

CHF



The  
Common  
Humanitarian Fund

Sudan

2009

# SUDAN

## Interim Report

January - September



# **Common Humanitarian Fund**

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## Table of Contents

Introduction	3
The Common Humanitarian Fund in 2009	3
Allocation process	6
First allocation round	7
Second allocation round	10
Emergency allocations	12
Financial management	12
Donor contributions	13
Moving forward	14
Annex 1: 2009 Standard allocations overview	16
Annex 2: 2009 Emergency allocations overview	18



## Introduction

The Common Humanitarian Fund (CHF) pools donor contributions into a single funding mechanism intended to address Sudan’s critical humanitarian needs. Managed by the UN Humanitarian Coordinator, the Fund offers participants an opportunity to fulfil the principles of good humanitarian donorship through the provision of rapid, flexible support for priority needs, irrespective of other considerations. The UN Humanitarian Coordinator ensures that CHF-supported activities are in line with regional and sectoral priorities identified in the *UN and Partners Humanitarian Work Plan for Sudan* (“Work Plan”), as well as confirms that allocation decisions complement other humanitarian activities in Sudan.

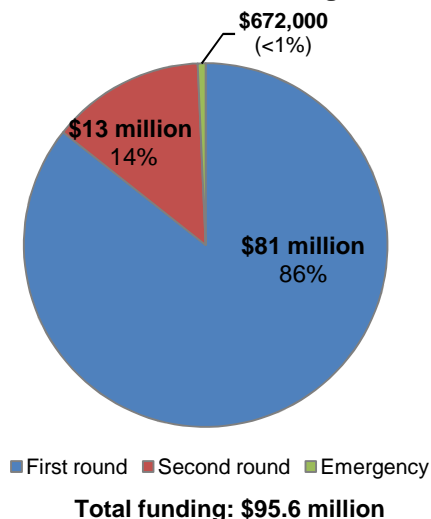
Three CHF standard allocation rounds took place in 2009, in addition to nine emergency allocations from the CHF rapid response mechanism. This interim report describes activities from 1 January through 30 September 2009, covering the year’s two initial rounds and the first three emergency allocations of the year. Altogether, CHF funding during the reporting period totalled US\$95.6 million and supported 282 projects. By 30 September, the Fund was the third-largest individual source of funding for the Work Plan.

In examining the reporting period, this report provides an indicative overview of 2009 funding in comparison to previous years, as well as a summary of the processes that governed allocations. In so doing, the report offers a brief analysis of CHF decision making and administration during the reporting period and concludes with some thoughts on the way forward. Results of CHF-funded activities are reported on an annual basis and do not appear in the interim report.

## The Common Humanitarian Fund in 2009

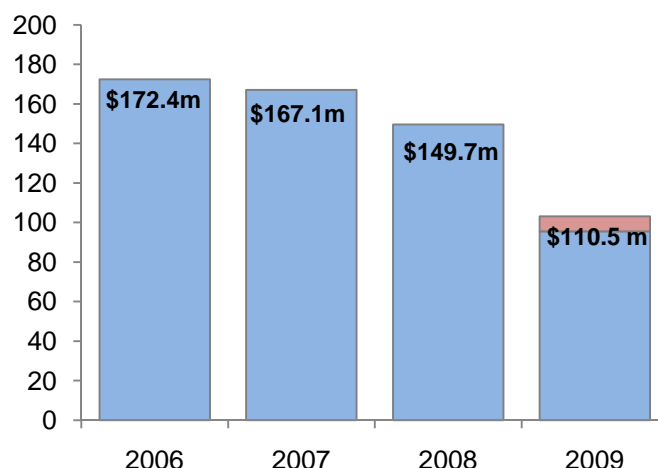
The Humanitarian Coordinator allocated \$95.6 million from the CHF during the reporting period, which was divided among two standard allocation rounds and emergency funding. Standard allocations represented nearly all funding (99.3 percent), with the first round alone comprising 86 percent of the total. Including pledges made through December 2009, total donor contributions to the CHF decreased by 26 percent compared to 2008 levels. Several factors could explain this decrease, notably sharp exchange rate fluctuations, particularly in the first six months of 2009.

**Fig. 1 Total 2009 CHF funding (by round)**



**Fig. 2 CHF donor contributions over time (US\$ million)**

\* Includes 2009 projections beyond reporting period (in red)



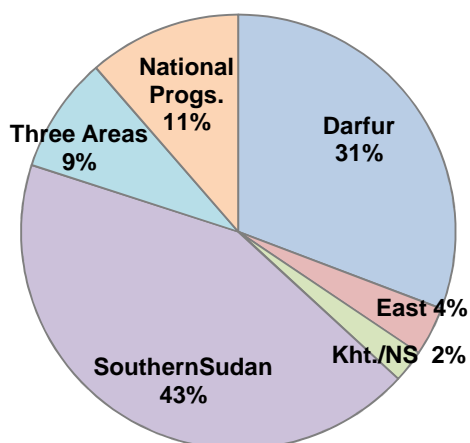
This section provides an overview of all funding through 30 September 2009 (both allocation rounds and emergency allocations), organized by region, sector and type of organization. Data from each category are compared to previous years, giving an indication of whether 2009 funding to date is in keeping with past CHF trends.<sup>1</sup> Subsequent sections consider each allocation round separately.

