

CDEM Resilience Fund

Information for the CDEM sector [IS 11/10]



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ISBN: 978-0-478-36802-4

August 2010

Version 1.0

Authority

This information has been issued by the Director of Civil Defence Emergency Management pursuant to s9(3) of the Civil Defence Emergency Management (CDEM) Act 2002. It provides information to CDEM Groups seeking to apply for funding from the CDEM Resilience Fund.

The Ministry of Civil Defence & Emergency Management (MCDEM) consulted with CDEM Groups in producing this guideline.



Published by the Ministry of Civil Defence & Emergency Management

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Introduction

This guideline is to provide information for local authorities seeking to apply for funding from the Civil Defence Emergency Management (CDEM) Resilience Fund. The guideline provides an overview of the principles guiding the fund, eligibility for the fund, the overall process, the requirements for completing the application form, roles and responsibilities in the management and oversight of projects, and the criteria for assessing projects.

Purpose of fund

The purpose of the CDEM Resilience Fund is to enhance resilience to civil defence emergencies through the development of local and regional civil defence emergency management capability. Funding will be provided to local authorities to undertake specific projects that will improve civil defence emergency management capability and contribute towards resilience.

The fund will support a strategic targeting of investment in CDEM capability, focussing investment on the areas of greatest benefit and enabling a collaborative approach to be undertaken across the sector.

Background

A civil defence subsidy was introduced by Government in 1966 to support local authorities in the development of CDEM capability. The original intent was to increase the number of civil defence officers across the country in order to develop New Zealand's civil defence capability.

The method for allocating the subsidy has varied since its establishment. The total amount paid has remained set at \$1 million including GST. Prior to the 2010/11 financial year, the subsidy was provided as a pro rata reimbursement to local authorities for direct operational costs of civil defence emergency management. For the 2009/10 financial year, a total of 4.3 per cent of total expenditure claimed was refunded (GST exclusive).

A number of shortfalls were identified in implementation of the pro rata allocation of the subsidy. With the funding untargeted, there was no link to focussed outcomes or certainty that the funding would support capability development rather than be absorbed into local authorities total funding. The allocation of funding on the basis of expenditure also led to a higher proportion of the subsidy going towards the more affluent councils rather than the less well-off councils who have a lesser ability to allocate resources towards their CDEM responsibilities. There was no assurance that the expenditure represented by the subsidy was providing the Government with the best value for its money.

A review undertaken by the Ministry of Civil Defence & Emergency Management (MCDEM) identified that a more collaborative model would represent a better use of the funds to support the development of resilience. In December 2009 the Minister of Civil Defence approved a change in the allocation criteria for the subsidy to it becoming a "contestable" fund programme and charged MCDEM with the development of the criteria in consultation with the sector.

Principles of CDEM Resilience fund

The operation of the fund will be guided by the following principles:

- Expenditure to be targeted strategically against identified objectives;
- The objectives will be identified by the local government CDEM sector (the CDEM Groups);
- A collaborative approach across the sector;
- The objectives and expenditure will be aligned with the goals and objectives of the National CDEM Strategy and the goals of CDEM Group plans;
- Provide greater efficiency through encouraging the alignment and merging of similar project proposals in the selection process;
- Provide enhanced transparency of the use of the funds through the identification of project deliverables and monitoring of their delivery;
- Emphasis will be on the greatest gain for national resilience through the targeting of priority areas and identified gaps;
- Emphasis will be on programmes that address regional or national gaps, including sharing of knowledge and lessons that are accrued;
- Projects will be managed by local authorities; and
- The CDEM Group structure will guide, coordinate, and monitor projects.

Eligibility of Proposals

In order to be considered for the CDEM Resilience Fund, the proposed projects must meet the following minimum conditions:

- Projects must be able to demonstrate a contribution to *resilience*;
- Project must be aligned with the goals and objectives of the National CDEM Strategy and should reflect the goals and objectives of CDEM Group plans;
- Applicants must be a local authority or a collection of local authorities. CDEM Groups or a multiple of local authorities can be applicants but must identify one local authority as the administering authority of the project.

