

## **Progress, yet speed and transparency remain key problems that demand innovative solutions involving NGOs from the field**

### **Introduction**

In May 2007, Save the Children surveyed all of its field programmes operating in countries where Central Emergency Response Fund (CERF) funds have been granted this year. Our main findings confirm that our overall experience with the CERF is mixed, but there have been some positive developments.

As always, our recommendations are offered in a constructive spirit of trying to help the CERF achieve its laudable aims: to improve the speed and effectiveness of humanitarian response in rapid onset emergencies and forgotten crises with high levels of unmet need.

### **Background**

In January 2007, Save the Children published a position paper on the CERF<sup>1</sup> which argued that unless NGOs – who deliver up to 80 % of direct humanitarian relief<sup>2</sup> – achieve direct access to CERF funding, the CERF would never achieve its full potential. Working with our Zimbabwe and Kenya programmes, we reported on a cumbersome and complicated process of applying for funds through UN agencies that impeded fast, effective humanitarian response.

Our original paper highlighted several concerns, many of which were borne out again in this recent research: the speed of forward disbursements; lack of transparency; problems in UN/NGO relations in the field; and poor communication.

### **CERF funding passed through to Save the Children - 2007**

Of the 37 countries that have received CERF funding in 2007 to date (in both rapid response and under-funded emergencies windows), Save the Children UK is operational in 17<sup>3</sup>. Of those 17, SCUUK has successfully applied for grants in two countries -- Mozambique and Liberia -- both of which were recipients of rapid response CERF funding, and whose experiences informed this briefing. The Somalia response team also benefited from CERF, as the CERF funded UN cargo flights that assisted our work whilst we implemented a relief programme in the Hiran region of Somalia.

Though there was a perception that the process has improved since we first reported our concerns, it is worth noting that the majority (15/17) of Save the Children country programmes have not applied for CERF funding this year.

Different reasons were cited, such as: 'we didn't know about it'; 'the UN agencies finished the proposal without informing the NGOs;' 'it didn't seem worth the trouble;' or 'we didn't need the funding.' At least one field programme declined to apply for CERF funding based on a bad experience last year.

### Problems with the speed of forward disbursements

The speed of forward disbursements to NGOs, and hence to beneficiaries, is crucial. Currently, each UN agency requires using its own sub-agreement form with NGOs. Also, overhead costs still need to be negotiated on a case-by-case basis, which takes time.

Experience in Mozambique reveals that the CERF did not provide the critical jump-start funding for either UN agencies or NGOs in the wake of the flooding in February. According to the *Inter-Agency real-time evaluation of the response to the February 2007 floods and cyclone in Mozambique*<sup>4</sup>, there would have been considerable delays in assistance had UN agencies and NGOs not had their own seed money to begin operating right away. The report also states that 'The most difficult area of the CERF was the application of funds for NGOs via the CERF'.

In February, Liberia received a rapid response grant from the CERF for \$2,199,555, to address life-saving food security needs. Save the Children received \$100,000 from WHO for reproductive health and sexual health training and capacity building. There were initial discussions and negotiations about the overheads, which took time. Furthermore, timing of disbursement was an issue, as there was a delay of nearly 2 months for WHO to remit the funds due to bank transfer process from Geneva to the Save the Children account in Liberia.

Although part of the problem seems to have been with Save the Children's bank in Liberia, the transaction could have been considerably accelerated if pre-arranged approval was in place, as well as agreements to transfer money from WHO in Geneva to Save the Children's headquarters in London, which has well-established ways to transfer funding to the field. We understand that at least one other NGO experienced similar serious delays in funding for Liberia CERF funds as well.

The Save the Children Programme Director in Liberia, however, appreciated WHO's efforts to sort out the funding problem, reporting that they were very pro-active in following-up from Geneva, including daily phone calls from their finance department.