### Allocations by region

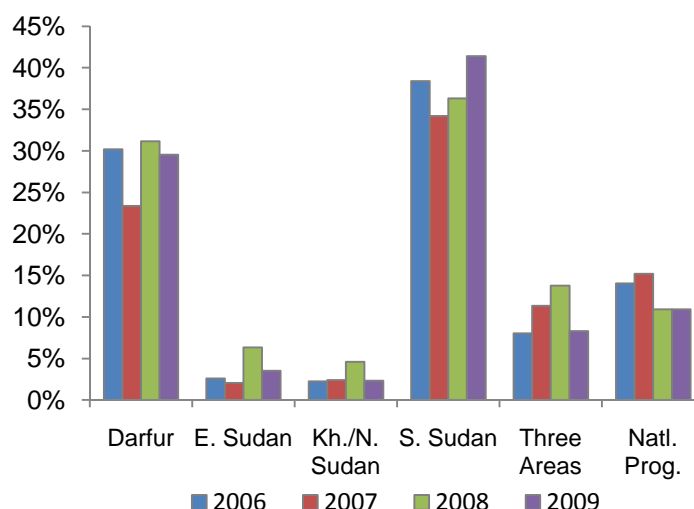
During the reporting period, Southern Sudan and Darfur received the greatest share of all CHF funding, in keeping with the Fund’s mandate to target critical humanitarian needs. In 2009, Darfur continued to represent the largest share of funding requirements outlined in the Work Plan, with Southern Sudan coming second. As the year progressed, bilateral funding for Darfur continued at similar levels to previous years, while a rapid deterioration in conditions in Southern Sudan prompted a need for greater emergency support than originally foreseen in the Work Plan. The Humanitarian Coordinator was able to respond to these developments by steering more CHF funding to the south (43 percent of the total) and by working with the Advisory Group to require a humanitarian focus for CHF activities in Darfur, leaving early recovery programmes for bilateral donors. CHF funding in other regions, including those under-funded by individual donors, also ensured that the Fund had a meaningful impact in the country’s under-served areas.

Regional funding proportions have remained mostly unchanged over time. In general, these proportions reflect the relative funding needs described in each year’s Work Plan, indicating a commitment to the “critical humanitarian needs” mandated in the Fund’s terms of reference.<sup>2</sup> The flexibility inherent in the Fund has also enabled the Humanitarian Coordinator to adapt funding decisions to fluctuations in donor support, as well as to unforeseen developments in humanitarian conditions. In 2009, these developments included NGO expulsions and flooding, as well as a food crisis and growing numbers of people displaced from their homes in Southern Sudan.

**Fig. 3 Total 2009 CHF funding (by region)**  
Total funding: \$95.6 million



**Fig. 4 Regional share of total CHF funding (by year)**

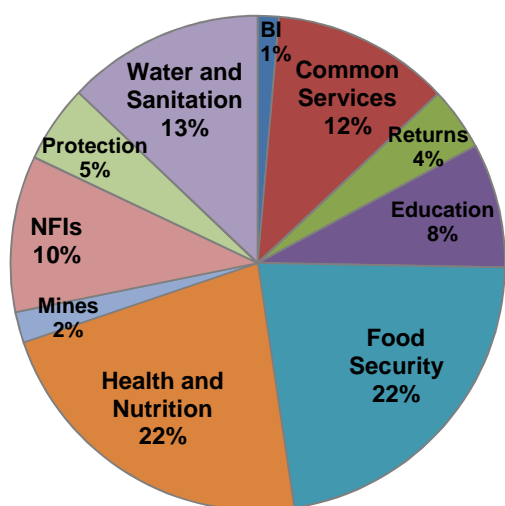


### Allocations by sector

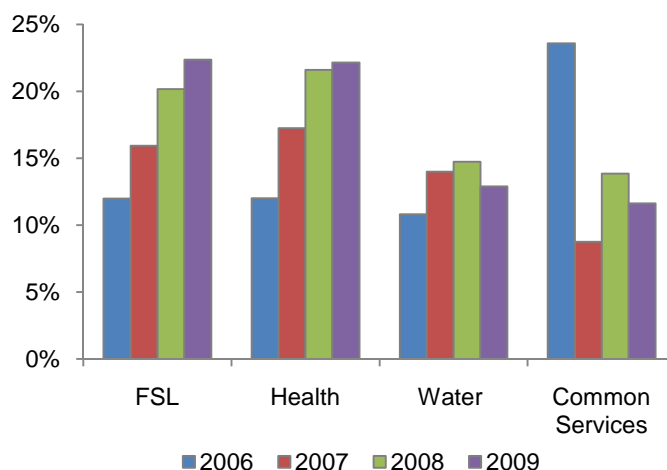
<sup>1</sup> Over 85 percent of total 2009 projected contributions had been received by the end of the reporting period, thereby allowing for indicative comparisons with earlier years. Full 2009 data will be released in the CHF 2009 Annual Report.  
<sup>2</sup> Unless otherwise noted, graphs in this report reflect 2009 data through 30 September.

As of 30 September, nearly 80 percent of CHF resources had been allocated to five key sectors, four of which are considered life-saving. The top three – Food Security and Livelihoods, Health and Nutrition, and Water and Sanitation – alone accounted for 57 percent of allocations during this period. These figures are similar to funding patterns in previous years.

