

Humanitarian Financing

Protection and Shelter Cluster Training

Hargeisa, 10 - 14 August, 2014

APPEALS SYSTEM



Priorities are organized into an appeal document and presented to Member States and others for funding

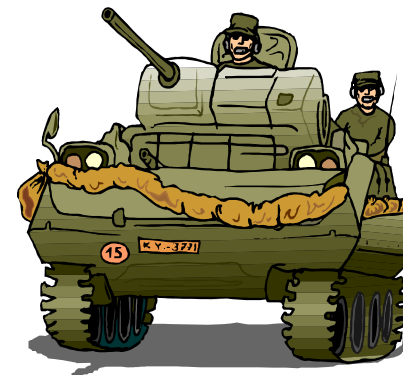
- Two types of Appeals:
 - 1) **Consolidated Appeals (CAP)** – ongoing (complex) emergencies
 - 2) **Flash Appeals** - sudden onset disasters

HISTORICAL BACKGROUND

- What emergency in 1991 was the catalyst for the creation of the Consolidated Appeals Process?

KURDISH REFUGEE CRISIS

- WHY?
 - ❖ Massive refugee influx
 - ❖ Uncoordinated response
 - ❖ Chaos



HISTORICAL BACKGROUND

- **General Assembly Resolution 46/182, December 1991**
- **Strengthening the coordination of humanitarian emergency assistance of the United Nations by:**
 - ❖ Creation of the Emergency Relief Coordinator (ERC)
 - ❖ Inter-agency Standing Committee (IASC)
 - ❖ Consolidated Appeals Process (CAP)
 - ❖ Central Emergency **Revolving** Fund (CERF)

GA Resolution 46/182:

- *“For emergencies requiring a consolidated response, the Secretary-General should ensure that an initial **Consolidated Appeal** covering all concerned organizations of the system, prepared **in consultation with** the affected State, is issued **within the shortest possible time...**”*

Consolidated Appeal Process

- **CAP is basically a longer version of a Flash Appeal (12 months), for longer-term crises, offering more analysis and detail.**
- **Consists of a strategic framework called the CHAP + a list of projects with budgets. Together these two parts are called a Consolidated Appeal.**
- **Comprises of:**
 - 1) Analysis of the context, needs and priorities**
 - 2) Planning scenarios**
 - 3) Response plans**
 - 4) Framework for monitoring the strategy**

CAP (ctnd)

- **Donors rely on CAP for one-stop overview, catalogue of projects to be funded, and a unified approach that ensures their funds are spent strategically**
- **ERC - responsible for the CAP at hq level in New York. HCT conduct the field process under the HC's leadership**
- **Clusters/sectors - responsible for gathering project proposals and lead the peer-review process of vetting proposals**
- **Projects reviewed during the mid-year review**
- **Gender Marker scores mandatory since 2012**
- **CAP is Somalia aligned to the seasonal calendar since 2014**

Flash Appeals

- **Overview of urgent life-saving needs**
- **HC triggers a flash appeal in consultation with stakeholders**
- **Issued within one week of an emergency**
- **Acute needs 3- 6 months**
- **Consolidated Appeal (CAP) for longer-term emergencies**
- **Includes:**
 - ❖ **rapid needs assessments (3 days!)**
 - ❖ **cluster response plans**
 - ❖ **projects for funding**

INDICATIVE TIMEFRAME

Day 1 - HC/RC triggers flash appeal – consults country team & gvmt.

Day 2-4 - Clusters conduct rapid needs assessment and prepare cluster response plans and select projects.

Day 5 - HC sends final draft to OCHA CAP Section, which circulates it for comment within 24 hr to IASC HQs.

Day 7 - CAP Section processes & electronically publishes document

Official launch of appeal. Donors select from menu of projects.

Week 4 - Revision of flash appeal

Financial Tracking Service (fts.unocha.org)

- **Database records all reported international humanitarian aid – NGOs, Red Cross/Red Crescent, bilateral aid, in-kind aid and private donations.**
- **Contains all contributions reported by appealing agencies and donors, whether to projects registered or not registered in CAPs, and for countries where there is no CAP.**
- **FTS data provided by donors, recipient orgs or clusters.**
- **FTS records amount in USD; donor country and org; date of contribution; pledge, commitment, or disbursement; CAP project code or project description.**
- **Information is public.**

Contribution, Commitment, Pledge

- **Contribution:** actual payment of funds or transfer from the donor to the recipient org
- **Commitment:** creation of a legal, contractual obligation between the donor and recipient entity, specifying the amount to be contributed.
- **Pledge:** a non-binding announcement of an intended contribution or allocation by the donor, which does not necessarily specify which organisation.

