

# Concept Note for a Community Disaster Resilience Fund

*This note is intended to capture key points from dialogue around the establishment of a community disaster resilience fund that have taken place over the past several months, and especially during the lead-up and various discussions that were part of the ISDR Global Platform meeting in June 2007. During these discussions ProVention and the Huairou Commission have received very positive feedback from a range of partners. This concept note is intended to serve as a basis for continued dialogue with a wider set of partners.*

January 2009

***The proposed Community Disaster Resilience Facility would link global and local interests to seed and catalyse dramatically increased local investment in disaster risk reduction.***

## 1 THE PROPOSAL

- 1.1 This document sets out a proposal for a new Community Disaster Resilience Fund (CDRF).
- 1.2 Recognising the value of local organisations as the heart of effective risk reduction, the CDRF will provide a structure to further enable local action and initiative by establishing a direct connection between community action to reduce disaster risks and donor interest to better support such action on a broad scale.
- 1.3 The intent is to complement ongoing initiatives to strengthen international and national cooperation on both sustainable development and disaster risk reduction. These include:
  - ♦ The Millennium Development Goals adopted in 2000 by all the countries in the United Nations (UN), with the support of the International Monetary Fund (IMF), the World Bank, the OECD, the G7, and the G20.
  - ♦ The Hyogo Framework for Action adopted in 2005 by 168 countries, which through the ISDR system is being extended to include the establishment of national platforms, regional networks, and thematic platforms on critical topics in risk reduction.
  - ♦ Institutional commitments within individual organisations, including the Red Cross / Red Crescent movement, the partners involved in the Emergency Capacity Building initiative, and similar efforts.
- 1.4 The CDRF will bring a similar and parallel focus to directly helping community organisations and agencies to build and upscale concerted action on local risk reduction and to share learning and experience with each other to improve quality, effectiveness, and lasting impact.
  - 1.4.1 Ultimately effective and sustainable risk reduction will require communities and local and national governance structures to invest consistently in the course of myriad every-day development decisions to reducing disaster risks and building safer communities.
  - 1.4.2 The CDRF aims to catalyse initiative, support partners that are ready to take next steps toward risk reduction in their communities, and strengthen community-led momentum towards disaster risk reduction and safer communities.
  - 1.4.3 The focus will be on seeding and catalysing successful models, utilising a grant programme to support community-level, demand-driven solutions.
  - 1.4.4 The CDRF will also act as a convenor of stakeholders promoting community-led disaster resilience and a network for partners to collaborate in facilitating and ensuring quality, learning, and improved effectiveness.

- 1.5 Ultimately the CDRF will serve to enhance public safety and strengthen citizen participation in promoting the effective reduction of disaster risks.
- 1.6 Similarly the CDRF will provide a mechanism for improving the productivity of development investments.

***Key to the CDRF approach is the open engagement of community organisations ready to lead change toward making their communities safer.***

## 2 AN EXAMPLE

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- 2.1 For an example of this how the CDRF would work, let's imagine a community-based organisation working in a small town in Costa Rica.
  - 2.1.1 The organisation has been working on poverty and development issues for a number of years and has built up a core set of programmes supporting local savings collectives and diversified livelihood / skills learning programmes.
  - 2.1.2 Now the organisation is interested to support the town's residents to do more about the significant landslide risk that threatens several parts of the town. The organisation has some ideas about how to organise citizen groups to promote basic awareness on a range of disasters and especially on fire risk, which can easily threaten the quite close grouped houses on the steep inclines in many parts of the town. However the organisation would also like to help the town's residents better address the land access issues that ultimately are the drivers causing people to build in unsafe areas, like the unstable slopes that surround the town.
  - 2.1.3 The organisation also has some basic ideas about how to approach the problem, initially focusing on hosting a workshop with several experts to understand the likely intensity of landslides in the near future and work with community members to look at both short-term and longer-term solutions for addressing their vulnerability to this and other hazards.
  - 2.1.4 The local government is weakly supportive of the idea but does not have any resources to help stage the workshop.
- 2.2 Right now there is little possibility for this community organisation to tap funding possibilities at a global level. Maybe there are other NGOs or development institutions working in the country with programmes that might be able to provide some assistance, but in many parts of the world there are not or there is limited knowledge of those opportunities that do exist.
- 2.3 At the same time global donors face challenges in channelling resource to partners like this community organisation, who are ready to act. It is usually easier to work through larger organisations, but then capacity and scale within one organisation become limiting factors.
- 2.4 This is where a global community grant mechanism like the proposed CDRF provides a potential answer.
  - 2.4.1 By enlisting a broad range of organisations to help spread word of the programme and coordinate outreach and management, the CDRF essentially spreads the marketing effort across a broad network.

