

MONTREUX RETREAT ON THE CONSOLIDATED APPEAL PROCESS AND HUMANITARIAN FINANCING MECHANISMS

**Background document commissioned by the Conveners for Montreux X
(18-19 March 2010)**

CAPs OVER THE YEARS: A BRIEF RETROSPECTIVE ON TEN YEARS OF MONTREUX RETREATS (A study by OCHA)

**March 2010
MR.X-2010.2**

The Montreux process was launched in Montreux (Switzerland) in 2000 by a group of Geneva representatives of donor countries keen to discuss, in an informal manner, issues related to humanitarian financing. It has become a yearly forum for the exchange of ideas between donors, international organizations, the Red Cross Movement, and NGOs that contributes to the better understanding and the development of a broad variety of humanitarian issues.

CAPs over the years

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

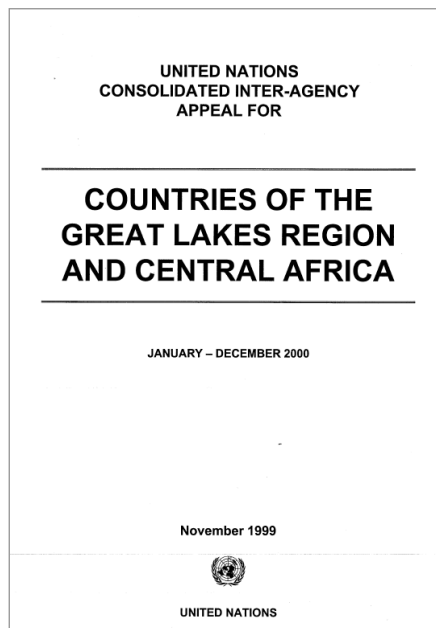
2010



A Brief Retrospective on Ten Years of Montreux Retreats

Introduction

In March 2000, when donors held the first Montreux retreat, the consolidated appeal process was eight years old. The 2000 CAPs launched a few months previously were Afghanistan, Angola, Burundi, Democratic Republic of Congo, DPR of Korea, Great Lakes Region and Central Africa, Indonesia (Maluku Crisis), Republic of Congo, Sierra Leone, Somalia, Southeastern Europe, Sudan, Tajikistan, Tanzania, and Uganda. The war in eastern DRC has started less than two years before, and the Kosovo crisis one year



before. The 1999 appeals had achieved US\$1.8 billion in funding or 72% of requirements (led by Sudan at 91%, Great Lakes/Central Africa at 85%, southeastern Europe at 84%, Angola at 82%, and northern Causasus at 81%), though the 2000 appeals would go on to achieve only 59% as appeal funding plummeted to \$1.1 billion. The year's major natural disaster – the epic floods in Mozambique – were at their peak while the Montreux Retreat was in session; the floods generated a \$13 million IASC appeal as part of a \$65 million government-led appeal, as flash appeals had not yet been standardised. A typical 2000 CAP document followed a recognizable structure: year in review and lessons learned, humanitarian context (though no explicit inter-sectoral needs analysis), and a common humanitarian action plan including a statement of principles for humanitarian action, scenarios, long-term goals, sectoral response plans, and a monitoring plan. The median funding request among the 2000 CAPs was \$50 million, ranging from Tanzania (\$8 million) to southeastern Europe (\$628 million). All the CAPs in 2000 together had only 22 appealing organizations (of which three were NGOs), and a total of 404 project proposals.

The observations by the 17 donor countries that attended the first Montreux Retreat included:

- Donors regard the CAP mainly as a **coordination and strategy-setting process** which is critical to efficiently respond to humanitarian needs.
- **Coordination** supported by the CAP **must be strengthened through:** emphasis on on-going process throughout the year rather than a one-time focus on appeal document; competent and accountable Humanitarian Coordinators fully supported by agencies and donors.
- **Suggested elements for further CAP improvement are:**
 - ◆ Setting overall goals and sectoral objectives before programme/project development;
 - ◆ Demonstrating greater transparency and clearer priority-setting;
 - ◆ Flexibility according to different types of emergencies, i.e. immediate flash appeals for sudden-onset emergencies;
 - ◆ Sharing information, analysis and strategies;
 - ◆ Transparency in financial and in-kind donations plus use of un-earmarked funds for CAP projects.
- Donors recognise the need to **increase engagement** with the CAP, by (inter alia) developing informal mechanisms for donor consultations at the field level, Geneva, and headquarters pertaining to humanitarian strategies, funding decisions, and addressing gaps; and addressing internal bureaucratic challenges to funding gaps.
- Efforts should be made for **NGOs** to be **drawn closer to the strategy-setting process** and encouraged to adhere to the direction of the humanitarian strategy.
- In trying to find creative solutions to **addressing the gap** between humanitarian action and transition to development, CAP strategies could, where appropriate:
 - ◆ Indicate how medium and long-term perspectives will be addressed;
 - ◆ Identify mechanisms which could contribute to bridging the transition gap;
 - ◆ Include exit strategy.

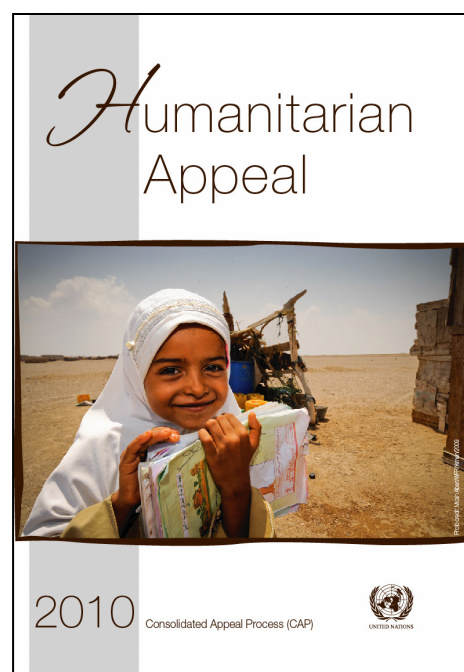
Subsequent Montreux Retreats made observations or recommendations on coordination, strategy, strategic and sectoral monitoring, needs assessment and analysis, the role of HCs and clusters, prioritization, interaction with new financing instruments, overhauling flash appeals, 'peri-humanitarian'

action and funding (transition, preparedness, early recovery), financial tracking, and donor coordination. Here are some of the achievements relating to these observations:

- The IASC launched its Needs Analysis Framework in 2005, and is developing complements such as the Integrated Phase Classification system, the 'humanitarian dashboard,' and a set of standard indicators for each cluster.
- The 'flash appeal overhaul' was implemented in 2008 and 2009, and its major tenets are now reflected in most flash appeals.
- Strategic and sectoral monitoring have spread to most CAPs.
- Almost all CAPs now prioritise their projects into clear levels.
- CAPs have transformed from a UN humanitarian instrument to a major common platform for NGO planning and projects (which in 2010 outnumber UN projects by 50%).
- The Good Humanitarian Donorship initiative has systematically worked towards addressing some of the donor issues identified at Montreux Retreats.
- The cluster approach has systematized and established clear responsibilities for sectoral coordination, drawn a critical mass of NGOs into the CAP, improved project selection and prioritisation through peer review, and piloted collective sectoral-level monitoring of outputs and (where possible) impact.
- New supply-side financing instruments (mainly the various sorts of pooled funds) now have clear modes of interaction with CAPs and flash appeals, which organize the demand side.

The changes in the CAP since 2000, many of which can be traced to reflections and consensus at Montreux, amount to a transformation. From 22 organizations and 404 projects in the 2000 CAPs, the 2010 CAPs propose 2,490 projects from some 350 organizations. The median funding request per CAP has increased from \$50 million to \$508 million, as CAPs now reflect a much larger portion of international humanitarian action in crises where they exist, and also as they expand from their roots in conflict-based emergencies to cover crises arising from punctual stresses on people in extreme chronic vulnerability. (In 2010, this could be said to include all or major parts of the CAPs for West Africa, Kenya, and Zimbabwe. Also, for purposes of financial tracking, flash appeals are counted together with CAPs.)

There is constancy as well as change, however: the fundamental rationale of CAPs, to achieve a strategic approach to large-scale humanitarian crises through both leadership and inclusive consultation, and to make humanitarian funding more effective by providing donors with clear guidance on the sums required and where they are best directed, is as relevant today as in 2000 or 1992. Moreover, the environment that gave rise to the CAP and the other major structures of the humanitarian system in the early 1990s has shown as least as much constancy as change: a multi-polar world; a dozen or so mega-aid-organisations, a few dozen large ones, and hundreds of medium- or small-sized ones; twenty or so major governmental donors who provide about 90% of official humanitarian aid; a dozen or so major conflict-based emergencies in the world; poverty and vulnerability stubbornly resistant to improvement in many countries. Montreux has been instrumental in outlining ways to improve the CAP's effectiveness as an instrument in this context; and that should continue. Perhaps another major challenge for the next series of Montreux retreats is to anticipate possible macro-level changes in context – economic realignments, growing disaster management capacity by many governments, accelerating environmental and demographic changes, among others – that would require a more fundamental re-engineering of how humanitarian aid is planned, resourced, and delivered.

