

Slide 1

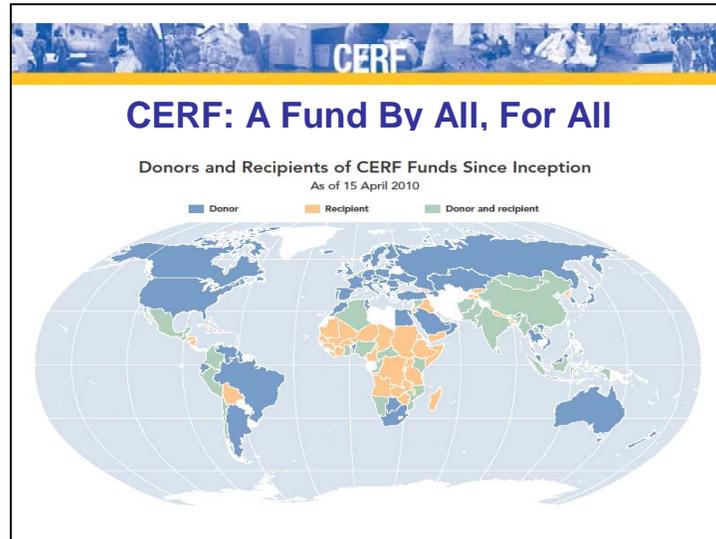


**Central Emergency Response Fund  
and Country Based Pooled funds**

**Member States Briefing**

*General Assembly Hall  
11 May 2010*

## Slide 2

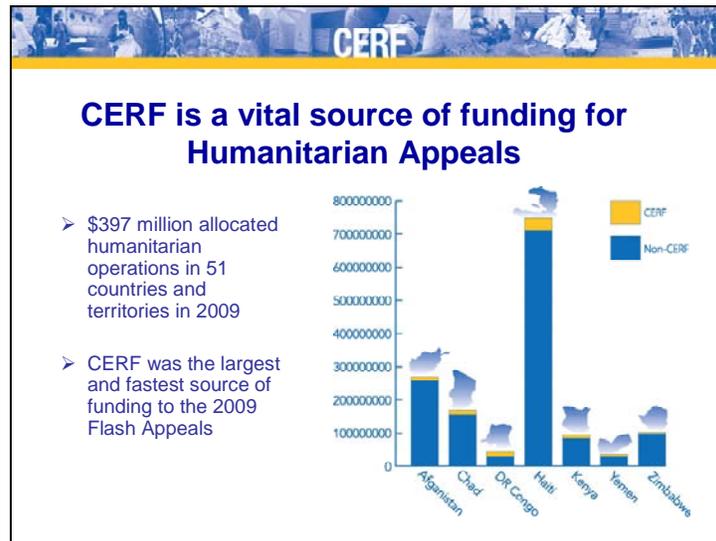


Thank you for attending this meeting, which is an update for member states on the latest on the Central Emergency Response Fund, as at the end of the first quarter of 2010. I would **also like to provide a brief overview of country based pooled funds**, which work in tandem with the CERF in many cases.

I would like to provide a **general overview of what the Fund has achieved since I last provided a briefing to Member States in New York in December**, funding levels; the impact of the fund on emergencies in the first quarter of 2010, and what we are doing to ensure the continuous and successful growth of the Fund.

I will also touch upon the management of the Fund, and finally, lay out some of the Risks and Challenges that face the Fund, and how we intend to manage them.

Let me begin by briefing you on the use of the Fund since last we met, particularly on the final totals from 2009 and our busiest ever first quarter of 2010. I will highlight some key issues and trends that have emerged, and give some examples of particularly significant allocations.



In 2009, for the first time, the funds allocated were almost equal to the funds raised for the year. The Fund received **\$399 million in pledges**, and allocated some **\$397 million**. While both numbers were lower than in 2008, the drop-off in pledges, as we have discussed, can be attributed almost entirely to unfavourable currency exchange rates. The total amount approved decreased by **\$31 million in 2009 from 2008**, reflecting a dramatic decrease in the amount of funding requested by UN agencies, no doubt the reflection of the exceptional needs in 2008 for the global food crisis.