As soon as commitments are made from that pledge, only the remaining balance of the pledge appears in the pledge column in FTS.

Online Protection System (ops.unocha.org)

- **Database of CAP proposals only without funding contributions.**
- **In order to submit a project, you must register on this site by filling out the profile form and obtaining authorisation from OCHA.**

POOLED FUNDS MANAGED BY OCHA

**1) Country-Based Pooled Funds: ERF/ HRF
& CHF**

2) CERF

- **CERF - Central Emergency Response Fund**

Global rapid response to sudden onset disasters & funding for neglected or underfunded emergencies

- **CHF - Common Humanitarian Funds**

Large country-specific pooled funds – recently established in June 2010.

- **ERF - Emergency Response Funds**

Smaller country-specific pooled funds for unforeseen needs.

COUNTRY-BASED POOLED FUNDS

- ❖ **Established at country level to provide timely and predictable funding to address critical needs**
- ❖ **Provide grants to humanitarian orgs based on a comprehensive consultation and prioritization process**
- ❖ **External and internal evaluations conducted by OCHA to assess effectiveness & relevance of CBPF. Global evaluations conducted every 3 years**
- ❖ **OCHA works with Member States and private sector to mobilize funds**

❖ Two types of CBPF:

✓ ERF/ HRF

✓ CHF

❖ 11 countries with ERF/HRF: Colombia, Ethiopia, Haiti, Indonesia, Kenya, Myanmar, Pakistan, State of Palestine, Syria, Yemen and Zimbabwe

❖ 6 countries with CHF: Afghanistan, CAR, DRC, South Sudan, Sudan, Somalia

❖ In countries where there is an ERF or CHF, the HC can immediately release funds upon agreed priorities

❖ Predominantly for NGOs

1) ERF/ HRF

- Established to meet unforeseen needs not included in CAP or similar humanitarian action plan
- Small compared with the CERF and CHF and provides small- to medium-size grants
- Decisions - taken by HC and HCT, after consultation and prioritization process
- OCHA - day-to-day management and financial administration of the funds
- ERF is not intended to provide core funding to projects in a protracted crises, although some ERFs may provide funding to critical gaps in CAP on an exceptional basis.

2) CHF

- **Objective of a CHF is to ensure timely and predictable funding of core activities within a CHAP by providing CHF grants to priority projects included in the CAP. All orgs participating in CAP are eligible to receive CHF funding.**
- **Allocation rounds are two to three times a year, with the majority of CHF funds allocated at the beginning of the year. Decisions involve cluster leads and humanitarian partners**
- **Managed by HC with support of OCHA – day to day mng**
- **CHF size varies by country – btwn US\$60 million and \$120m p/y**
- **Replenished through voluntary contributions, mainly from UN Member States.**

CHF (ctnd)

- **Replenished through voluntary contributions, mainly from UN Member States. Contributions received and managed by UNDP Multi-Partner Trust Fund Office**
- **HC is responsible for the overall management and oversight of the CHF. Day to day management is performed by OCHA. Financial administration is undertaken by UNDP. UNDP receives and manages donor contributions to the fund**
- **The Emergency Reserve (typically 10%) is used by the HC to respond to unforeseen emergency needs outside the CAP**
- **Contributions received and managed by UNDP Multi-Partner Trust Fund Office**
- **MPTF Gateway (mptf.undp.org) - latest funding status**

Somalia CHF

- ❖ **Two windows:**
 - ✓ **Standard allocation**
 - ✓ **Rapid response**
- ❖ **CRC**
- ❖ **CHF Board**
- ❖ **HC - final decision maker**

CERF

❖ Outcome of SG's reform process and Millennium Summit

❖ 3 Objectives:

- ✓ Promote early coordinated action & response to save lives;**
- ✓ Enhance response to time-crucial requirements based on needs;**
- ✓ Strengthen core elements of humanitarian response in under-funded crises.**

CERF (continued)

- ❖ **Intended to complement - not substitute - existing humanitarian funding mechanisms. Provides seed funds to jump-start critical life-saving operations**
- ❖ **Managed, on behalf of the UN Secretary-General, by the Emergency Relief Coordinator and Head of OCHA**
- ❖ **Replenished annually through contributions from governments, private sector, foundations and individuals**
- ❖ **CERF allocates approximately US\$400 million annually to UN agencies (except OCHA) and IOM**

CERF (continued)

