

# Transfers to local/national responders: funding vs in-kind - an analysis of CERF sub-grants

Christian Els

## Abstract

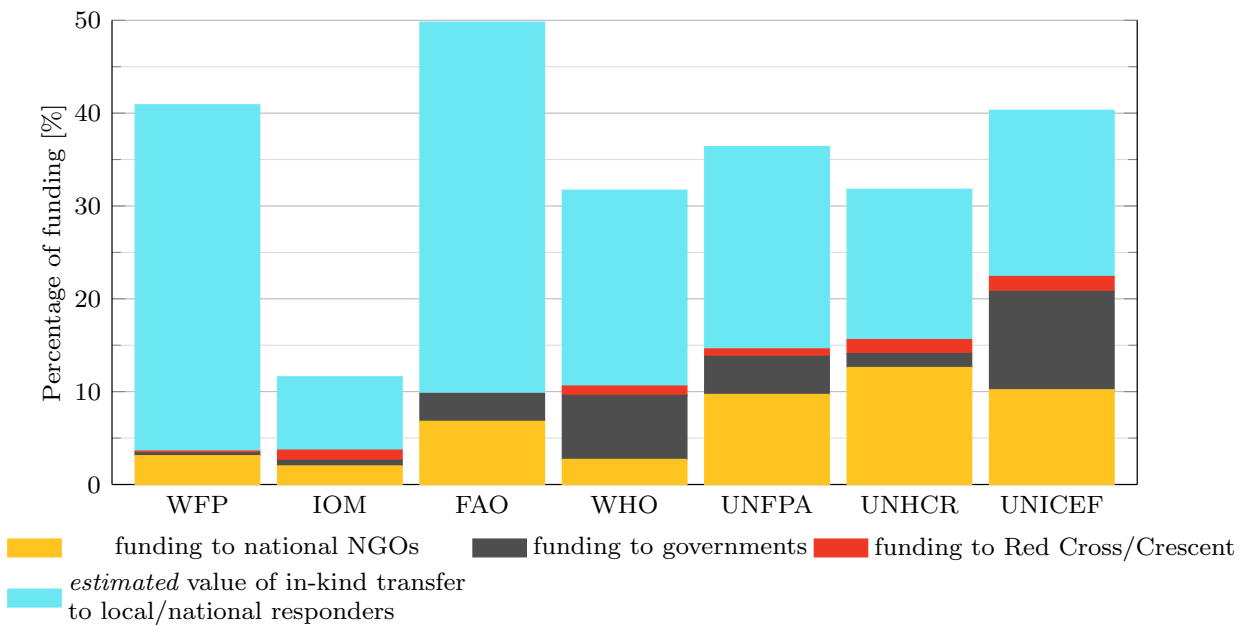
Based on Central Emergency Response Fund (CERF) data on UN agencies sub-grants to implementing partners in 2014, it is demonstrated that cash-grants to local and national responders ranged between 4 and 22%. Based on this data, only one out of the seven UN agencies examined was close to the WHS Grand Bargain commitment of providing at least 25% of funding to local and national responders by 2020. In contrast, if "funding" flows in the form of estimated in-kind transfers are considered, six out of the seven UN agencies easily reached the Grand Bargain target already back in 2014.

ce@local2global.info

## Introduction

One of the most tangible outcomes of the World Humanitarian Summit is the Grand Bargain<sup>1</sup> endorsed by 21 governments and 27 aid organizations, networks and alliances. Within the Grand Bargain, endorsers committed to provide at least 25% of their funding to local and national responders<sup>2</sup> "as directly as possible". It should be noted though, that this is a collective commitment by the Grand Bargain endorsers and this benchmark may not necessarily have to be met by every individual endorser.<sup>3</sup> Currently donors and aid agencies are discussing a more pre-

cise definition of the term "as directly as possible". There are at least two clarifications needed: as directly as possible can be about limiting the number of intermediaries between donor and local responders. In addition it is unclear whether only funding transfers (cash grants) should be considered, or providing goods in-kind constitutes a "funding" flow and therefore should be included in the "as directly as possible" definition. This briefing note provides an analysis for the second question, based on seven UN agencies' funding flows to local/national responders.



**Figure 1: Transfers to local/national responders in 2014: funding vs in-kind.** The figure shows the percentages of total received CERF funding which were sub-granted to local/national actors (national NGOs, governments and National Red Cross and Red Crescent Societies) as cash grants. In addition the *estimated* pro-rata value of procured relief items are shown, which are given in-kind to these local/national responders. Source: CERF and L2GP analysis

## Methodology

Existing data on funding flows from UN agencies and INGOs to local responders is scarce. The most complete data available is by CERF, which publishes an analysis of how UN agencies use CERF funding, including subsequent sub-grants to local/national and international responders.<sup>4</sup> CERF publishes a detailed breakdown of how its funding is utilized by the recipient UN agency. This breakdown consists of procurement of relief items, other program costs and sub-grants to implementing partners which are INGOs, NNGOs, governments and national Red Cross and Red Crescent Societies.