**Fig. 5 Total 2009 CHF funding (by sector)**  
Total funding: \$95.6 million



**Fig. 6 Sector share of total CHF funding (by year)**



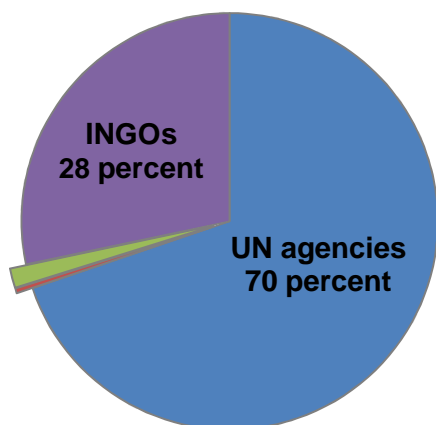
The Coordination and Common Services sector continued to receive strong CHF support in 2009, as it provides services that are essential to the efficient and timely delivery of humanitarian assistance. CHF-funded activities in Coordination and Common Services included the UN Humanitarian Air Service, which provides critical access to remote areas for humanitarian personnel and cargo, as well as information management, security services, camp coordination and other activities.

### Allocations by type of organization

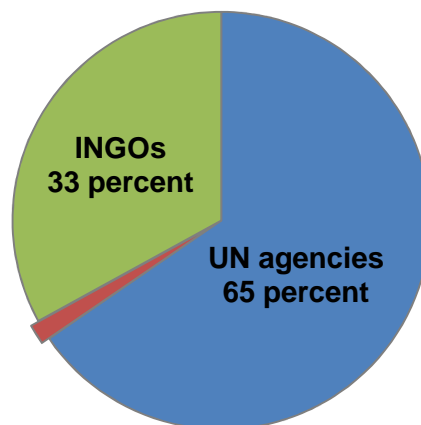
UN agencies, international organizations and NGOs are all eligible for CHF funding. During the reporting period, roughly 70 percent of funding went to UN agencies, while just over 28 percent went to international NGOs. The remainder (less than two percent) went to national NGOs and the Red Cross/Red Crescent movement.

This year shows a five-percent increase in funding for UN agencies compared to 2008, which can be explained by two main factors. First, a significant proportion of funding received by UN agencies is channelled to NGO implementing partners. Second, the expulsion of 13 international NGOs from Northern Sudan in March 2009 forced several CHF-supported NGOs to cease operations. Following their departure, UN agencies stepped in to fill the resulting gaps and to ensure continuity in programme delivery, thereby increasing UN funding requirements.

**Fig. 7 2009 CHF funding** (by organization)  
Total funding: \$95.6 million



**Fig. 8 2008 CHF funding** (by organization)  
Total funding: \$154.3 million



## Allocation process

The CHF allocated a total of \$95.6 million during the reporting period through two standard allocation rounds and three emergency grants. Nearly all allocations (99.3 percent) were governed by the standard allocation process described in Box 1. The Humanitarian Coordinator leads this process, relying on the CHF Technical Unit (OCHA) and the CHF Fund Management Unit (UNDP) for daily managerial support. In addition, the CHF Advisory Group helps to inform CHF allocation decisions, building on continuous input from donors, individual sectors and other stakeholders.<sup>3</sup>

### Box 1 CHF Standard allocation process

#### Step 1

The Humanitarian Coordinator issues a policy paper to guide the allocation process. The policy paper specifies the amount available for allocation with a breakdown of funding envelopes by region, sector or specific issue. The paper also suggests specific priorities for each envelope.

#### Step 2

Based on the envelopes described in the policy paper, allocation meetings take place in which sector coordination groups determine priority activities for each sector within each region. These meetings occur mostly at the regional level, with some taking place in Khartoum.

#### Step 3

Based on the meetings in Step 2, sectors submit proposals for priority activities to the CHF Technical Unit. The Unit compiles the sector proposals and forwards them to the CHF Advisory Group for review.

#### Step 4

Once the review in Step 3 has been completed, the CHF Technical Unit submits the proposed activities to the Humanitarian Coordinator for final funding approval.

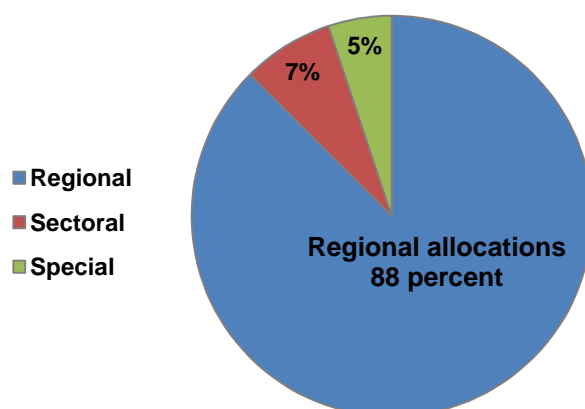
<sup>3</sup> The CHF Technical Unit (UN OCHA) assists the Humanitarian Coordinator with policy, analysis and reporting. The CHF Fund Management Unit (UNDP) oversees the receipt and disbursement of donor contributions. The CHF Advisory Group is chaired by the UN Humanitarian Coordinator and includes CHF donors, key non-CHF donors, the top six UN agency recipients, two NGO representatives and the two CHF management units (OCHA and UNDP).

## First allocation round

This section provides greater detail on the first allocation round in 2009, which provided \$81.9 million in support of 249 projects. The first-round policy paper had initially projected \$85 million in available funding based on 2008 carry-over and initial donor pledges and commitments. Lower than expected contributions reduced available funding, however, and difficulties following the NGO expulsions in March interrupted some disbursements, resulting in a lower actual total.<sup>4</sup>

All first-round funding was governed by the standard allocation process described in Box 1. Within this process, the Humanitarian Coordinator adopted three allocation strategies: regional allocations (\$71.6 million), sectoral allocations (\$6.1 million) and special allocations (\$4.2 million).