A total of **51 countries benefited from CERF funding in 2009**. Agencies working in Somalia received some **\$60.5 million**, the most any one country has ever received in a single year, reflecting the continuing very difficult situation. Regionally, the **Horn of Africa received 34 percent of total funding**, followed by **Central Africa at 14 percent**, while **Southern Africa and South Asia each received 10 percent of all funding**. Also for the first time, the **Philippines appeared in the top ten of recipient countries** as agencies responded to humanitarian needs induced by unrest in Mindanao and tropical storms in the autumn.

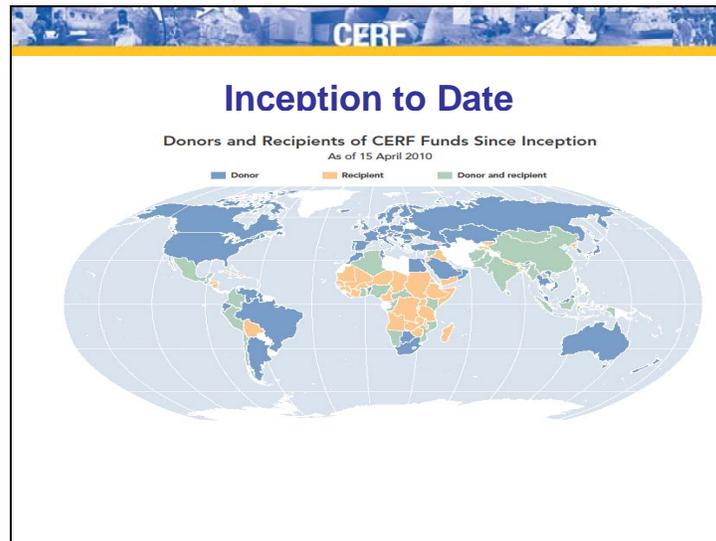
The CERF was the largest single source of funding for the 2009 Flash Appeals. It provided **\$26 million to six appeals covering 12 percent of their requirements, and 27 percent of the funding actually received**. UN Country Teams in Burkina Faso, Namibia, El Salvador and Lao benefited the most from CERF funding; in these countries the CERF grants comprised **more than half of the overall funding towards Flash Appeals**. The timing of CERF funding for Flash Appeals also boosted their effectiveness. CERF funds were provided to UN Country Teams in

Namibia, Philippines, El Salvador and Laos immediately following the onset of the emergency, and were therefore crucial for the implementation of early response activities, as they should be.

So far this year, CERF has contributed to **six of the thirteen** 2010 Consolidated Appeals Process (CAP) appeals. In the Democratic Republic of Congo (DRC), CERF's contribution to the CAP represents **35 percent of the total funding received in 2010**. CERF's contribution to the **2010 Yemen Appeal represents 15 percent of total funding received**.

Overall, there are signs that we may face a difficult year for humanitarian funding, post Haiti. Judicious use of CERF to fill the gaps will be therefore particularly important.

Slide 4



Some of you may be aware that this promises to be a difficult year. **So far, we have received \$272 million in actual contributions. Some \$142 million in pledges remain unpaid.**

The increase in pledges this year is a result of several factors:

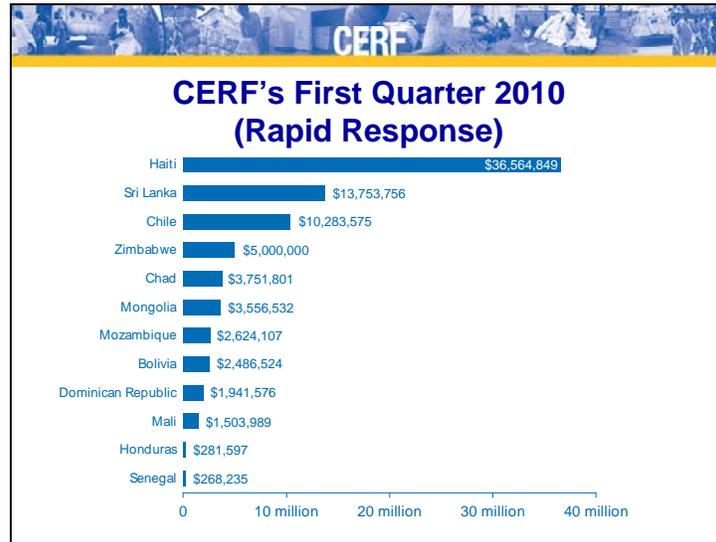
Firstly, we have received increased contributions from several donors, most notably Norway, but also Belgium, China, and Japan.

