

Study on the Added Value of a Reformed Central Emergency Response Fund (CERF)

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Executive Summary

1. The Central Emergency Reserve Fund set up under UNGA Resolution 48/182 in 1992 was expanded to become the Central Emergency Response Fund in December 2005, with a grant element target of \$450m. It has been well funded, surpassing this funding target in four of the nine subsequent years.
2. The gap between funding and needs as expressed in Humanitarian Appeals has been widening in recent years. The rise in Appeal amounts has not been matched by commensurate growth in humanitarian donor contributions, although these are at record levels. CERF has remained at its 2005 targeted level of funding.
3. Nonetheless, ten years on from its expansion, CERF remains a significant donor. This is measured both by volume and in terms of its perceived comparative advantage in responding in a timely and strategic way to both rapidly deteriorating/rapid onset and underfunded crises.
4. Recipients, donors and other stakeholders such as NGOs would generally welcome an expansion of CERF as a way to fill the funding gap. However three caveats are that the funds should be i) additional rather than re-allocated, ii) not tied to any changes that could undermine the good standing of CERF, particularly the success of the life-saving criteria in keeping the fund focused and iii) at a level achievable as a new target.
5. The appetite for radical change in functioning therefore seems limited. Increased funding could make incremental change by providing larger grants to existing crises and projects, or by providing more grants to underfunded crises, where small amounts of funding can sometimes have a disproportionate positive impact.
6. Key areas where stakeholders formed a consensus on minor adjustments to CERF if the fund size was expanded, were: i) greater openness to early action to improve response; and ii) greater flexibility over allocation of funds between the UFE and RR windows.
7. More far-reaching changes discussed included an expanded CERF role in L3s/mega crises and the potential for additional windows or a focus on preparedness. Findings were inconclusive on the merits of a new or revised fund for L3s or mega-crises, both in terms of the specific way it might work and CERF's role. Additional windows or funding preparedness were not considered appropriate.
8. A major barrier to expansion is uncertainty over where the additional funds would come from. A parallel study on assessed contributions has looked at whether this could realistically be a source, but this study finds that a pragmatic increased target would be in the range of \$500-750m.

Table of contents

Executive Summary	2
Acronyms.....	4
Section 1: Introduction.....	5
Section 2: CERF’s current role in context.....	7
Section 3: What an expanded CERF could do with more funding	11
Section 4: Constraints to CERF expansion and mitigating risks.....	20
Section 5: How to fund an expanded CERF	22
Section 6: Conclusions and main findings.....	26
Annex A: Study Terms of Reference.....	28
Annex B: Interviewees.....	31

Acronyms

CAP	Consolidated Appeals Process
CERF	Central Emergency Response Fund
CHF	Common Humanitarian Fund
DFID	UK Department for International Development
ECHO	European Commission Humanitarian Aid Office
ERC	Emergency Relief Coordinator
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
GFATM	Global Fund for AIDS, Tuberculosis and Malaria
OCHA	Office for the Coordination of Humanitarian Affairs
PAF	Performance and Accountability Framework
RC	Resident Coordinator
RR	Rapid Response window
SRP	Strategic Response Plan
UFE	Underfunded Emergencies window
UNCT	UN Country Team
UNFPA	UN Population Fund
UNICEF	UN Children's Fund
UNOIOS	UN Office of Internal Oversight Services
WFP	World Food Programme

Section 1: Introduction

1. This study was commissioned by the CERF secretariat in OCHA New York (Terms of Reference at Annex A). It aims to inform ongoing discussions regarding the future of CERF and map out the pros and cons of different options being proposed. The study aims to consider the technical arguments for an expanded CERF, exploring what this might offer the humanitarian system, and what the associated opportunities and risks might be. Its starting point is not whether such an expansion would succeed in mobilising resources, but aims to help build a business case for a fund which could then be presented to donors.

2. It situates this analysis within wider strategic discussions regarding the future of humanitarian financing specifically and humanitarian action more broadly. As consultations continue for the Sustainable Development Goals (SDGs) and post-2015 development agenda, and the World Humanitarian Summit in 2016, a number of relevant policy processes are underway within the ecosystem of aid financing inhabited by CERF, making this an opportune moment to review CERF. For example the 'Future of Humanitarian Financing Initiative' led by a Steering group comprising CAFOD, FAO and World Vision on behalf of the Inter Agency Standing Committee (IASC) task-team on humanitarian financing has undertaken regional consultations and is developing proposals.

3. While the outcomes of these consultations and processes are still emerging, they highlight that this is a period of reflection and potential change for the humanitarian community. In considering its future CERF needs to understand the emerging direction of travel and be responsive to the changing context.

4. It is important to clarify that this study is not an evaluation of CERF in itself, and does not make its own judgements on CERF's effectiveness – but draws on other bodies of work to identify recognised strengths and weaknesses of the CERF and consider how these inform the case for expansion or reform.

Structure/logic of report

5. Section 2 examines the prevailing humanitarian financing status quo and trends, and where CERF fits within that in its current form. Section 3 examines the ways in which an expanded CERF could spend additional funds and so the case for expansion. Section 4 explores risks and constraints, while Section 5 looks at questions of resource mobilisation.

Methodology

6. The research was undertaken between November 2014 and January 2015 through phone and in-person interviews with key stakeholders (see Annex B), including a visit to New York from November 24-26 2014, and a review of key documents.

7. The rationale for interview selection was to gauge the views of representative groups including the CERF Advisory Group, CERF donors, recipient agencies (including on emergencies, policy and resource mobilisation), CERF secretariat, NGOs, humanitarian financing experts and Humanitarian Coordinators. It was not a

comprehensive or formal consultation, but designed to elicit a meaningful mapping of the range of prevalent views and key issues.

8. A parallel study has been undertaken to assess the feasibility of funding some or all of CERF from assessed contributions, from a technical and political standpoint. The authors of the two studies coordinated closely to ensure findings were shared and discussed and relevant points incorporated, given the areas of overlap between the studies.

9. In particular, while resource mobilization was explicitly not the main focus of the present study, it is clearly a highly significant one which stakeholders were often eager to discuss. It has a number of dimensions beyond assessed contributions which this study will touch on but not explore in depth.

10. Other financing mechanisms relevant to CERF that are under discussion are still in an embryonic state, so this report is necessarily speculative about their potential shape based on available information.

11. Glyn Taylor of Humanitarian Outcomes acted as a technical advisor on the study, providing a valuable sounding board and critical eye on drafts of this report. This report also incorporates useful comments from CERF secretariat.

12. The views expressed in this report are those of the author and not an official position of the United Nations or any of the organisations or individuals interviewed. Unless otherwise specified, all data presented in this report is from OCHA's Financial Tracking Service (FTS) or CERF Secretariat.

Section 2: CERF's current role in context

CERF origins

13. The original Central Emergency Revolving Fund created under UN General Assembly Resolution 46/182 was expanded to include a \$450m grant element and changed to the Central Emergency Response Fund by UNGA Resolution 60/124 of 15 December 2005. This was responding to a perception of increasing needs as well as to complement other aspects of humanitarian reform such as the introduction of the cluster system for sectoral coordination.

14. CERF's two windows – rapid response (RR), and underfunded emergencies (UFE) – aim respectively to respond rapidly and to increase the equity with which crises are funded, providing the funds according to the 'life-saving criteria' (see Box).