To be accepted, project proposals should also meet the following requirements:

- Applications must be submitted through the CDEM Group Coordinating Executive Group or designated position within the CDEM Group;
- The results will be shared across the wider CDEM sector;
- Projects must be supported administratively by the local authority leading the project;
- Local authorities must indicate a willingness and ability to cover any additional costs and liability incurred by the project if they exceed that specified in the agreement on project acceptance;
- Projects will need to identify the range of costs likely to be incurred, including operating and/or capital purchase costs;
- Projects should be for a specified time period normally within one financial year. Projects will not cover the ongoing maintenance of new capabilities. But some exceptional projects can be approved for funding for a period up to three years;
- The responsible local authority must be willing to meet the conditions specified in the letter of agreement; and
- The project has a good cost/benefit ratio and can demonstrate value for money.

Projects that do not meet the eligibility criteria set out above will not be approved for funding. In addition, the fund will *not* support projects that cover activities in the following areas:

- Projects that entail restrictions on intellectual property;
- Participation in statutory processes or litigations;
- Projects that occur in areas outside CDEM; and
- Activities that are the responsibility of other government organisations.

The fund will not support any projects that include expenditure on the following areas:

- General operating and business as usual activities for local authorities;
- Recovery and response costs;
- property management;
- costs associated with the ownership of capital items (i.e. depreciation, maintenance);
- Ongoing financial support of existing activities;
- Retrospective or back dated costs; and
- Debt repayment or refinancing existing loans.

Payments

The Ministry will make payments only to the local authorities that undertake the project work. MCDEM will only provide payment once the agreed deliverables have been produced.

Payments may be made over the financial year as appropriate, depending on the conditions specified in the letter of agreement (see below) and the confirmation of the completion of the agreed deliverables.

Where cost overruns occur in a project, the local authorities supporting the proposal will be responsible for providing the additional funds. The Director of Civil Defence Emergency Management may authorise the payment of additional funds to a project if exceptional circumstances have been demonstrated as driving the costs and there is funding available.

Overview of the process

The fund's process includes six key steps:

1. Provision of guidance for proposals
2. Development of proposals
3. Assessment and reworking of proposals
4. Proposal finalisation and approval
5. Monitoring and evaluation
6. Project closure and review

1. Provision of guidance for proposals

The first stage of the process will be to develop guidance on the priorities for the allocation of funds and the criteria for the assessment of proposals. This guidance is to be developed by representatives drawn from the CDEM sector to ensure that a project addresses the risks and issues identified by the CDEM Groups and their local authorities.

The guidance will be developed by a forum of Chairs of the Coordinating Executive Groups (CEG) of the 16 CDEM Groups. As the body overseeing the implementation, development, maintenance, monitoring and evaluation of the CDEM Group plan, the Coordinating Executive Groups are judged to provide the senior oversight and leadership in order to both identify requirements as well as reach consensus agreement on overall priorities.

The forum is intended to enable a discussion on the identified gaps and needs of the sector and the priority for the use of the fund to assist in tackling these areas. It would also provide an opportunity for the sector to discuss at the strategic level possible areas of cooperation and collaboration between Groups as well as exchange of ideas and concepts.

The output of the forum of Coordinating Executive Group Chairs will be priorities for the allocation of funds for the forthcoming round, which will guide development of proposals by local authorities, the coordination of the proposals by CDEM Groups, and the assessment by the CDEM Resilience Fund Evaluation Committee of proposals. MCDEM will then distribute the agreed themes and criteria to the sector to enable the development of proposals.

The CEG Chair forum will be organised and administered by MCDEM. The Director of Civil Defence Emergency Management, or a designated representative, will chair the forum but not hold any voting rights. Decisions are expected to be made by a consensus approach but majority vote will be employed where required. The CEG Chair forum will require a quorum of eight CEG Chairs or designated representatives to provide guidance to MCDEM. Nominated representatives for the CEG Chair must be members of the CEG.

The CEG Chair forum will meet no more than once a year. The CEG Chair Forum may meet only every second or third year by setting the necessary guidance for more than one round of the allocation of the fund, if that is agreed by the members. The timing of the meetings will be determined by the Director of Civil Defence Emergency Management in coordination with the members of the CEG Chair forum. In the absence of a CEG Chair Forum meeting (or meeting with the full quorum) and any guidance for the forthcoming round of funding, MCDEM will propose the criteria for the allocation of the fund and circulate it to the CEG Chairs for comment.

2. Development of proposals

On receipt of the guidance for the funding round, local authorities will be able to develop proposals for the consideration by the Resilience Fund Evaluation Committee.

