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Proposal for strengthening the UNICEF emergency response capacity**

Summary

The present report aims to: update the Executive Board on trends in emergency operations; outline areas where UNICEF is strengthening its emergency response capacity; note the importance of early and rapid emergency funding for predictable emergency response; and request approval to increase the ceiling of the UNICEF Emergency Programme Fund (EPF) to \$75 million effective in 2006.

The last five years have seen a very significant increase in the number, nature and complexity of emergencies. UNICEF has improved its delivery capacity, expanded its standby arrangements for rapid staff deployment and increased the coherence of its activities with those of its national, United Nations and non-governmental organization (NGO) partners. UNICEF has also mobilized considerable funding for emergencies, but this funding has been uneven, making uniform response to children's needs impossible. A mid-year review in 2006 has shown that emergency funding for urgent life-saving interventions is seriously at risk, with total funding at only 33 per cent of the UNICEF emergency appeal target. In addition, although total emergency expenditure has increased from \$215 million in 1994 to over \$650 million in 2005, the EPF ceiling has remained unchanged.

The current EPF has allowed UNICEF to respond within 48 hours in 60 countries and territories during the last biennium, enabling the organization to deliver immediate life-saving assistance from the very onset of these crises. The increased EPF ceiling will increase the ability of UNICEF to respond positively, effectively and immediately to the acute needs of children and families affected by emergencies; and, within the overall context of a more coordinated emergency response and funding environment — including the recently expanded Central Emergency Response Fund (CERF) — will better position UNICEF to deliver on its Core Commitments for Children in Emergencies (CCCs) and to play a stronger role in inter-agency coordination mechanisms for emergency response.

* E/ICEF/2006/18.

** Submission of this document was delayed due to the need for internal consultations.

I. Current emergency trends

1. Over the past few years, UNICEF and its inter-agency partners have faced an unprecedented number of emergencies, including multiple emergencies at the same time. Never before has the organization been called upon to respond to a similar scale and breadth of emergencies, including massive natural disasters such as the earthquakes in Indonesia, the Islamic Republic of Iran and Pakistan, the Indian Ocean tsunami and ongoing complex relief and humanitarian operations in the Islamic Republic of Afghanistan, Chad, Côte d'Ivoire, the Democratic Republic of the Congo, Sudan, Uganda and the Horn of Africa, among others. In 2004 alone, UNICEF responded to 188 emergencies and in 2005, there were over 400 natural disasters globally, many requiring UNICEF assistance. Despite these challenges, UNICEF is committed to providing a timely, predictable and high-quality response to humanitarian need.

2. Recent evaluations of emergency response capacity, including the Humanitarian Response Review and the Tsunami Evaluation Coalition's tsunami evaluation, underlined that emergency response must be more predictable, reliable and effective. Emergency inputs such as food, shelter and medical supplies will always be critical components of an effective emergency response. In addition, humanitarian agencies must provide better, more sustainable results for communities, often through capacity-building initiatives and through stronger linkages between the relief and development phases (see the UNICEF post-crisis transition strategy endorsed by the Executive Board at the annual session of 2006 (E/ICEF/2006/17)). Humanitarian agencies must also demonstrate accountability, with greater financial transparency and better monitoring of results, all of which place additional strain on financial resources at the same time that the costs of responding to emergencies have increased substantially due to the changing nature of emergency response and the cost of operations and logistics, including the price of fuel.

3. The number of actors involved in emergency response has also greatly increased, and thus coordination — another resource-intensive component of emergency response — has taken on added importance. The new “cluster approach” to emergency response, an effort agreed upon by the Inter-Agency Standing Committee (IASC) to improve effective response, places greater responsibility with global cluster leaders. Clearly, these trends will have important financial implications for UNICEF.

II. UNICEF in emergencies

4. Reports on the UNICEF role in emergencies have been presented to the Executive Board regularly.¹ At its review of these priorities in 2004, the Executive Board took note of the CCCs as a means to improve and clarify the UNICEF commitment to children affected by emergencies and to its inter-agency partners.

¹ “Children and Women in Emergencies: Strategic Priorities and Operational Concerns for UNICEF” (E/ICEF/1997/7); “UNICEF Core Corporate Commitments in Emergencies” (E/ICEF/2000/12); and “The Updated Humanitarian Priorities of UNICEF” (E/ICEF/2004/14), with the revised CCCs. In addition, regular oral updates have been provided with the most recent oral reports to the first regular and annual sessions in 2006.

The 2004 report revised the CCCs to enhance the timeliness, effectiveness and predictability of the UNICEF humanitarian response, and to reinforce the link between the UNICEF response to crises and the organization's global mandate to promote and help ensure the fulfilment of the rights of children and women. The current medium-term strategic plan (MTSP) (E/ICEF/2005/11) clarifies overall programme priorities for UNICEF globally and notes that humanitarian response activities are an essential part of the overall work and cooperation of UNICEF.