BOX: Life saving criteria

The CERF was expanded to achieve the following objectives:

- Promote early action and response to reduce loss of life;
- Enhance response to time-critical requirements;
- Strengthen core elements of humanitarian response in underfunded crises

Life-saving and/or core emergency humanitarian programmes are those *actions* that within a short time span remedy, mitigate or avert direct loss of life, physical and psychological harm or threats to a population or major portion thereof and/or protect their dignity. Also permissible are common humanitarian services that are necessary to enable life-saving activities and multi- agency assessments in the instance of sudden onset disasters.

Time-critical response refers to necessary, rapid and time-limited actions and resources required to minimize additional loss of lives and damage to social and economic assets. It relates to the opportunities for rapid injection of resources to save lives either in complex emergencies or after natural disasters.

Excerpt from CERF Life-saving criteria guidance, Jan 26 2010

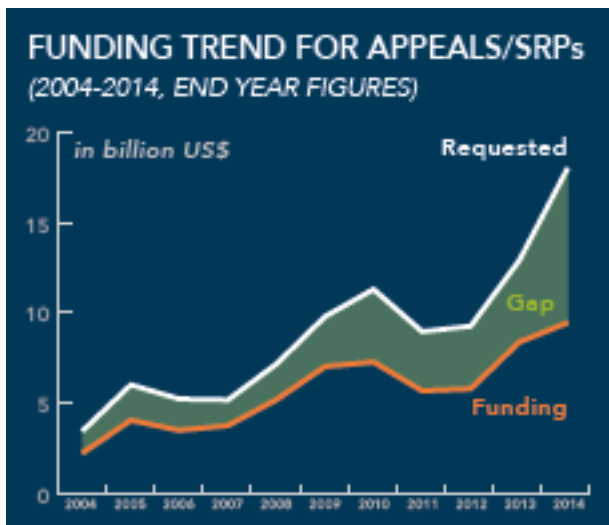
Current levels of need and financing

15. As in 2005, there are now continued and increasing voices that the system of humanitarian financing is broken. Whilst clearly not a new critique, recent crises and the opportunity of the 2016 World Humanitarian Summit to bring about change have re-energised debate over how the system could be made more fit for purpose.

16. In terms of need, ongoing conflicts in Syria, South Sudan, and CAR, for example, mean that the number of people in crisis has increased in recent years. At the same time, the impacts of climate change are already being seen and there are increasing numbers of natural disasters due to extreme weather events linked to climate change. Numerous reports have highlighted the potential for major increases in humanitarian need in the future as a result of climate change and associated weather events.

17. In the face of a recent trend of increasing appeal levels, to date funding is not keeping up. Unmet needs as measured by the proxy of Humanitarian Appeals have

increased in absolute and percentage terms: the Global Humanitarian Appeal 2015 was released on December 8 2014 for a record \$16.4bn, noting record levels of funding against 2014 appeals but also the largest funding gap ever at that point (42% of revised \$18bn requirements for 2014 were unfunded as of March 17 2015).



18. These gaps exist both for low profile, less politically significant or neglected/forgotten crises, as well as for so-called ‘mega-crises’ or those declared L3 emergencies such as Syria which attract high levels of funding but have such massive demands that there are nonetheless still major shortfalls in funding.

19. Many donors and agencies continue to be sceptical about the sums requested in international appeals, with concerns that the numbers are exaggerated or insufficiently rigorous, but it is clear that the scale is significant and rising.¹

20. Wider discussions around humanitarian financing are developing some emerging themes which may have significant impact on CERF. On the one hand, there are discussions about reducing pressure on humanitarian budgets by transferring to development budgets some elements of what is currently financed from humanitarian budgets – in particular for long term chronic crises where development activities in fragile states are often funded through humanitarian instruments. New vehicles which could bridge the gap between humanitarian funding and the traditional instruments of development cooperation through partnerships with government could take the pressure off humanitarian budgets.

21. Another strand of emerging potential is in risk financing – using financial instruments like insurance products to finance ‘predictable’ humanitarian expenditure – for example for recurrent natural disasters such as typhoons, or for global food aid requirements – whether through governments or other facilities such as those operated by the World Bank. These could potentially cover a portion of the annual humanitarian spend.

¹ E.g. ‘Now or Never: Making Humanitarian Aid More Effective’: DARA summary of Humanitarian Hard Talk dialogues, with Heads of OCHA, ICRC and ECHO (2013)

CERF's place in the current funding ecosystem

22. In this context, CERF plays an important but changing role. Since its creation in 2005, it has allocated over \$3.6bn in funding to UN agencies and IOM. It has received contributions of over \$3.75bn from 125 UN Member States and 36 other donors including individuals, foundations and the private sector. It has evolved into a mature funding instrument with its own institutional culture and a strong reputation among the humanitarian community.

23. CERF aims to provide rapid, strategic, timely assistance which also supports humanitarian coordination. While still a small proportion of overall humanitarian funding, it plays an important strategic role by allowing humanitarian actors on the ground to jointly prioritize activities for CERF funding and provide a comprehensive array of life-saving services. It does not act as a major channel for food aid, for example – but it is of sufficient size to be both a major funding instrument capable of responding at a global level through volume, as well as by targeting relatively small funds at the right time or towards the right underfunded crises to improve equity.

24. Overall CERF allocations compensate for underfunded sector requirements (see table), though this varies by year. Consolidated requests from Humanitarian Country Teams tend to prioritize the less well funded sectors.

Table: 2014 funding by sector

Sector	% of CERF contributions	All contributions	Requirements
Food	13%	17%	24%
Health	22%	18%	11%
WASH	12%	2%	5%
Agriculture	6%	4.4%	3%
Shelter NFI	5%	1%	7%

25. For UN agencies, CERF provides additional funds with low transaction costs in terms of the overhead costs and relatively light proposal/reporting requirements. Many agencies also find a degree of predictability in terms of receiving a certain average level of CERF funding each year which they can factor into resource mobilisation strategies.

26. For donors, CERF provides a way for them to respond with low transaction costs in places where they have no direct presence; a way to respond to neglected and small crises without having to assess/programme in-house or have an in-country presence; a way to support the multilateral system; a way to support coordination and humanitarian reform; and a way to spend money at the end of the financial year. Different donors vary in which of these are of most benefit.