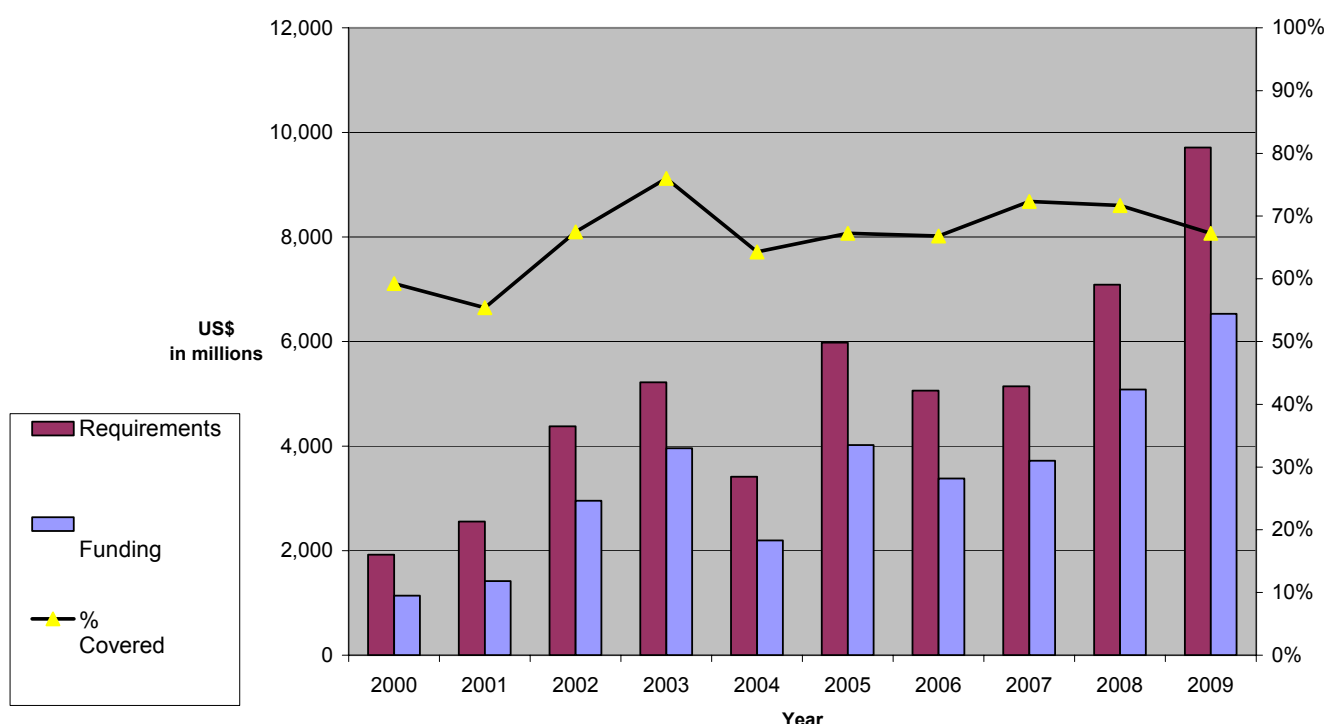


Aim of the study

Since 2000, decision-makers from donor countries have been meeting each year in Montreux to discuss their involvement in the Consolidated Appeal Process and humanitarian financing. This 10th anniversary is an occasion to review how the joint planning and financing encompassed by the CAP have evolved,

and how the humanitarian system has been able to respond to donors' needs. Over these ten years, donors have provided a total of \$34 billion out of the \$50 billion requested in the appeals, equating to coverage of 68%. As shown in the graph below, since 2004 the coverage has regularly, albeit slightly, increased every year, reflecting the increasing trust of donors in the Consolidated Appeal Process. (The 2009 data are probably not final, as donors and agencies may yet report more late 2009 funding.) The number of CAPs per year has actually declined slightly but steadily since 2000. This seems to generally reflect the gradual resolution of several conflicts that had reached their peak in the 1990s or the early 2000s and which in several cases had been influenced by the bipolar global politics that had prevailed before the 1990s, or the dissolution thereof (Angola, southeastern Europe, northern Caucasus, Tajikistan) plus some region-specific intertwined conflicts (Great Lakes, West Africa). The funding request per appeal and per beneficiary has gone up, which to a large extent reflects a more comprehensive approach to humanitarian action (both in programming and in more inclusion of NGOs into CAPs), plus exogenous phenomena like higher food and fuel costs.

CAP REQUIREMENTS, FUNDING, and % FUNDING COVERAGE, 2000-2009



The rest of this paper presents selected highlights of Montreux recommendations over the years (following a review of all post-retreat observations), grouped by theme, with commentary on their implementation or otherwise. (Some recommendations touch upon several different themes. They are addressed in the “miscellaneous” section.)

Several recommendations were very practical points (reports to be shared, etc.) which have little substantive impact on CAP policy/process and are therefore not repeated here.

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Montreux Retreat observations and their follow-up (grouped by theme)

Observation No.*	Year	Recommendations
COORDINATION / STRATEGY		
Obs. 1	2000	Donors reaffirmed the importance of the CAP and required agencies to be committed to the process both at HQ and field level.
Obs. 2	2000	CAP is mainly a coordination and strategy-setting instrument
Obs. 3	2001	<p>On Coordination:</p> <ul style="list-style-type: none"> ▶ The Common Humanitarian Action Plan (CHAP) should be the main tool of humanitarian coordination ▶ Coordination should be strengthened by improving the performance framework: results-based planning, monitoring and reporting need to be an essential part of a well-managed CAP ▶ An in-depth evaluation of a specific CAP is necessary, provided that the criteria of such an exercise be clearly defined ▶ Donors should be more involved in the CAP, as appropriate, for instance in the Mid-Year Review, field workshops and joint field trips ▶ The Inter-Agency Standing Committee (IASC) should adopt revised CAP guidelines reflecting the changed humanitarian context ▶ More transparency in the IASC process is considered necessary ▶ Decentralised CAP launches were a useful improvement
Obs. 3	2002	<p>Donors noted that for a CAP to support accountability and resource mobilisation, it needs to be credible. Donors called for strengthening the performance framework of the CAP in a practical, flexible and realistic way. The CAP should provide an ongoing coordination mechanism that improves the effectiveness of humanitarian programming. Donors studied the quality and reporting format of the 2001 and 2002 CAP documents for Burundi and Angola and came up with the following general observations:</p> <ul style="list-style-type: none"> ▶ The methodology and parameters of the CAP-document and the extent to which programmes in the CAP cover the total humanitarian needs should be clarified ▶ A clear, concise and recognisable format should be developed within and across CAPs ▶ Coordination mechanisms and the process of elaborating and implementing the CHAP should be made explicit in the document. ▶ Baseline information and analysis on needs of affected populations should be strengthened ▶ More attention should be paid to ensure the CAP documents are internally coherent, including consistent use of target population figures and financial information ▶ CAP documents should report on results at sector and strategic levels, so as to ensure continuity of the CAP from one year to the next; a practical approach to using indicators to monitor progress should be developed ▶ Greater attention should be paid to reporting of both achievements and constraints in CAP countries ▶ Appealing agencies should ensure coherence between their reporting to donors and their reporting in the CAP documents ▶ Greater analysis is needed in the CAP mid-year reviews. The UN should demonstrate which needs are met despite resource constraints as well as the consequences of underfunding

