



The Global Evaluation of Emergency Response Funds (ERFs)

Executive Summary

March 2013



Executive Summary

INTRODUCTION

This is the first global evaluation of the ERF mechanism. Prior evaluations and audits were of individual ERFs and were country level evaluations or compilations of country cases. In response to OIOS audit of OCHA's management of emergency response funds in 2010, it was determined that a comprehensive evaluation of the ERF mechanism would be conducted triennially. This evaluation was also occasioned by requests from donors to look more broadly at the ERF mechanism in general as opposed to looking at it from a disaggregated country approach. The evaluation covers all ERFs currently in operation with the exception of the Syria ERF, which was established in early 2012 and deemed to be beyond the scope of this evaluation.

The results of the evaluation will at the global level inform the review of ERF Guidelines in 2013 and development of policy in relevant areas. At the country level, the evaluation is expected to lead to improvements in ERF management, processes and operations. The evaluation recommendations will be addressed through the Management Response Plan as per OCHA Evaluation Policy.

The Objectives of the evaluation are to:

- Provide an independent assessment of the contribution of ERFs to the humanitarian community's ability to address critical unforeseen humanitarian needs in a timely and effective manner;
- Examine the contribution of ERFs to strengthening the leadership of Humanitarian Coordinators, coordination role of the cluster system, and building partnerships (in particular with national and local NGOs);
- Examine the role of the elements of OCHA that plan, administer and report on ERFs, map the progress made since 2009 in improving the effectiveness and efficiency of ERFs, and identify areas of strengths and weaknesses.

METHODOLOGY

The evaluation utilized a wide range of methods, including document review, key stakeholder interviews and small group meetings. Two electronic surveys were mounted. The first was directed at OCHA Headquarters managers and the staff and management of OCHA country offices where an ERF is in operation. The second was an external survey of nearly 1,000 NGO representatives, primarily at the country level, who had received an ERF grant over the last three years, combined with key global NGO and UN partner stakeholders. The evaluation was based on the existing ERF Results Framework, augmented by a provisional Theory of Change, both described in the Methodology Appendix of this Volume. Five country case studies were conducted: Afghanistan, Colombia, Ethiopia, Indonesia and the Occupied Palestinian Territory. The evaluation process was supported by an advisory body consisting of the key external and internal stakeholders of the ERF, which has reviewed and approved all tools and methods utilized.

There were some limitations to the process. First, it was not well understood by field level staff that the case studies were not in-depth reviews. An additional challenge lay in a dichotomy related to the focus of the evaluation. As part of the Inception process, it became evident that there were tugs and pulls between those stakeholders who were seeking a global assessment of procedures and operational practices, and those who were seeking a more strategic assessment of the overall value of the ERF mechanism. This ambiguity was one between a process evaluation versus a strategic one that would be concentrating on the higher level objectives for ERF - such as how they fill gaps, how they build synergies and how they improve the effectiveness of the humanitarian architecture as a whole. In the end, the evaluation tends to be more focused at the strategic level.

OVERARCHING CONCLUSION

Before laying the Findings of this evaluation, it is very important to stress that notwithstanding some of the issues that are raised with respect to specific shortfalls, the ERF mechanism has, and is, making valuable albeit limited contributions to the attainment of its strategic objectives.

It is important to underscore this positive Overarching Conclusion:

The ERF mechanism works; however, like any process, is in need of continual adaptation and evolution so that it can remain relevant.

The above general conclusion points to the overall positive value of the ERF mechanism. In addition, it is beneficial to preface the specific findings that follow with a list of some of the highlights of **Best Practices** that were observed. More can be found in the Final Report itself.

- Active participation of some Review Boards in the selection process by having regular meetings where feasible as opposed to passive consent models.
- Active participation by some Heads of Office in the ERF process and especially in relation to the mobilization of Advisory Boards and relevant clusters.
- At least by biennial Advisory Board meetings so as to improve the level of coordination and provide strategic direction and feedback.
- Encouragement for the Humanitarian Coordinator to play an active role in Advisory Boards and inter-agency coordination moving beyond the simple approval of project proposals.
- Ensuring NGO participation in the Review Board process.
- Ensuring active consideration of gender and disadvantaged factors.