**Fig. 9 2009 First-round allocations** (by type of allocation)  
Total first-round funding: \$81.9 million



### Regional allocations

Regional allocations (\$71.6 million) represented 87 percent of the first-round total, a preference that reflects the region-based strategy set out in the 2009 Work Plan.<sup>5</sup> Based on the strong concentration of needs in Southern Sudan and Darfur – as well as developing emergency conditions in the south – these two areas received the greatest share of funding through regional allocations (79 percent).

First-round regional allocations		
Region	Amount	Percent
Southern Sudan	\$35,019,061	49%
Darfur	\$20,628,695	29%
Three Areas	\$4,833,988	7%
Eastern Sudan	\$2,895,143	4%
Khartoum and North	\$1,700,000	2%
National Programmes	\$6,526,412	11%
<b>TOTAL</b>	<b>\$71,603,299</b>	<b>100%</b>

<sup>4</sup> Expelled NGOs were slated to receive \$5.6 million through the first-round policy paper. \$1.6 million of this money was reallocated, with a large portion of the remainder suspended due to lower than expected donor contributions.

<sup>5</sup> The 2009 Work Plan was organized around seven planning regions: Abyei, Blue Nile, Darfur, Eastern States, Khartoum and Other Northern States, Southern Kordofan and Southern Sudan, in addition to national programmes. In this paper, Abyei, Blue Nile and Southern Kordofan are counted as a single region: Three Areas.

By following the process described in Box 1, the regional funding envelopes outlined in the first-round policy paper were translated into support for individual projects. Based on this paper, regional coordination mechanisms, including UN agencies and NGOs, met to further define priority needs for each region and to determine how regional funding envelopes should be divided among individual response sectors. Next, selected sectors organized internal meetings to determine project selection criteria and organized review groups to identify eligible projects. Finally, these projects were submitted to the Humanitarian Coordinator for final approval.<sup>6</sup>

Typically, these meetings occurred at the regional level, where decisions on how to divide funding among sectors stirred considerable debate.<sup>7</sup> In some areas, such as Eastern Sudan, humanitarian partners recommended that funding be limited only to sectors essential to the region's most urgent needs. In a few areas, however, sectors took a somewhat less strategic approach, such as reducing all initial sector funding requests in proportion to the actual amount available for allocation. In most cases, selected projects complied with the Humanitarian Coordinator's objectives, and all funding decisions met formal CHF requirements.

## **Sectoral allocations**

In addition to the regional envelopes, the CHF provided unearmarked allocations directly to priority sectors in Northern Sudan, totalling \$6.1 million. In the policy paper, the Humanitarian Coordinator announced funding for four life-saving sectors through this channel (Health and Nutrition, Water and Sanitation, Food Security and Livelihoods, and Protection and Human Rights) and stressed the need to focus on high-impact activities, particularly in areas where formerly displaced people have returned home. These allocations recognized perceived shortcomings in regional funding envelopes and provided additional resources for sectoral needs that had not been adequately addressed.

Similar to the regional allocations, a series of meetings occurred to divide this funding within each sector.<sup>8</sup> Discussions focused on the need to maximize CHF impact within selected sectors, although some decisions reflected this intent more clearly than others. The Protection sector, for example, divided its allocation between two regions perceived to have inadequate support for Protection activities, noting that Darfur was most likely to attract additional bilateral funding. This strategy split the entire Protection allocation between Eastern Sudan and Khartoum/other Northern states in order to ensure maximum impact in two comparatively under-funded areas.<sup>9</sup> Finally, an urgent need to support the NFI/Emergency Shelter sector emerged following the NGO expulsions, resulting in a \$960,000 re-allocation to the NFI sector that did not appear in the original policy paper. The graph below reflects these developments.

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<sup>6</sup> Because these meetings occurred before the expulsions and before final donor contributions had materialized, they were premised on the funding projections set out in the policy paper. The expulsions and lower contributions resulted in reduced funding levels. The graphs throughout this paper reflect the actual amounts disbursed.

<sup>7</sup> More detail on the decision-making process during these meetings can be found in individual meeting minutes, all of which are available online at <http://workplan.unsudanig.org/chf>.

<sup>8</sup> Meeting minutes are available at <http://workplan.unsudanig.org/chf>.

<sup>9</sup> After dividing the sectoral allocation between Khartoum/other Northern states and Eastern Sudan, the Protection sector added this money to the regional allocations that each of these areas had received and made project funding decisions based on the combined total. For this reason, it is not possible to distinguish which Protection projects in Khartoum/other Northern states and Eastern Sudan were funded through "regional" or "sectoral" allocation envelopes.

First-round sectoral allocations <sup>10</sup>		
Sector	Amount	Percent
Food Security and Livelihoods	\$900,000	15%
Health and Nutrition	\$2,996,108	49%
Water and Sanitation	\$1,200,000	20%
NFI Sector Reallocation	\$960,000	16%
<b>TOTAL</b>	<b>\$6,056,108</b>	<b>100%</b>

## Special allocations

During the first allocation round, the Humanitarian Coordinator recognized the importance of critical humanitarian issues that were difficult to address through regional or sectoral funding strategies. As a result, the CHF provided \$4.2 million in funding to four of these issues: environmental sustainability in response, procurement of non-food items, a national survey on HIV/AIDS and support for the CHF Technical Unit at OCHA.