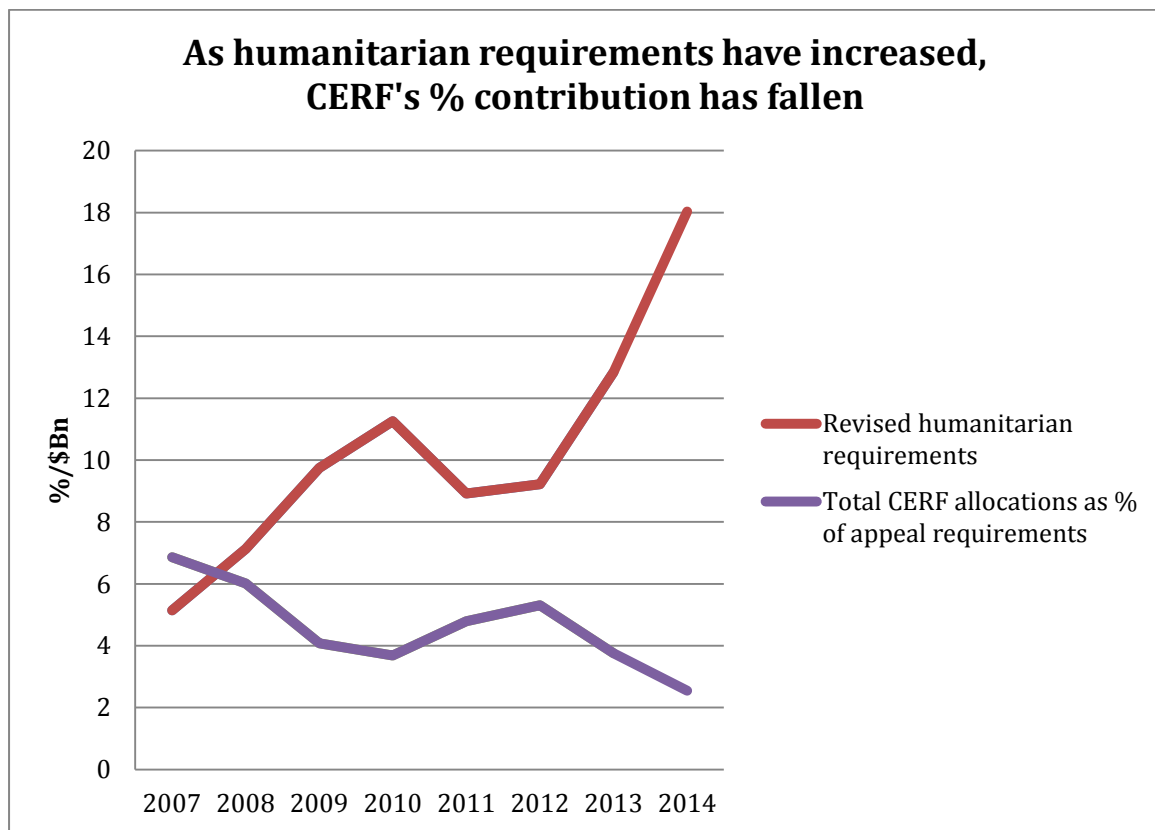
CERF's share has declined but it remains an important funding source

27. CERF disbursements have declined from around 7% of humanitarian requirements in 2007 to 4% in 2014 due to growing levels of need as reflected in Appeals (see figure).² CERF contributed 2.1% of the total global humanitarian contributions in 2014, compared to 3.5% in 2008, or for CAPs/Flash Appeals the

² The graph demonstrates the relative trends – around 85% of CERF funds go to Appeal countries; the CERF line shows the percentage that total CERF allocations (including to non-Appeal countries) represent of the total appeal requirements

respective figures are 4.5% in 2008 compared to 3.5% in 2014. These figures all point to a decline in CERF's share depending on the denominator.³

28. However CERF has remained a significant source of humanitarian funding because other donor funding volumes have remained quite static: global humanitarian contributions (appeal and non-appeal funding) have overall remained relatively unchanged since 2008, remaining in the region of \$13-14bn annually with a spike in 2010.



29. This means that despite covering a smaller percentage, CERF remains consistently in the ranks of the top 5 funding channels when considering contributions to Humanitarian Appeals. When looking at all reported humanitarian funding, including funding outside of UN led appeals, CERF still remains within the top 10.

30. The top 3 crises in 2014 in terms of funding volume – Syria (inside and for the region), South Sudan and Iraq - accounted for half of all humanitarian funding. These accounted for about one third of CERF allocations in 2013, and one-fifth in 2014. While it does fund major crises, CERF's comparative advantage and niche role is as a funding source in kickstarting key elements of larger operations, responding to smaller crises, less high profile ones and rapid onset natural disasters. This correlates with a general trend that the smaller the crisis, the more significant a channel CERF is in terms of the proportion of the crisis it funds.

³ The value of CERF's funding has in fact declined in real terms due to inflation

Section 3: What an expanded CERF could do with more funding

31. The view of many supporters of CERF is that since it is performing well, and because there are increasing levels of humanitarian need, it makes sense to expand the fund and by implication its ability to help meet that need. Increasing funds to fill the financing gap should help to address the problem of increasing unmet humanitarian need, and CERF has a role to play in that. This section explores the ways in which an expanded CERF could use additional funds.

Options for expansion – incremental or radical change?

32. Expanding CERF could be implemented in different ways. A larger CERF could ‘do more of the same’ with more funds and incremental change, or undertake a more radical restructuring with the opportunity provided by more funds to deal with issues through additional windows, or looking at protracted and mega-crises. These options are discussed below, before considering what different funding levels might ‘unlock’ in terms of CERF functionality. The prevailing view was that there was support for CERF expansion from many stakeholders, but that caution was needed in terms of any operational changes which would risk undermining the fund.

Incremental change

33. There are many ways in which additional funds could be used within an unchanged but larger CERF. It could fund more emergencies and/or more needs in those emergencies. For example an expanded CERF could fund more of the needs in each emergency that it currently funds and/or it could fund an increasing number of smaller, low profile emergencies which struggle to attract much other funding, and/or it could fund a greater proportion of each of those emergencies. This aspect of CERF is very important to donors, and for relatively small sums the impact can be considerable (e.g. Djibouti, or DPRK).

34. Additionally CERF could increase the funding level of regional allocations. These have been used in recent years to support a coherent and strategic response to regional crises, e.g. the Sahel and the Horn of Africa in July 2014. Further funds would allow these regional responses to be provided with more funds rather than funds being spread thinly across multiple countries; and give flexibility to fund further regional responses.

35. CERF could alternatively or additionally use extra funds to support a greater proportion of individual projects in any given crisis, increasing their chances of uninterrupted programming and reducing transaction costs.

36. While these approaches could benefit from more funds they would not present a drastically new way of doing business and so would potentially be more palatable to donors, according to interviews for this study, who are concerned about any change that would undermine the fund.

Radical change - new windows?

37. A small proportion of stakeholders interviewed identified the need for more radical change to CERF through opening different funding windows to address specific issues such as preparedness, health emergencies, or NGO access. The

rationale for opening additional windows is as a way to attract more funding. However there are many different actors involved and potential competitors for donor funding which could have the opposite, or at best zero-sum effect. The overriding view was that additional windows are not straightforwardly the best way to address issues even where there is a consensus that the issues need be to addressed.

38. For example the current Ebola epidemic has put the spotlight on whether CERF should have a specific facility for disease outbreaks. The clear view from many stakeholders was that this would have no advantage over retaining flexibility for CERF to respond as it does currently through the RR window, with \$15.2m in contributions to agencies for their Ebola response. The World Bank Group has also called for the creation of a new pandemic emergency facility that would rapidly respond to future outbreaks by delivering money to countries in crisis. This is potentially a more appropriate solution since it can be linked more firmly to government structures and processes concerned with health systems development.

NGO access

39. The question of NGO access to CERF or an NGO window has been a regular area of debate since NGOs are not eligible to access CERF funds directly. After many attempts at lobbying from NGOs to change this over the early years of CERF, NGOs have been less vocal on this debate – probably reluctantly accepting this is unlikely and there are other battles to fight.

40. The barriers to changing the eligibility criteria are both political – as an UNGA mandated fund, there is opposition from some Member States towards funding NGOs on principle as they are not convinced of the merits of such a channel; and technical, in that the machinery to programme funds through NGOs, pre-qualify them, monitor and report are different and significant compared to working with the small number of eligible UN agencies and IOM which have accepted standards of accountability via executive boards or other governance structures.

41. In addition, the UK-based START Fund launched as a new mechanism that operates separately from CERF as a pooled fund for NGOs. This launched in April 2014 as a mechanism to provide grants to its members within 72 hours of a crisis which justified fund activation.

42. Nevertheless, consultations on a possible global NGO fund are also underway by OCHA which is exploring a fund focused on national NGOs and tied to preparedness and the risk index INFORM. Its shape, or even whether the fund is launched, are still very much under discussion, but the possibility of this and the reality of the START Fund may draw the focus away from CERF in relation to NGOs.