*As designated in the corresponding year's post-retreat Observations document

Observation No.*	Year	Recommendations
(text between Obs. 7 and 8)	2003	Donors recommended that progress be reported by sector or by theme , rather than by agency. <ul style="list-style-type: none"> ▶ They agreed that projects included in the Consolidated Appeals need to better demonstrate how they support the overall strategy. ▶ Further, they agreed that baseline data collection and use, as well as assessment capacities, need to be strengthened and that similar and comparable methods to determine target population figures should be used.
Obs. 10	2003	OCHA to ensure that the MYRs include more robust analysis of underfunding and sectoral imbalances . The MYR to be promoted and used as an occasion for dialogue between donors and UN agencies, especially at the field level
Obs. 14	2005	Donors to encourage the systematic use of CAP methodology in the development of all UN-led appeals for disasters and crises
Obs. 4	2005	Where there is strong opposition on the part of the government to a CAP , the UN should advocate for host government participation in the CHAP , with an emphasis on planning (both strategic and operational) rather than on the appeal for funding
Obs. 7	2005	The CAP should also be considered as the key management tool throughout the program cycle. It can be used to harmonize needs assessment and should provide the framework for monitoring and evaluating collective humanitarian action. A good practice is the establishment of a small monitoring and evaluating unit at field level
Obs. 8	2005	A common CAP reporting system could provide essential real-time operational information and could be the basis for harmonizing the criteria and standards for reporting for donors as well as new pooled funding instruments.
COMMENTS		<p>Since the first Montreux Retreat, donors have consistently reaffirmed the importance of the Consolidated Appeal Process, not only as a convenient funding tool, but more importantly as the primary coordination and planning tool in complex situations, and when natural disasters strike.</p> <p>By this, donors have contributed the credibility of the CAP and standards for the process. Much progress has been achieved since 2000 in responding to the Montreux donors requests of improvements of the CAPs:</p> <ul style="list-style-type: none"> ▶ There is systematic participation by donors in CAP workshops. ▶ CAP guidelines are updated yearly to reflect evolving policies. ▶ The process is more transparent – in particular, the selection and prioritisation of projects are done in adherence with strict principles; ▶ While decentralised CAP launches were in favour for a period, they now tend to be considered as not having proven added value in terms of resource mobilisation. ▶ CAPs have moved from reporting by agency to reporting by sectors/clusters, plus some analysis of strategic, macro-level humanitarian indicators. ▶ Underfunding is better analysed, and its consequences are better demonstrated in appeals. ▶ Baseline data are systematically presented in CAPs in an organised way since several years.

Observation No.	Year	Recommendations
NEEDS ANALYSIS		
Obs. 25	2003	The IASC and donors to develop, disseminate and encourage the use of interagency approaches to needs assessment . Joint needs assessments with donors should also be encouraged. In addition, needs assessments should be conducted in a transparent manner , involve local actors and take into account protection and security issues
Obs. 26	2003	To increase credibility, results from needs assessments and the methodology used should be shared among humanitarian actors , including donors.
Obs. 11	2004	Donors and humanitarian organisations to share the results of needs assessments and monitoring efforts
Obs. 10	2005	Donors and humanitarian organisations to actively share the results of needs assessments and monitoring efforts
Obs. 4	2006	Donors to strongly encourage the inclusion of joint, high-quality needs assessments as an integral part of all relevant humanitarian strategies and programs , especially for the CAP, and to ensure adequate funding for such efforts
Obs. 5	2008	The IASC Country Team and donors should explicitly agree at the beginning of the process on the scope and method of need assessments that will underpin the CAP
Obs. 11	2009	OCHA was encouraged to initiate implementation of the tools developed as part of the ACE project throughout 2009 together with operational agencies. This should include the piloting of the "humanitarian dashboard" (presenting data on key indicators in a concise format) in a number of protracted emergencies, with a view to the possible inclusion of the dashboard in CAPs from 2010 . These indicators would serve to underpin a broader analysis of relative need across crises and over a period of time.
Obs. 12	2009	The humanitarian community should implement at least two Common Needs Assessments (CNA) in sudden-onset emergencies over the next 12 months, and consider the use of CNA in ongoing emergencies. While the implementation of CNAs is a shared responsibility for the humanitarian community, HCs and OCHA have a central role to play in initiating and disseminating joint assessments. To the extent that additional resources may be required to this end, donors should provide adequate support to needs assessment work by operational actors (including as regards contingency planning and capacity-building), including through the provision of funding for pilot CNAs.
Obs. 13	2009	CNA tools should build on (rather than replace) sectoral needs assessment frameworks . Global clusters were invited to finalize work by the end of 2009 on the identification of core severity indicators in their respective sectors, as this is an important step in moving the common framework forward. Operational actors were encouraged to share data from their own assessments within and across clusters.
COMMENTS	<p>Following recommendations from donors, the Needs Analysis Framework (NAF) was developed in 2004, piloted in 2005 and endorsed by the IASC CAP SWG. While a separate needs analysis document has been produced only in few countries, NAF methodology has been integrated in CAP guidelines and used in various forms in most of the appeals since 2006.</p> <p>It was recommended in 2008 that Humanitarian Country Teams should explicitly agree at the beginning of the process on the scope and method of need assessments that will underpin the CAP. The Emergency Relief coordinator asked Humanitarian coordinators in CAP countries to enforce this; however, most country teams have not done so.</p> <p>The CAP Section follows closely the ACE project; however, the testing phase is still underway and publicizing results at this stage seems premature.</p>	

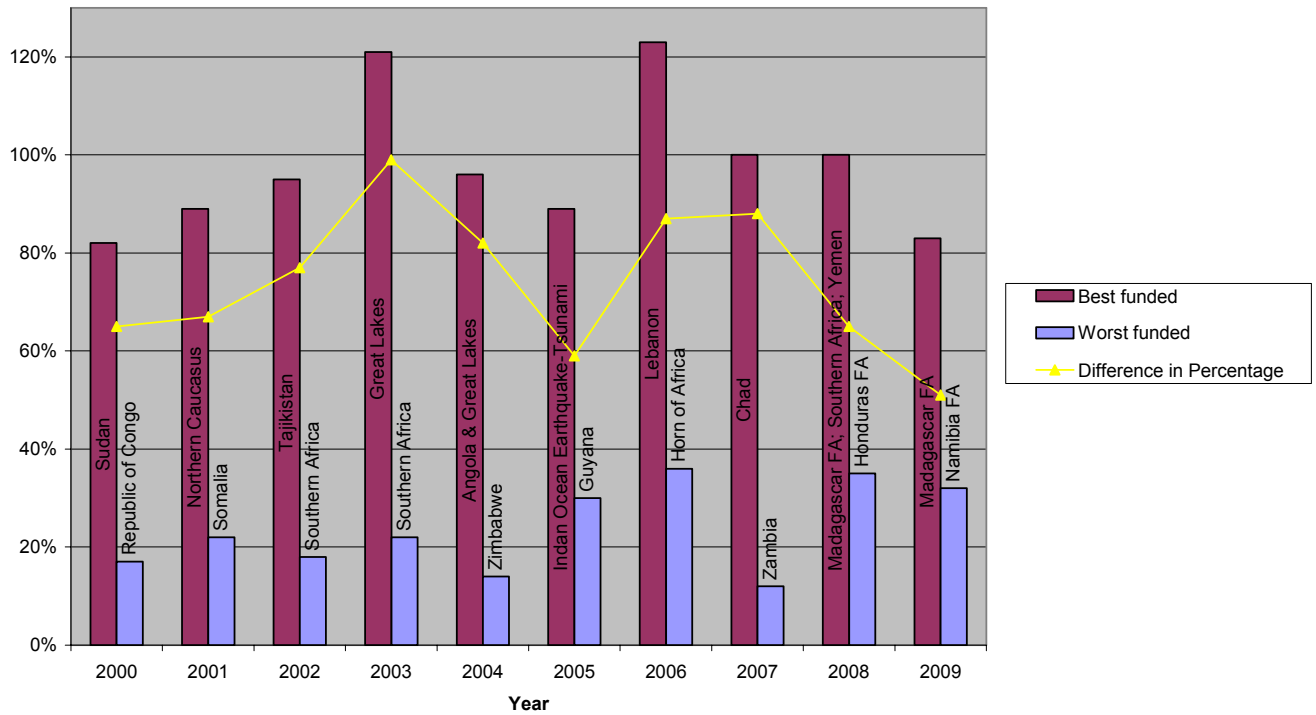
Observation No.	Year	Recommendations
HUMANITARIAN COORDINATOR'S ROLE AND HUMANITARIAN REFORM		
Obs. 4	2000	Coordination supported by the CAP must be strengthened through: <ul style="list-style-type: none"> ▶ Emphasis on ongoing process throughout the year (and not a one-time focus on an appeal document) ▶ Competent and accountable Humanitarian Coordinators (HC/RC) fully supported by agencies and donors
Obs. 5	2001	The role of the Humanitarian Coordinator (HC) <ul style="list-style-type: none"> ▶ Selection and appointment of HCs must be accelerated, ensuring the recruitment of HCs with the required competencies and skills (i.e. not necessarily the RC) ▶ Roster, training and accountability arrangements for HCs should be urgently improved ▶ The HC should have responsibility, authority and support for the development and implementation for the strategy expressed in the CAP ▶ The IASC should take immediate action to deal with the above issues related to HCs
Obs. 13	2004	Donors to support IASC Country Teams and HCs in carrying out and enforcing prioritisation , in particular to ensure that projects included in CAPs support the CHAP and by striving to provide concrete feedback to HCs on why/why not they have funded certain projects
Obs. 15	2004	Donors to encourage the ERC to promote and oversee HC commitment to prioritisation
Obs. 9	2005	Where cluster leadership at the field level requires dedicated resources, related costs should be included in CAPs ; however, greater clarity and agreement are needed regarding the definition of such costs.
Obs. 4	2008	Boundaries regarding needs and response should be defined at the outset of the CAP process by the HC in consultation with field-based stakeholders to establish the overall scope of the appeal. All CAPs should be prioritized – at a minimum with two tiers of priority among the projects – and modalities for inclusion of Early Recovery should be defined
Obs. 8	2008	The new funding instruments (CERF and Common Humanitarian Funds) are welcome additions and have improved field coordination, strategic planning and strengthened the role of the HC. At the same time, these new instruments appear to have engendered additional transaction costs which must be rationalized for operational partners
COMMENTS	<p>Since the first Montreux Donors retreat, donors have emphasized the importance of the role of the Humanitarian coordinator in producing credible CAPs. The main achievement in enforcing this has undoubtedly been the humanitarian reform. While the CAP was not the originator of the reform, it has benefitted from in several ways: reinforcement of the role of the humanitarian coordinator, better strategy and response thanks to the clusters approach, and more balance in funding thanks to the CERF.</p> <p>Prioritization, a long-standing issue, is now applied in all consolidated appeals. For 2009, donor response to the prioritization system in appeals is mostly encouraging, in that the top-priority category has the highest funding percentage in all cases except Afghanistan, Cote d'Ivoire, Uganda and Central African Republic.</p>	