SUMMARY OF SPECIFIC FINDINGS

The evaluation presents 38 specific Findings organized in seven categories:

1. FUNDING AND PROJECT ISSUES

The current ERF model, which does not permit capacity building for NGO applicants, may hinder the quality of project proposals and prolong the application process. Approval processes are largely focused on procedural matters and do not give enough attention to where a project may fit in the larger context of a CAP or similar instrument. The evaluation found that at present the ERF mechanism is only making minimal contributions to resilience and disaster preparedness, due to the demand for more traditional emergency responses and the relatively small size of ERFs in general.

2. PROCESSES AND INPUTS

While current approval procedures are necessary to ensure probity, they are generally not seen as sufficiently rapid, by NGOs in particular. Approval mechanisms and especially the way most Review Boards function were seen as inadequate to ensure congruity among projects and thus promote a stronger level of coordination. In addition, several findings address the adequacy of resources to administer the ERFs. At the HQ level, resources appear to be sufficient, although their better integration is necessary to improve timeliness and quality control. At the field level, with the possible exception of Ethiopia, ERFs are underfunded in comparison to the level of responsibilities that are required for liaison and coordination, cluster engagement, outreach, quality control, and management of the Advisory and Review Boards.

3. OUTCOMES

A major finding affirms that the ERF mechanism has filled selective gaps and has contributed to the overall attainment of humanitarian outcomes. A second finding, however, tempers it by indicating that outcome attainment in many instances is affected by the quality of OCHA leadership in the country in question.

4. OPERATIONAL EFFECTS AND IMPACTS

Generally, the ERFs have made positive contributions to the effectiveness of humanitarian programming and leadership of the humanitarian response at the country level, albeit constrained by the small size of ERF interventions. The ERF mechanism is much faster than other UN instruments and most bilateral ones. It has, however, not been able to achieve its objective of being a catalytic instrument to mobilize resources, in part due to its relatively small size and project-by-project basis.

5. PARTNERSHIPS

While OCHA is seen as a “good partner”, the absence of a definition of good partnership has resulted in an ambiguity as to what is seen as positive. While there is an implicit understanding of what constitutes good partnership (fairly self-evident characteristics like trust, openness, accountability, communications, etc.), there is no clear articulation of what good partnership means in the context of pooled funds, in particular where the realm of partnering actively engages civil society.

6. PERFORMANCE MANAGEMENT – MONITORING AND EVALUATION

Former approaches to audit of ERF-funded projects were seen as a major irritant. New approaches are only beginning to take effect and remedy this long-standing concern. The project-based nature of the ERF mechanism has made it difficult to go beyond output reporting and address questions related to the impact of ERF activities. With very few exceptions, the country-based ERF mechanism has not undertaken evaluations to a sufficient degree, although several examples indicate that such country-level, project-based evaluations can be conducted if sufficient resources are allocated. Finally, the absence of overall standards for quality of the management of the ERF process at the country level impedes OCHA's ability to manage the mechanism efficiently and effectively.

7. CROSS-CUTTING FINDINGS

A number of cross-cutting findings, highly strategic in nature, were identified in the Inception Report as likely to have an impact on not only the evaluation but on how the ERF functions and is perceived to function:

- There is ambiguity about where ERFs fit within the totality of the humanitarian response.
- There is debate over ERF mandate in relation to resilience building and DRR considerations.
- There is ambiguity as to degree to which OCHA itself views ERFs as a priority instrument.
- Many ERFs do not possess a sufficient critical mass to make more than a nominal contribution to the attainment of their specified goals.
- The demand-driven nature of ERFs blurs their country level strategic role.
- Issues related to disability or age are not being taken into account in design or approval of ERF projects. While the Gender Marker has been formally introduced, there is concern regarding whether it is influencing the design and delivery of programs or whether it is seen as a compliance-related element of application.

OVERALL CONCLUSIONS

ERFs play a valued, albeit limited role, in supporting civil society to respond to unforeseen gaps in the overall humanitarian response.

The ERF is a specialized tool that is best used when a sufficient critical mass of donor support is brought to bear in conditions of on-going or chronic emergency, combining both natural disasters and conflict causes, in rapidly developing or protracted situations. It appears to be less effective when used in prolonged crisis situations.