43. One key donor questioned whether setting up another global fund in a separate part of OCHA from CERF, which was already running a successful global fund, made sense. Potentially an NGO window of CERF would be a more efficient location given the synergies this could give in terms of using the same programming tools and processes – but there would be significant challenges to the practical setup, and the precise focus of the window would need to be defined. On the other hand,

this could potentially be an attractive window to donors who are keen to support implementing agencies more directly.

44. The other argument against CERF access for NGOs is that they are increasingly able to receive funds from the Country-Based Pooled Funds managed by OCHA (formerly ERFs and CHFs), of which there are now many examples.

Approaches to preparedness, early action and links to development

45. The third area discussed as a potential additional window is preparedness. There was near consensus among those consulted that CERF's narrow focus on the life-saving criteria was critical to its success, and there was very little appetite for CERF to expand its remit beyond actions focused on saving lives and relieving suffering, as carefully set out in CERF guidance (see Box for ineligible activities).

46. At its core, CERF is a responsive instrument built on the carefully demarcated life-saving criteria, which have served it well. There is some room for interpretation in certain situations and for certain sectors, but their narrow focus has been crucial.

BOX: Ineligible activities under Life-Saving Criteria

Excerpt from 2010 Guidance note on CERF Life-saving Criteria:

As per the CERF mandate, the following issues are NOT included in the criteria as they are not eligible for CERF support:

Preparedness: Activities and measures taken in advance to ensure effective response to the impact of hazards, including the issuance of timely and effective early warnings and the temporary evacuation of people and property from threatened locations. The CERF does not support regular agency stockpiling, or pre-positioning of relief goods as a contingency measure. However, in the case of a sudden onset emergency, if an agency starts to respond using emergency stocks or diverts stocks intended for other operations, the replacement of these stocks can be included in their rapid response submission.

Prevention: Activities to provide outright avoidance of the adverse impact of hazards and means to minimize related environmental, technological and biological disasters. This does not exclude activities for an ongoing emergency.

Disaster risk reduction: The conceptual framework of elements considered with the possibilities to minimize vulnerabilities and disaster risks throughout a society, to avoid(prevention) or to limit (mitigation and preparedness) the adverse impacts of hazards, within the broad context of sustainable development.

Early warning: The provision of timely and effective information, through identified institutions, that allows individuals exposed to a hazard to take action to avoid or reduce their risk and prepare for effective response.

47. A key issue in terms of CERF's scope is how to address links between humanitarian action and the constellation of issues relating to better early warning, preparedness, disaster risk reduction, early action, recovery and reconstruction. This perspective says that humanitarian action does not operate in a vacuum, and the need for humanitarian response can be mitigated through better preparation, and the transition from crisis to 'regular' development can be sped up through better alignment with longer term processes. This has been examined several times by the CERF Advisory Group.⁴

⁴ CERF's Role in Funding of Preparedness, CERF Secretariat Paper 22 Sept 2011; Supporting Early Action through CERF and CBPFs, CERF/OCHA FCS 8 July 2013

48. The logic of the life-saving criteria is that with limited funds, the ability of CERF to focus on strictly humanitarian action is crucial to deliver impact and avoid dilution of the fund into other areas. These other areas are clearly important, and under-resourced, but opening CERF funding to them risks undermining its primary role. Even a ring-fenced preparedness window, for example, was seen as threatening CERF's core functions. The reasoning is that preparedness and prevention are essentially a development activity or process that requires institution building and engagement with relevant institutions and authorities to build systems, policies and capacities over a multi-year timeframe.

49. There are however two areas of opportunity here. Firstly, increased CERF funds could make it possible to support more projects in the narrowly defined area of early action without detracting from the existing portfolio and approach. Secondly, it is important that CERF is clear where it positions itself in the area of preparedness and prevention, and demonstrates it is responsive to and engaged in current debates. Both opportunities could also help attract donor funding without undermining core CERF activities.

Early action

50. As the 2013 CERF/FCS paper notes, CERF's Life-saving Criteria allow the programming of early action elements into emergency response actions that strengthen the local actors' capacities to react faster in the face of crises:

'Early action as it applies to humanitarian pooled funding mechanisms should not be seen as synonymous to prevention or preparedness, but rather, as supporting or promoting quick impact emergency response activities. The key term here is "emergency response" prompted by an "expected" crisis situation necessitating the humanitarian partners to act through appropriate interventions –both in terms of the timing and approach- to avert a potentially larger disaster.'

51. A number of examples are given of early action projects funded by CERF, including \$15m to Somalia in the first UFE round of 2011 which were utilized by the HCT for early action to mitigate the effects of the drought which were forecast through early warning reports. There are other examples from the Sahel, Myanmar and Lesotho which allowed timely action to support responses in advance of periods of food insecurity or monsoon to reduce the humanitarian impact of such crises. Some Humanitarian Coordinators consistently say small amounts of money could produce valuable results and leverage more funding.

52. In practice, the current scope for CERF funding early action is on an exceptional basis and there is a high bar for making the case for such funding, particularly through the Rapid Response window. This has been to ensure the RR remains focused on life saving actions.

53. Discussions with the CERF secretariat and agencies suggest this could be an area where a higher CERF funding target could create the space for a slightly broader interpretation of early action as a time critical response and more of such projects could be funded. However it would be crucial to develop a clear guidance note which gave specific examples of the types of activities that could be considered and the criteria for funding, with clear triggers/indicators for assessing eligibility.

Using the lens of risk management

54. The OCHA Policy report 'Saving Lives Today and Tomorrow' makes a strong case for the need to incorporate a broader lens to humanitarian action.⁵ It sees risk management as a unifying approach within which humanitarian action can be both delineated from but aligned with longer-term processes of preparedness, risk reduction, recovery and development.

55. In practice what this means for CERF is not primarily about funding different activities, beyond perhaps in the area of early action. While activities consistent with a risk management approach are generally underfunded, the non-funding elements of this approach are equally important, including 'shared risk analysis between Government, humanitarian and development actors, with better aligned planning cycles.' CERF or OCHA could play more of a convening role to build coalitions of financing mechanisms, such as those that have been mooted for responding to chronic needs in fragile and conflict affected states.

56. For CERF this could also involve requiring consideration of risk management approaches in the funding application template, such as how the life-saving response has been planned as part of an analysis of key risks with a wider range of actors, and how the life-saving activities link to recovery and development.

Responding to protracted and mega-crises

57. CERF and other observers have also noted how CERF can be unsuited under current rules for addressing ongoing protracted crises, which are the destination of 60-70% of humanitarian funding, often for years or decades. At the same time there has been much discussion in recent years of how the system should deal with 'mega-crises', many of which are protracted crises, which threaten to overwhelm national and international capacities to respond. Expanding CERF offers potential answers to both these related issues.

58. For both types of crisis, at its most basic level, an expanded CERF could inject more funds into the response and reduce funding shortfalls. Beyond this, an expanded CERF could fund protracted crises in a different way, and respond to mega-crises on a different scale.

59. Responses in the past few years have drawn attention to the need for special approaches to 'mega-crises' which are at such a scale that national and international actors struggle to respond effectively – often due to gaps in capacity or funding – leading to the endorsement of the Transformative Agenda L3 protocols. The argument for a dedicated L3 funding mechanism is that one or two 'mega-crises' each year such as the Syria crisis, or the Philippines typhoon Haiyan in 2013 suck resources away from other crises; and even though fundraising is easier, in the first week of a crisis when money is needed most to deliver immediate relief materials, there is still a delay in resource mobilization. According to the Global Humanitarian Overview 2015, 65% of funding reported for Strategic Response Plans has gone to L3 emergencies.