Improving emergency response

5. With support from a number of donors (notably the United Kingdom Department for International Development (DFID), the European Commission's Humanitarian Aid Office (ECHO) and the Swiss Agency for Development Cooperation (SDC), UNICEF has substantially strengthened country, regional and headquarters capacities to respond to emergencies over the past six years. These efforts have focused on enhanced staff training in preparedness, humanitarian principles, landmine awareness and security; recruitment of dedicated regional, technical and human resources emergency focal points; and strengthening of overall headquarters' support through the Office of Emergency Programmes. UNICEF has strengthened its rapid response capacity through the dedicated Emergency Response Team and by strengthening its global personnel roster for rapid internal emergency staff deployment. UNICEF has also finalized a common, harmonized standby agreement with six organizations, and staff secondments for emergencies have more than doubled since 2003. UNICEF will continue to clarify its commitments with key operational partners and seek additional standby arrangements to ensure complementary humanitarian actions as well as increased access to the wide-range of existing, experienced human resources. Additional support for international capacity will be required from other sources.

UNICEF and the inter-agency mechanisms

6. In line with the CCCs and as part of the United Nations process for improved humanitarian response, UNICEF has been designated by the IASC as "cluster lead" in the areas of water and sanitation, nutrition and emergency data and communications, while retaining its sector lead in education and its critical role in health and in child protection.² In each of these "lead areas" UNICEF will work closely with government, United Nations and NGO partners to ensure a rapid, predictable and high-quality, coordinated response when a crisis occurs. UNICEF has already begun to strengthen its technical capacities to respond to these inter-agency responsibilities and to ensure cluster coordination functions at country and global levels. As necessary, UNICEF must be help to mobilize resources to fill response gaps in its "lead" areas. Beyond the "cluster approach", UNICEF updated its memorandum of understanding with the World Food Programme (WFP) in 2005 and is now updating similar agreements other partners. UNICEF has also increased the number of staff participating in the Resident Coordinator assessment process to help ensure that Resident Coordinator/Humanitarian Coordinators have strong field experience, including in humanitarian operations.

² Oral briefing to the Executive Board at the first regular session in 2006.

Mechanisms for funding UNICEF work in emergencies

7. As agreed by the Executive Board, UNICEF funds its work in emergencies in four ways: (a) Representatives are authorized to re-programme a limited amount of regular resources in an emergency in order to meet immediate needs; (b) the Executive Board has approved use of the EPF³ (up to \$25 million per biennium) for urgent emergency action and, in part advanced against funds expected to be received by UNICEF, through consolidated and other United Nations appeals; (c) UNICEF participates in such coordinated resource mobilization mechanisms as flash appeals and the Consolidated Appeals Process, approved by United Nations Office for the Coordination of Humanitarian Affairs (OCHA), and the recently-expanded CERF, administered by the United Nations Comptroller; and (d) most significantly, through bilateral contributions received from donors for humanitarian response and through the vital partners in the network of National Committees for UNICEF. Internal funding from reprogramming and from the EPF are the fastest, most effective mechanisms that enable UNICEF to respond even before the coordinated funding mechanisms have been triggered or even the fastest-moving donors have made funds available.

III. The funding environment for emergencies

8. Within this changed overall environment of emergency response, the principles of good humanitarian donorship have become widely accepted as the benchmarks for donor response. These principles provide that funding should be needs-based, flexible and provided early and within a multi-year framework. In addition, there have been enhanced efforts to coordinate and regularize donor funding, through improved financial tracking mechanisms (e.g., the OCHA Financial Tracking Service, thematic donor reports, etc.) linked to emergency response and the recently expanded CERF. However, the sheer magnitude of the needs, the increase in natural disasters and the fact that fewer emergencies are short-lived, has meant that UNICEF faces a significant shortfall in funding for many emergencies.

9. While overall funding for emergencies has increased, it has not done so uniformly. Many emergencies remain significantly underfunded, threatening the survival and protection of children and women. Although the recently expanded CERF is a major step forward for humanitarian financing, urgent humanitarian needs surpass the scope of the CERF, which was never meant to replace agencies' internal reserves or direct responses by donors to appeals. Based on the 2006 mid-year review of UNICEF emergency appeals, two thirds of UNICEF emergency requirements remain unmet. As a result, UNICEF is unable to ensure its CCCs or to play its cluster leader role as fully as it should. This jeopardizes the ability of UNICEF to provide children and women the basic protection and social services necessary for their survival.