CDEM Groups may develop processes to support the coordination of proposals. Proposals can be undertaken by either individual local authorities, a collection of local authorities within a Group or a wider group of local authorities from multiple CDEM Groups. The level of funding allocated will be guided by the number of local authorities involved.

The application form will require the identification of the project and the participating local authority(s) and/or CDEM Groups.

CDEM Groups will be required to provide comment on proposals to indicate the alignment with identified priorities of the CDEM Group plan and the feasibility of the projects.

3. Assessment and reworking of proposals

Funding applications will be assessed by an independent panel comprising of Government and sector representatives called the “CDEM Resilience Fund Evaluation Committee”. The CDEM Resilience Fund Evaluation Committee will review the proposals in two phases. The first will seek clarification, where required, from the authors of the proposal and investigate possible merging of similar projects or collaboration between different project teams. All proposals will be made available to the CDEM sector to help identify opportunities for collaboration and cooperation. The final decision for the integration of projects or collaboration will rest with the local authorities involved.

In the second stage of the process, the CDEM Resilience Fund Evaluation Committee will grade each proposal against the criteria provided by the forum of CEG Chairs. The assessment will be informed by the comments provided by the CDEM Group and MCDEM on the proposals. The panel would make recommendations to the Director Civil Defence Emergency Management.

The evaluation team will apply a score out of 100 to each of the proposals based on the established criteria. The criteria will be based on the following five areas:

- Alignment to identified National CDEM Strategy goals and objectives, priorities for the themes, and gaps identified by the CEG Group Forum
- Alignment to addressing identified gaps in capability
- The value of the proposal for the wider CDEM sector
- Ability to deliver and level of risk associated with project delivery
- Value for money

The CDEM Resilience Fund Evaluation Committee will evaluate the proposals received by the fund to support the alignment of similar projects and provide a recommendation for approval to the Director Civil Defence Emergency Management. The CDEM Resilience Fund Evaluation Committee will apply the priorities established by the CEG Chair Forum in its assessment of the proposals received.

The CDEM Resilience Fund Evaluation Committee is administered by MCDEM. The Director of Civil Defence Emergency Management will select the members of the committee. Membership will include representatives from CDEM partner agencies. Membership would be on a 3 year basis with a rotating membership.

Final decision on projects that are approved rests with the Director of Civil Defence Emergency Management. MCDEM will advise applicants of the final decisions. MCDEM may make the acceptance of project proposals conditional on modifications to the project proposal.

4. Approval and project finalisation

Once the assessment process is completed and the successful applicants are advised, an agreement will be signed between MCDEM and the sponsoring local authority on the terms and conditions for the provision of the funds to the project. All successful applicants will be required to sign a Letter of Agreement with the Ministry to detail all the obligations and rights of the contracting parties. The letter of agreement will detail:

- Contract parties
- Contract term (maximum of three years with annual deliverables)
- Project description
- Funding conditions
- Milestones, tasks and deliverables
- Responsibilities of parties
- Payment conditions

5. Monitoring

To provide transparency on the expenditure of funds and assurance that the deliverables will be achieved, applicants will be required to provide quarterly reports to the Ministry on the progress achieved against milestones and deliverables and identify issues and risks. The report is the responsibility of the project leader. The report shall be the basis for ensuring that the concerned parties are aware of the status of the project and are able to respond to any issues. Any change in the structure of the project that differs from that indicated in the agreed proposal must be signalled in the project report.

The reports will need to be provided by the end of September, December, March and June.

The reports will be provided to the CDEM Group for information of the CEG. The CDEM Group will also be given the opportunity to provide additional comment on the project report to the Ministry.

All CDEM Groups are to have a nominated point of contact for CDEM Resilience Fund matters. The point of contact is expected to be provided reports on projects administered within the CDEM Group to be able to provide the Group comment. Each CDEM Group will determine the appropriate mechanism for determining and providing the appropriate comment. The CDEM Group comment on the quarterly report is intended to provide MCDEM the assurance that the Group is monitoring the project. The Group comment will be provided to the project leaders as a matter of course.