Observation No.	Year	Recommendations
TRANSITION/PREPAREDNESS/EARLY RECOVERY		
Obs. 9	2000	In trying to find creative solutions to addressing the gap between humanitarian action and transition to development , CAP strategies could, where appropriate: <ul style="list-style-type: none"> ▶ Indicate how medium and long-term perspectives will be addressed ▶ Identify mechanisms which could contribute to bridging the transition gap ▶ Include exit strategy
Obs. 7	2001	The transition phase from relief to long-term development is complex. Donors emphasised that: <ul style="list-style-type: none"> ▶ Development actors should be brought in as early as possible in formulating a CHAP through the CAP ▶ Early involvement of donors is critical ▶ A pragmatic approach is needed to identify appropriate transition mechanisms. Transition activities may be included in the CAP in the absence of other strategic resource mobilisation mechanisms. This has to be done on selective basis ▶ Relevant actors are encouraged to enhance cooperation to ensure appropriate transition
Obs. 10	2008	The spectrum of funding instruments must accommodate the changing nature of emergencies , taking into account the increased frequency of small and medium-sized natural disasters ; moreover, funding must be channelled to upstream activities such as disaster preparedness, early warning and contingency planning, and for early recovery in addition to relief activities
Obs. 10	2009	Regarding boundaries for humanitarian assistance, the discussion highlighted the need to better differentiate between ER activities , which can be included in the CAP, and those implying a longer-term perspective for purposes of deciding whether they can be included in the CAP. Further review of this topic was encouraged
COMMENTS	<p>While defining boundaries remains difficult and is very much an <i>ad hoc</i> exercise for each appeal, there are also formal developments, in particular the adoption by the IASC CAP SWG of the a Phased Approach for ER in Flash Appeals policy paper, in coordination with the CWGER.</p> <p>Funding for preparedness and transition remain issues that need progress – in particular in view of the tight earmarking that most donors are under in terms of humanitarian funding.</p>	

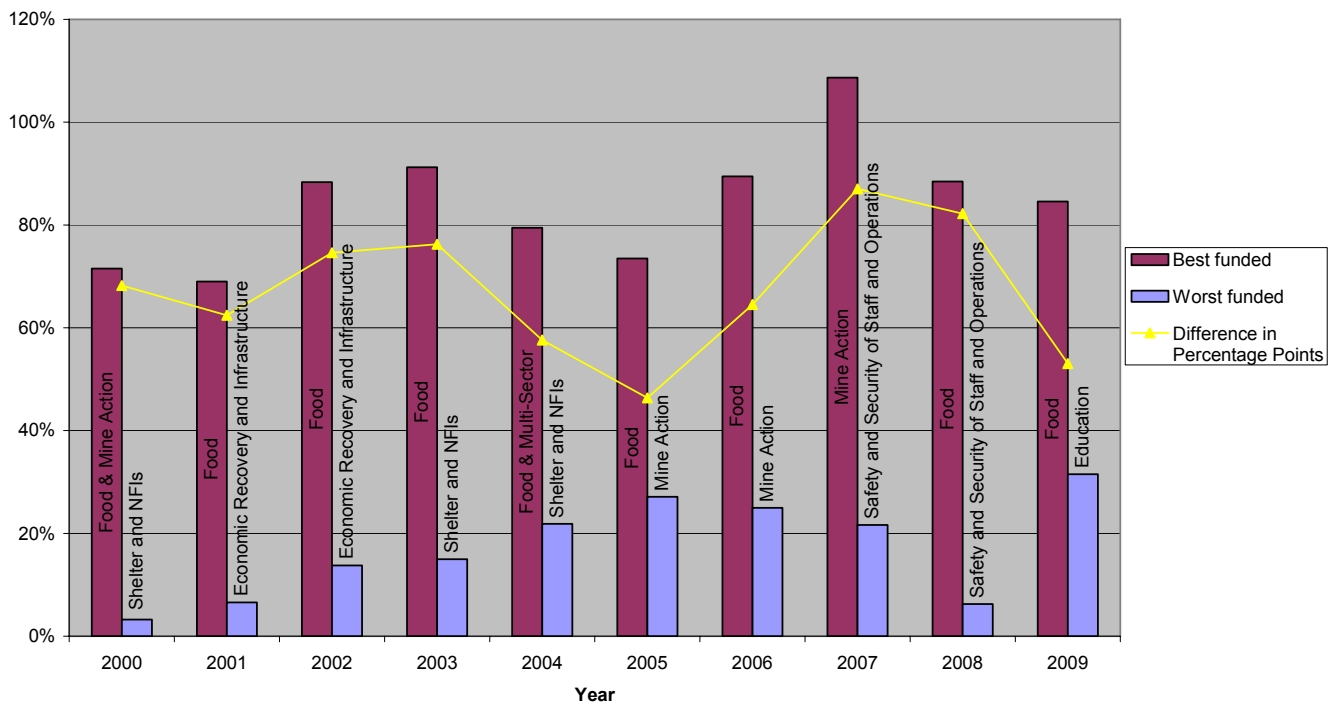
Observation No.	Year	Recommendations
FUNDING, FINANCIAL TRACKING AND DONOR COORDINATION		
Obs. 4	2001	On CAP funding : <ul style="list-style-type: none"> ▶ A substantive analysis is needed to better understand (1) why appeals are underfunded, (2) how do donors fund the CAPs, (3) What are the total humanitarian resources spent in a specific CAP country, (4) what are the performances and competencies of agencies and (5) what is the impact of underfunding in the field? ▶ Funding predictability could be improved through enhanced information sharing. However, the UN should be proactive to encourage this process.
Obs. 17	2001	Donors, together with OCHA and HCs, to promote the creation of informal donor support groups in CAP countries , particularly in order to support and strengthen the authority of the HC, to be of assistance in the prioritisation process, in advocacy efforts as well as in discussions on gaining or improving access.
Obs. 5	2002	<ul style="list-style-type: none"> ▶ Donors committed themselves to organise an informal annual meeting to reflect upon their funding decisions and the quality of CAPs. ▶ Donors will seek to identify ways to promote coordinated donor response to the CAP and to facilitate donor coordination, in particular by: Looking into the possibility of organising meetings to discuss funding intentions; Studying the feasibility of appointing one donor to facilitate (overall or sectoral) donor coordination in the field.
Obs. 13	2003	OCHA to clarify the role of donors at CAP workshops and continue to encourage donor participation.
Obs. 18	2003	Donors and humanitarian organisations to report all humanitarian contributions to OCHA FTS
Obs. 19	2003	Agencies should improve accuracy, periodicity and transparency of reporting donor contributions to the FTS. Where relevant, agencies to report on allocation of funds from other sources and on allocation of unearmarked funds to Consolidated Appeals' projects, disaggregating the origins of the allocations.
Obs. 21	2003	OCHA to further develop FTS to better reflect donor commitments (pledges), track total humanitarian aid flows, and enable analysis of funding and activities. This includes periodic follow-up to the Global Humanitarian Assistance report.
Obs. 22	2003	Donors encourage OCHA to seek ways to "track the dollar from donor to beneficiary" by linking contributions to implementation.
Obs. 32	2003	To promote more equitable funding, OCHA to establish "internet fora" on Reliefweb linked to CAP countries, where donors can exchange information on humanitarian strategies, findings of field trips and funding intentions at country/regional level.
Obs. 1	2004	Donors to ensure their active participation in the field throughout the CAP cycle , in particular CHAP discussions, CAP field workshops and Mid-Year Review meetings.
Obs. 3	2004	Donors and humanitarian organisations – including the Red Cross Movement and NGOs – to report all humanitarian contributions to OCHA FTS , with a view to substantially improving the system's ability to track global humanitarian assistance flows, while taking into account the work in progress in the GHD subgroup on definitions and statistical reporting.
Obs. 19	2004	Donors to support and participate in an OCHA-managed real-time information exchange forum ("chat room"), such as via a secure website, in order to improve information-sharing and provide increased possibilities of reallocation of funding in order to minimise sectoral or geographic imbalances.
Obs. 20	2004	OCHA, with input from the GHD subgroup on definitions and statistical reporting, to further improve FTS in order to enable real-time and more robust analysis.
Obs. 1	2005	Donors to participate as actively as possible in the field throughout the CAP cycle - in particular in CHAP discussions, CAP field workshops and MYR meetings - and OCHA to provide timely information on the schedule of these meetings