Secondly, we have some effectively new donors. The **United States** reaffirmed its commitment to the CERF by doubling its 2008 contribution to a **\$10 million contribution for 2010**. The **Russian Federation** has also joined the list of CERF supporters with a **\$2 million** contribution in 2010.

Thirdly, certainly in the early part of the year, though no longer I'm afraid, we benefited from the weaker US dollar when some large contributions were made early in 2010.

The Fund has also succeeded in broadening its support base further. With some **22 new contributors** joining in **2009 and 2010**, we have now received support from **118 Member and Observer States**, or **60% of the General Assembly**. 34 of those **Member States** have both contributed to and received support from CERF funding, **underscoring the "for all, by all" nature of CERF, a shared universal responsibility for funding**. For 2010, CERF has added six new Member States and one Observer as supporters of the Fund. In addition to Russia's **\$2 million**, **Ukraine (\$503,000)**, and **Singapore (\$30,000)** made **first-time contributions** to the Fund. The **Central African Republic (\$197,000)**, **Mauritania (\$3,800)** and **Madagascar (\$2,000)** also made their first contributions to CERF in 2010 and joined the growing list of countries that have **both given to and received funds from CERF**.

Contributions from the **private sector** have been growing since 2006. This year, compared to previous years we saw a huge spike upwards with contributions coming in for Haiti. So far in 2010, we've raised **\$2.8 million**, with several new private sector donors coming on board and dozens of contributions from private individuals.



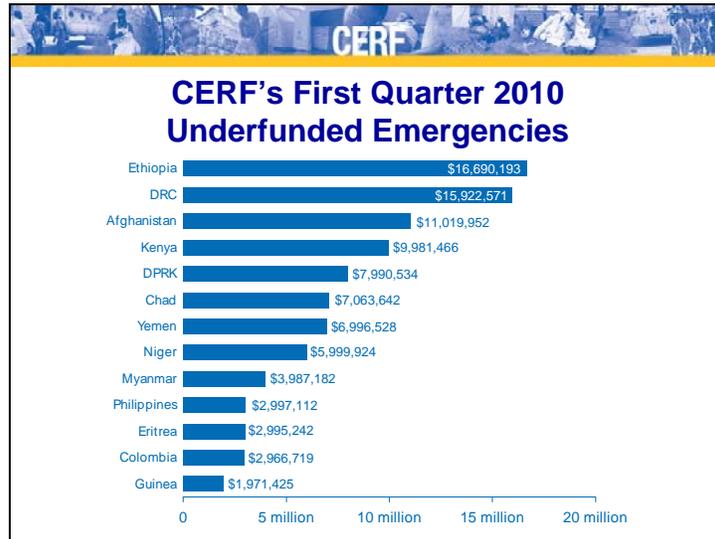
In terms of trends, this is the busiest **first quarter** we've ever had. (In April last year, we were discussing CERF's slowest-ever first quarter). We have allocated a total of **\$177 million – \$50 more than at this time last year, and roughly \$25 million** ahead of the pace for 2008. **In the first quarter of 2010, nearly 60% percent of rapid response grants went to earthquake response and another 10% went to weather related response.**

**Rapid Response** allocations so far total some **\$82 million**. UN Country Teams in Haiti has received **four separate allocations** (including one to projects in the Dominican Republic that fall under the Haiti appeal) for a total of nearly **\$40 million**. In addition, significant rapid response allocations have been made to UN Country teams in **Mongolia, Bolivia, Chile, Sri Lanka, Pakistan**.

The number of requests we received was rather similar to that of last year, but the amounts requested, have obviously increased. On average, it continues to take **three days from the receipt of a final grant application to review the application and make a funding decision**.

We think this is the right pace to enable us to review the applications carefully.