The ERF process has made a limited but noticeable contribution to strengthening coordination and leadership.

Strengthening humanitarian leadership, improving coordination and reinforcing OCHA at the country level are among the anticipated outcomes of the ERF mechanism. However, the ERF alone cannot be expected to make more than a modest contribution to humanitarian leadership and, as was pointed out, requires sufficient cash to influence some partners. This conclusion is supported by findings related to the impact of the small size of the ERF mechanism, issues about its focus, and the extent to which the desired impact on leadership might be contingent on the vitality of the cluster system in a particular locale.

ERF is relevant to its NGO and UN partners, and government stakeholders alike.

The ERF fills an organizational gap in that it is one of the few UN mechanisms that can rapidly respond to NGO requests. Strong support for ERFs is tempered at an operational level by (what are considered by most non-UN stakeholders to be) a lengthy and complex granting system. Rapidity in the context of an ERF, however, does not mean being there first few days/a week after a crisis. The ERF cannot, nor should be seen as a true first responder. The very fact that it is designed to “fill gaps” and “unforeseen needs” implies the existence of a prior plan. Its role as a mechanism to strengthen leadership and coordination also implies that OCHA cannot simply respond outside the parameters of an overall UN response. NGOs and governments to some extent recognize this fundamental characteristic of the ERF mechanism.

New ERF Guidelines are making a difference in improving the ERF processes but require further clarifications.

The new ERF Guidelines are likely to improve accuracy and timeliness of ERF processes. However, the effort to standardize brings with it the risk of over simplification in some instances or the reduction of necessary flexibility in others, and therefore a fully standardized approach may weaken the overall effectiveness of ERFs. A ‘one size fits all’ approach, for example, could be construed to encourage more advanced or larger ERFs to adopt a mechanism for project approval that might be designed to fit the needs of smaller ones, and thus reduce transparency. What is needed instead is a basic set of core conditions augmented by recognition of the need to adapt to the situation at hand.

The role of ERFs and whether they are seen as a priority by OCHA is unclear.

There is ambiguity about whether the ERF mechanism is a priority for OCHA. The level of support provided to the ERF process by OCHA and lack of clarity in its strategic focus point to the conclusion that the mechanism is presently not well-understood. This is not to attempt to globally centralize the ERF mechanism and thus to detract from the benefits of a country-based paradigm but rather to provide clarity about the fundamental nature of the ERF process.

ERF faces funding challenges in most instances.

Many ERFs are either underfunded, or have lost the perception that they are relevant and thus have faced successive donor reductions. This speaks to the present situation where for the most part, the ERF mechanism in a given locale is required to mobilize its own resources with only limited help from OCHA Headquarters.

There is a need to increase the rapidity of the ERF granting process and in parallel to increase quality control and managerial accountability.

While the Guidelines are beginning to make a procedural difference, additional measures could be taken to streamline them and to increase quality control and management accountability, especially in relation to the decision-making processes at the country level. Findings show that some HQ functions could be better integrated to reduce the timeframe for grant approval.

RECOMMENDATIONS

The Report presents 15 Recommendations. They are presented in three broad categories: Strategic, Operational and Performance Management. All these recommendations have a relatively short timeframe, a maximum of two years, so as to ensure implementation before the next global evaluation, which is anticipated in three years. They are described in full in the Final Report.

1) Strategic Recommendations

Recommendation 1. OCHA needs to clarify whether the ERF mechanism is a global priority; if so, OCHA should more clearly articulate how it relates to CERF and clusters and should allocate additional resources at the country level.

The evaluation highlights the lack of awareness and even misunderstanding about where the ERF mechanism fits in the humanitarian architecture at both the global level and country levels. This lack of clarity is sufficiently widespread to pose a considerable strategic risk for OCHA. The degree to which the ERF mechanism can be used to strengthen the humanitarian system would need to be reexamined if OCHA determines that it is part of its core business. Also, the level of resources provided to manage ERFs at the country level would need to be increased, given that the required tasks vastly exceed simple grant administration and include resource intensive liaison and coordination functions.

Recommendation 2. OCHA should clarify the focus of the ERF mechanism (where the ERF “fits”): an emergency response mechanism versus a tool to promote longer-term resilience building.