10. The implications of this shortfall in funding are grave. UNICEF has had to begin downsizing its emergency operations in Sudan and Chad just when assistance must continue. The "hungry season" is looming in the Sahel and the hurricane season is again expected to be severe in 2006. Although CERF funding may be available to the United Nations country teams in some of these situations, not all

³ E/ICEF/1994/P/L.2; E/ICEF/1996/7; E/ICEF/1997/7.

will benefit and the total funding available will be inadequate to meet the pressing needs.

Increasing the immediate funding capability of UNICEF for emergencies

11. When disaster strikes, a matter of hours means the difference between life and death, especially for children, the most vulnerable in any emergency. The EPF has consistently proven to be an effective method of providing funds, allowing UNICEF to initiate its response before even the fastest-acting donors can respond. The EPF began in 1971 as the Emergency Reserve Fund, with the goal of facilitating a rapid and effective response by UNICEF to emergencies.

12. The EPF remains the fastest, most reliable and most adaptable source of emergency funds for UNICEF, and is thus an integral component of its emergency response capacity. The EPF currently operates as a standing authority to allocate up to \$25 million in the course of the biennium. Allocations from the EPF are primarily made as loans to eligible countries in anticipation of receiving donor contributions. If no such donations are received, as sometimes occurs in life-threatening situations, the loan is deemed to be a permanent, non-reimbursable grant from the EPF. The EPF has been enormously successful in achieving its aim, providing more than \$136 million in over 260 approved allocations to 90 separate countries and regions since 1996 (see annexes I and II). In the past biennium, for example, EPF funds were utilized in both Ethiopia and Niger to help purchase urgent nutrition supplies for the evolving drought and in Cuba and El Salvador to provide rapid assistance in response to hurricanes.

13. As vital as the EPF has been to the UNICEF emergency response globally, it is now overstretched. EPF funds have been called upon with greater frequency, and in greater amounts, than ever before and already, only a quarter of the way through the current biennium, more than half the authorized amount has been disbursed. As a result, UNICEF can no longer guarantee that sufficient funds will be available to meet the most urgent needs of children in the early hours of a crisis, wherever it may strike. With large-scale emergencies dominating the humanitarian landscape, the continuing demand for resources is enormous.

14. UNICEF thus proposes to increase the EPF ceiling from \$25 million to \$75 million per biennium (less than 4.5 per cent of projected regular resources in 2006-2007 and less than 5 per cent of 2004-2005 emergency income). These funds would be allocated using existing criteria for EPF and be made available from existing resources.

15. The increased ceiling for the EPF is in line with the changing funding environment for emergencies. As noted by the Secretary-General in setting out the proposed CERF,* internal agency reserves — such as the UNICEF EPF — “have enabled the agencies to improve their own rapid response performance ...” The Secretary-General furthermore states, “... it is recommended that donors continue to channel contributions to reimburse those accounts.” The increased ceiling is also similar to mechanisms adopted by several United Nations agencies and NGOs. For example, the WFP Immediate Response Account (a revolving fund) has a ceiling of \$70 million per year and is supplemented by the Working Capital Financing Facility, with a ceiling of \$180 million (against the Operational Reserve), which enables the WFP Executive Director to ensure continued financing of projects pending

* Improvement of the Central Emergency Revolving Fund (A/60/432), para. 6.

confirmation of forecast contributions. Increasing the ceiling of the UNICEF EPF to \$75 million will broadly align the EPF with these other, similar mechanisms and significantly increase the UNICEF response capacity.

IV. Summary and recommendation

16. Underfunding of emergency appeals is dramatically affecting the survival and protection of children and women in numerous countries. The current EPF ceiling of \$25 million has remained unchanged for a decade, and is no longer adequate to ensure a timely, reliable and effective response by UNICEF to emergencies. A ceiling of \$75 million will make an enormous and vital difference to the organization's ability to live up to its mandate to provide life-saving, sustainable results for children. The use of existing internal resources provides the fastest, most efficient and most agile funding mechanism for emergency response.