Observation No.	Year	Recommendations
		and ensure that they are well prepared
Obs. 2	2005	Donors and humanitarian organisations – including the Red Cross Movement and NGOs – to further improve their reporting of all humanitarian contributions to OCHA's FTS , in order to enable the FTS to track all humanitarian assistance flows.
Obs. 16	2005	Agencies to ensure accurate reporting of unearmarked funds as well as appropriate donor visibility for such funding.
Obs. 9	2006	Humanitarian organisations, in consultation with donors, to ensure appropriate visibility for donors contributing to common funds, as well as for donors providing other types of unearmarked funding.
COMMENTS		<p>Both donors and agencies report better to FTS. Substantive improvements if the FTS have taken place, and the tool is constantly evolving. For example:</p> <ul style="list-style-type: none"> - pledges are now reported (separately from commitments/contributions), - requirements and funding can be shown by clusters, not just standard sectors, since the humanitarian reform took place, - more user-friendly outputs can be obtained, - details of projects can now be obtained by one click, - custom searches can be performed both for funding, or for projects. <p>Tracking from donor to beneficiary proves to be a challenge, as was demonstrated during the tsunami relief by the expenditure tracking system, and putting in place such a system for the whole humanitarian community would probably be very costly, for a benefit that is unclear.</p> <p>While there is no virtual chat room for donors to discuss strategies, various efforts have brought them closer together:</p> <ul style="list-style-type: none"> ▶ formal or informal donors groups at the field level; ▶ at headquarters level, the Montreux Donors retreat is the most high-level event; ▶ OCHA now organises regular donors consultations meetings on a quarterly basis. <p>As can be seen in the graphs below, these efforts do not seem to yet translate into more equitable funding across sectors, though funding across CAPs in 2009 was more even than in previous years. In the period from 2000 to 2009 almost all sectors are subject to important fluctuations in their coverage. Many sectors know variations in their coverage of ten or more percent points from one year to another. As a consequence, it is impossible to predict future donor commitment and no trend is discernable either, which presents an obstacle for future budgeting processes of sectors. Although Sectors like "Coordination & Support Services" and "Economic Recovery and Infrastructures", for instance, saw a very important increase of their needs coverage compared to the year 2000, rising from 47 to 84% and from 7 to 50% coverage respectively, they too were subject of considerable variations in coverage over the years. Almost all sectors varied for approximately 30 percent points at least once in the past decade, like, for instance, "Mine Action", "Education" and "Safety & Security of Staff and Operations".</p>

Best/Worst Funded Consolidated and Flash Appeals



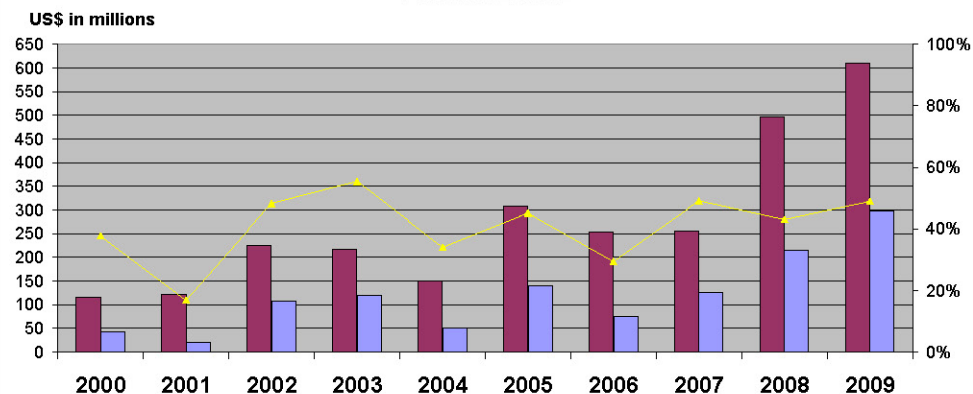
Difference of Funding between Sectors



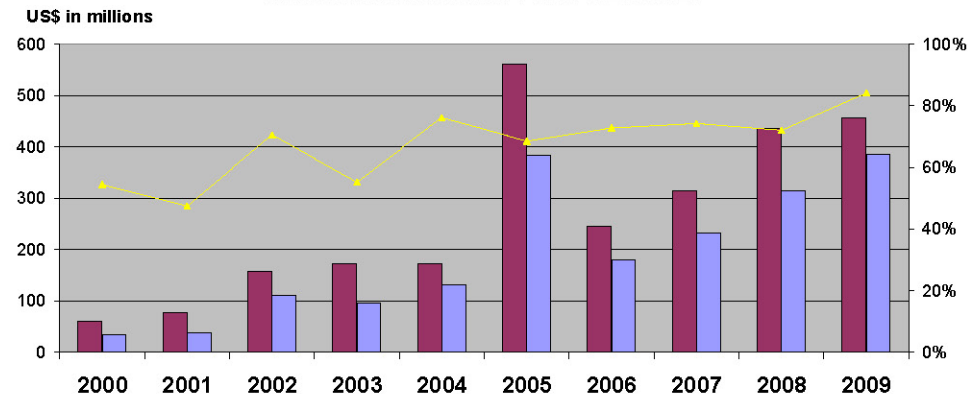
Sectoral Funding Over the Past Ten Years