This Recommendation refers to ambiguity related to the focus of the ERF mechanism. It is also directly related to the tug and pull between the strategic objective of filling gaps in an emergency through supporting life and livelihood saving activities in a direct sense; versus the support of preventive resilience building and DRR

measures (some of which, by implication, would be undertaken in the absence of an immediate emergency as part of a longer term recovery process, and some possibly in advance of a crisis situation).

Recommendation 3. OCHA should issue policy guidance on the strategic rationale that may underpin the opening of an ERF and its subsequent closure, and review viability and relevance of all current ERFs.

The new ERF Guidelines have made major strides in clarifying the operational/financial considerations regarding the establishment of an ERF and its subsequent closure. To that end, it should be noted that several existing ERFs, on the basis of these criteria, would be candidates for immediate closure! OCHA senior management should more clearly address the policy and strategic conditions by which an ERF should be established or closed.

Recommendation 4. OCHA HQ should seek additional donors for ERFs and strongly encourage Heads of Office and HCs to do so at the country level.

Several findings demonstrate that a number of ERFs are significantly under-resourced. Also, some are pulled between support for emergencies and resilience building, with resource limitations making this equation more sensitive in the local context. OCHA faces an additional challenge due to uncertainty that can arise with respect to ERF funding. This poses a realistic risk at the country level where continuity from year to year can be called into question if donors only make annual commitments.

2) Operational Recommendations

Recommendation 5. OCHA should consolidate in New York all ERF-related functions including the HQ review and approval of grant applications, but excluding the fiscal responsibility for disbursement.

An analysis of ERF processes shows that the decisions taken after the submission of a grant application by the HC are largely procedural. In the spirit of improving risk management and attempting to streamline the ERF mechanism, OCHA should consolidate in New York all ERF-related functions including the HQ review and approval of grant applications, now located in Geneva, but excluding the fiscal responsibility for disbursement.

Recommendation 6. More work needs to be done to improve the clarity of criteria for project selection vis a vis longer term remedial and recovery initiatives, and to enable ERFs to adapt approval/review processes to local conditions. Specific areas for improvement should include alternative approaches to workflow that would enable larger ERFs to be more transparent.

While there is a general belief among stakeholders that the ERF mechanism has been directed toward life and livelihood saving situations, there is a growing voice that argues that it should be part of a more proactive and preventative stream, or at least favor remedial resilience building following a disaster. The Guidelines need to address this dichotomy in detail. Also, the Guidelines include a standardized workflow and timeline predicated on an ERF which does not have a significant number of annual grants. Most present ERFs, with the exception of Ethiopia, would fall within this paradigm. However, it is reasonable to conclude that in the future, another ERF or a new ERF could generate the volume so as to warrant a more transparent and interactive process, two highly positive characteristics of the Ethiopian process.

Recommendation 7. More work needs to be done to strengthen the roles of Review and Advisory Boards.

While the new Guidelines articulate roles and responsibilities for both these Boards, the reality of most of the present ERFs is that the Advisory Board is only tangentially engaged and many of the Review Boards use a process of assumed consent via email. Several Findings illustrate that the absence of actively engaged and working bodies has weakened effectiveness and resulted in perceptions about the lack of relevance of ERFs in

some environments. The role of both these bodies as country level mechanisms to examine performance is virtually non-existent.

Recommendation 8. OCHA should review the adequacy of resources provided to the ERF mechanism at the country level, by means of a country level needs assessment. Moreover, OCHA should stipulate that the performance of the ERF will be explicitly considered in the annual performance assessment of the Head of Office.

The impact of limited resources on performance of ERFs has been a recurring issue in the findings. At the strategic level, this is addressed by recommending that OCHA make a clear decision as to the priority of the ERF mechanism. This specific recommendation suggests an operational bottom-up approach to determining the actual needs of an ERF, as opposed to the arbitrary and top down approach recommended by a recent audit.

Recommendation 9. At the country level, OCHA should allocate more resources to orient /coach applicants, especially NGOs, to the requirements of the ERF process.

The ERF process does not explicitly involve capacity building for NGOs as an end in itself. However, testimony from NGOs shows that many, especially the less established, need a degree of guidance in the application process and to some extent, possibly in delivery activities. This recommendation recognizes that for the ERF to attain its goal of increasing partnership and building capacity, some degree of support needs to be provided at the country level.