- 2.4.2 At the same time the grant management partners have an incentive to participate because they have an assurance of cost recovery for their efforts and the grant activities will likely complement their own ongoing programmes.
  - 2.4.3 But the lead is with the community organisation to apply for the grant, which encourages and rewards motivation and commitment and enables the organisation to develop a programme or initiative on its own terms and those of the community.
  - 2.4.4 As the community organisation develops a proposal and submits it to the CDRF, word may spread a little further and other organisations may also take an interest and begin to apply. In this way the CDRF may begin to address the scaling challenge and provide an opportunity for donors to support risk reduction across a very broad range of communities. By packaging bundles of grants on particular topics or in particular geographic regions, the CDRF can also tailor programmes for donor support.
  - 2.4.5 The broad network of CDRF partners also offers opportunities to establish horizontal links among partners. As part of the grant management role and budgeting, resources can also be allocated for activities to support exchange and learning among grant partners, according to the needs and interests of local partners.
- 2.5 Through the CDRF the example community organisation in Costa Rica should be able to act on its own initiative and access a range of financing and peer learning resources.
- 2.6 The CDRF would offer a mechanism to respond to broad interest from a range of similar community and local organisations in other locations. With a flexible partnering model, the CDRF should be able to bring online additional partners to help manage the grant process and networking activities in response to the interests and needs of those other community organisations as well. This in turn will present a rapidly scaling solution to interested donors and strategic partners to catalyse local risk reduction.

*Even while we continue to strengthen capacities and build networks, there is still room to drive more change from the bottom up.*

### 3 WHY A NEW FUND

3.1 The CDRF will focus specifically on providing resources to community and local level actors who are interested in addressing disaster risk reduction challenges in their communities. What sets the CDRF apart from other financing mechanisms are:

- ♦ focus on connecting community initiatives to national and global resources, as an additional pathway for support to complement existing initiatives
- ♦ building on community-level demand to drive the support and management systems for implementing the Fund programmes
- ♦ flexible partnering strategy to expand programme management capacity as needed in response to community and local demand
- ♦ integration of horizontal networking across the range of community and programme management partners to strengthen learning and the quality of programme activities
- ♦ commitment to establishing the Fund through thoroughly multi-stakeholder consultation, governance, and management processes.

3.2 By focusing support on multi-stakeholder community and local action, the CDRF will complement on-going efforts to strengthen other elements of the global disaster risk reduction system, such as :

- 3.2.1 The work of ISDR and other partners to establish effective national platforms for disaster risk reduction.
- 3.2.2 The Global Facility for Disaster Reduction and Recovery which is supporting technical assistance to promote more investment and increased capacity for disaster risk reduction at international, regional, and national levels.
- 3.2.3 The Red Cross / Red Crescent movement led Global Alliance for Disaster Risk Reduction which aims to strengthen the institutional capacities of the International Federation of Red Cross and Red Crescent Societies and key partners to support disaster risk reduction at global, national, and local levels.

3.3 The CDRF will also complement the work of other financing facilities that have been created to address a range of related development concerns and needs. See the listing in Section 5 for more details.