Within CERF's reporting, data on sub-grants to INGOs and local/national responders is readily available and presented in table 1. For this briefing note, goods in-kind procured by UN agencies were also considered. While CERF does not provide explicit data on the distribution of the procured relief items, INGOs and local/national responders "played an important role in distributing to beneficiaries relief supplies procured by UN Agencies using funding from CERF."<sup>5</sup> For the analysis of this briefing note it is assumed that procured relief items are distributed by the implementing partners only.<sup>6</sup> It is further assumed that the value of the relief items given in-kind to the various actors is based pro rata on the percentage breakdown of the sub-grants, i.e. if UNICEF provides 40% of its total sub-grants to INGOs and 60% to local/national responders, then it is assumed for the present analysis, that 60% of UNICEF's procured relief items were handed over to local/national responders in-kind and distributed by them.

The UN agencies considered in this briefing note are: FAO, IOM, UNFPA, UNHCR, UNICEF, WFP and WHO.

## Results

The results of the analysis are presented in figure 1 and table 1. When considering only funding flows, the amounts given by the seven UN agencies to local/national responders (national NGOs, governments and national Red Cross Crescent Societies) ranges between 4-22%. UNICEF provided 22% of its CERF funding to local/national responders in 2014. Four organizations (UNHCR, UNFPA, WHO, FAO) provided between 10 and 16% of their CERF funding to local/national responders through sub-grants. For WFP and IOM these numbers are in the magnitude of 4%.

When adding goods in-kind to the funding, the picture changes drastically. Only IOM would not have met the 25% target already in 2014, all other agencies would easily achieve the 25% target. In fact all of them provide more than 30% of their CERF funding to local/national responders. FAO and WFP provided even more than 40% of their funding to local/national responders if both funding flows and the value of goods in-kind are considered.

It is worth noting that this analysis does not attempt to provide a nuanced picture of the specific operational realities of the respective agencies: some of which procure large amounts of food or non-food items in bulk, others have human resource intensive programming; some of the agencies rely mainly on self-implementation, while others almost exclusively implement through partners. All these different models of operation influ-

ence the amount of funding and goods in-kind transferred to local and national responders.

## Limitations

CERF funding constitutes only part of the total funding available for the various UN agencies, and CERFs share of the total humanitarian funding/expenditure of the UN agencies ranges from 2-15%, see also table 1. Especially for agencies with low levels of CERF funding, such as WFP and UNHCR (all others are above 6%), this raises the questions how representative the usage of CERF funding is for the overall funding of the organization. A systematic analysis of this topic is beyond the scope of the paper.

One way of ensuring that data is representative, however, is a large enough sample size, therefore only UN agencies which received more than USD 10 million by CERF were considered. Further, for some of the organizations CERF data can be cross checked: For UNHCR's total expenditure it is known that 11% went to national NGOs,<sup>7</sup> which is in the same magnitude with UNHCR's sub-grating of CERF funding to these organizations (12%). One of WFP's largest emergency operations (Syria) used 2% of its funding in 2014 for sub-grants for local and national NGOs, which is also in the same magnitude with WFP's CERF sub-granting to NNGOs (3%). These considerations suggest that CERF funding is not used entirely different than other available funding. In summary, the argument presented in this paper is based on three assumptions:

- Usage of CERF funding is representative of the total funding of the UN agency
- Procured relief items are distributed by implementing partners only
- Value of the relief items given in-kind to implementing partners is based on their respective share of sub-grants

## Conclusion

Despite the limitations of this analysis of CERF data, it indicates that IOM, FAO, UNFPA, UNHCR, UNICEF, WFP and WHO's funding to local responders ranged between 4% and 22%. Only UNICEF was close to the 25% Grand Bargain funding target. In contrast, if in-kind donations were included in the calculations, FAO, UNFPA, UNHCR, UNICEF, WFP and WHO all easily reached the 25% funding target of the Grand Bargain. In-fact, if in-kind support were to be considered as funding, their level of funding to local/national responders were beyond 30% already back in 2014.