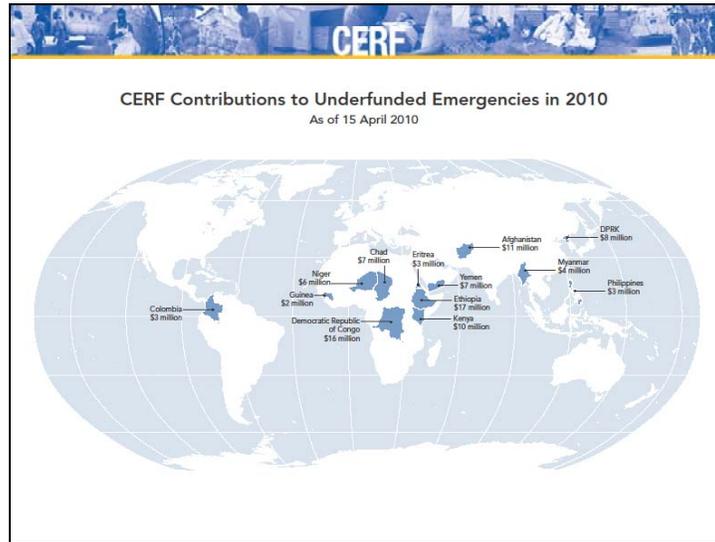
Slide 6



The first under-funded round for 2010 was heavily frontloaded at **\$97 million**.

As you know, the CERF under-funded window contributed to reducing funding discrepancies across major emergencies. CERF is of course not the only reason. I think that this is largely due to a range of factors, such as improved coordination among donors, has contributed to this better balance among emergencies. But it is clear that the CERF has contributed to evening out differences across appeals and sectors, in keeping with what the GA designed it to do. By targeting resources to key humanitarian emergencies which were under-funded, the CERF improved the relative allocation of resources worldwide.

Slide 7



Countries benefiting from the UFE allocations, which we decided in January and completed in March, were:

**Ethiopia - \$17 million**

**Democratic Republic of Congo- \$16 million**

**Afghanistan - \$11 million**

**Kenya - \$10 million**

**Democratic People's Republic of Korea (DPRK) - \$8 million**

**Yemen and Chad - \$7 million**

**Niger - \$6 million**

**Colombia, Eritrea, and the Philippines - \$3 million and finally,**

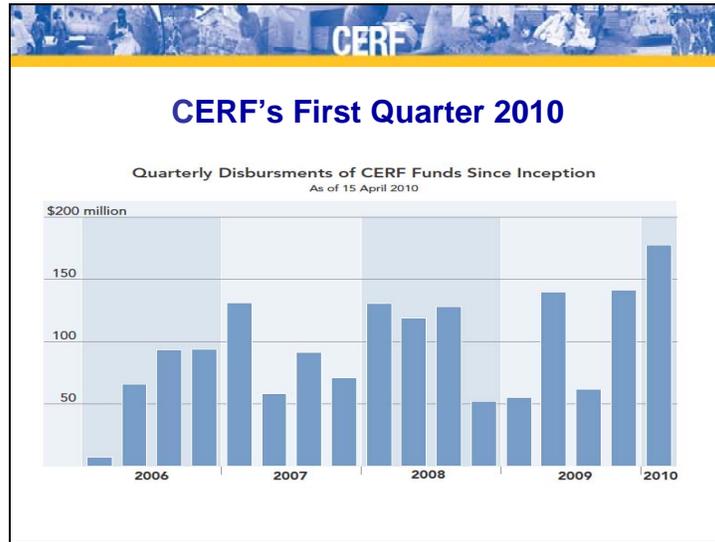
**Guinea - \$2 million**

This year, the most obvious common factor amongst these countries is that they are suffering from protracted crises, often including an important element of conflict. More important than the breakdown is that this year's first

It is worth noting that this year's UFE allocation was made fully in compliance with the recommendations of the underfunded review, showing how we have been turning lessons learnt into improved practices.

For the second allocation in August, we expect roughly 40 million will be available for 8 to 10 countries.

Slide 8



As I said, this has been our busiest ever first quarter. The Fund consistently has enough in reserve. Even with a **busy fourth quarter of 2009**, we had a healthy **reserve of some \$80 million to start 2010**. And, because a nucleus of donors make early contributions, there is still money in the bank after all these allocations in 2010's busy first quarter. It is positive that despite all this, we have managed to maintain a good balance.

The CERF Secretariat with its full staffing has been able to cope not only with the surge in rapid response requests, but also with the underfunded allocations, and still deploy people to help field colleagues. For example, we sent staff to both Haiti and Chile to support the rapid response allocations. In the case of Haiti, we could essentially process the first tranche by remote control from headquarters---lifting a burden from field staff at a crucial time for the response.