Recommendation 10. OCHA should strengthen the Head of Office's management responsibility for the ERF.

It is reasonable to begin to explore whether the HC has a role as an administrator (exercising management responsibility) or whether the HC's role with respect to the ERF is more tangentially linked to high level matters. In that context, and if ERF is to be managed by OCHA and OCHA is to be held accountable for ERF, it would seem logical that the management responsibility for in-country project approval be OCHA's Head of Office. More importantly, transferring the management responsibility from the HC to the HOO would set lines of managerial accountability within OCHA and enable OCHA's senior management to more directly link the ERF process with overall OCHA priorities.

Recommendation 11. OCHA needs to specifically earmark funds for communications-related activities in order to improve awareness and transparency. Specifically, the ERF Guidelines should be translated into French and Arabic.

An examination of records shows a common tendency of multiple projects, year after year, being approved for the same NGOs. The staff of several ERFs pointed out that while they had had plans for more broad outreach and communications activities, recent budget cuts along with restricting monitoring missions eliminated outreach activities to a degree. NGOs in several environments pointed out that they felt somewhat discriminated against or at least out of the communications loop. The absence of French and Arabic language documentation, given the degree of the usage of French in Africa and the likelihood of ERFs being called upon in the future to address chronic disaster situations in French and Arabic-speaking African countries, is a major limitation of the ERF process.

3) Performance Management Recommendations

Four recommendations relate to improvements in performance management and planning. All are derived from specific findings that show that present country level and centralized mechanisms of performance management, while adequate to ensure fiscal and programmatic stewardship, are incapable of demonstrating the impact of the ERF process. They also refer to improvements in country level monitoring that are needed so as to strengthen quality control and improve risk management.

Recommendation 12. OCHA should set performance standards for project monitoring that would over a three year period rise to 100% compliance.

The current monitoring levels, of around 60 percent, are inadequate. Heads of Office should develop country-specific monitoring plans that might include ERF staff, peer monitoring and cluster team members, so as to increase the rate to full compliance before the next cyclical Global Evaluation. Monitoring considerations should be specifically included in the country-based needs assessment recommended above.

Recommendation 13. OCHA, as part of the revision of the ERF Guidelines in 2013, should more explicitly indicate that project monitoring must include assessment of the number/type of beneficiaries affected by/impacted by the project; and that end of project reports explicitly require the same data.

ERF project documentation contains numerous gaps with respect to probably the most important consideration that can affect an ERF – who did it actually benefit. While it is unreasonable with the duration and size of the ERF project model to attempt to attribute long-term impacts, it is quite possible to begin to articulate projects more in terms of their beneficiaries and less in terms of specific project outputs. Given that this Recommendation would require ERF country level staff to orient potential applicant organizations, it is likely that it could be implemented a year after the promulgation of the 2013 revision of the Guidelines.

Recommendation 14. The current three year cycle of evaluation of the ERF process needs to be maintained as the basis of a more “learning based” approach to evaluation.

This global evaluation is the first of its kind in relation to the ERF mechanism, replacing a prior disaggregated approach of individual country-based evaluations. There would be considerable benefit, especially given many of the challenges that face the ERF mechanism, in maintaining a triennial cycle which allows for a greater possibility for sustained organizational learning and improvement.

Recommendation 15. EGS should mount exploratory sectorial evaluations at the global level to begin a process of developing the ability to report on results/impacts and also to promote organizational learning.

The present inability to go beyond verifiable output reporting and only tangentially reliable testimony about outcomes is a major gap in the ERF performance measurement architecture. The individual project basis of the ERF mechanism makes it impossible within the realm of any reasonable costs to conduct individual evaluations of the beneficiary impact of separate projects. However, ERF project portfolio globally shows a high degree of commonality of work. Therefore, it is possible to conduct a portfolio evaluation of, for example, a selected number of nutrition projects in four or five ERFs. In this way, the “drill down” could begin to reach toward the assessment of beneficiary impact. Moreover, this kind of selective portfolio approach would enable OCHA to better assess the degree of interconnectivity between its work and the work of others, thereby better analyzing “common success factors” and reducing risk.