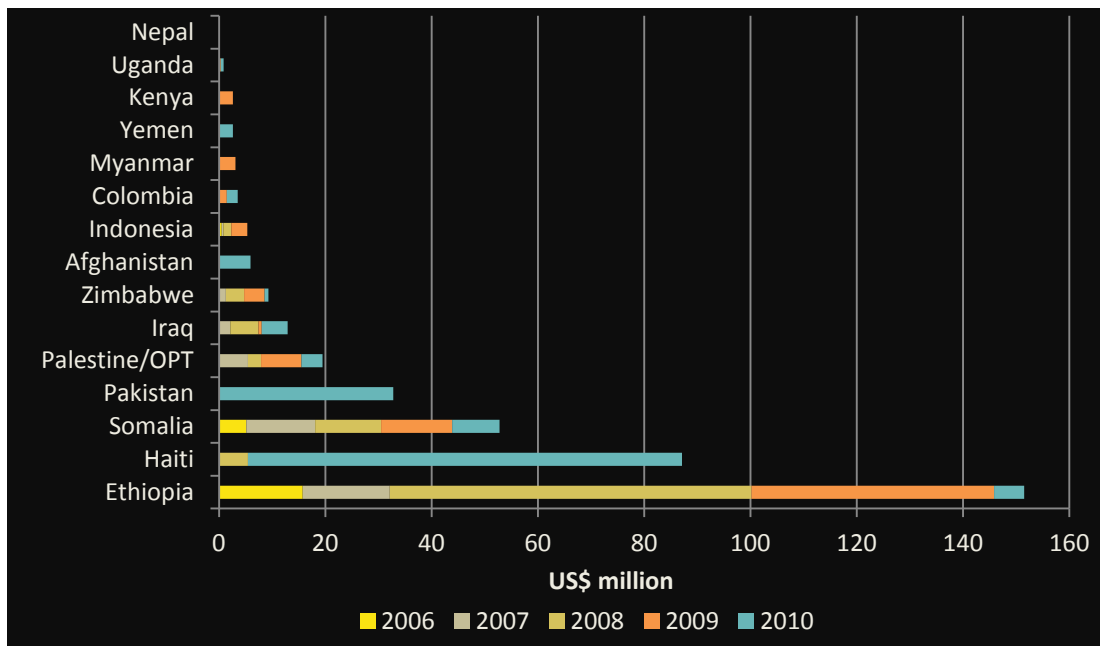


Figure 7: Funding received by ERFs 2006-2010. [Source: UN OCHA FTS, UN OCHA Somalia, Ethiopia and Indonesia]

Kenya ERF – In Focus

In general ERFs only fund life saving activities in response to a humanitarian emergency. In Kenya however OCHA has used ERF funding to support pilot projects to address food insecurity in Nairobi informal settlements and has also funded preparedness activities. For example US\$80,000 was allocated to a [World Vision International project](#) on flood preparedness to reduce the incidence of Rift Valley Fever. This is part of a wider response plan for the agriculture and livestock sector to mitigate the effects of recurring flooding in certain parts of the country.

Although the ERF is able to finance local NGOs, to date it has not funded Kenyan NGOs with the exception of the KRCS. The ERF has set a limit of \$150,000 on applications to encourage proposals from small organisations but Kenyan NGOs do not seem to be aware of it. This is a missed opportunity to support local capacity by providing direct funding (which most donors are unable to do). As of May 2011, the ERF had only committed US\$1.6 million of the \$2.6 million that it has received. No contributions were made in 2010 and instead it carried over from US\$1.6 million from 2009. To date only one donor, the United Kingdom, has made a contribution to the fund in 2011, and this of US\$1.6 million.

In terms of the percentage of total humanitarian aid received by a country Ethiopia's fund channels the largest share, 6.7% in 2009, followed by Somalia, 2.5%. Iraq's fund is the smallest proportionally and only channels 0.1% of the country's total humanitarian aid. Despite Palestine/OPT receiving a high amount of humanitarian aid, US\$1.2 billion, the fund only receives 0.6% of this money.