⁵ Saving Lives Today and Tomorrow: Managing the risk of humanitarian crises, DARA/OCHA 2013

60. The UN High Commissioner for Refugees, Antonio Guterres, proposed a 'Super CERF' for L3 emergencies funded from assessed contributions at ECOSOC in June 2014. His analysis is that the current approach to financing humanitarian aid is not sustainable given the demands on the system and its donors. A similar proposal is under discussion by the Emergency Directors' Group of the IASC for an L3 facility. Key features are that this would provide a fund of \$100-200m from assessed contributions to fully fund Flash Appeals for L3 emergencies.

61. Both proposals are being discussed but the main features are:

- a. Automatic allocation of funds when L3 declared
- b. Tied to L3
- c. Funded from assessed contributions

62. CERF already responds to mega-crises, and not all major crises lead to L3 activation, so a key question is whether CERF should be reacting differently to large crises, whether declared L3 or not, or whether an additional facility would add value. Options for working within existing CERF mechanisms could include scaling up how CERF currently responds to these crises, by providing larger CERF grants early to crises requiring rapid start-up, often in advance of an L3 declaration, and by responding more robustly at critical times later in the response. This could be achieved with a larger CERF without ring fencing L3 funds.

63. Ring-fencing funds for L3s risks reducing flexibility in responding to the range of crises over a year, and holding back funds which could be used to address current needs rather than potential future ones in an L3. Automatic allocation raises questions over whether funding is always the key requirement – particularly given that one of the criteria for an L3 declaration is a need for surge capacity. Anecdotally, funds provided to some L3s in 2014 were not rapidly programmed, or not used for the immediate release of relief items as envisaged – but if a facility was to be put in place it could certainly focus on such activities. Given the complexity and variety of crises, there are risks to an automatic allocation.

64. If a separate fund or window were however to be established, CERF would be well placed to manage such a fund given its structures, capacity, expertise and knowledge.

65. L3s as a category are themselves evolving. The declaration of 5 L3s in 2014 was not originally envisaged, and some interviewees were concerned about the perverse incentive that an automatic fund allocation might create for L3 declaration. The counter argument to this is that there are clear criteria which set out when an L3 should be declared so agencies can not just make the decision in order to access funds.

66. In terms of resource mobilisation, the formulation that combines the solution of assessed contributions with the tool of an L3 facility is appealing at first but in the short term it may be unhelpful to link the two if there is little prospect of assessed contributions, at least in the short term. The logic is that it would be difficult to raise funds for a separate L3 facility unless through a new source such as assessed

contributions. The potential strings attached to assessed contributions in terms of accountability requirements could also undermine the flexibility as originally envisaged.

67. This is a complex issue which merits further exploration but opinion is currently divided on what CERF's role should be in relation to L3 and mega-crises.

68. The other dimension of protracted crises is how additional funds could help support a more appropriate response to ongoing, intractable crises. One school of thought is that CERF could easily spend all its funds on the 'bottomless pit' of such protracted crises, without making a dent in the enormous level of need, so that it should focus on specific deterioration in these crises, and other underfunded crises where funds would have bigger impact. Current criteria make it feasible for CERF to manage the demands from such crises and not drain the fund too rapidly.

69. At the same time, short term humanitarian funds are not well suited to the chronic crises in fragile states which are symptoms of underdevelopment – and innovative financing is being developed to take multi-year, programmatic approaches, in order to build up capacity of fragile states rather than provide short term fixes.

70. In the immediate future though, there are clearly major humanitarian needs in such crises to which CERF would generally be expected to respond – and to which it does currently respond.

71. The challenge is that the original intention of the RR window was to kickstart responses and establish presence rather than provide ongoing funding to chronic crises, but the level of need in chronic crises such as Syria could quickly drain the underfunded window. At the same time there are not always clear triggers or events that would justify a rapid response grant.

72. The current balance of one-third UFE and two-thirds rapid response makes workarounds necessary for funding large protracted crises which have time critical gaps but which are not tied to specific changes in need/deterioration in the humanitarian situation. Disbursing from the RR window is therefore more complex requiring considerable time to find a change to which to attach the RR proposal.

73. One suggestion for enabling a more effective response would be to change or remove the current guideline that CERF should disburse funds according to the proportion one-third UFE to two-thirds RR. There is some support for allowing CERF to use the UFE and RR windows more flexibly to be able to respond to the prevailing needs and crises of the moment. While this does not need CERF to expand to be implemented, an expanded fund would provide greater room for manoeuvre in allocating funds and allow the ERC to fund the highest priorities without having to make any reductions elsewhere.

74. Allowing a larger proportion of CERF funds to be allocated through the UFE window would open up the possibility of addressing specific gaps using the slightly more flexible UFE criteria, and being top-down would allow the ERC to use discretion

in identifying where limited CERF funds could have real impact. These could be used to fund more in protracted crises – with the important caveat that this was not to the detriment of the funding to neglected crises that is so well regarded.

75. This could also help address the issue that the timing of UFE does not suit the seasonality of all crises. For example in the Sahel, data is not available for likely needs to coincide with the Appeal launch in December/first UFE allocation. A more flexible UFE window could operate outside the timing of the current two allocations.

76. In practice the most pragmatic and flexible approach would be to give the ERC and CERF Secretariat discretion to adjust the usage and timing of CERF between UFE and RR according to the needs in any particular year or funding round.

How big should CERF be?

77. The question of scale is critical. There is a ‘chicken and egg’ argument around CERF needing to expand only to the extent that it can attract funding, but that it also needs to make the case for an expanded fund size in order to attract funding. At its most simple, the expansion could be programmed in the same way as currently – but there would still be choices to be made.

78. The argument for what an expanded CERF can do is also usefully analysed in terms of functionally what additional levels of funding could offer in terms of doing more of the same, or different activities. For example (and figures suggested are provisional):

With \$100-\$200 million extra CERF could:

- Make larger grants to existing crises
- Make additional/greater regional allocations

With \$250-\$350 million extra CERF could additionally:

- As above plus:
- Increase initial allocations to large scale (L3) emergencies to \$75-\$100 million
- Increase support for ongoing crises, with flexibility between RR/UFE (depending on L3 needs).
- Expand funding of Early Action through defined criteria.

With \$400-\$500 million, CERF could:

- As above plus:
- Increase initial allocations to large scale (L3) emergencies to \$100-\$150 million

79. In reality, the target size needs to be based on a shrewd judgement of the likely levels of funding, and sending the right signals in terms of ambition, while retaining flexibility to reduce or increase the target to respond to changing circumstances. Given the political steps required to increase the fund size, the increase needs to be large enough to justify the efforts involved and potential political capital expended, while not being unrealistic – perhaps a minimum of \$50-150m extra.

80. The most often mentioned revised target figure is US\$1 billion, which is an appealingly eye-catching figure. Indeed the original discussions about upgrading CERF in 2005 included this figure. The UN High Commissioner for Refugees also uses this sum as a part of his suggestions.

81. However, many interviewees felt \$1bn could be an overly ambitious target. Pragmatically, this is beyond the maximum the fund could aim to target given this would equate to more than a doubling of the target, in challenging times economically and politically for such an expansion.

82. There are no clear objective reference points for what would be an achievable target. Benchmarking growth against the bands listed above could provide tangible thresholds beyond which additional functions were 'unlocked'. In some respects the target could be a moving one, without a specific pre-announced level of ambition, and this could evolve over time.

