



## 20. Build flexible response into your community development: contingency funding

A mother of a child with a hearing impairment receives a cash contribution as part of COVID-19 response fund activities in Guatemala. ©CBM

Flexibility and timeliness are key in responding to disasters. Systems and structures often collapse because they are not strong enough, but also because they do not have the ability to respond quickly enough to make adjustments when there are warnings of an impending crisis.

Community development programmes such as CBID are often designed with a fixed budget in place, with plans for defined projects to be executed over four or five years, with little to no space for deviations from this plan, even when there is an unanticipated event. This has serious consequences because projects can easily collapse and all the development gains made over years may be lost in an instant. This is especially the case when there are no contingency plans or measures (notably a budget) in place to kick into action that could save the collapse of much work done.

Mainstreaming DIDRR in your planning and practice means adopting a strategy and approach of resourced flexibility to allow you to react according to needs and demands as they emerge, as opposed to following a strict blueprint, because situations change very quickly, calling for quick responses. But this is not possible without a contingency plan, and more importantly with contingency funding.

At CBM, we have been working hard to understand and infuse what are called *crisis modifiers*<sup>36</sup>. Put simply, a crisis modifier is a resource in place, part of a programme budget, that can be tapped into with speed to intervene and support urgent small-scale humanitarian needs in communities where projects operate. This serves two functions: it helps prevent system and programme collapse; and it protects the development gains made during years of community development work. The idea here is to quickly respond while being able to still invest in and sustain programmes by seeking to reduce people's vulnerability to stresses and shocks.

Crisis modifiers can come in different shapes and forms, but in particular, as funds that can be tapped into to readjust or realign the system, whether through budget modifications, access to a central response fund, or ring-fenced budgets.

Crisis modifiers serve a number of functions:

- They bridge development and humanitarian responses and are targeted at specific communities.
- They involve the injection of funds that can be tapped into in the eventuality of a crisis.
- They provide for quick responses and according to emerging and urgent needs, for example food or medical care, without too many delays between applying for and receiving the funds.
- They protect gains made.
- They can be trimmed back quickly once the situation changes so that resources can be pumped back into normal development activities<sup>37</sup>.

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<sup>36</sup> See for example CBM (2022) [Lessons Learned: The CBM Crisis Modifier Activation in Bangladesh Floods, 2022](#). CBM.

<sup>37</sup> For more on crisis modifiers in action, see Lung (2020) [How donors can use crisis modifiers to fund response activities after health shocks](#). Oxford Policy Management

Overall, when utilised effectively, crisis modifiers hold the potential to avert or reduce the impact of a crisis, offering a practical means to better support at-risk populations, including persons with disabilities. It is important to note that crisis modifiers are better suited to smaller and medium sized crises rather than large scale ones, or when acting as a temporary bridge to fill the gap after a major crisis but only until additional/more adequate support is obtained.

So how can you go about infusing crisis modifiers? The box below can provide some help with this:

<b>INCLUDING CRISIS MODIFIERS IN COMMUNITY DEVELOPMENT</b>
Lobby head offices of your own organisation as well as donors.
Use project records to infer the costs of collapsed projects as a result of disasters.
Use project documentation to remind key stakeholders of losses and what could have been saved with contingency funding in place and adequate adjustments.
Where possible, work on agreeing on a set of criteria with thresholds, which when reached can act as triggers for funding (for example when crop output or food consumption drop below a certain level).
Decide on and plan a fast and dependable communication and decision-making process on how to access funding together with your organisation.
Include contingency plans in your project planning and budgeting and prepare to back up your arguments.
Make sure that specific actions to be financed through contingency funding are clearly defined and stated, and where possible link these activities to particular triggers to indicate when they need to kick into action.
Define roles, including who will be responsible for what, the items that can be covered by expenses and timeframes.
Consider action required after immediate response.
Plan for responses that make use of existing programmes, activities, and partners so that there are few to no additional costs involved in setting up separate projects and lines of delivery.
Provide capacity building for OPDs and local partners on contingency funding and how it works.