Revised requirements USD Funding % Covered

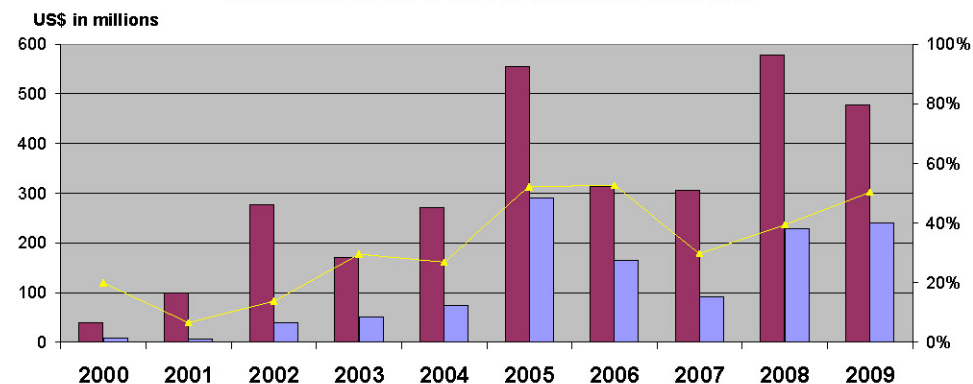
AGRICULTURE



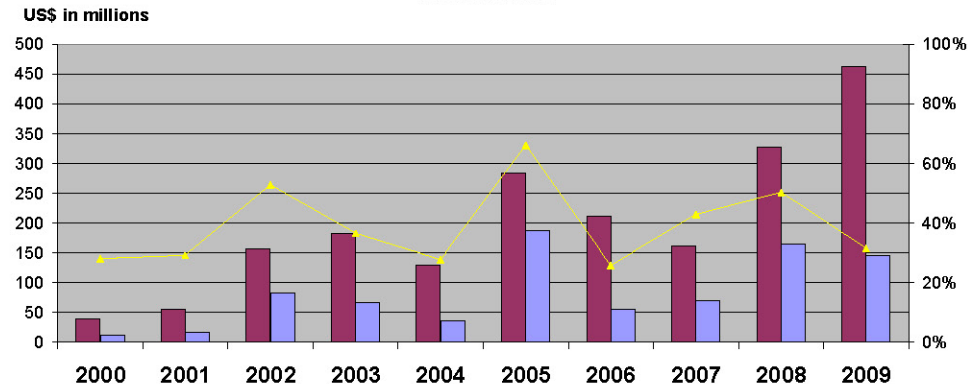
COORDINATION & SUPPORT SERVICES



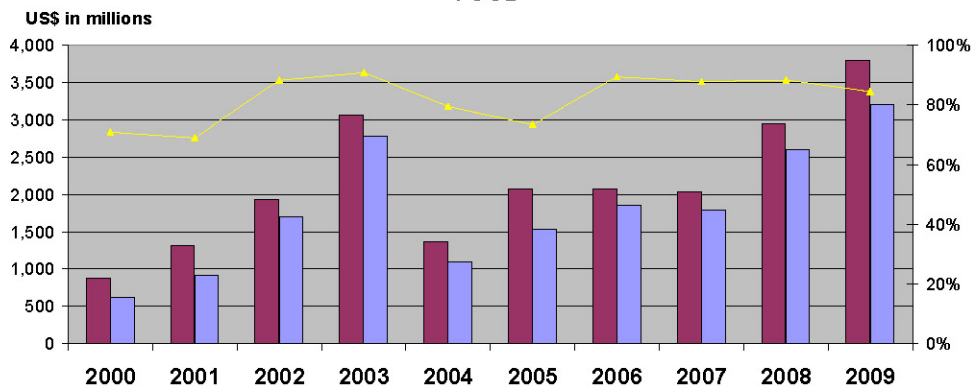
ECONOMIC RECOVERY AND INFRASTRUCTURE



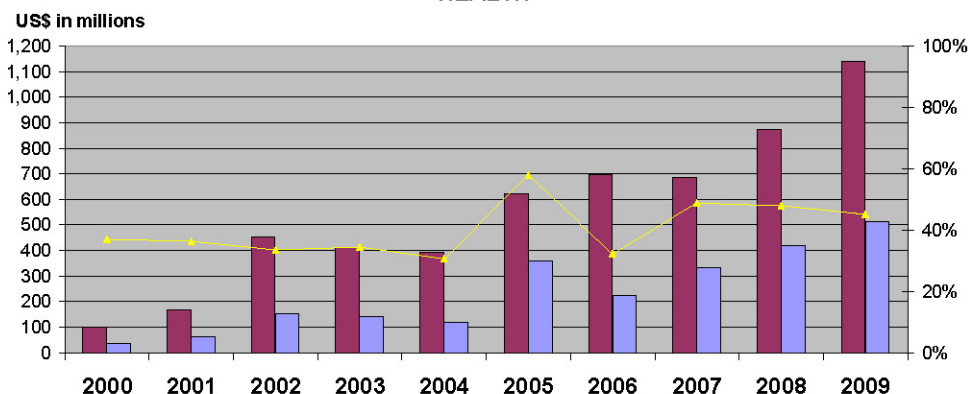
EDUCATION



FOOD

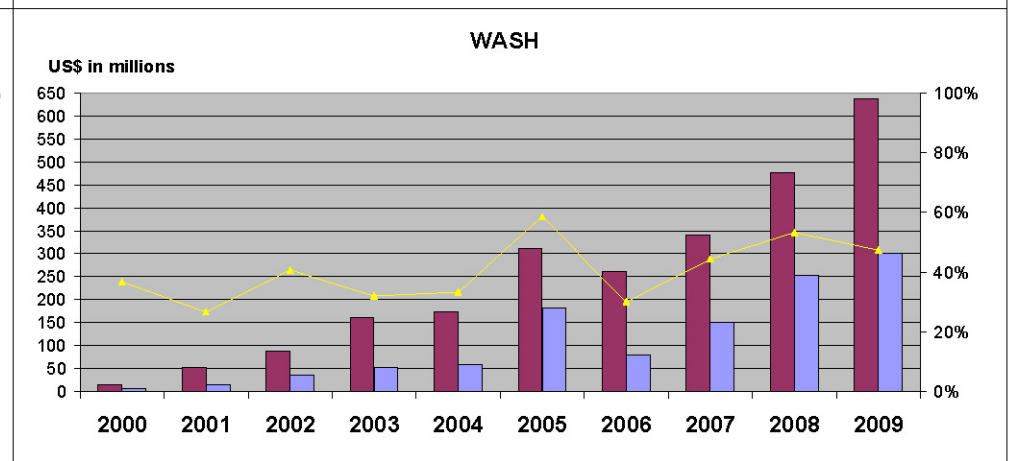
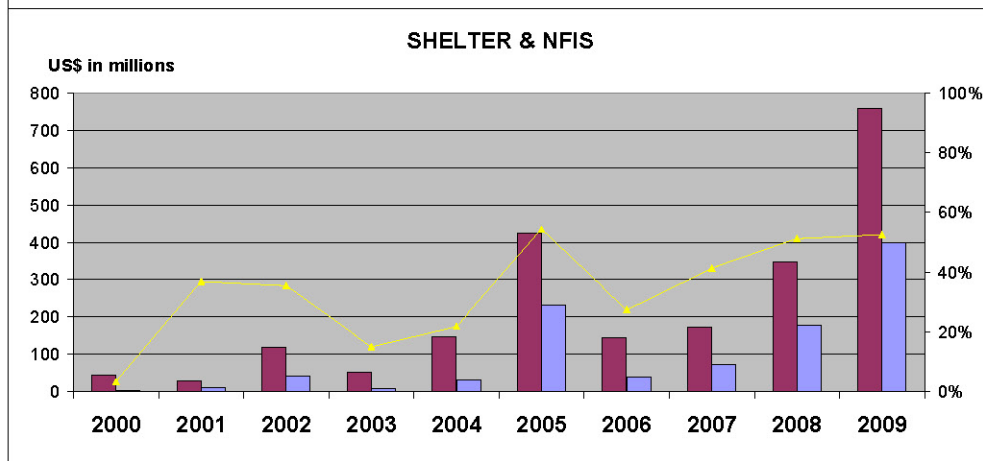
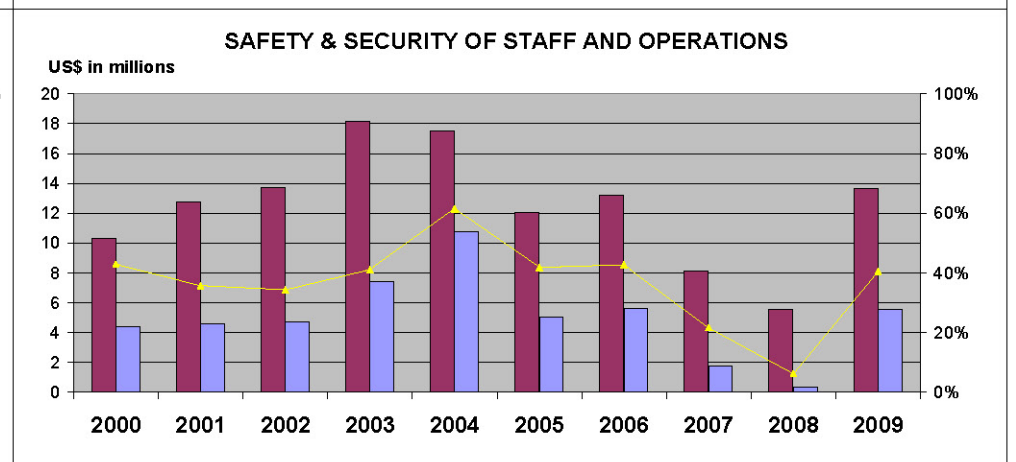
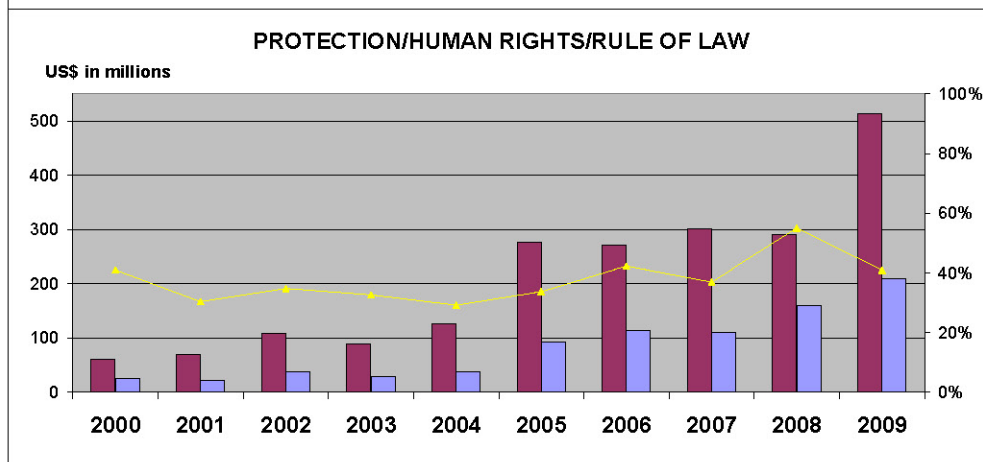
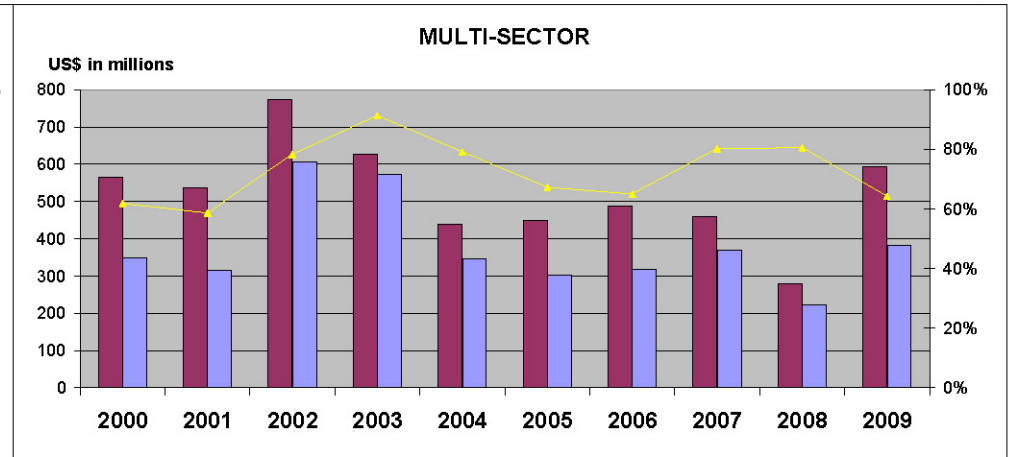
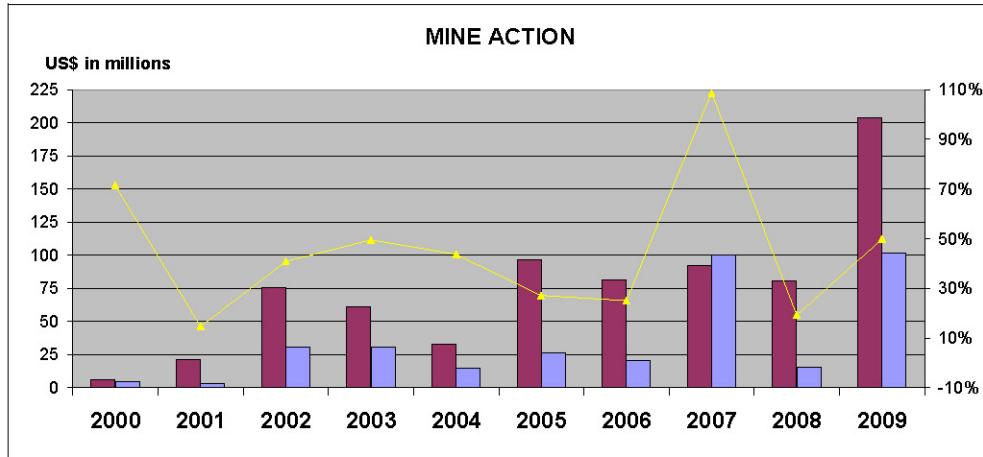