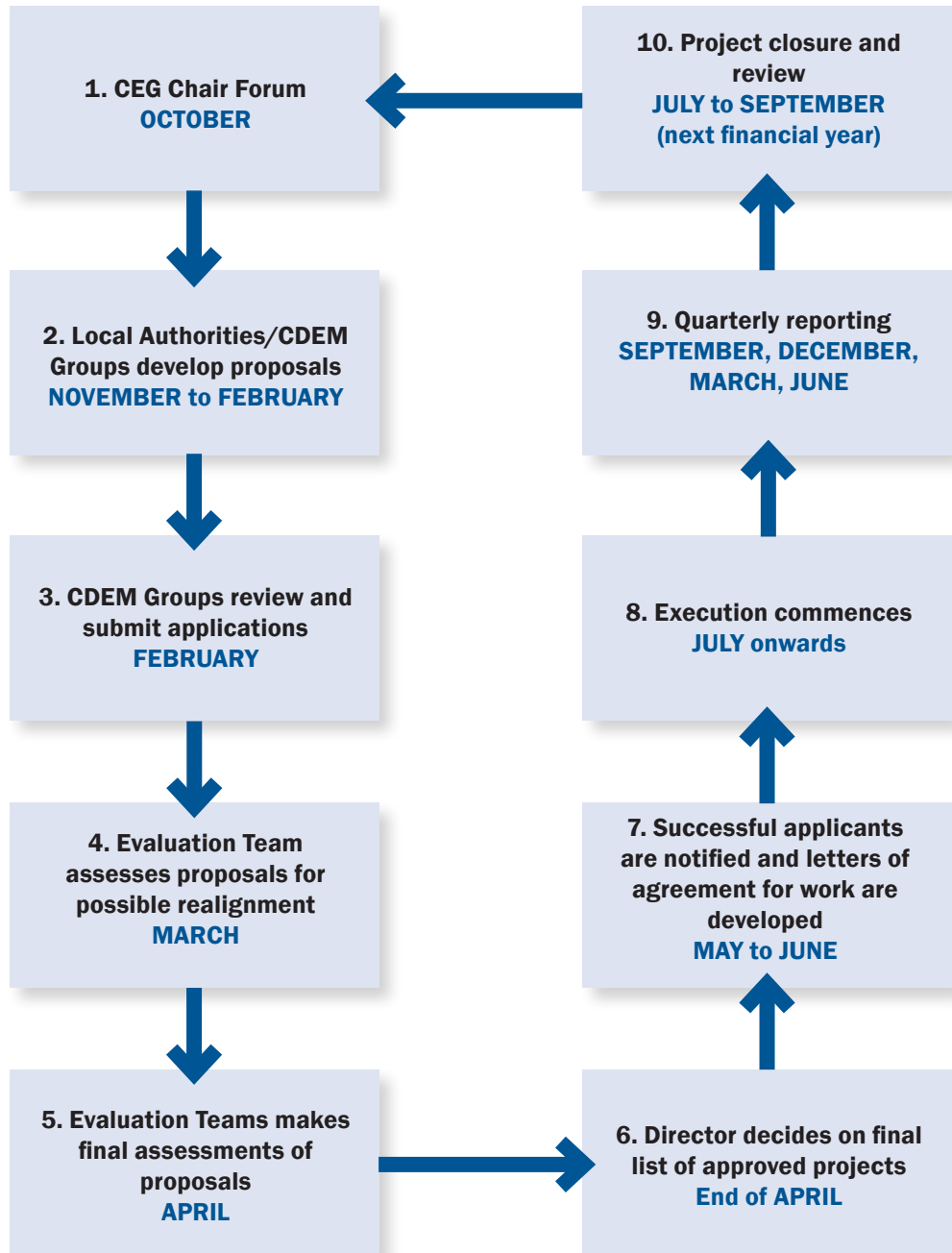
The quarterly reports will be supplemented with comment from the MCDEM Regional Emergency Management Advisor (REMA) assigned to the project. As a guide, the REMA allocated to a project will normally be aligned with the local authority that has the lead responsibility for the project. The REMAs will be used to provide assurance that the deliverables have been provided. The REMA will provide MCDEM with comments on the progress of the project and issues identified in the project reports provided to the Ministry. The REMA's comments will be copied to both the CDEM Group point of contact and the project leader.

CDEM Groups that consist of a single local authority will follow the same process outlined above for local authorities and CDEM Groups. The local authority will be designated as the deliverer of the project while the CDEM Group office will act in a monitoring and oversight role.