Slide 9



	Management	Criteria/ Scope	Access	Size/Scale (By end of 2009)
Common Humanitarian Funds (CHF)	Country based fund managed by the HC	Strategic core funding for the CAP Inclusive cluster based allocation process Emergency reserve for unforeseen needs	UN & NGOs	3 CHFs \$249 mill in 2009
Emergency Response Funds (ERFs)	Country based fund managed by the HC	Small, rapid and flexible response to unforeseen needs outside of the CAP Some gap filling within CAP/Appeal	UN & NGOs <i>(mainly NGOs)</i>	15 active ERFs \$89 mill in 2009
CERF	Global Fund ERC at Global level HC at Country Level	Life saving criteria Rapid response mainly outside CAP/Appeal Underfunded window	UN	\$1.6 Billion allocated to 76 Country Teams since 2006,  Nearly \$2 billion raised from 116 General Assembly Members

In addition to the CERF, OCHA also manages humanitarian pooled funds at the country level. Country-based pooled funds, either the Common Humanitarian Fund (CHF) or Emergency Response Fund (ERFs) are common, un-earmarked humanitarian financing mechanisms at the disposal of the HC and the humanitarian community in a given country.

Successive reviews have found these pooled humanitarian funds to be a valuable tool in strengthening the HC and humanitarian coordination, and in providing timely and critical funding to emergency response.

Country-based pooled funds have also served to provide a platform for accessing humanitarian funds for non-UN agencies and organisations, which in turn has increased and strengthened partnerships, between UN and non-UN actors.

**CHFs – strategic core funding for the CAP** – are currently fully in place in 3 countries (Sudan, DRC and CAR) with a total contribution of \$249 million in 2009. The HC for Somalia has also recently launched a CHF with a minimum target of \$20 million.

NGOs received an increasing direct share of CHF funding year by year since the funds were established in 2006.

**ERFs– small, rapid and flexible response to unforeseen needs** – at the end of 2009 were in 15 countries with a total contribution of \$89 million (2009). ERFs are predominantly an NGO

funding mechanism, with the vast majority of funding going directly to international and national NGOs.

**In 2009 country-based pooled funds received \$338 million altogether.**

We try to make sure they are complementary with the CERF and the UN/NGO divide, with all its twists and turns.

Slide 10

Total funding 2006-2009		CERF	
CHFs		Ethiopia	141,710,736
Sudan	610,865,843	Iraq	24,656,793
DRC	454,298,522	OPT	16,273,798
CAR	22,229,217	Somalia	54,777,191
<b>Total</b>	<b>1,087,393,582</b>	Haiti	5,569,086
		Zimbabwe	8,210,542
		Indonesia	9,350,036
		Sudan	1,600,000
		DRC	18,227,871
		Myanmar	4,937,534
		Afghanistan	3,450,250
		Kenya	2,592,709
		Colombia	2,571,867
		Uganda	313,972
		Nepal	124,575
		<b>Total</b>	<b>294,366,960</b>

Since the first CHFs were established in 2006 they have collectively received more than **\$ 1 billion dollars** in un-earmarked contributions from donors, with Sudan and DRC each receiving between \$100-150 million annually.

Until last year CHF income has increased every year since they were first established in 2006. However in 2009 the overall contributions to CHFs for the first time decreased as compared to the previous year, no doubt, partially due to the general economic climate in 2009. I encourage member states to maintain their support for these mechanisms.

**ERFs** have proved to be an essential funding tool for rapid and timely emergency response and for strengthening humanitarian coordination. At the end of 2009 there were 15 ERFs of which no less than five were opened in 2009 (Afghanistan, Colombia, Kenya, Nepal and Uganda).

In 2010, 2 more ERFs were established in Yemen and Pakistan – bringing the total to 17. Discussions are taking place to set up one in Niger.

**To date country-based pooled funds have received close to \$1.4 billion.**



## Haiti Earthquake Days 1 through 4

- Decision to make first \$10 million available made within hours.
- First two allocations processed at HQ level, lessening burden on field colleagues.
- Start-up and coordination prioritized to maximize kick-start effect.



The Haiti earthquake was one of the **most serious natural disasters since the Indian Ocean tsunami**, which as we have often recalled was one of the inspirations or drivers behind the creation of the CERF. The Haiti response tested both CERF and the country based pooled fund there, the ERRF, and tested OCHA in how well we could make them work in a coordinated way.