HEALTH



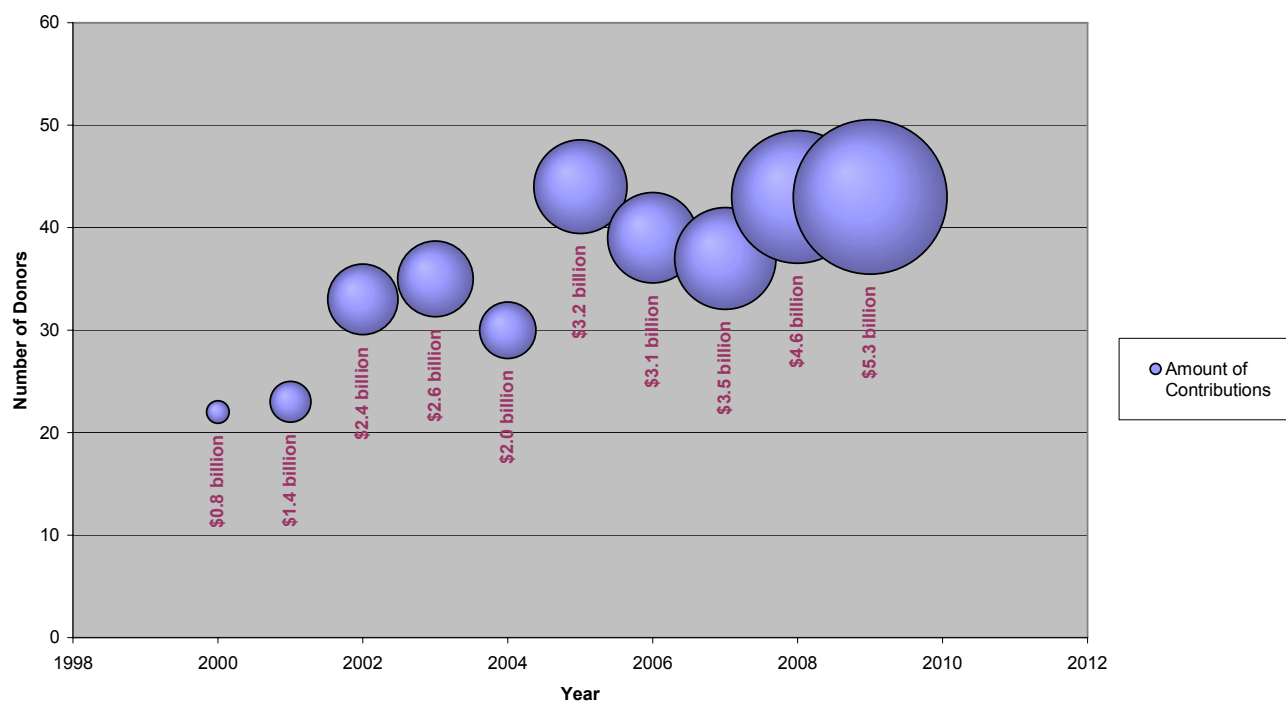
Sectoral Funding Over the Past Ten Years

■ Revised requirements USD ■ Funding ▲ % Covered



Observation No.	Year	Recommendations
DONORS		
Obs. 16	2003	The HLWG to consider broadening its membership to include new and significant funders of Consolidated Appeals.
Obs. 17	2003	Donors, in consultation with relevant humanitarian organisations, to develop a common understanding of humanitarian assistance and agreement on related terminology , such as bilateral and multilateral funding.
Obs. 33	2003	As soon as possible and in consultation with humanitarian organisations, donors to select one CAP country, in which they will try to apply, to the fullest extent, a concerted approach to meeting humanitarian needs and implement the forthcoming Good Humanitarian Donorship (GHD) Principles . This should involve, as far as possible: timely, adequate and flexible funding, the sharing of information, participation in common assessments, strategies and evaluations and their use to prioritise the allocations of funds from all sources and, in particular, full donor participation in the CAP field workshop. This should also involve consultation on funding decisions with the RC/HC, the country team and other donors as well as clear lines of responsibility and systems of accountability centered on the RC/HC. The pilot case would be evaluated for outcomes and the behaviour of participants. This should inform the 2005 CAPs and the further elaboration of the GHD Principles.
Obs. 14	2004	Donors to minimise funding for programmes outside the agreed-upon strategy, while recognising that the fluidity of some humanitarian situations may necessitate a change in priorities during the year.
Obs. 10	2006	Donors that are not contributing to the common funds to consult with HCs and other donors adequately before making funding decisions
COMMENTS	Use graph on donors base	