**Building on community action for risk reduction as the starting point, the CDRF will be able to support networked initiatives at the needed scale.**

## 4 HOW WILL IT WORK?

### Core components

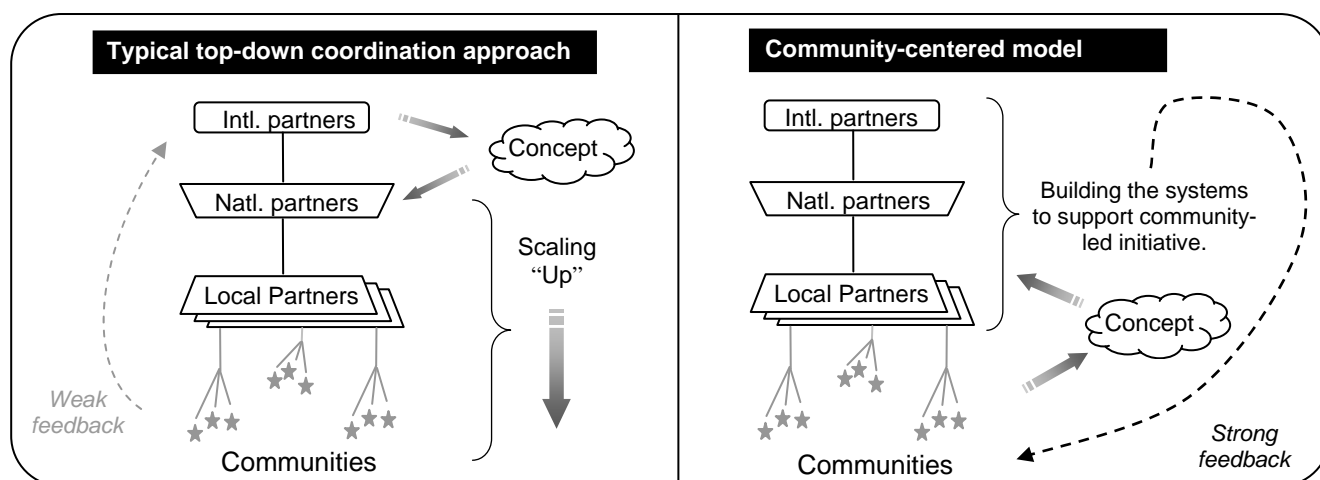
- 1) Bottom-up grant mechanism to local organisations
- 2) Flexible partnering structure to manage grants
- 3) Learning network among partners
- 4) “Packaging” of grant bundles for donor support
- 5) Multi-stakeholder governance and hosting structure

4.1 **Grant mechanism** – An innovative grant mechanism to catalyse community action is the key to the CDRF approach.

4.1.1 Development experience has shown that communities have tremendous resources to support change and development. Once key people in the community are actively engaged in taking initiative to improve their communities, they can drive real change.

4.1.2 We have also seen that pilot programmes, twinning and peer sharing activities, extension and outreach efforts, and public campaigns have the power to spark interest in topics of social concern. However efforts to coordinate such programmes nationally or internationally have almost inevitably confronted significant challenges to build internal institutional capacities.

4.1.3 The CDRF grant / sub-grant programme will put the focus on community level action as the starting point and build support structures in response to the needs of community partners, instead of the other way around as is often the case with many initiatives.