Because delays in funding cost lives, CERF should establish both global and country-level pre-approval process for NGOs known to be fast and accountable to both beneficiaries and donors. Particularly in countries that are disaster-prone or known to have problems with conflict or displacement, this could be a real time-saver to the UN and NGOs alike. The pre-approval process could be based on the standardised Letters of Understandings (LoUs) between CERF and UN agencies.

## **Transparency**

As NGOs deliver the majority of humanitarian aid, it continues to be a problem that UN agencies do not adequately keep track of when and how much CERF funding is passed through to NGOs. Without this data, it is impossible to gauge the impact of CERF funding on beneficiaries, which should be a key issue for donors and agencies alike. It will always be difficult for CERF to claim it provides timely and accountable humanitarian assistance in the absence of consistent tracking.

To its credit, the CERF Secretariat has introduced new reporting requirements which should improve the transparency: UN agencies and IOM are now required to submit an annual report, including lessons learned on accessing funds from the CERF and analysing its impact. This report is due in April of each year. Humanitarian/Resident Coordinators (HC/RCs), on behalf of humanitarian country teams, are also required to submit both an annual report, also due in April, and a mid-year progress report, due in August.

The HC/RC annual reports are meant to document forward disbursements to NGOs, but as of the time of the writing of this briefing, it is not clear how many reports have been submitted to the Secretariat and none are available to the public. Even when the reports are submitted and made public, there will still be no transparent breakdown of the funds which have been passed through UN agencies to NGOs or any indication of how long this process takes; nowhere on the reporting templates for HCs is there a request to document lag time between NGO applications for funding and actual disbursement.

UN agencies have expressed concerns about collecting this sort of data, but however inconvenient or time-consuming it may be, any effort to assess CERF-funded programmes would clearly be incomplete without it.

We believe the CERF funding should be tracked, from initial disbursement all the way to beneficiaries. The CERF Secretariat should pursue a project tracking system to allow for regular and public reporting of the speed and impact of the CERF.

## **UN/NGO relations in the field**

UN agencies rely heavily on NGOs as implementing partners and most do not dispute that NGOs have unique operational capacity, speed and flexibility. We believe that building trust and solid working relationships between UN agencies and NGOs are crucial to timely and effective humanitarian response, as has been acknowledged in a range of international fora, including the Global Humanitarian Platform.

However, in our experience, the relationship between the UN agencies and NGOs in the field varies greatly from country to country. Mutual suspicion and a lack of communication can prevail in certain contexts, and a lack of transparency feeds this problem.

For example, we found in discussion with our Country Directors there was confusion (and scepticism) about the UN agencies' motivations for applying for CERF funding. There was a perception that they use the CERF to 'top up' their own budget shortfalls, which is not the intended use of the CERF.

In two countries, our Country Directors made clear how frustrated they were at being excluded from the decision-making processes. In both cases, they were assured they would be consulted next time.

From this point forward, however, there must be a commitment to better consultation and coordination, in the spirit of strengthening partnerships and improving the effectiveness of humanitarian relief.

## **Poor communication**

Where sharing of information and cooperation is concerned, we found that several of our programmes were simply unaware that CERF funding had been granted to the countries in which they work. This points to a lack of communication, but also something more fundamental to the state of UN-NGO relations today – a lack of consideration, despite proven capability in the field.

In February, Mozambique received a rapid response grant of \$11.2 million from the CERF, after severe flooding displaced some 142,000 people. Save the Children received a total of \$324,916 (from UNICEF and WFP) for education, child protection training, nutrition surveillance and food distributions. Save the Children's Country Director in Mozambique called the initial part of the process 'occasionally murky' due to ignorance -- both UN and NGO -- over procedures, but that once the issue of administrative costs and the application mechanism were clarified, it went more smoothly.