On the night of 12 January, after discussions with the Head of the OCHA Country Office and the Humanitarian Coordinator, I made a decision to release **\$10 million** from CERF for UN humanitarian aid efforts in Haiti. The following morning, less than 24 hours after the devastation, the Secretary-General Ban Ki-moon was able to announce the first allocation.

Four humanitarian agencies the International Organization for Migration, (IOM), United Nations Children's Fund (UNICEF), World Food Programme (WFP) and the World Health Organization (WHO) were therefore able to jumpstart their programmes to provide **shelter, clean water, health services and food**.

As the scope of the disaster became evident, I released a further \$15 million three days later. The RC and I agreed that some of these funds would go to support dedicated cluster coordination as part of the response. Remember that under the CERF's new life-saving criteria, the CERF can fund cluster coordinator positions for three months within larger agency projects which have been prioritized by the RC/HC and HCT.

This second allocation made the CERF the single largest source of revenue to the Flash Appeal at the time of the launch. In fact the CERF is still the 7<sup>th</sup> largest source of funds against the Flash Appeal.

These allocations, and the subsequent allocations to Haiti also bolstered the coordination and the overall effectiveness of the response. **In both cases, the CERF Secretariat worked closely with UN agency headquarters to process the application without overburdening colleagues at the field level.**

**That made the CERF, at that point, the largest single source of funding to the Haiti appeal for the first five days.**



The slide features a blue header with the CERF logo. The main title is 'Haiti Continued'. Below the title are two bullet points: '➤ \$2 million allocated to agencies in the Dominican Republic' and '➤ Last allocation of \$10 million coordinated closely with ERRF and Appeal Revision'. To the right of the text is a photograph of a young child in a striped shirt holding a water bottle.

During this period, the ERC released \$2 million for the UN Country Team in Dominican Republic, primarily to assist Haitians seeking medical and other assistance in the border regions, and to facilitate the flow of relief goods. Those programmes are now covered under the revised Haiti Appeal. Finally, the last allocation of \$10 million was made immediately after my mission and coincided with the revision of the Flash Appeal. By this stage, the process was fully handled in the field, with the assistance of a CERF staff member who had been deployed to help with the allocation.

### **CERF and ERRF**

We also took pains to carefully coordinate this last allocation with the separate level pooled fund, the Haiti Emergency Relief Response Fund (ERRF), which OCHA was supporting the RC/HC to manage. (The ERRF in Haiti was a \$5million Fund established for the seasonal hurricanes in 2008. OCHA used this mechanism to direct funding from member states, private entities and individuals who wanted to give funds for Haiti in particular).

As you may be aware the ERRF had attracted over \$80 million in funds. CERF's strong support for the UN agencies and IOM allowed the ERRF to increasingly focus its efforts on the provision of support to local and international NGOs. ERRF in Haiti prompted early action and was utilized as a "one-stop" mechanism for small and non-traditional donors to demonstrate solidarity and funding response.

OCHA deployed staff from HQ to manage the ERRF, and to support the HC in fund allocations. OCHA worked closely with the cluster leads, to ensure that the disbursement were evidence

based and done in a coordinated manner, ensuring that both funding mechanisms were utilized in the most efficient way possible.

Of the \$84 million received, **\$61 million** has been disbursed to date, and I am confident that the projects are underway. (**Useful information:** Protection (2.5% \$1.5 million), WASH (4.6%, \$2.8 million), Health (6.4%, \$3.9 million), Agriculture (10%, \$6.1 million), Logistics (16.5%, \$10.1 million), CCCM (16.7%, \$10.2 million), Early Recovery (17%, \$10.3 million), Emergency shelter/NFI (25.4%, \$15.6 million). Out of **39 projects**, **11** were for UN agencies, **26** for International NGOs and **2** for National NGOs).



### CERF in Action: Somalia

- Top recipient of CERF funding in 2009
- Pooled funds were the Second-Largest source of funding for the UNCT in 2009
- CERF funds filled a range of gaps



During 2009, protracted conflict, economic collapse and drought conditions continued to drive the humanitarian crisis, resulting in increased population displacement, greater rural vulnerability and widespread acute malnutrition. Though the **Somalia 2009 CAP was over 64 percent funded**, some of the key clusters remained **critically under-funded** throughout the year, included **water and sanitation, shelter and non-food items and health, emergency agriculture and livelihoods**.

In another setting where CERF works closely with a country-based pooled fund, the Humanitarian Response Fund (HRF) and CERF together represented the second-largest funding channel for humanitarian organizations with \$69.7 million, with the US Government being the largest at \$99.60 million.