83. This narrows the target to a range of perhaps \$500-750m, reflecting an increase of between \$50-300m. As a first stage, this could be a useful range on which to have more exploratory discussions with donors and other stakeholders.

Section 4: Constraints to CERF expansion and mitigating risks

Constraints to expansion

85. This section considers some of the constraints that should be considered in determining if CERF should expand. For example the degree to which the financing gap and future trends are of greater concern than in previous years is still a matter of some debate, but there is general acceptance of such a gap. In this context, money is clearly part of the solution – but not on its own, for two reasons.

86. Firstly, this logic assumes that a lack of humanitarian funds is a major reason why some humanitarian needs are not met. While this is true to an extent, in some cases humanitarian funding is not necessarily the most appropriate type of funding – for example in long term chronic crises in which the ability of the state to meet needs is low, the short term nature of humanitarian funding is not best suited to building national capacity and institutions. Also, where there are access challenges due to insecurity, more money does not necessarily increase the system’s ability to respond.

87. Secondly, there are limitations due to the system within which CERF operates. CERF remains a key part of the traditional UN-led international humanitarian system, ‘and works for and through this system’.⁶

88. There is increasing recognition that the international humanitarian system, inasmuch as it is actually a system, is only one of many parallel or minimally connected systems. The international system itself is also perceived by some observers as an outdated concept. They envisage a world where we should be working in a decentralized network through local actors rather than a top-down, centralized and bureaucratic system where norms are formally developed, and the hierarchy of actors privileges the international and the global rather than being community-centred and context-specific.

89. ‘As noted in previous evaluations of humanitarian reform, any analysis of CERF processes therefore becomes a frame through which existing weaknesses within the system come into focus.’⁷ This is important as CERF is more than just a fund, it is an institution within a changing system. It is both dependent on existing structures and perpetuates and reinforces them. The scope of the fund is therefore defined by the scope of the humanitarian system of which CERF still remains a part.

90. This reinforces the findings of Section 3 that changes to CERF should focus on expansion of the existing fund, rather than a drastic re-invention. The pre-requisite for new elements of the fund is that the system itself has demonstrated sufficient momentum towards change in these directions – in other words, CERF can reinforce but not initiate change in the system.

Mitigating reputational and operational risks

91. While there is broad support for expansion, this is moderated or nuanced by a number of interviewees repeating the concern that it would be better to maintain the

⁶ Independent Review of the Underfunded Window of CERF, Humanitarian Outcomes 2012

⁷ Ibid

fund's functioning as is rather than risk undermining its current success through change and or expansion. This caution was significant, reflecting the real value that CERF was seen to provide, but the study finds that the risk is probably relatively minor overall.

92. This risk was a combination of reputational and operational risk. The wider concern was that CERF's reputation could be damaged if it was perceived as not meeting its funding targets, or that its funding decisions were less appropriate as a result of poorer grant making or an expanded remit. The prognosis for resource mobilisation is considered in the next section but this risk is judged to be manageable.

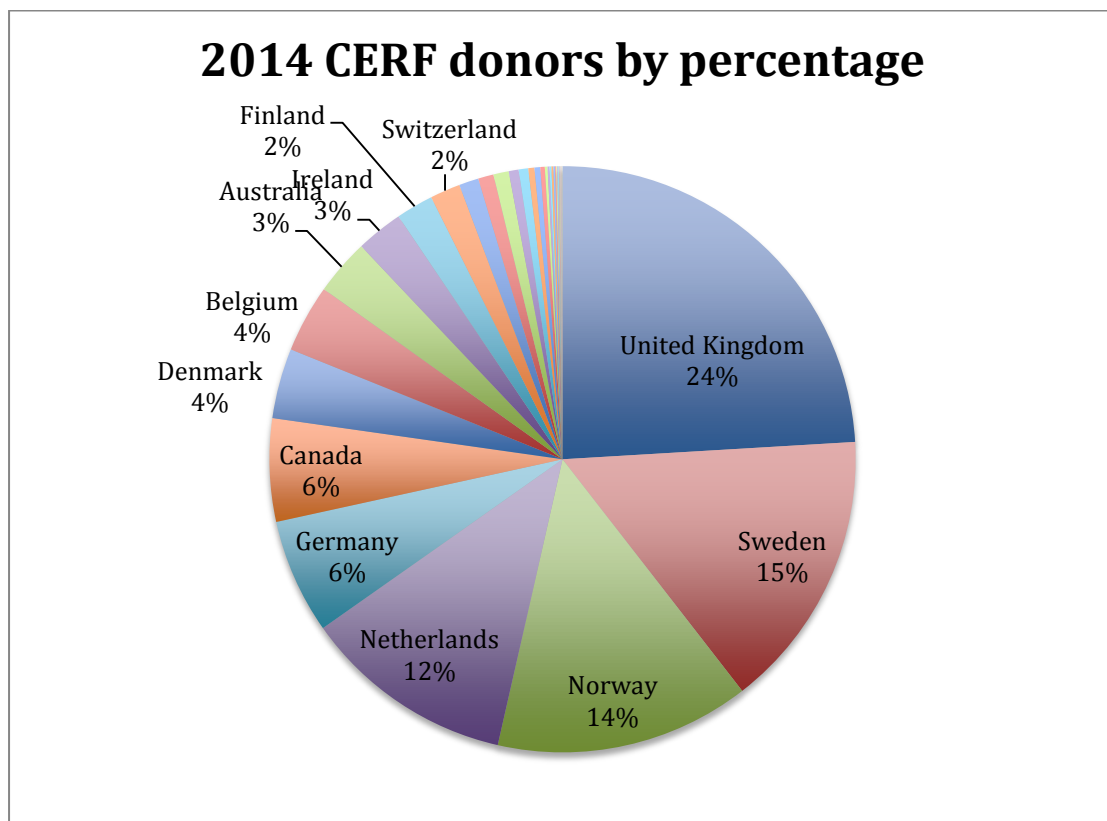
93. The operational risk concerned any expansion diminishing CERF's nimbleness if it was not able to continue its rapid, flexible funding due to increased workloads. Being a critical funding instrument requires programme capacity to review proposals, and engage with the HCT to ensure the strategic nature of proposed projects. However fund expansion would not necessarily lead to an increase in the number of grants disbursed, if it simply meant larger grants were disbursed. Similarly, increasing the human resources capacity within CERF if needed would be straightforward to implement given CERF's self-funding setup.

94. On oversight and governance, there was general satisfaction with the current arrangements for oversight by the UN General Assembly and the CERF Advisory Group, apart from some questions over whether the Advisory Group composition properly reflects the wider solidarity expressed by the range of donors to CERF – in common with other arguments about the Western nature of humanitarian action. If CERF expanded, some interviewees suggested there might be pressure to give the Advisory Group greater influence over CERF to mitigate the perception of an increase in risk as a result of the fund expansion.

Section 5: How to fund an expanded CERF

95. Previous sections have explored the different dimensions of the case to expand CERF in terms of what the fund could offer. Whether and how CERF could raise funds to meet an expanded size was raised by some interviewees as even more important than the question of what an expanded fund might do. Further consideration of this issue is made in a parallel study to this one.

96. As it is funded by voluntary contributions, CERF has to fundraise for replenishment every year. Since its creation in 2005, it has surpassed its target of US\$450m four times, including in 2014. Although the donor base is very large, the vast majority of CERF funding still comes from a small number of 'traditional' Western donors (see figure). 90% of 2014's funding came from the top 10 donors, which have stayed fairly constant since CERF's creation, while 98% came from the top 20, also the only donors to contribute at least US\$1m. The remaining 100 or so donors provide symbolic contributions which amount to less than 2% of CERF funds in total.