First-round special allocations		
Issue	Amount	Percent
Environment	\$1,000,000	24%
NFI Pipeline	\$2,000,000	47%
CHF Tech. Unit	\$950,000	23%
HIV/AIDS survey	\$250,000	6%
<b>TOTAL</b>	<b>\$4,200,000</b>	<b>100%</b>

Through these allocations, the UN Environment Programme (UNEP) received \$1 million to manage as a resource for innovative environmental projects (see Box 2). Support for NFI procurement was used to replenish in-country stocks of the Common Pipeline, which supplies 80 percent of NFIs in Northern Sudan and relies on timely pre-positioning. Recognizing the need to better understand HIV/AIDS in Sudan, a grant to support a national HIV/AIDS surveys was also approved. Finally, the Humanitarian Coordinator agreed to allocate funding to support the OCHA CHF Technical Unit, representing less than one percent of funding during the reporting period.<sup>11</sup>

### Box 2 The “Green Pot”

The “Green Pot” focuses on supporting initiatives that promote environmentally-friendly humanitarian practices in Sudan. The Humanitarian Coordinator allocated \$1 million to UNEP for this purpose, empowering UNEP to support innovative projects that will “kick-start” new environmental approaches to humanitarian response. Some of these projects are briefly described below.

\* A UNJLC project plans to use expertise provided by the Shelter Centre to evaluate the impact of shelter programming and humanitarian procurement processes on the environment, with an eye towards developing practices that will reduce this impact.

<sup>10</sup> This graph represents the re-allocation to the NFI sector following the expulsions but does not represent the Protection sector allocation (see note 10).

<sup>11</sup> This decision reflects standing CHF practice, given that the CHF Technical Unit does not assess management fees and does not have any other dedicated source of funding.

\* A Darfur Development and Reconstruction Agency (DRA) project and UNHCR project are working to promote community environmental action plans, widely used in refugee camps in Eastern Sudan and now being introduced in Darfur.

\* An SOS Sahel project promotes inclusive environmental management on migration routes with an emphasis on the representation of women and youth.

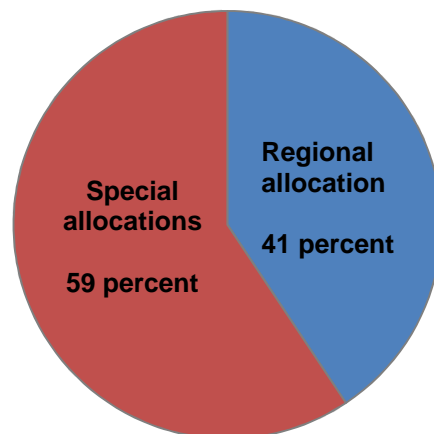
\* A project from the South Sudan National Environmental Association builds on the successful work of the Juba clean-up initiative to strengthen civil society participation in environmental action.

UNEP is actively building on these projects through a new initiative that will develop environmental best practices for humanitarian action. The “Humanitarian Environmental Integration Project” will include an evaluation of all “green pot” projects and will compile existing best practices in Sudan.

## Second allocation round

Following additional donor contributions, a second allocation round took place in September 2009 and provided \$13 million to 31 projects. Like the first round, all second-round allocations were governed by the standard allocation process described in Box 1. Within this process, the Humanitarian Coordinator directed funding through one regional allocation (\$5.4 million) and five special allocations (\$7.8 million). As in the first round, regional and sectoral meetings determined the division of resources and relied on varying approaches.<sup>12</sup>

**Fig. 10 2009 Second-round allocations (by type)**  
Total second-round funding: \$13 million



### Special allocations

The Humanitarian Coordinator used special allocations to ensure a simplified, rapid allocation process that could provide funding for urgent priorities throughout the country. The food crisis in Southern Sudan dominated these allocations (77 percent) in recognition of the alarming rise in food insecurity in the south due to man-made and natural events. The remainder of special

<sup>12</sup> Meeting minutes are available at <http://workplan.unsudanig.org/chf>.

allocation funding (23 percent) focused on the Three Protocol Areas, mostly addressing the need to encourage more services in Abyei in the aftermath of violent clashes in 2008 and support for returning populations and their communities in Blue Nile state.

<b>Second-round special allocations</b>		
<b>Issue</b>	<b>Amount</b>	<b>Percent</b>
Food crisis (Southern Sudan)	\$6,000,000	77%
NGO compound (Abyei)	\$695,000	9%
Health services (Abyei)	\$499,797	6%
Water/hygiene (Abyei)	\$500,000	6%
Return and reintegration (Blue Nile)	\$150,000	2%
<b>TOTAL</b>	<b>\$7,844,797</b>	<b>100%</b>

### **Regional allocation**

The expulsion of 13 major international NGOs from Northern Sudan in March 2009 posed an enormous challenge for humanitarian operations, particularly in Darfur. As a result, and owing to the limited size of the second-round allocation, the Humanitarian Coordinator authorized a single regional allocation of \$5.3 million to Darfur. Of this funding, \$2.6 million was reserved for sector strengthening and coordination in recognition of the need for better coordination after the expulsions and based on earlier commitments to this issue.

A regional meeting in Darfur brought sector coordination groups together to propose priorities for the allocation of the remaining \$2.7 million. UN agencies and NGOs endorsed an approach that would fund only those sectors that had suffered most following the expulsions, but whose gaps had been insufficiently recognized. This approach resulted in recommended funding for four sectors: Education, Food Security and Livelihoods, Health and Nutrition, and Protection.<sup>13</sup>

Subsequent sectoral and review group meetings divided available funding among projects, as in the first round. These meetings respected the need to focus on critical needs, although there was some variation in the degree to which minimum funding thresholds were applied, largely due to the need for projects to complete activities by the end of the calendar year.

<b>Second-round regional funding (all allocated to Darfur)</b>		
<b>Activity</b>	<b>Amount</b>	<b>Percent</b>
Education	\$900,000	17%
Food Security	\$700,000	13%
Health and Nutrition	\$400,000	13%
Protection	\$700,000	7%
Sector Strengthening	\$2,674,447	50%
<b>TOTAL</b>	<b>\$5,374,447</b>	<b>100%</b>

<sup>13</sup> Meeting minutes are available at <http://workplan.unsudanig.org/chf>.