17. Therefore, it is recommended that the Executive Board approve the following draft decision:

The Executive Board,

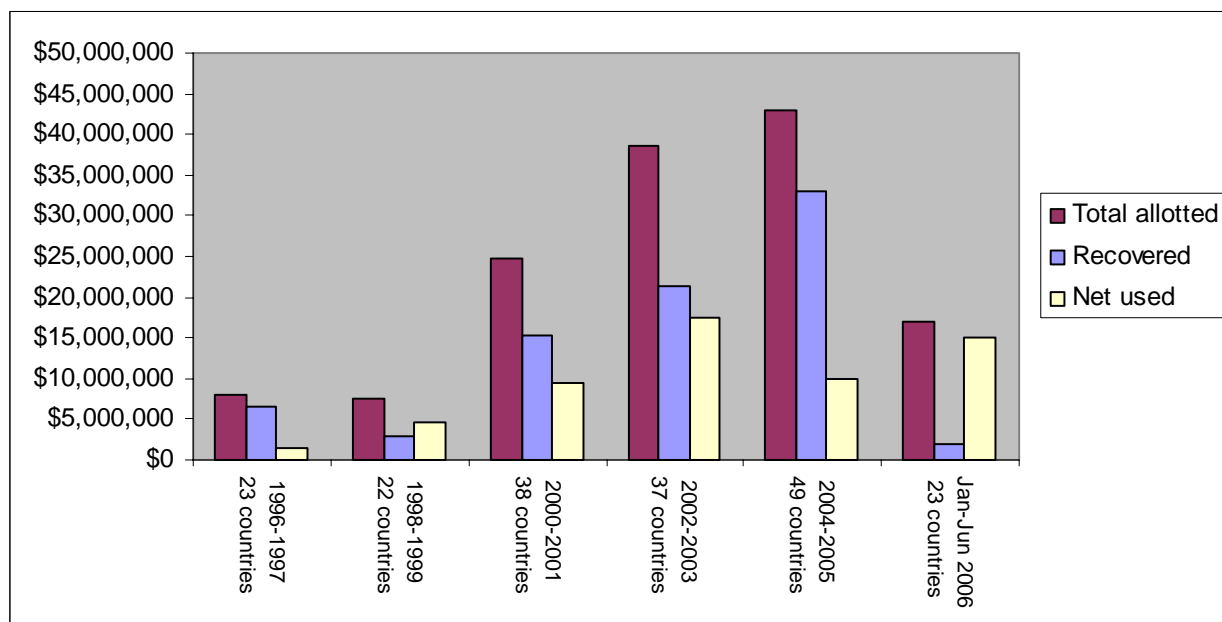
1. *Agrees* that UNICEF should continue to strengthen its internal capacities and its coordination with the United Nations system and NGOs to respond to the increased number of natural disasters as well as to ongoing complex emergencies;
2. *Approves* an increase in the ceiling of the Emergency Programme Fund to \$75 million, effective in 2006, to be met through existing resources.

Annex I

Utilization of the UNICEF Emergency Programme Fund, 1996-May 2006

(In United States dollars)

<i>Biennium</i>	<i>Total utilized</i>	<i>Reimbursed</i>	<i>Net utilized</i>	<i>Number of countries/ regions</i>
1996-1997	8 076 820	6 663 078	1 413 742	22
1998-1999	7 534 100	2 990 491	4 543 609	23
2000-2001	24 732 970	15 243 596	9 489 374	38
2002-2003	38 672 668	21 293 064	17 379 604	37
2004-2005	42 860 198	32 912 194	9 948 004	49
2006	16 985 000	1 935 665	15 049 335	23
Total	6 750	6 201	5 544	192



Annex II

Countries/regions receiving EPF funds, 1998-May 2006

Afghanistan, Islamic Republic of	Jordan
Algeria	Kenya
Angola	Kosovo (Currently under United Nations administration (United Nations Interim Mission in Kosovo))
Armenia	Kyrgyzstan
Azerbaijan	Lebanon
Bangladesh	Liberia
Barbados	Madagascar
Belize	Malawi
Benin	Mauritania
Bhutan	Middle East and North Africa regional
Bolivia	Republic of Moldova
Botswana	Morocco
Brazil	Mozambique
Bulgaria	Namibia
Burundi	Nicaragua
Central African Republic	Niger
Central and Eastern Europe/Commonwealth of Independent States regional	Pakistan
Central Asia Regional	Panama
Chad	Papua New Guinea
China	Romania
Comoros	Russian Federation
Congo	Rwanda
Cost Rica	Sao Tome and Principe
Côte d'Ivoire	Sierra Leone
Cuba	Somalia
Djibouti	Southern Africa regional drought
Dominican Republic	Sri Lanka
Democratic People's Republic of Korea	Sudan - North
Democratic Republic of the Congo	Sudan - South
Ecuador	Sudan - Operation Lifeline Sudan
El Salvador	Syrian Arab Republic
Eritrea	Americas and the Caribbean regional
Eastern and Southern Africa regional	Tajikistan
Ethiopia	United Republic of Tanzania
Gabon	The former Yugoslav Republic of Macedonia
Georgia	Timor-Leste
Guatemala	Turkey
Guinea	Uganda
Guinea-Bissau	Ukraine
Guyana	Uzbekistan
Haiti	Venezuela
Honduras	Occupied Palestinian Territory
India	Yemen
Iran, Islamic Republic of	Zambia
Iraq	Zimbabwe
Jamaica	