A total of **\$60.7 million from CERF was allocated to Somalia in 2009**, the most any one UNCT has received in a single year. (Of this amount, some **\$33.2 million** was allocated at the end of December 2009, to help WFP avert potentially disastrous pipeline break.) CERF funds supported initial response activities when a new crisis broke, and served as a last resort for under-funded programmes that have not received sufficient support from donors. Priorities for both funds were agreed by the clusters and the Somalia IASC, and thus supported priorities of the humanitarian community. The CERF grants enabled the provision of emergency livelihood and lifesaving assistance through both underfunded (\$10 million) and rapid response facilities (\$50.3 million). By cluster, allocations to a total of 23 projects mirrored those through the HRF (with the exception of

food) and included Food (49.6%), WASH (10%), Livelihoods (13.5%), Logistics (1.7%), Health (11.6%), Shelter (6.3%), Nutrition (2.6%), Protection (0,5%) and Enabling Programmes (4.1%).



### CERF in Action Niger

- Food security crisis which could become a disaster
- CERF will provide up to \$14 million for emergency programmes

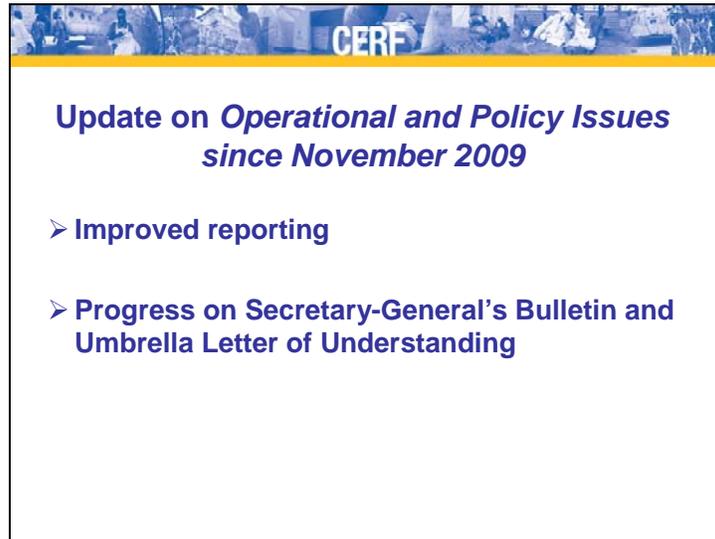


I have just returned from Niger, where I saw first hand, the situation facing some **7.8 million people** who are severely or moderately food insecure. The country is now in the grip of a protracted food crisis, caused by poor or failed harvests, primarily due to erratic rainfall in 2009. In December 2009, a government-led National Rapid Household Survey indicated that **7.8 million people (58.2% of the population)** are at risk of food insecurity, of which **2.7 million (20% of the population)** have been classified as 'severely vulnerable' and 5.1 million as 'moderately vulnerable'. That means the needs are indeed very great.

**That is why we launched the Niger Emergency Humanitarian Action Plan. It is currently 40% funded (\$82 million out of \$200 million). Some 4.7 million people, who are food insecure or suffering from varying forms of malnutrition, should benefit from this Action Plan.**

We are supporting a comprehensive approach to the food crisis, and are likely to allocate very soon, **up to \$14 million to help the UNCT to meet urgent needs.** Therefore we are not only funding WFP to deliver food to close to 300,000 people, but also funding WHO and UNICEF to conduct emergency nutrition work for children (20,000 vs more than 300,000 respectively). In addition, we will support FAO's efforts to re-establish livelihoods for both pastoralists and make sure that deaths of animals can be kept at a minimum, as well as farming communities (provision of seeds and fertilizer to more than 300,000 households).

**It is worth noting that, in 2005 when the GA was considering whether and how to create a new CERF, Niger was used as an example of the type of crisis the new stand-by fund would help to address.**



The template for the annual report from one of the CERF in each country was modified, shortened and simplified. I am proud to say that these efforts have proved fruitful. At this point we already have **85 percent of the reports in**, a substantial improvement over last year. **There are currently 15 country reports up on the website, including some very analytical assessments of how CERF has added value to the humanitarian response. I would invite you to read the reports from Nepal and Myanmar in particular – they show clearly the impact the Fund can have on beneficiaries. They are posted on <http://ochaonline.un.org>**

The CERF Secretariat has strengthened its ability to review and analyze country reports so that we can assess better the impact of CERF. We will be adding more in-depth evaluation of sample countries and programmes to give us extra insights on how and where CERF is adding value. This will help us to make both our CERF Annual report and report of the Secretary-General to the General Assembly more analytical.