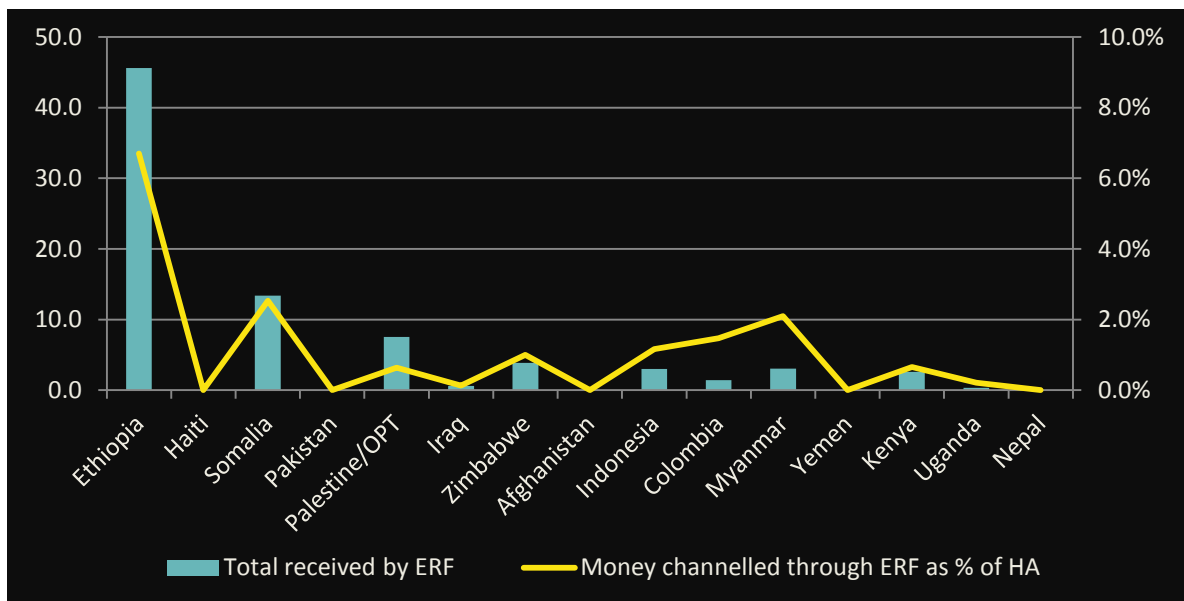


Figure 8: The percentage of humanitarian aid spent through the ERF in country in 2009. [Source: UN OCHA FTS and OECD DAC data expressed in current prices]

Somalia ERF – In Focus

OCHA established the Somalia HRF in 2004 in order to respond rapidly to deteriorating humanitarian needs. The fund provided small-scale short-term (up to six months) financing of between US\$250,000-US\$500,000 to various implementing organisations, the majority of which were Somali NGOs. From 2005 to 2010 the HRF received US\$53 million from various donors and financed 145 projects implemented by as many as 60 partner organisations.

In June 2010 the HRF was transformed into a CHF to cope with increasing demand and to enable the humanitarian coordinator (HC) to allocate funds strategically. The CHF is a different type of financing mechanism which aims to fund projects that are inside the country's Consolidated Appeal Process (CAP). Allocations are made bi-annually in February and again in August for a longer period of up to 12 months. The CHF does have an emergency reserve "window" that can be used on an ad hoc basis as decided by the HC to allocate funds outside the standard allocations. NGOs voiced concerns about UNDP's administrative procedures, and as a result there was a change in the management of the fund with OCHA rather than UNDP established as the managing agent.

The requirement for projects to be within the CAP means that there is the risk that the CHF will exclude Somali NGOs that have been fundamental to the implementation of humanitarian projects in the increasingly insecure environment. Nevertheless actual disbursement data from the Somalia CHF shows that local NGOs are receiving at least 20% of allocations.

Implementing agencies

ERF funding is available to different types of organisations which range from civil society to the UN. The project limit is normally set low to enable the fund to respond to a range of emergency needs. This also allows smaller NGOs to access funding.

Of the total US\$66.7 million spent through ERFs in 2009, the majority, US\$33.6 million, was channelled to international non-governmental organisations (INGOs). A further US\$4.5 million (16.1%) was spent by local non-governmental organisations (LNGOs) and US\$19.9 million (29.8%) by UN agencies and the International Organisation for Migration (IOM). In 2010, although the total amount of ERF funding available increased to US\$91.8 million the sum channelled to INGOs decreased by 12.0%. Instead UN agencies and the IOM received the largest share, 52.6% (US\$48.3 million); the bulk of this money was spent in Haiti responding to the earthquake. The proportion channelled to LNGOs fell by 8.4%, however in reality this share is likely to be higher as the majority of the US\$3.7 million spent by the ERF in Iraq was most probably channelled to local organisations, as was the case in 2009. This has not been disaggregated and is therefore captured under 'other'.

