

Evaluation Brief



WFP's use of pooled funds for humanitarian preparedness and response (2009–2013)

Context

This evaluation is part of a series of three concurrent WFP strategic evaluations¹ addressing the theme of emergency preparedness and response. This evaluation considers WFP's use of three pooled funds (PFs): the global-level Central Emergency Response Fund (CERF); and two country-based pooled funds (CBPFs) – common humanitarian funds (CHF) and emergency response funds (ERFs) – established as a pillar of the recent international humanitarian reform agenda to facilitate adequate, flexible and predictable humanitarian financing. They contribute to the other humanitarian reform pillars by reinforcing the role of humanitarian coordinators (HCs), promoting cluster coordination, and strengthening humanitarian partnerships.

Pooled Funds in WFP

WFP received a total of USD 825 million from the three PFs over the 2009–2013 evaluation period. Although PFs account for a relatively minor portion of WFP's total funding – approximately 4 percent of donor contributions – WFP is their largest single recipient. The CERF provides more than 80 percent of pooled funding to WFP, followed by CHF and relatively small amounts from ERFs.

Objectives of the Evaluation

This evaluation analyses the use and benefits of PFs in WFP's preparedness and response, including its work with implementing and coordination partners across 4 main issues highlighted below.

Key Findings and Conclusions

Contribution of PFs to WFP's response

PFs are a positive addition to overall humanitarian funding arrangements, and WFP has capitalized

on attributes of the funds to address specific funding requirements. The CERF rapid response window was seen to facilitate rapid response; to a lesser extent, the CBPFs also contributed strategically to operations. However, it was unclear how the CERF underfunded emergencies window contributed to ensuring adequate response to underfunded emergencies.

The main added value of PFs comes from their relative timeliness, predictability and additionally of financing. There is scope to improve timeliness by bringing greater discipline to the HC/HC team process. While predictability has improved in Level 3 emergencies, funding remains unpredictable for sub-Level 3 contexts, underfunded emergencies, common services and cluster coordination.

For WFP, there are strong arguments for retaining a clear focus on life-saving criteria to avoid diluting PFs in a context of significant underfunding. Preparedness, resilience-building and social assistance would be better supported through complementary funding instruments, as PFs modalities are not well aligned with these objectives.

PFs are well matched to funding common services operated by WFP. There is strong common interest in using them for this purpose, except for funding cluster coordination costs, which are best covered by more predictable budget sources; however, PFs may usefully supplement the financing of coordination costs in large-scale emergencies.

Reconciling WFP's large-scale operations with the project funding model of PFs remains challenging. Earmarking of PFs for specific activities within WFP operations increases transaction costs, constrains the flexibility of response and does little to improve the quality of response. There appears to be need for a compromise that acknowledges the efficiency and effectiveness gains of WFP's operational approach while ensuring that WFP

¹ The other two are the joint FAO/WFP Global Food Security Cluster (GFSC), and the Preparedness and Response Enhancement Program (PREP) Evaluations

assists OCHA in discharging its responsibilities to donors.

Complementarities between financing instruments

Overall, the CERF and CBPFs were observed to work in synergy at the country level, with each fund having distinct and complementary objectives, mechanisms and partnerships. WFP was relatively consistent in its use of pooled funding, in line with the mandates, scopes and capacities of the respective funds.

WFP’s need for rapid financing is met primarily through internal advances, which offer advantages of timeliness, volumes and flexibility. However, PFs have an important role in the mobilization of internal advances by providing collateral and revolving advances.

Partnership and coordination mechanisms

WFP has engaged in coordinated strategy development and project appraisal mechanisms to obtain access to PFs. There is evidence that WFP’s PFs applications are consistent with common assessment findings and strategic response plans. However, there has been little observable change in the substance of WFP’s programmes or the nature of its engagement with partners.

PFs had a limited impact on coordination across the humanitarian system. They mostly worked better in reinforcing coordination structures than solving the challenges of weak or absent systems.

PFs have not led to significant changes in WFP’s relationship with cooperating partners. A system-wide CERF analysis² indicated an average of 42 days from CERF disbursement to WFP, to the first instalment reaching cooperating partners for rapid response grants, and 69 days for underfunded emergency grants. Appropriate strategies for mitigating these bureaucratic delays included direct implementation by WFP, and NGO’s use of their own resources to commence operations.

Contributory and explanatory factors affecting WFP’s use of PFs

The project-based approach of application and reporting processes for PFs implies that use of the funds incurs additional transaction costs. However, these were judged reasonable compared with those of other funding sources.

WFP could benefit from more clearly defined responsibilities for and leadership of PFs

processes. A lack of clear and simple practical guidance specific to WFP to aid country office staff in developing applications for pooled funding results in inconsistent quality of pooled funding proposals and reports. Internal standards and responsibilities for quality control are unclear, including the support that regional bureaux and Headquarters can provide to country offices.

Several aspects of PFs monitoring arrangements are weak or inappropriate. Reporting at the project level – rather than on overall operations – is demanding and adds little value. The requirement for reporting on “pass-through” of funds to cooperating partners raises specific problems. For instance, the WFP corporate reporting system does not allow to match a specific grant with a specific allocation to a cooperating partner. At the same time, there is insufficient assessment of PFs’ contribution to the broader goals of more timely response and the institutionalization of humanitarian reforms.

Recommendations

The following strategic recommendations are supplemented by more detailed suggestions in the full evaluation report. While they are directed at WFP, many issues identified implicitly require attention of PFs managers and donors.

1. Maintain and strengthen the life-saving focus of PFs.
2. Reduce the earmarking of grants from PFs
3. Clarify the criteria for using grants from the CERF underfunded emergencies window.
4. Increase the capacity to utilize PFs as collateral for the release of internal advances.
5. Enhance the contribution of PFs in supporting the operation of common services in emergencies.
6. Consolidate the fulfilment of WFP’s coordination responsibilities to improve support for effective use of PFs.
7. Define strategic and operational responsibilities for using and reporting on PFs at all levels.
8. Enhance the quality, efficiency and utility of monitoring and reporting on the use of PFs.



Reference: Full and summary reports of the evaluation and the Management Response are available at www.wfp.org/evaluation.

For more information please contact the Office of Evaluation WFP.evaluation@WFP.org

² CERF. 2014, ‘CERF sub grants to implementing partners. Final analysis of 2012 CERF grants’. New-York.