- **Two components:**
 - ❖ **Grant component: Rapid Response and Underfunded Emergencies**
 - ❖ **Loan component**

CERF (continued)

- **Rapid response grants (2/3 of grant facility – \$300m)**
 - ✓ *Promote early action and response to reduce loss of life*
 - ✓ *Enhance response to time-critical requirements*
- **Under-funded crises (1/3 of grant facility - \$150m)**
 - ✓ **Strengthen core elements of humanitarian response in underfunded crises**
- **Loan facility (\$50 million)**
 - ✓ **Funding committed but not yet paid; or commitment very likely**

NGOs Role in CERF

- ❖ **NGOs may recommend sectors or projects to be included in the CERF request. Through their participation in the HCT or in similar mechanisms.**
- ❖ **Implementing partners for the CERF-funded projects that are ultimately selected by the RC/HC.**

CERF Loan Component

- ❖ **When UN agency has received donor's official commitment, but there is delay btwn actual commitment & funds transfer**
- ❖ **Help orgs begin implementing emergency response activities**
- ❖ **Since the loan mechanism was created in 1992, as per GA Resolution 46/182, disbursed apprx. \$500 m**
- ❖ **ERC is responsible for determining the amount to be advanced in each situation**

CERF (ctnd)

- ❖ **CERF was the largest and fastest source of funding to the 2010 Flash Appeals**
- ❖ **CERF fills gaps across appeals**
- ❖ **But..... CERF is only 7% of global humanitarian contributions**

Rapid Response Window

- ❖ **Supports life-saving, humanitarian activities in the initial stages of a sudden-onset crisis**
- ❖ **May also be used to respond to time-critical requirements or deterioration in existing emergency**
- ❖ **Can be used as soon as a disaster occurs and must be expended within six months**
- ❖ **Allocations should fulfill “life-saving” criteria and result from a country’s needs assessment**

Rapid Response Window (ctnd)

Process

- ❖ RC/HC recommends use of CERF and identifies priority life-saving needs by consulting IASC country team
- ❖ RC/HC submits proposals based on assessed needs
- ❖ ERC approves/ not approve applications
- ❖ UN disburses funds to eligible agencies if approved
- ❖ Agencies cannot submit proposals directly to the ERC

Underfunded Window

- ❖ **1/3 CERF grants earmarked for underfunded emergencies**
- ❖ **Twice a year, ERC invites selected countries to apply for grants from underfunded emergency**
- ❖ **ERC selects countries based on funding statistics, UN agencies' recommendations, inter-agency consultations**
- ❖ **ERC informs RC/HC about CERF funding levels potentially available for RC/HC's country**

Underfunded Window (ctnd)

- ❖ **ERC then invites the RC/HC to identify and submit projects that could qualify for underfunded.**
- ❖ **The RC/HC is encouraged to collaborate with the HCT to identify potential humanitarian projects.**
- ❖ **Following the RC/HC's submission of the country's projects, the ERC decides whether to allocate funds.**
- ❖ **In countries there is CAP, the RC/HC may use the CAP's projects to establish their country's priorities. CERF funding could be allocated against the CAP.**

CERF and CBPF

CERF	CBPF
Cover all countries affected by an emergency	Country-based
Funds UN agencies only	Funds mostly NGOs
Big	Relatively small, CHF

CHF	ERF/HRF
Bigger - US\$60 million and \$120 million per year	Relatively small - less than US\$10 million per year

CERF Grants and Loans

Grants	Loans
<ul style="list-style-type: none"> • Up to US\$450 million, depending on contributions. • Established in December 2005 by the United Nations General Assembly. • Allows the <u>Emergency Relief Coordinator (ERC)</u> to ensure coverage of life-saving programmes when funds are not available from other sources. • Used to allocate funds to UN operational agencies to address critical humanitarian needs based on priorities established under the leadership of the <u>Humanitarian/Resident Coordinator</u> in the field. • Applicant must justify the need for funds, considering available resources. If a donor pledge is forthcoming, the loan facility should be used. 	<ul style="list-style-type: none"> • US\$30 million available. • Established in 1991 as the Central Emergency Revolving Fund. The Revolving Fund is now managed separately as part of the upgraded Central Emergency Response Fund. • Used to make loans to UN agencies for emergency programmes based on indication that donor funding is forthcoming. • Loans must be reimbursed within one year. \$480 million were disbursed in loans over the last 16 yrs. • Primarily used as a cash-flow mechanism allowing UN agencies to access funds rapidly while they are waiting for donor pledges to be transferred.

TIME FOR AN EXERCISE!

