

Guiding Principles for use of crisis modifier funds

The Crisis Modifier (CM) Mechanism aims to enable partners to react swiftly and in a flexible manner to an immediate, or worsening, crisis. CM amounts to a maximum of 10 percent of the annual approved direct project cost allocation to a partner.

Partners apply for the release of the CM by using a specific form.

What is CM?

CM is included as a separate clause in the agreement and attached budget and constitutes flexible funding that can be released for use for crisis needs within a budget year. The use of these funds must be approved by Norad in advance and follows a simplified application procedure.

What is the purpose of the CM?

The purpose of the CM is to enable a needs-based and rapid response immediately after the onset of a crisis, or after a deterioration of an ongoing crisis. A partner can apply for the release of CM throughout a budget year. CM can be released upon agreement from Norad for a crisis for activities within the project's results framework. In exceptional cases it can include essential activities not directly linked to the project's results framework.

How can a partner apply for the release of CM funding?

In order to be able to use (parts of) its CM, the partner needs to submit a request to Norad. The specific application form for CM shall be used. The request shall include a brief narrative description of the proposed intervention, including an overview of the expected results, a risk analysis with mitigation measures (if relevant), as well as a detailed budget. If necessary, Norad can request additional information regarding the proposed project. Norad will aim at responding to a request for release of CM within 7 working days.

What costs can be included in an CM budget?

CM funding shall be used exclusively to cover *direct project costs of the proposed measure, including indirect cost contribution*. Based on the detailed budget, Norad will assess whether the costs are reasonable in relation to the proposed activities.

What is the maximum implementation period of an CM project?

CM project duration shall normally not exceed 6 months, but for applications submitted before 1 July each year the project period may run to the end of the budget year. In case of a severe crisis Norad can consider requests for projects with a duration of up to 12 months.

Can a CM project be extended?

An CM project can normally not be extended. If the original CM project is to be continued (after the originally approved project period), the partner should include the project in the annual implementation plan to be approved by Norad for the following budget year. Reporting on CM

projects should be included in the partner's agreed annual financial and progress reporting. Separate reporting on CM projects is not required.

How does Norad approve CM projects?

As soon as the application for the release of CM has been approved by Norad, the partner will be notified about Norad's decision. The CM project then forms part of the approved portfolio of the partner for the following six months, unless otherwise determined.

Which information should be contained in the Project Description?

The partner shall present a brief analysis of the problem the project aims to solve, including a reference to any relevant appeals and needs assessments. Based on this, the partner shall define why the situation should be qualified as a "crisis" requiring the release of CM funding. The project description shall include a justification for and a description of the proposed response, including objectives and expected results. A budget must be attached. The project activities must be in line with the partner's overall results framework, which also shall apply to the reporting on the use of the CM funds.

Cut-off date

The first half of the CM amount will be included in the first disbursement of each year (and can only be used after approval to Norad). The second half of the CM funding will only be paid out based on need each year.

If no application for CM funding has been submitted by 1 November each year, Norad will enter into a dialogue with the Grant Recipient to assess possible budget modifications for use in another budget line for the subsequent year. If no suitable modifications are agreed upon, the CM for that year will be withheld by Norad.

Application form for release of Crisis Modifier funding

Partner information

| | |
|---------------------------|----------------|
| Applying Partner | E-mail address |
| Contact person | Position |
| Name of authorised person | Position |

Project title and summary

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|---|------------------------------|
| Project title | Country or geographical area |
| Date of application | Project period |
| Project Summary | |
| Target group/Number of direct beneficiaries | |
| Description of Target group/Beneficiary Group | |

Financial summary

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|--|---------------------------|
| Funds remaining on the total budget frame before this application in NOK | Amount applied for in NOK |
|--|---------------------------|

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|------------------------|----------------------|-----------------------------|
| Own contribution – NOK | Other donor(s) – NOK | Total project budget in NOK |
|------------------------|----------------------|-----------------------------|

Project Description

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| Description of the proposed response, including outcomes/outputs |
| Description of the partner's added value in the specific context |

Coordination

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| Description of coordination with other relevant actors, including information on cluster/sector coordination, coordinated needs assessment and response planning. |
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Risk factors and cross-cutting issues

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| Description of risk factors and mitigating measures. Description of cross-cutting issues, including, but not limited to, gender equality, environment, anti-corruption and Human Rights. |
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Attachments

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| Detailed budget |
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Norad's Decision

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| Approved Disapproved | Date: Approved by: |
|-------------------------|-----------------------|