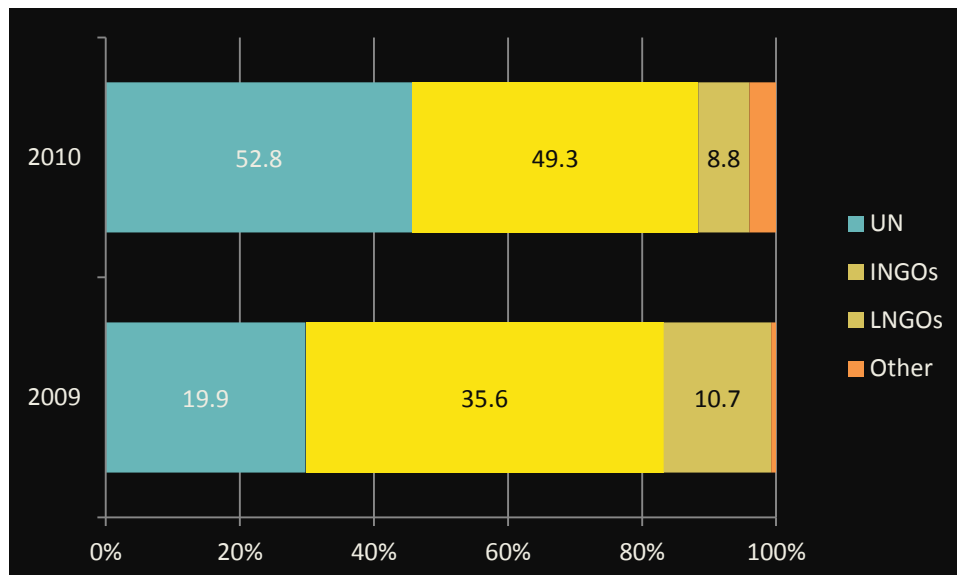


Figure 9: Share of funding channelled to different implementing agencies from ERFs, 2006-2010. Data expressed in US\$m. [Source: Development Initiatives based on UN OCHA FTS, UN OCHA Ethiopia, UN OCHA Somalia and UN OCHA Iraq]

United Nations (UN) agencies and the International Organisation for Migration (IOM)

Between 2006 and 2010 the UN Children's Fund (UNICEF) received the largest share of ERF funding to UN agencies, 24.1%. For the first three years it was the top recipient with projects in Somalia and Ethiopia. In 2009 it was overtaken by the World Food Programme (WFP) undertaking projects in the same two countries. In 2010 the IOM received the highest proportion of funding, 39.4%, predominantly from the Haiti fund for shelter, camp management and coordination for those made homeless by the earthquake. In fact 82.5% of the money channelled to UN agencies and IOM in that year was disbursed from the fund in Haiti.

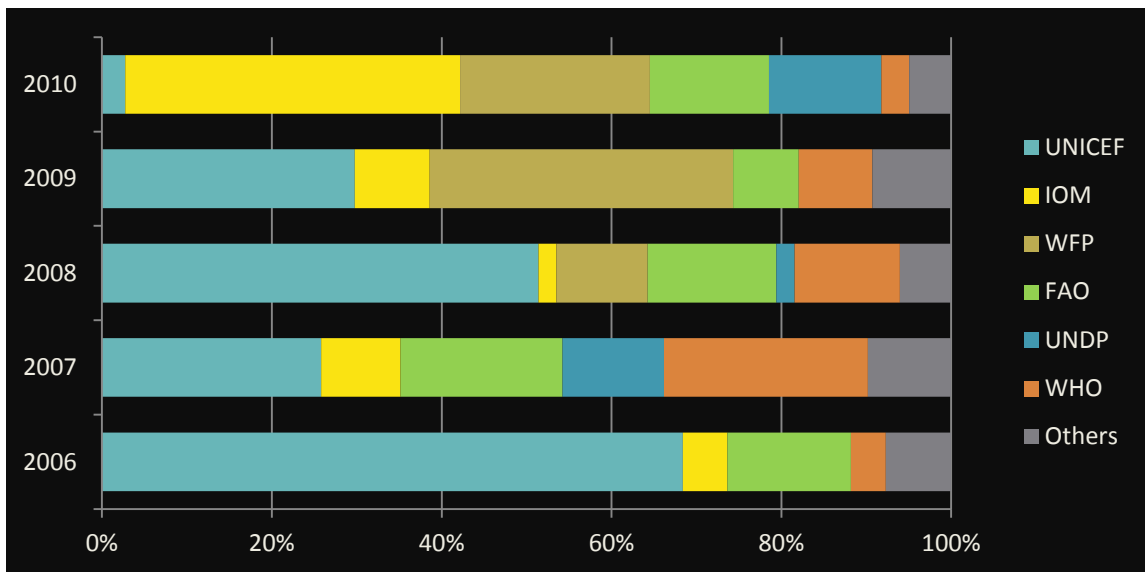


Figure 10: Top five recipients of ERF funding among UN agencies and IOM 2006-2010. [Source: Development Initiatives based on UN OCHA FTS, UN OCHA Ethiopia and UN OCHA Somalia]