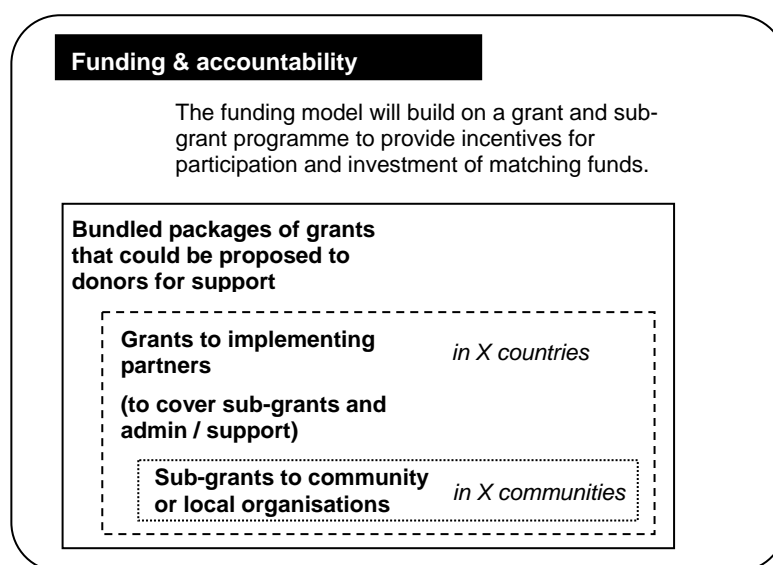
4.1.4 As planning for the CDRF continues, experience of other grant mechanisms will be reviewed to identify recommended features such as matching or co-funding requirements that should be incorporated to ensure an effective programme.

4.2 **Flexible partnering structure** – To ensure support and accountability, the CDRF will solicit proposals of interest from partner organisation to manage the grant process in each country or in regions within a country. These grant management partners might be NGOs, other civil society organisations, or local or national government agencies that are well-placed and interested to help ensure the effective implementation of the grant programme in that country. (Similar models have been developed by the Ashoka Foundation and Transparency International.)

4.2.1 For each grant, a support fee will be aside for the grant management partner to use in administering the programme.

4.2.2 In this way sub-grant proposals from community organisations will be managed by partner organisations that have indicated their own interest to participate and have demonstrated sufficient capacity, resources, and complementary to help guide the grantees and manage the overall process.

4.2.3 By working flexibly with implementing partners, the CDRF can expand capacity later as needed by diversifying and attracting new partners rather than trying to build surge capacity within one organisation. This will also create strong national capacity.



4.3 **Learning network** – The CDRF will also engage both the community organisations as grant recipients and the grant management partners, as well as other relevant partners, in horizontal forums and exchanges to share experience and learning. This emphasis on horizontal sharing will highlight the role of community organisations themselves in sharing approaches that have been developed and already tested at community level.

4.4 **“Packaging” of grant bundles for donor support** – By organising both the community sub-grants and the partner grants covering programme



management and support services as flexible bundles, the CDRF can aggregate sets of grants at the larger international scale as the basis for soliciting donor support in particular regions or countries or on particular thematic topics.

4.4.1 The CDRF will provide a mechanism toward which a range of interested donors, including government agencies, philanthropic foundations, private sector firms, and the public can contribute resources and be assured of broad impact and immediate scale.

4.5 **Multi-stakeholder governance and hosting structure** -- The final element is the establishment of a multi-stakeholder governance and management structure to ensure that the range of partner organisations that will be involved in the CDRF are well represented from the earliest stages of inception and that they work together in a cohesive, effective, and accountable manner.

***Design and development of the CDRF will be based on learning from past experience and a broadly multi-stakeholder consultation process.***

## 5 PLAN OF ACTION

5.1 To continue development and refinement of the concept for the CDRF, a number of feasibility studies are currently planned.

5.1.1 A study of the extent of “trickle down” of international resources to local levels, looking both at the general status quo of resource availability at local levels and at model approaches that are already highly efficient in channelling resources in this manner.

5.1.2 A study of potential “surplus” interest among donors to support local action that is not currently able to be channelled through existing mechanisms.

5.1.3 A study of the lessons learned from similar initiatives in the past and review of potential design options for the CDRF (including partnering possibilities with existing financing mechanisms).

5.2 A further preliminary step is the initiation of an extensive multi-stakeholder consultation process, which has already commenced. This consultation process is intended to draw on experiences and learning among a wide range of organisations in supporting community risk reduction action to ensure that the best options are ultimately chosen for the design and structure of the CDRF. This process will also promote engagement among a broad set of partners.