## Emergency allocations

The CHF maintains an emergency reserve to address unforeseen crises. The precise amount in the reserve varies through allocation cycles and is determined by the Humanitarian Coordinator. During the reporting period, the emergency reserve allocated nearly \$672,000 (less than one percent of total funding) to three projects: emergency budgetary support for the UN Humanitarian Air Service following the NGO expulsions; water and sanitation services for flood response in Darfur; and health services for displaced persons in an area where IDPs had been relocated.

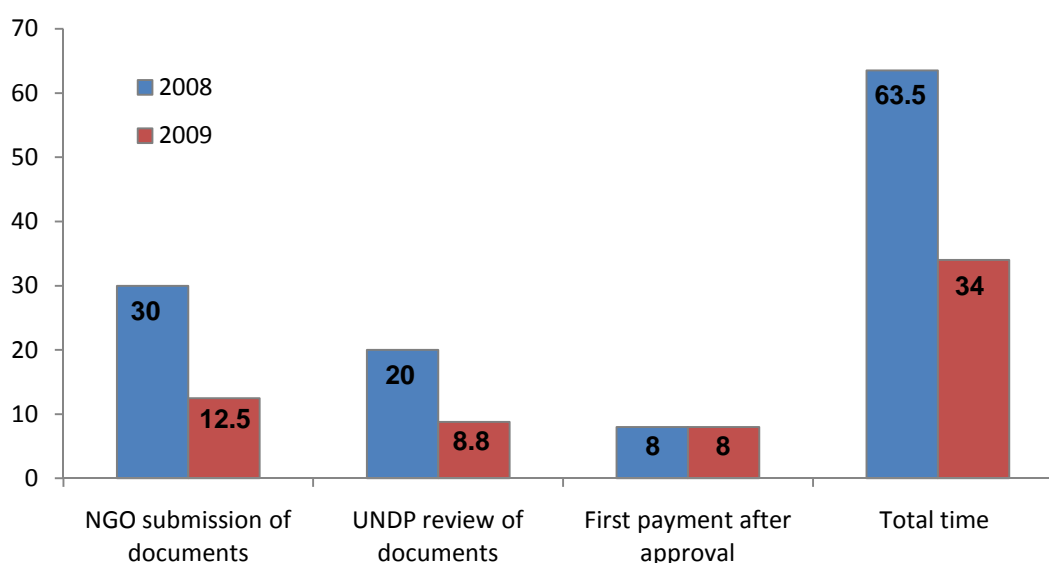
CHF emergency funding is not tied to individual allocation rounds and is exempt from the allocation process described in Box 1. In practice, humanitarian organizations and sector leads identify emergency needs on the ground and appeal for funding from the CHF emergency reserve, which is then approved by the Humanitarian Coordinator. This expedited process recognizes the need for immediate funding in the face of unforeseen crises.

## Financial management

The CHF aims to be a rapid, flexible tool in responding to critical humanitarian needs, meaning that a key management benchmark for the Fund is the speed with which it is able to translate allocations into disbursements. This section will consider the timeliness with which non-donor stakeholders fulfil their obligations, particularly the roles of recipient organizations (UN agencies, IOs and NGOs), the CHF Fund Management Unit (UNDP) and the CHF Technical Unit (OCHA).<sup>14</sup>

After the Humanitarian Coordinator has approved funding and forwarded a disbursement request to the Fund Management Unit at UNDP, disbursement to UN agencies typically takes one week. Additional procedures are required for NGO funding, however, in order to ensure funding accountability. In 2009, it took an average of 34 days to disburse funding to non-governmental organizations (31 days in the south). Several steps are required to complete this process.

**Fig. 11 Average CHF processing times (in days)**



<sup>14</sup> See Note 3 for more information on the roles of the CHF Technical Unit and the CHF Fund Management Unit.

First, after an NGO has been notified of its selection, it must submit the relevant project documents to UNDP within 14 days. UNDP must then review those documents to ensure that they meet funding accountability standards. On average, selected organizations submitted their documentation within 12.5 days (11.5 in the south), and once received, UNDP required an average of 8.8 days (six in the south) to examine them and finalize contracts through Project Partnership Agreements (PPAs). Finally, UNDP required a further eight days (ten in the south) to collect payment requests from partners and release funds.

These figures represent substantial improvements over 2008, when selected organizations took an average of 30 days in the north (22 in the south) to submit their documentation, and UNDP averaged 20 days (24 in the south) to process this information. Payment processing times (roughly 8 days) have remained steady.

An important factor here is the size of individual project allocations. UNDP corporate regulations require the same process regardless of allocation size, meaning that a \$50,000 contract must clear the same hurdles as one for \$1 million. Spreading funding over numerous small projects – as opposed to fewer, larger contracts – can create processing bottlenecks that delay the release of funding.

Submitting the correct documentation is also critical to this process, as requests to revise and re-submit project documentation are the primary reason for delays in disbursement beyond the 34-day average wait time. In 2009, project revisions, which require approval from the Humanitarian Coordinator and the CHF Technical Unit, added an average of 20 days to processing times – clearly a sub-optimal outcome for a Fund that counts speed among its primary attributes. Still, this figure is significantly better than in 2008, when revisions added an average of 52 days for approval (47 days in the south).