Non-governmental organisations (NGOs)

Over the last five years non-governmental organisations (NGOs) both local and international have received over half of ERF funding every year except 2010, averaging 65.0%. Once again figures for 2010 could be higher if the money disbursed from the fund in Iraq were to be included. In 2007 NGOs accounted for 78.0% of the money channelled to implementing agencies through these funds. In 2008 this share decreased to 65.0% despite actual funding to the organisations increasing from US\$14 million to US\$44 million. This was due to the introduction of new funds but more noticeably a fourfold increase in allocations from the fund in Ethiopia. In 2010 the share of overall ERF funding received by NGOs was the lowest it had ever been, regardless of the fact that total disbursements to NGOs reached a new high at US\$58.4 million that year.

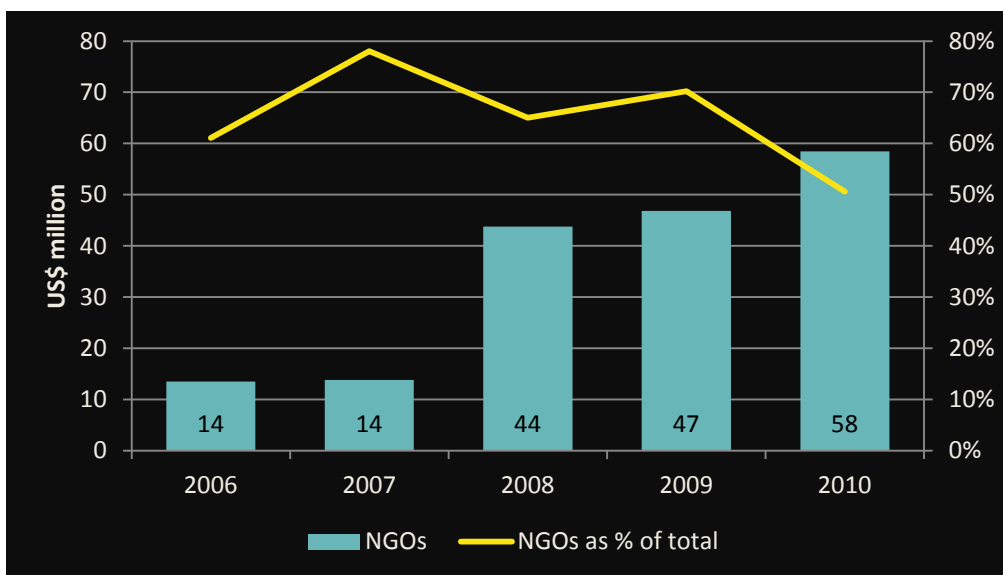


Figure 11: Funding to NGOs from ERFs, 2006-2010. [Source: Development Initiatives based on UN OCHA FTS, UN OCHA Ethiopia and UN OCHA Somalia]

Sectors

Two sectors, health and water/sanitation (WASH) received the highest proportion of funding from the ERFs between 2006 and 2010, 22.1% and 21.6% respectively. The WASH sector was the top recipient in 2006 and 2007; health overtook in 2008 and 2009. In 2010 the funding was spread more evenly across the top four receiving sectors with shelter and non-food items (NFI) accounting for 21.4%, coordination and support services 17.2%, and agriculture and WASH both 15.2%.