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Org	Total CERF funding	Usage of CERF funding			Breakdown of sub-grant recipient				% of total funding to Local actors						CERF share of total income	Total hum income
		Other program costs	Procurement of relief supplies	sub grants	INGO	NNGO	GOV	RCRC	sub-grants NNGO	sub-grants GOV	sub-grants RCRC	total sub-grants	In-kind	total (sub-grant + in-kind)		
UNICEF	119	26.8%	32.5%	40.6%	45.0%	25.0%	26.0%	4.0%	10.2%	10.6%	1.6%	22.3%	17.9%	40.2%	7.5%	1,579 <sup>8</sup>
UNHCR	55	22.3%	39.4%	38.2%	58.0%	33.0%	4.0%	4.0%	12.6%	1.5%	1.5%	15.7%	16.2%	31.8%	1.6%	3,355 <sup>9</sup>
UNFPA	15	36.4%	38.2%	25.4%	46.0%	38.0%	16.0%	3.0%	9.7%	4.1%	0.8%	14.5%	21.8%	36.3%	15.2%	101 <sup>10</sup>
WHO	46	42.3%	38.4%	19.3%	45.0%	14.0%	36.0%	5.0%	2.7%	6.9%	1.0%	10.6%	21.1%	31.7%	6.7%	690 <sup>11</sup>
FAO	31	26.8%	58.8%	14.4%	32.0%	47.0%	21.0%	0.0%	6.8%	3.0%	0.0%	9.8%	40.0%	49.8%	10.2%	303 <sup>12</sup>
IOM	49	61.5%	26.3%	12.2%	71.0%	16.0%	5.0%	9.0%	2.0%	0.6%	1.1%	3.7%	7.9%	11.6%	6.2%	779 <sup>13</sup>
WFP	140	28.2%	65.4%	6.3%	44.0%	49.0%	5.0%	3.0%	3.1%	0.3%	0.2%	3.6%	37.3%	40.9%	3.3%	4,213 <sup>14</sup>

**Table 1. CERF sub-grants to local/national responders in 2014.** Non-percentages are USD million. Source: CERF and L2GP calculations

## Notes

<sup>1</sup>[http://reliefweb.int/sites/reliefweb.int/files/resources/Grand\\_Bargain\\_final\\_22\\_May\\_FINAL-2.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/Grand_Bargain_final_22_May_FINAL-2.pdf)

<sup>2</sup>comprising - according to the GB - governments, communities, Red Cross and Red Crescent National Societies and local civil society

<sup>3</sup>Achieve by 2020 a global, aggregated target of at least 25 per cent of humanitarian funding to local and national responders as directly as possible to improve outcomes for affected people and reduce transactional costs. GB p5

<sup>4</sup>[https://docs.unocha.org/sites/dms/CERF/Partnerships\\_in\\_the\\_Implementation\\_of\\_2014\\_CERF\\_Funding\\_V.2\\_FINAL.pdf](https://docs.unocha.org/sites/dms/CERF/Partnerships_in_the_Implementation_of_2014_CERF_Funding_V.2_FINAL.pdf)

<sup>5</sup>Ibid p13

<sup>6</sup>Evidence in support of this assumption is for example WFP's Syria emergency operation (expenditure in 2014: USD 430 million), food in 2014 was distributed by national (and limited extend international) NGOs only, see also [http://documents.wfp.org/stellent/groups/public/documents/op\\_reports/wfp278598.pdf](http://documents.wfp.org/stellent/groups/public/documents/op_reports/wfp278598.pdf) and [http://www.local2global.info/wp-content/uploads/L2GP\\_funding\\_Syria\\_May\\_2016.pdf](http://www.local2global.info/wp-content/uploads/L2GP_funding_Syria_May_2016.pdf)

<sup>7</sup><http://www.unhcr.org/5575a78a0.html> p7 and <http://reporting.unhcr.org/financial>

<sup>8</sup>Received funding for hum assistance p52 [http://www.unicef.org/publications/files/UNICEF\\_Annual\\_Report\\_2014\\_Web\\_07June15.pdf](http://www.unicef.org/publications/files/UNICEF_Annual_Report_2014_Web_07June15.pdf)

<sup>9</sup>total expenditure <http://reporting.unhcr.org/financial>

<sup>10</sup>Donor contributions for programmes for women and young people in crises and emergencies p57 [http://www.unfpa.org/sites/default/files/pub-pdf/UNFPA\\_annual\\_report\\_2014\\_en.pdf](http://www.unfpa.org/sites/default/files/pub-pdf/UNFPA_annual_report_2014_en.pdf)

<sup>11</sup>Programme expense for Emergencies p27 [http://www.who.int/about/resources\\_planning/A68\\_38-en.pdf?ua=1](http://www.who.int/about/resources_planning/A68_38-en.pdf?ua=1)

<sup>12</sup>Total funding according to OCHA FTS

<sup>13</sup>Operational programmes expenditure for Movement, Emergency and Post-crisis Migration Management p9 <https://governingbodies.iom.int/system/files/en/council/106/C106-4-Financial-Report-2014.pdf>

<sup>14</sup>Total confirmed contributions for EMOPs and PRROs p151 <http://documents.wfp.org/stellent/groups/public/documents/eb/wfpdoc063825.pdf>