Understandably, funding timelines can be controversial, and the pressure to disburse funds as quickly as possible is considerable. Impressive gains in processing times demonstrate the CHF commitment to ensuring that its resources are available as rapidly as possible without sacrificing accounting standards, and the Fund is committed to building on these recent improvements. This outcome depends on all CHF stakeholders, including the CHF management team, recipient organizations and donors.

## **Donor contributions**

The CHF would not be possible without donor contributions, for which the Fund is deeply grateful. Funding levels in 2009 were lower than in previous years, however, which resulted in reduced CHF support for critical needs in Sudan. As mentioned earlier, sharp fluctuations in exchange rates impacted the apparent level of contributions, which are denominated in US dollars.<sup>15</sup> It is also possible that donors have expressed wavering confidence in the Fund (or pooled funding more generally). On the latter point, the CHF management team strives to align Fund practices and principles, and all stakeholders take their obligation to uphold these standards seriously.

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<sup>15</sup> The British pound, in particular, lost value against the dollar in 2008. The United Kingdom is the CHF's largest single donor.

In addition to the question of how much donors provide, the timing of these contributions is also critical to the Fund’s ability to function properly. In 2009, only one donor delivered its pledge by the end of January, with the next contribution arriving in the beginning of March. First-round pledges did not fully materialize until August 2009, which somewhat compromised the Fund’s mandate to provide rapid, flexible assistance. In one case, funding received in 2009 was the realization of a 2008 pledge.

**Receipt of donor funding** (by month and round)

<b>Allocation</b>	<b>Receipt of funds</b>	<b>Amount (US\$)</b>
<b>First round</b>	January 2009	52,631,579
	March 2009	2,624,672
	March 2009	8,923,885
	May 2009	9,060,425
	May 2009	14,135,607
<b>Second round</b>	August 2009	15,000,000
<b>Third round</b>	October 2009	1,453,488
	November 2009	1,270,000
	November 2009	2,650,176
	November 2009	2,191,422
<b>Pending</b>	December 2009	7,400,000

Staggered funding timelines may be a function of different procedures for humanitarian budgets in donor capitals. National variations in budgeting practices may require information at different times, and CHF resource mobilization efforts should address these differences as a way of supporting greater funding predictability and timelier contributions.

## Moving forward

Several lessons emerge from the reporting period that could potentially strengthen the Fund in 2010. These lessons concern the Fund’s general mandate, as well as specific allocation procedures.

### CHF mandate

Two major issues attract consistent attention in executing the Fund’s mandate: how to define critical humanitarian needs and the line between formal CHF requirements and general preferences.

#### Defining “critical humanitarian needs”

CHF requirements are established in the Fund’s terms of reference, which demand a focus on “critical humanitarian needs”. In practice, this focus can be interpreted broadly, with some observers focusing on strictly life-saving activities, while others recognize a need to support activities that enable the first steps out of crisis. Until 2008, the “humanitarian” category in the Work Plan covered what is now divided into “humanitarian” and “early recovery” activities. Occasional objections to CHF support for early recovery raise an important question: how should the CHF interpret “critical humanitarian needs”, given that the “humanitarian” label has only

recently been distinguished from “early recovery” activities? This issue would be a useful topic for the CHF Working Group in 2010.

### Funding requirements and funding preferences

Many CHF stakeholders have voiced their support for a minimum funding threshold of \$200,000 for each allocation. The Fund Management Unit has also demonstrated how numerous small allocations can contribute to delays in the disbursement process. This preference is circulated in a guidance note ahead of regional and sectoral allocation meetings, but it does not appear in the Fund’s terms of reference. While a substantial number of individual allocations during the reporting period were under \$200,000, these allocations represented only 14 percent of total funding. Furthermore, a strong case can be made that under-\$200,000 allocations are at times the best response to critical needs. Still, donors and other stakeholders have been clear on this point, and there is a need to examine what drives current exceptions to the \$200,000 preference, as well as to develop stronger communications on this issue.

### **CHF procedures**

Three major issues stand out as potential lessons for CHF procedures: streamlining the allocation process, a possibly stronger role for the CHF Technical Unit in that process, and improving donor timelines.

#### Streamlining the allocation process

Some CHF participants have remarked that the allocation process – designed to balance transparency and participation with speed and flexibility – is overly burdensome. The CHF Technical Unit, in collaboration with the CHF Advisory Group and the CHF Working Group, is revising the allocation model in response to these concerns. This reorganization offers an opportunity to consolidate meetings and other procedures (without sacrificing consultation), and the Fund will continue to engage partners on this issue in 2010.

#### Strengthening CHF Technical Unit engagement in the allocation process

This lesson refers specifically to donor and participant concerns that CHF guidelines are inconsistently applied in allocation meetings. As a result, some stakeholders have recommended a stronger advisory role for the CHF Technical Unit in the project selection process, particularly given that the Unit has no direct stake in allocation outcomes. This engagement could include making CHF Technical Unit representatives available to sit in on meetings in order to encourage greater adherence to Fund principles and provide advice as needed.

#### Improving CHF timelines

Delays in the receipt of donor funding complicate CHF efforts to fulfil its mandate for rapid, flexible humanitarian financing. Improving these timelines would strengthen funding predictability, which in turn would bolster the consultative process that is central to the CHF approach. Working more closely with donors to address this issue could improve the Fund’s performance in 2010.

## Annex 1: 2009 Standard allocations overview

This annex provides an overview of standard allocations during the reporting period and summarizes the information included in the main report. All standard allocations are governed by the process described in Box 1 (page 5). Within this process, the Humanitarian Coordinator relied on three principal strategies: regional, sectoral and special allocations.