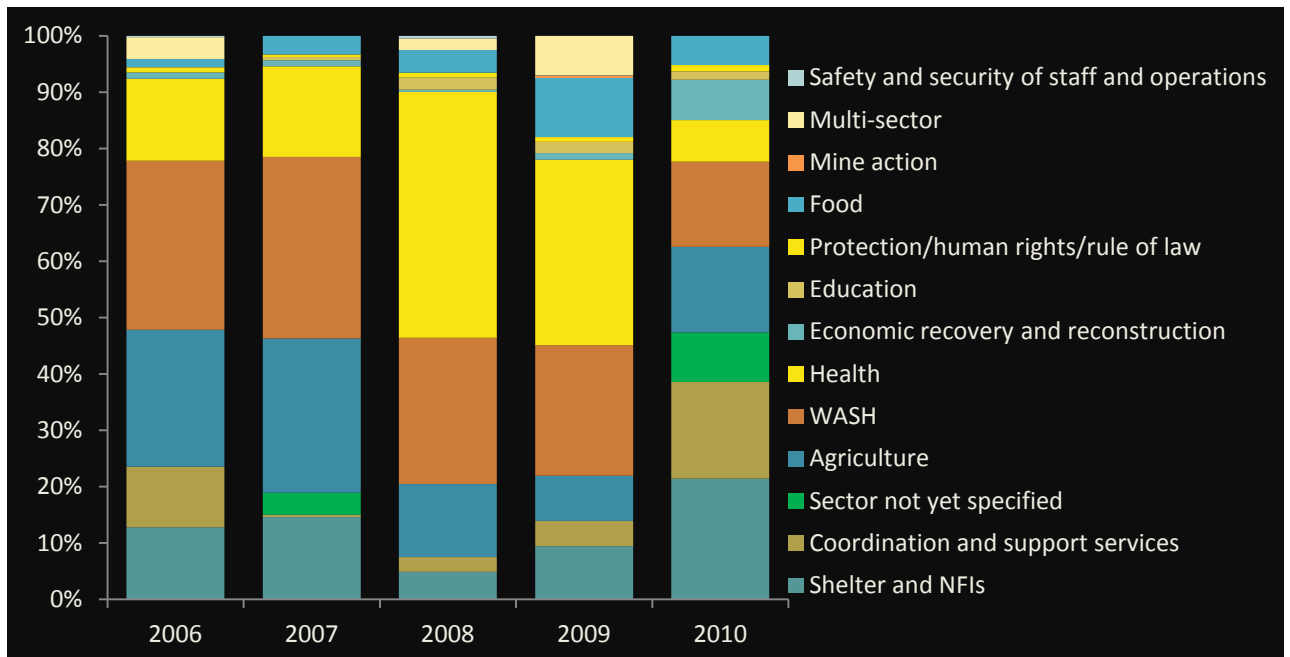


Figure 12: Sectors funded by ERFs, 2006-2010 [Source: UN OCHA FTS, OCHA Ethiopia and OCHA Somalia]

Pros and Cons

PROs	CONs
Allow quick response to emergency need identified in country.	UN-centric - coordinated and managed by the UN. Potential for conflicts of interest so require strong humanitarian coordinator to operate effectively.
Fund small-scale projects without administrative burden of bilateral funding.	Limited independent monitoring and evaluation so the ERF relies on UN agencies and NGO reporting which can be of variable quality.
Funding is available directly to NGOs.	OCHA has to abide by administrative rules that can sometimes make it difficult for small local NGOs to access funds.
Can be used to aid local capacity building by providing funding directly to smaller local NGOS.	Not all actors in-country are aware of their existence.
Unearmarked funding to OCHA enables them to provide more equitable funding.	At times some funds can be slow to disburse money.
Provide non-traditional donors including the private sector without field presence or in-depth country knowledge with a platform through which they can channel their funding.	Not all the data on the ERFs is available in one database.
Enable donors to implement the principles of Good Humanitarian Donorship (GHD): reduce donor earmarking, foster coordination, strategic funding allocations based on need.	
Can adapt to specific country circumstances.	
Can be used to fund preparedness activities.	
Can help organisations leverage funding from other sources.	

Source: Stoddard (2008), *International Humanitarian Financing: Review and comparative assessment of instruments and Development Initiatives (2010) Evaluation of Sida's Humanitarian Assistance.*

Further reading

Development Initiatives (2007) [Emergency Response Funds evaluation](#)

Stoddard (2008), [International Humanitarian Financing: Review and comparative assessment of instruments](#)

Annex 1: Fund management

Below is an illustration of the general process which is undertaken by the ERF to fund a project. This can change slightly between countries.



Funding limit

Funding limits on projects submitted to the ERFs vary between funds. In Kenya the limit is US\$150,000, however in Ethiopia it is as much as US\$700,000. Flexibility of the governance of the ERFs is important to allow them to adapt to the countries' humanitarian situations.



A DEVELOPMENT INITIATIVE 

Development Initiatives, Keward Court, Jocelyn Drive, Wells, Somerset, BA5 1DB, UK

T: +44 (0)1749 671343

W: globalhumanitarianassistance.org

Twitter: [GHA_org](https://twitter.com/GHA_org)