I am pleased to inform you that the revised Secretary-General's Bulletin, (since it was first done in 2005-2006), on how the fund should operate has been signed by the Secretary-General and is now in the process of being published and translated, very shortly into all UN official languages. This revised SGB includes the increase of the implementation period for Rapid Response projects from three to six months and refined language aimed at tightening accountability.

For those of you following this issue, we are continuing to work closely with the Office of the Controller on the Umbrella Letter of Understanding, and hope to have this finally in operation very soon.



### CERF's Public Profile 2010

- More press coverage in January 2010 than in all of 2009
- CERF Public Service announcement aired broadly
- Increased Private Sector Contributions

• *"Help us help in time"*



I would like to mention the public profile the Fund has enjoyed this year:

Our aim is impact, not publicity but the fund's value needs to be known. Whereas the target for CERF's media coverage is roughly three to four wire stories mentioning the Fund per month, there have been more than 150 media stories, particularly linked to Haiti, mentioning CERF since 13 January, the day the Secretary-General announced an initial US\$10 million in CERF funding to help agencies respond to the catastrophic earthquake in Haiti.

A quick analysis showed that this resulted from many other things:

The Secretary-General's announcement of the initial \$10 million for Haiti was picked up in dozens of wire reports concerning the UN response.

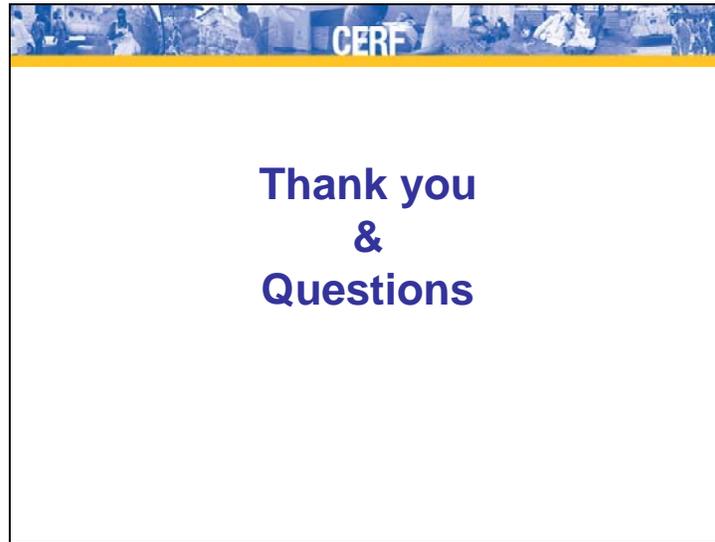
Ted Turner's appearance on CNN's "Larry King Live" where he mentioned the CERF.

The UN Foundation's work to place "rapiddisasterrelief.org" in lists of ways to give to Haiti and Chile

OCHA press release announcing the Haiti Flash Appeal

A few top donors explained in the press that their contributions to Haiti "had been pre-positioned" and were therefore the first part of the aid they would give. Some announced publicly that they would convert their full pledges to CERF to cash immediately. One new contributor, Latvia, took the opportunity to announce its intention to give to the Fund.

The **Public Service Announcement for CERF**: A cornerstone of the resource mobilization strategy, was aired. That certainly played a key role in raising the public profile of the Fund. Those funds went to help pay for the allocations to Haiti.



To conclude, the heavy demand on CERF so far this year means that there is just over **\$200 million left** in our coffers with 8 months to go. As I have said, I think we will manage. But I encourage Member States to make regular contributions to CERF, and to make CERF a regular part of their multi-year humanitarian budgeting. This will ensure the predictability and sustainability of the Fund.

Humanitarian needs are a universal concern. The CERF counts **118 Member States** and **Observers** as contributors. CERF is a clear manifestation of this universality.

Our overall goal remains US\$450 million in funding. The financial crisis and exchange rate fluctuations may make this a difficult objective to reach. If you can increase your contribution to CERF, I encourage you to do so. If you have not yet contributed in 2010, please do so.