The partnership between UN agencies and their implementing partners was generally positive although on one occasion it was somewhat undermined when one of the Cluster leads failed to consult NGOs before sending an appeal for CERF funding. This set up a dynamic between this agency and other cluster members that was not constructive. The problems were reportedly 'sorted in time;' however, this example highlights the problems of a failure to include the operational NGOs at all the important stages in the process, not just at a later stage as a sub-contractor.

Save the Children, along with Oxfam and representatives from UN agencies, attended a CERF Training of Trainers in April 2007 which helped our finance staff understand better the mechanisms, limitations and opportunities with the CERF. Trainings from the Humanitarian Liaison Support Unit in OCHA have also helped the wider NGO community -- particularly field based staff -- know more about the CERF.

We appreciate that the CERF rests on a small but highly capable team in the Secretariat. However, in order for the CERF to achieve its aims, much better communication and transparency is needed.

*Recommendations overleaf*

### Recommendations:

From Save the Children's research and experience to date with the CERF fund, we strongly recommend the following:

- The CERF Secretariat should establish pre-approval procedures or standardised Letters of Understanding (LoUs) between the CERF Secretariat and NGOs with proven competency, along the lines of clear and transparent criteria, by December 2007. Alternatively, a standardised global LoU would also be useful between any UN agencies and NGOs with proven capability.
- The CERF Secretariat and UN agencies must continue to improve the transparency of CERF funding, including regular public reporting of the speed and impact of CERF funding for humanitarian programmes on the ground. There should be clear guidelines for timing, minimum percentage of funds to NGOs and percentage of overheads.
- The CERF Secretariat should pursue a project tracking system, to track funds all the way from CERF to beneficiaries.
- The CERF Advisory Group and UN Member-states must hold UN agencies accountable to higher levels of transparency and speed for disbursement of funding from the CERF, in order to improve this important mechanism and better demonstrate impact for beneficiaries on the ground. A Real Time Evaluation of CERF's speed and transparency should be piloted, starting from September 2007.
- As NGOs deliver up to 80% of humanitarian relief, the fact that they are barred from direct access to CERF funding remains the fundamental problem. The IASC Working Group and CERF Secretariat should navigate a way to allow NGOs with established capabilities direct access to CERF funding, in order to improve the timeliness and effectiveness of humanitarian response.

### Endnotes:

- <sup>1</sup> Exclusion of NGOs, the Fundamental Flaw of the CERF:  
[http://www.savethechildren.org.uk/scuk\\_cache/scuk/cache/cmsattach/4522\\_Exclusion\\_of\\_NGOs\\_-\\_The\\_fundamental\\_flaw\\_of\\_the\\_CERF.pdf](http://www.savethechildren.org.uk/scuk_cache/scuk/cache/cmsattach/4522_Exclusion_of_NGOs_-_The_fundamental_flaw_of_the_CERF.pdf)
- <sup>2</sup> "Background paper 2: Enhancing UN/Non-UN Engagement at Field Level", IASC/SCHR, July 3, 2006. Published following conference in Geneva, Switzerland – Enhancing Effectiveness of Humanitarian Action: A Dialogue between UN and Non-UN Humanitarian Organisations, 12-13 July 2006.
- <sup>3</sup> Under-funded emergencies where Save the Children operates: Angola, Bangladesh, Côte d'Ivoire, DRC, Ethiopia, Myanmar, Somalia, Sudan, Zimbabwe; Rapid response: Afghanistan, Indonesia, Kenya, Liberia, Mozambique, Sri Lanka, Tanzania, Uganda.
- <sup>4</sup> [http://www.reliefweb.int/rw/RWFiles2007.nsf/FilesByRWDocUnidFilename/CFF788904EBDC1D7852572E6005E1600-Full\\_Report.pdf/\\$File/Full\\_Report.pdf](http://www.reliefweb.int/rw/RWFiles2007.nsf/FilesByRWDocUnidFilename/CFF788904EBDC1D7852572E6005E1600-Full_Report.pdf/$File/Full_Report.pdf)