### First round

In the first round, the Humanitarian Coordinator allocated \$81.9 million through the standard process. Table 1 describes how that money was divided among regional, sectoral and special allocations. More details can be found in the main report and in the first-round policy paper.<sup>16</sup>

**Table 1 First-round standard allocation overview**

Target	Amount	Notes
<b>Special Allocations</b>	<b>\$4,200,000</b>	
Environmental Allocation	\$ 1,000,000	Support innovative environmental programming in the 2009 Work Plan
Common NFI Pipeline	\$2,000,000	Procurement of NFIs for the Common NFI Pipeline
CHF, Work Plan and CERF Support	\$950,000	Funding for planning and humanitarian financing support unit within OCHA
HIV/AIDS Survey	\$250,000	Support the country-wide 2009 HIV/AIDS survey.
<b>Regional Allocations</b>	<b>\$71,603,299</b>	
Abyei	\$1,185,000	More detail on focuses within individual regions is available in the main report and in the first-round policy paper.
Blue Nile	\$1,570,000	
Darfur	\$20,628,695	
Eastern States	\$2,895,143	
Khartoum and Other Northern States	\$1,700,000	
National Programmes	\$6,526,412	
Southern Kordofan	\$2,078,988	
Southern Sudan	\$35,019,061	
<b>Sectoral Allocations</b>	<b>\$6,056,108</b>	
Health and Nutrition	\$2,996,108	Sectoral allocations were intended to target the most urgent humanitarian needs within each sector that otherwise did not receive sufficient funding. More information on how this money was directed is available in the main report and in the first-round policy paper.
Water and Sanitation	\$1,200,000	
Food Security and Livelihoods	\$900,000	
NFIs/Emergency Shelter Re-allocation	\$960,000	
<b>FIRST-ROUND TOTAL</b>	<b>\$81,859,407</b>	

<sup>16</sup> All 2009 policy papers are available for download from the CHF website: <http://workplan.unsudanig.org/chf/2009/index.php>

## Second round

In the second round, the Humanitarian Coordinator allocated \$13 million through a single regional allocation and five special allocations. These allocations took place in September, with policy guidance provided through the second-round policy paper. Due to conditions in Darfur following the NGO expulsions, the entire regional allocation was reserved for Darfur, with half of the money earmarked for a sector strengthening initiative. Special allocations were comprised mainly of support for the food crisis in Southern Sudan, with smaller allocations to address issues in the Three Areas.

Table 2 summarizes how second-round funding was divided. More detail is available in the main report and in the second-round policy paper.<sup>17</sup>

**Table 2 Second-round standard allocation overview**

Target	Amount	Notes
<b>Special Allocations</b>		
	<b>\$7,844,797</b>	
NGO Joint Compound (Abyei)*	\$695,000	Strengthening security of joint compound
Improved Access to Basic Health Services, Disease Outbreak Detection and Emergency Obstetric Care (Abyei)*	\$499,797	Improve access to health services for returnees and vulnerable population.
Water and Hygiene Support to Returnees and Host Families (Abyei)*	\$500,000	Access to safe drinking water within affordable reach. Minimum sanitation facilities among the population in high return areas. Hygiene education
Southern Sudan Food Crisis <i>Emergency Action Plan</i> . Provision of funds for cash logistics and distribution of food.	\$6,000,000	This envelope for the Southern Sudan food crisis will provide WFP with funds for the cash logistics and distribution component
Support Return/Reintegration in Livelihood Opportunities in Kurmuk and Rossieris (Blue Nile)	\$150,000	Livelihood opportunities for returnees, IDPs and residents.
<b>Regional Allocation</b>		
	<b>\$5,203,680</b>	
Darfur	\$5,203,680	The entire regional allocation was reserved for Darfur, with half of this money (\$2.6 million) allocated to cluster strengthening in Darfur. The remaining half was divided among those sectors in Darfur who had struggled following the NGO expulsions but whose needs were not fully met in the first round (Education, Food Security and Livelihoods, Health and Nutrition and Protection). More detail is available in the main report and in the second-round policy paper.
<b>SECOND-ROUND TOTAL</b>		
	<b>\$13,048,477</b>	

<sup>17</sup> All 2009 policy papers are available for download from the CHF website: <http://workplan.unsudanig.org/chf/2009/index.php>



## Annex 2: 2009 Emergency allocations overview

The Humanitarian Coordinator approved three rapid-response allocations from the CHF emergency reserve during the reporting period, totalling \$671,580. Emergency allocations respond to urgent, rapidly developing needs and are not governed by the standard allocation process. In practice, emergency allocations are made on the recommendation of an appealing organization, with final approval resting with the Humanitarian Coordinator.

Table 3 provides an overview of emergency allocations during the reporting period.

**Table 3** Emergency allocations overview

Target	Amount	Notes
<b>Emergency Allocations</b>	<b>\$671,580</b>	
UN Humanitarian Air Service (UNHAS)	\$393,643	Following the NGO removals, UNHAS was required to relocate approximately 500 affected staff members and provide transport for a subsequent government-UN joint needs assessment. These activities were outside the approved UNHAS budget and required supplementary funding as quickly as possible.
Health services around El Fareh (Khartoum state)	\$16,900	Support for health services in the relocation area of El Fareh (Khartoum state), where authorities relocated 4,000 households from around Khartoum and where support for free health services is extremely low
Coordinating rapid response and facilitating early recovery	\$261,037	The completion of a dam in Krenek (Darfur) in April 2009 created emergency needs for shelter, NFIs and water, sanitation and hygiene services for approximately 450 IDP households.
<b>EMERGENCY TOTAL</b>	<b>\$671,580</b>	