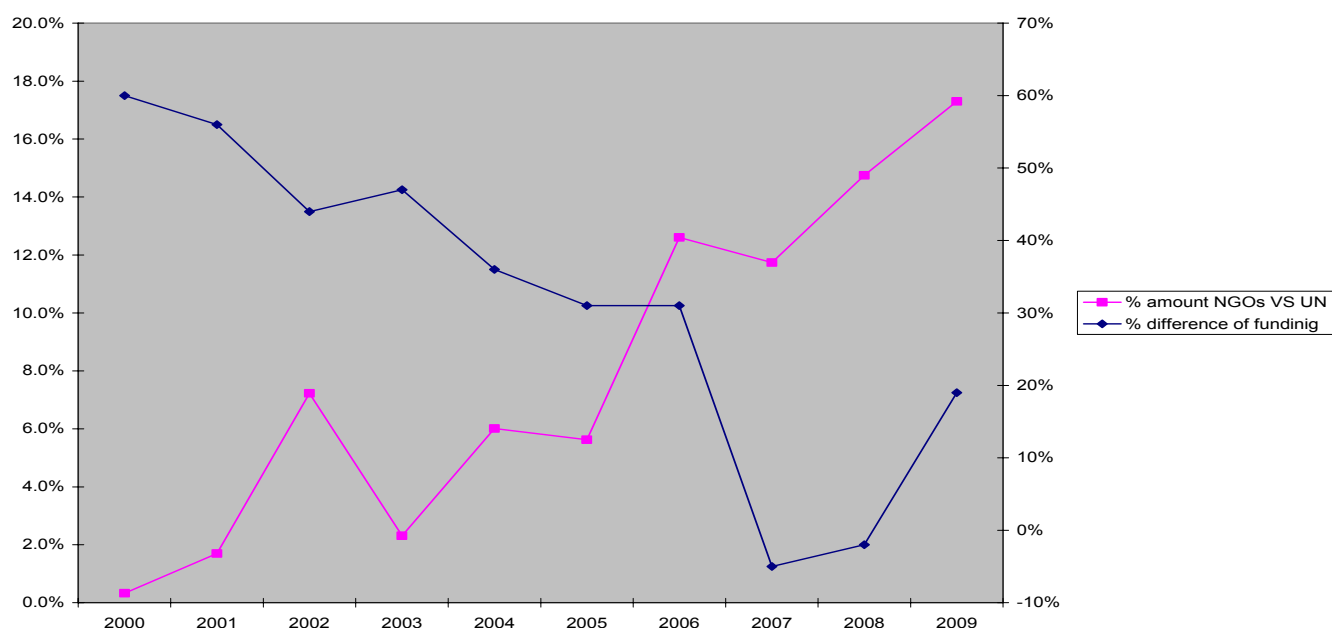
Number of Donors and Amount of Contributions



Selection Criteria: Governments, European Commission and ECHO having contributed at least US\$500,000 per appeal year

Observation No.	Year	Recommendations
INCLUSIVENESS		
Obs. 8	2000	Efforts should be made for NGOs to be drawn closer to the strategy setting process and encouraged to adhere to the direction of the humanitarian strategy
Obs. 6	2001	The Red Cross Movement, NGOs and local actors should, where appropriate, be actively involved in coordination , in particular during the development of the CHAP. Their involvement improves the quality of the strategic analysis and can lead to more effective programming.
Obs. 1	2003	Donors to encourage the IASC to provide guidance on modalities in order to secure the involvement of NGOs in the CAP and, where possible, in the Consolidated Appeals.
Obs. 9	2004	HCs, OCHA and IASC Country Teams to identify how the CAP cycle will bring added value and efficiency to all stakeholders in order to increase participation.
Obs. 16	2004	Donors to encourage the ERC to instruct HCs to create active and functioning IASC Country Teams in all CAP countries in order to promote inclusiveness.
Obs. 4	2005	Donors to strongly support the HCs, the ERC and OCHA in creating active and functioning Country Teams in the field that mirror the IASC , in order to ensure inclusion of all humanitarian actors in all relevant deliberations on humanitarian issues.
Obs. 6	2005	IASC partners should recognize the CAP as the primary common framework for their ongoing strategic planning and humanitarian programs. The HC should ensure a fully inclusive process in formulating the CAP with the full support of an OCHA office
Obs. 13	2005	Donors to continue to advocate for a high quality CHAP , which includes the main NGO, Red Cross and UN actors, and to fund accordingly
COMMENTS	<p>This item has been high on the agenda for the first half of the decade. Obvious improvements in inclusion of NGOs and (to some extent) the Red Cross/Red Crescent movement have been established. The CAP and the roll-out of the cluster approach have operated symbiotically to achieve this. One possible unintended consequence of this is a stiffening of aversion to CAPs by some affected country governments: some have stated that the CAP's recognition of NGO humanitarian actions goes against the government's preferences.</p> <p>In the graph below, the pink line shows how the NGO part of funding requested in CAPs compares to UN agencies: it has grown from 0,3% in 2000 to 17,3% in 2009. In terms of project numbers, in 2010, for the first time, more NGO projects than UN projects are presented in the CAP.</p> <p>In parallel, the gap of funding levels between UN and NGOs, shown in blue, which was at a staggering 60% in 2000, is constantly decreasing –2007 and 2008 saw better coverage of NGO requirements than of UN requirements. (The 2009 increase may be due to yet-unreported 2009 funding, and hence possibly not reliable.)</p>	

NGOs VS UN funding



In this graph, the pink line shows how the NGO part of funding requested in CAPs compares to UN Agencies. It has grown from 0.3% in 2000 to 17.3% in 2009. In terms of project numbers, in 2010, for the first time, more NGO projects than UN projects are presented in the CAP. In parallel, the gap of funding levels between UN and NGOs, shown in blue, which was at a staggering 60% in 2000, is constantly decreasing – with in 2007 and 2008 better coverage of NGO requirements than of UN requirements. The 2009 increase is likely due to yet unreported 2009 funding, and may not be reliable.

Observation No.	Year	Recommendations
GENDER		
Obs. 9	2001	Donors reaffirmed the critical importance of a gender perspective in the CAPs as a core issue based on rights, effectiveness (quality programming) and international commitments. A critical element in this perspective is the recognition of women and men as actors and agents of change, not just beneficiaries of humanitarian assistance.
Obs. 10	2001	Donors call on OCHA to integrate an explicit gender perspective in all training and planning tools used in the 2002 CAPs (e.g. vulnerability analysis). In addition, the IASC SWG on the CAP should take the lead responsibility for the operationalisation of lessons learned on gender integration from the range of initiatives currently underway (such as the ICRC study on women and war).
Obs. 6	2003	Donors request the IASC to ensure that a gender perspective is fully integrated into all CAPs and Consolidated Appeals' projects.
COMMENTS	In 2009, a gender marker based on the OECD/DAC/UNDP system was piloted by GenCap Advisers in several countries with different humanitarian financing schemes, including CAPs, CERFs and pooled funding schemes e.g. emergency humanitarian funds (ERFs) and common humanitarian funds (CHFs).	

Observation No.	Year	Recommendations
FLASH APPEALS		
Obs. 1	2008	The Flash Appeal should be a two-step process, released within 48 hours of the disaster, and no later than seven days, with a revision to follow within approximately one month . Donors will accept limited but credible assessments, rating the severity of the disaster and the magnitude of potential need, along with preliminary, disciplined indications of funding requirements as the basis for the initial FA
Obs. 2	2008	Contingency planning, use of early warning systems, preparedness, collection of benchmark data, and established communication with local disaster management structures by the country teams are pre-requisites for the early release of FAs . The RC/HC has a key role to play in leading this effort
Obs. 3	2008	The CERF (funding instrument) does not replace the need for a FA (planning tool) ; the input for both the CERF proposals and FA should be harmonised to avoid delays in accessing funds from either the CERF or individual donors
COMMENTS	All significant recommendations for flash appeal overhaul have been implemented, and are mostly complied with in practice.	

Observation No.	Year	Recommendations
EVENTS		
Obs. 14	2003	OCHA to continue organising CAP launches in donor capitals . Launches should involve high-level donor government representatives (Ministry of Foreign Affairs, Members of Parliament) in partnership with IASC principals.
Obs. 2	2004	Donors and OCHA to improve the MYR meetings in the field and Geneva , with a view to making them more interactive, operational and an opportunity for donors and humanitarian organisations to reprioritise and reallocate resources.
COMMENTS		

Observation No.	Year	Recommendations
MISCELLANEOUS		
Obs. 5	2000	<p>Suggested elements for further CAP improvements are:</p> <ul style="list-style-type: none"> ▶ Setting overall goals and sectoral objectives before programme/project development ▶ Demonstrating greater transparency and clearer priority-setting ▶ Flexibility according to different types of emergencies. Immediate flash appeals for sudden-onset emergencies ▶ Enhancing OCHA's role at HQ in supporting and facilitating the CAP at large ▶ Sharing information, analysis and strategies ▶ Transparency in financial and in-kind donations (Donor contributions to the CAP, bilateral funding, and funds spent by agencies drawn from un-earmarked contributions and general budgets)
Obs. 2	2002	<p>Donors recognised the continuous validity of the Montreux II “Common Observations” and identified the need for more concrete follow-up on the following:</p> <ul style="list-style-type: none"> ▶ Issues regarding CAP funding must be clarified (e.g. donor funding processes, the meaning and impact of underfunding and the performances of appealing organisations) ▶ HCs must be encouraged to lead the design, implementation and reporting on CAPs with all IASC actors in the field ▶ [...] the modalities of NGO involvement in the CAP need to be further clarified ▶ Gender mainstreaming in the CAP must be increased, while welcoming the development of the capacities and vulnerabilities analysis by the IASC Reference Group on Gender.
Obs. 6	2006	<p>HCs, OCHA and humanitarian organisations to conduct CAPs that are driven by affected populations' needs, are based on analysis, display disaggregated data in each sector or cluster, are prioritised, cost-efficient and include the main local and international humanitarian actors.</p>
COMMENTS	Most of these have been addressed at least to some extent.	

2010

Montreux

Retreat