97. If funds were simply shifted from direct multilateral contributions, or from other pooled funds, in other words there was no additionality, then the net gain in amount of overall humanitarian funding would be minimal if at all – which is the main concern of many UN agencies, as well as NGOs which might stand to lose income.

98. Raising additional funding for an expanded CERF is however a challenging prospect. Funding for an expanded CERF could theoretically come from the following sources:

- a. Additional contributions from existing major donors
- b. Additional contributions from existing minor donors, including:
 - i. Member States who are major humanitarian donors, but not to CERF
 - ii. Member States who are not major humanitarian donors, but contribute to CERF out of solidarity
 - iii. Non-member state donors such as the private sector and public donations
- c. Non-voluntary contributions – assessed contributions
- d. Other innovative sources

Voluntary contributions

99. The current stance of many of CERF's long term donors is mixed. On the one hand, the High Level Conference on CERF on December 17th 2014 demonstrated a continuation of an upward trend for pledges over the past two years, as donors pledged \$418.6m to CERF for 2015, including increases from the top 10 donors. Germany is increasing its humanitarian budget, including through CERF, as are Denmark and the Netherlands. This suggests donors continue to have confidence in CERF even when their budgets are under pressure or they face criticism of some approaches. Relatively modest increases from a few donors can so far more than compensate for any reductions such as from Spain or Ireland which have occurred due to the economic situation.

100. On the other hand some donors are demonstrating growing scepticism towards the multilateral system, with conservative governments focusing on being able to demonstrate visible results which can be attributed to taxpayers' tax contributions and show value for money. Interviews suggest that some of CERF's most faithful donors may find it politically challenging to continue justifying such large multilateral contributions to a single fund in favour of more visible bilateral contributions to domestic NGOs – which are seen as more accountable and more cost effective by cutting out the 'middle man' of the UN.

101. Exacerbating this, many donors are also seeing falling aid budgets due to the increasing pressure on government budgets and domestic pressure to reduce deficits. There are also views that the UN system has been slow to respond to criticisms of being expensive and bureaucratic, or concerns around a lack of transparency, accountability and oversight such as emerged from the UNOIOS report on the Somalia Common Humanitarian Fund. At root there continue to be very differing degrees of confidence between donors on the faith which can be vested in the multilateral system, which play out in donor strategies relating to CERF and other pooled funds. It is hard to predict how these trends will play out in coming years.

102. Irrespective of funding trends, increasing CERF's donor base has been a recurrent theme of the Advisory Group, with continued investment in resource mobilisation by OCHA and CERF to broaden and deepen the donor base. Key targets have been the private sector and rising donors such as the Gulf States. So far progress

has been slow on growing these sources of income, which some commentators attribute in relation to the private sector its preference to share knowhow rather than money.

103. In terms of the potential for 'rising global actors' such as China, Turkey and the Gulf states as donors, CERF has a potential bridging role to play as a fund that has attracted contributions from such a wide range of actors. Even if the volumes contributed are often symbolic rather than substantive, the statement of solidarity that this gives is still regarded as important.

104. However experience to date shows the challenge faced in connecting these different systems. Many non-Western donors are seen as unlikely to contribute significant, predictable or consistent sums through any multilateral mechanism due to a desire for both visibility and control – visibility of the contribution in order to support bilateral relationships or the perceptions of the international community; and control of where the contribution is made to ensure that it is spent on the priorities of the donor in terms of delivery channel, location or theme.

105. Further exploration is needed on whether there are particular directions for CERF which would garner more support – for example whether the inclusion of a preparedness window, direct NGO access, or an increased scope for early action, would be likely to make a significant difference to the likelihood of different donors to fund CERF. However the interviews conducted have tended to emphasise the desire to keep CERF functioning as it is rather than make functional changes which risk its strong track record.

106. The revolving loan element of CERF, which was the original CERF before expansion in 2006, was reduced from \$50m to \$30m. There are some mildly held views that converting the final \$30m would provide a one-off injection to the fund, and reduce transaction costs for a lightly used facility – since agencies now have their own internal loan mechanisms. In practice, however, the view from CERF is that the function is still used and requires little capacity to operate, and so there is no great incentive to remove it.

Non-voluntary/Assessed/negotiated contributions

107. Given the overall stagnation in bilateral donor funding for humanitarian action, suggestions for a super CERF have mooted assessed contributions as the funding source.

108. While the object of a more comprehensive review as to feasibility, initial indications are that it would be a challenge to garner sufficient political support for the UN General Assembly to agree to fund an expanded CERF through assessed contributions, at least as a short term goal. A longer-term timescale could be achievable with the right political championing but there is no indication that this would be definitely achievable, or what the timescale might ultimately be, due to the nature of negotiation between the different interests of the Member States and groupings such as the G77 and G8.

109. There might be more scope to adopt models used for replenishment of various Global Funds (e.g. Global Environment Facility and Global Fund for AIDS, TB and Malaria), of negotiated replenishment, or of negotiated voluntary core contributions (e.g. WHO).

110. From a technical point of view, even were such predictable contributions to be agreed, they would be likely to come with strings attached in terms of accountability and bureaucratic requirements – potentially undermining the ability of CERF to programme rapidly and responsively.

Innovative financing

111. A further area worthy of exploration is innovative financing.⁸ There are many lessons where a focused global fund with a clear brand has managed to generate funding from non-public sources. It is beyond the scope of this report to explore in detail but this would merit more in-depth study.

⁸ ‘Innovative Financing for Development’, Global Development Incubator/Dalberg

Section 6: Conclusions and main findings

112. There is an inherent tension in two key themes of the study. On the one hand there is support for an expansion of CERF in terms of funding volume but not in terms of scope – particularly among agencies but also including many donors. The limitation is that the funds would need to be additional rather than reallocations from other budgets, and there is reluctance among CERF’s major donors to fund any increase themselves.

113. This risks CERF transforming from a well regarded fund that is successfully resourced near its target of US\$450m, to one that fails to meet its increased target of \$500-750m and is no longer perceived as successful, or becomes overstretched or diluted by an expanded mandate.

114. Another dynamic is the ‘dinosaur’ argument. Should CERF stick true to its founding principles, maintain the tight focus that has made it successful and grow (or indeed not grow) without significant changes? Or does it need to respond to the changing environment of humanitarian action and financing in a proactive way to avoid going extinct as it finds itself perceived as yesterday’s tool responding to the crises of yesterday?

115. This is in part a question of presentation and style – CERF needs to ensure its messaging makes the argument for it as a tool of today and tomorrow – but also one of substance: without changing how it responds to mega-crises, risk management approaches and the challenge of chronic protracted crises, can CERF continue to remain fit for purpose?

116. It is also the case that CERF is a part of the traditional Western-dominated humanitarian system and as such it is bound by the challenges and limitations that have been identified in that system – and it should not be expected to be the answer to all the system’s problems.

Main findings

117. The main finding overall from this study is that there is support for an expanded CERF which remains closely guided by the life-saving criteria, as long as any expansion does not undermine its current functioning.

118. The main concern is whether additional resources can be mobilised, and the risks of expanding the fund if it cannot be resourced with new money. Assessed contributions are seen as one possible answer but these are far from assured and come with their own constraints.

119. The life-saving criteria remain central to CERF’s fundraising and operational success, as does its role in neglected crises. Additional resources are justified to maintain CERF as an important humanitarian financing mechanism as funding requirements increase. Additional resources would also provide the flexibility to consider more proposals for early action without undermining its core functions; this should be part of refocusing CERF on a risk management approach and ensuring its

activities are better linked to risk reduction, preparedness and recovery (but not funding them).