5.3 Based on the results of the studies and consultation process, a set of key partners will be engaged in a planning workshop to develop a detailed proposal that will address a number of key issues:

- Design of the grant process
- Opportunities and mechanisms for enabling broad partner engagement
- Systems for accountability, monitoring, and evaluation
- Start-up plan
- Hosting requirements.

5.4 These steps are currently planned against the following timeline:

	2008						2009					
	J	A	S	O	N	D	J	F	M	A	M	J
Consultation with potential partners												
Feasibility studies -												
“Trickle down” study												
Donor interest study												
Past lessons and options study												
Piloting of grants												
In India with GROOTS												
In West Africa & Caribbean with IFRC												
Learning workshop												

## ANNEX 1. OTHER FINANCING FACILITIES

	Functioning?	Level				
		National government	Local government	Other organisations	Community organisations	Individuals
Community REACH programme supported by PACT and USAID – (See <a href="http://www.pactworld.org/cs/community_reach">http://www.pactworld.org/cs/community_reach</a> .)	✓			✓	✓	
CLIFF: the Community-Led Infrastructure Finance Facility (See <a href="http://www.homeless-international.org/standard_1.aspx?id=0:27820&amp;id=0:27813">http://www.homeless-international.org/standard_1.aspx?id=0:27820&amp;id=0:27813</a> or <a href="http://www.citiesalliance.org/doc/resources/financing/cliff/articleIADF(FullVersionFinal)_Jun05.pdf">http://www.citiesalliance.org/doc/resources/financing/cliff/articleIADF(FullVersionFinal)_Jun05.pdf</a> .)	✓				✓	
Community Driven Development programmes and Social Investment Funds like the World Bank supported Kecamatan Development Program in Indonesia – (See <a href="http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXTEAPREGTOPSOCDEV/0,,contentMDK:20477526~pagePK:34004173~piPK:34003707~theSitePK:502940,00.html">http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXTEAPREGTOPSOCDEV/0,,contentMDK:20477526~pagePK:34004173~piPK:34003707~theSitePK:502940,00.html</a> .)	✓		✓		✓	
DIPECHO's Action Plans and call for proposals – (See <a href="http://ec.europa.eu/echo/pdf_files/dipecho/dpp_paper.pdf">http://ec.europa.eu/echo/pdf_files/dipecho/dpp_paper.pdf</a> .)	✓		✓	✓		
Ashoka Foundation – (See <a href="http://www.ashoka.org/">http://www.ashoka.org/</a> .)	✓				✓	✓
Global Fund for Women – (See <a href="http://www.globalfundforwomen.org">http://www.globalfundforwomen.org</a> .)	✓			✓	✓	
International Finance Facility - proposed by the U.K. government in 2003 to help address Achievement of the Millennium Development Goals. (See <a href="http://www.hm-treasury.gov.uk/media/CA634/ACF6FB.pdf">http://www.hm-treasury.gov.uk/media/CA634/ACF6FB.pdf</a> .)	?	✓				
ProVention's Research and Action Grants programme for young professionals – (See <a href="http://www.proventionconsortium.org/?pageid=32&amp;projectid=5">http://www.proventionconsortium.org/?pageid=32&amp;projectid=5</a> .)	✓				✓	✓
Slum Upgrading Facility developed by UN-Habitat (See <a href="http://www.unhabitat.org/suf/">www.unhabitat.org/suf/</a> .)	✓		✓			
UNFCCC Adaptation Fund - (See <a href="http://unfccc.int/cooperation_and_support/financial_mechanism/items/3659.php">http://unfccc.int/cooperation_and_support/financial_mechanism/items/3659.php</a> .)	?	✓		✓		
World Bank Small Grants Program – (See <a href="http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTSMALLGRANTS/0,,menuPK:952550~pagePK:64168427~piPK:64168435~theSitePK:952535,00.html">http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTSMALLGRANTS/0,,menuPK:952550~pagePK:64168427~piPK:64168435~theSitePK:952535,00.html</a> .)	✓			✓	✓	