120. CERF's role in responding to mega-crises needs further exploration. It already responds to these crises, and there are pros and cons to setting aside funds for L3 responses, particularly given the volume of funds required. Alternatives could include scaling up how CERF currently responds to these crises, by providing larger CERF grants early to crises requiring rapid start-up, often in advance of an L3 declaration, and by responding more robustly at critical times later in the response. This could be achieved with a larger CERF without ring-fencing L3 funds.

121. Whether CERF expands in size or not, it could be more responsive and flexible if there were looser limits on the balance between the underfunded and rapid response windows – UFE should change to be a flexible proportion of CERF funding, depending on the situation. This would assist with better responses to both protracted and neglected crises.

122. To conclude, CERF is a well-supported mechanism with potential for increased impact but there are a number of issues for its stakeholders to consider before the effort and risk of expansion is embarked upon. After almost ten years it would be opportune for at least a 'refresh' or 'update' of CERF. The question is whether this would primarily be about incremental changes and some modified messaging, or if there are more significant changes to be made.

Annex A: Study Terms of Reference

REVIEW OF THE ADDED VALUE OF A REFORMED CENTRAL EMERGENCY RESPONSE FUND (CERF)

Terms of Reference

Location: New York City or home-based with travel to NY as required.

1. Background to the CERF

The CERF was officially launched in New York on 9 March 2006 by the United Nations Secretary-General. CERF is intended to complement – not to replace – existing humanitarian funding mechanisms. CERF provides seed funds to jump-start critical operations and life-saving programmes not yet funded through other sources.

The grant facility of CERF has two components:

- Rapid response grants to promote early action and response to reduce loss of life and to enhance response to time-critical requirements; and
- Underfunded emergency grants to strengthen core elements of humanitarian response in underfunded crises.

Member States and Observers, regional and local authorities, the private sector, foundations and individuals replenish CERF year-round by voluntary contributions. CERF receives 99.6 per cent of its contributions from UN Member States (2013), which are committed on annual or multi-annual basis and transferred to CERF in one or more installments.

2. CERF's Need to Adapt to Growing Humanitarian Demands

Since its inception, CERF has become a valued and reliable financial partner for the global humanitarian community, often cited as one of the most significant successes of the 2005 Humanitarian Reform. The Fund has enjoyed growing support since its establishment in 2006, surpassing its annual UN General Assembly mandated contributions target of US\$450 million in 2008, 2011 and 2013.

The number of people affected by humanitarian crises has almost doubled over the past decade, and is expected to keep rising. While CERF's target amount remains at \$450 million annually, global humanitarian funding requirements through humanitarian appeals have tripled from \$5.2 billion in 2006, to \$17.1 billion today. Global humanitarian funding almost doubled from \$7.7 billion in 2006 to \$14.4 billion in 2013. In 2007, CERF's first full year of operations, the disbursements of the Fund were equivalent to 7.5 per cent of global humanitarian requirements or 4.5 per cent of recorded global humanitarian spending. Today, as CERF's funding target remains static at US\$450 million, CERF corresponds to 2.5 per cent of global funding needs through humanitarian appeals, and accounts for 3.4 per cent of all global humanitarian recorded spending in 2013.

Moreover, with the growing scale and scope of disasters, and as part of the Transformative Agenda, the Inter-Agency Standing Committee established level three (L3) emergency protocols in 2012, for humanitarian crises that require system-wide response. Since that time,

L3 emergencies have been declared in the Philippines, the Central African Republic, South Sudan and Syria. Coupled with more than 25 other significant humanitarian operations globally, including protracted crises in Afghanistan, the Democratic Republic of Congo, Somalia, Sudan, and Yemen, it is expected that humanitarian partners will continue to turn to CERF as their humanitarian operations continue to grow.

In line with changes to the humanitarian system, CERF must adapt to the growing demands on the humanitarian community so that it can continue to provide partners with timely and reliable funding to acute emergencies, as well as protracted or forgotten crises. Therefore, various adjustments to the Fund need to be explored, including whether the funding target should be expanded in reflection of the growth of humanitarian needs and expenditures. A number of CERF's strongest supporters, including recipient agencies and key donors, have expressed support for an assessment of opportunities for an expansion of CERF.

3. Scope and Purpose

The objective of the consultancy will be to provide the ERC and the CERF secretariat with a think-piece that includes key information for determining whether substantial changes to the CERF should be further explored. The study will seek to answer the question: ***would an expanded CERF be better positioned to respond to the changing global humanitarian environment?***

Against this objective, the consultancy should explore and assess options for adjustments to CERF in the context of the emerging discussion of an expanded CERF.

The study will build on the experience and expert knowledge within the OCHA/CERF secretariat while also drawing in views and perspectives from external partners (e.g. donors, the Humanitarian Financing Task Team, recipient agencies and other IASC partners).

The review will consider the following key questions:

- Could a larger CERF potentially offer significant added value, and in what ways?
- Should a larger CERF adjust its allocation approaches and strategies and/or consider more fundamental changes?
- What are the potential opportunities for positive change in this respect?
- Is the current configuration of CERF's windows the right one?
- What funding levels should/could trigger the different changes?
- Reflecting on the discussed policy and strategic changes, what risks or unintended consequences might there be from a reoriented CERF?

Simultaneous with this review, a technical study to research the possibility of supporting CERF through assessed contributions will be conducted.

4. Proposed Consultants

It is anticipated that one consultant will be required to prepare the review potentially together with a secondary consultant providing support and sparring. They should have the following skills:

- Substantive knowledge of humanitarian financing and in particular the CERF;
- Evaluation experience at the strategic and programmatic level;
- In-depth knowledge of humanitarian reform, coordination processes and related issues;
- Institutional knowledge of the UN;
- Strong knowledge of the humanitarian donor community;
- Ability to rapidly analyze, synthesize, and present large quantities of information;
- Excellent communication skills, and i.e. proven excellent presentation and briefings skills;

- Excellent writing and presentation skills in English a must, knowledge of French is an advantage;
- Immediate availability for the period indicated.

5. Deliverables

The main output will be one concise report in English to the ERC, through the CERF secretariat, of no more than 25 pages (excluding executive summary, table of contents and appendices). The report will explore various options for adjusting the scope, structure, allocation approaches and strategies of CERF and discuss related opportunities and risks. The report will not make actionable recommendations, but rather provide information and analysis allowing the ERC to draw appropriate conclusions and take relevant decisions. The annexes will include a brief description of the methods used and a list of persons interviewed.

6. Methodology

To achieve this, under the management of the CERF secretariat, the consultant will:

- Conduct a desk review and consultation with relevant stakeholders (e.g. CERF secretariat staff, recipient agencies, representatives of donors, NGOs, the Start Fund, the Humanitarian Financing Task Team) and humanitarian financing technical experts to identify input to the listed key questions.
- Review the current CERF's configuration, allocation approaches and strategies according to published and internal documentation and studies.
- Develop analysis on the potential value added of a reformed CERF.

Annex B: Interviewees

A total of 30 representatives were interviewed from the following organisations/agencies, either in person or by phone:

UN	OCHA – ERC, CERF, FCS, CRD, Corporate Programmes
	UNICEF
	WFP
	WHO
	UNHCR
	FAO
	UNDP MPTF
	Regional HC for Sahel
NGOs	ICVA
	NRC
Donors	Norway
	Sweden
	Germany
	UK
	Australia
Others	Humanitarian Financing experts
	World Humanitarian Summit