6. Project closure and review

On completion of the project, the project leader will be required to provide a report to MCDem outlining the achievements of the project, any lessons learnt, and commentary on the possible application of the project deliverables to the rest of the CDEM sector. The findings are to be circulated to the sector to ensure the wide-spread distribution of the benefits and to support the development of future project proposals.

Figure 1: Process for the application, assessment and monitoring of CDEM Resilience Fund projects



Outline of process (refer to Figure 1)

- October – the forum of CEG Chairs establish guidance for the development of proposals and their assessment;
- End of October – MCDEM advises program parameters and seeks project bids;
- November to February – local authorities and CDEM Groups develop proposals;
- February – CDEM Groups submit applications;
- March – the CDEM Resilience Fund Evaluation Committee undertakes assessment of proposals and suggests to the submitters any modifications of proposals, including amalgamation;
- April – the Evaluation Committee completes its assessment and makes a recommendation to the Director CDEM on the proposals to be approved;
- May to June – the successful applications are notified and the terms and conditions of the work to be undertaken are finalised and agreed.
- From 01 July of the financial year the project team commence project work;
- September, December, March and June – Quarterly project reports to be provided until project has been completed;
- July to September – Completed projects are reviewed and the findings circulated to the sector. These findings will be provided to the CEG Chair Forum in October as feedback on the achievements and challenges confronted by the previous round of fund allocation.

Guide to the application form

All proposals will need to complete the CDEM Resilience Fund Project Application form in Annex 1. This includes basic details on the arrangement of the project as well as a description of the benefits and value of the project in order to support the subsequent evaluation. A Word version of the application form can be downloaded from the MCDEM website: Home>For the CDEM Sector>CDEM Groups.

In order to be successful, the application will need to provide commentary in the following sections:

1. Project Executive Summary

This provides a short summary of the project in less than two hundred words. The executive summary will need to state the main objectives and outcomes of the project, the timeline envisioned, and an estimate of the cost.

2. Problem/opportunity

This section outlines either the problem being addressed and/or the opportunity being pursued in terms of the resilience to be gained should the project proceed. It should outline the extent of risk currently being faced and the degree that this risk will be mitigated by the project. The risk being addressed can be discussed in terms of local, regional or national depending on the nature of the project deliverables. The quantification of risk through formal assessments of hazards or the level of capability indicated by the findings of the CDEM Capability Assessment Tool for example would support the assessment of applications.

3. Alignment with identified goals and priorities

All projects should indicate the extent they support the achievement of the goals and objectives of the National CDEM Strategy and the degree to which the project aligns with the guidance and objectives established by the forum of CEG Chairs.

4. Dissemination of benefits to sector

The possible benefits of the project for the wider CDEM sector through either transfer of knowledge or application of outputs developed by the project should be outlined. There should be an explanation of how the benefits of the project would be extended to others in the sector and how they might be adopted or employed. Any limitations on the application of the benefits of the project for other local authorities or CDEM Groups should be identified.

Project design

The proposal will be required to provide basic information about the intended execution of the project. This will include nominating the project leader intended to head the implementation, other project members and external providers, contractors or other collaborators involved with the project team.

Deliverables

The deliverables sets out the key outputs expected to be delivered by the project.

Milestones

An outline of the milestones will provide the means for tracking the progress of the project towards the achievement of the deliverables. The quarterly reports to MCDEM will need to refer to the progress against these identified milestones.

Identified risks

The project proposal should indicate any identified risks to the achievement of the deliverables and milestones outlined above. The project proposal should indicate planned mitigation against these risks.

Funding request and use

The proposal will need to indicate the amount of funding being sought from the CDEM Resilience Fund and the expected areas of expenditure by the project. Areas of expenditure can only include the additional expenses that would be incurred by the local authority(s) in the delivery of the project. The salary of local authority staff, ongoing administration costs, and other business as usual expenses cannot be identified as the costs for the fund. Only those additional costs incurred through the undertaking of the project, such as contractors or services purchased, will be eligible for support from the fund.

The project may also identify funds committed by the local authority(s) and any other sources of funding. The provision of funding from the local authority is not an expectation or criteria for assessing projects. But such funding must be identified if it will be employed in achieving the deliverables.

Application

The application must be approved by the Chief Executive of the local authority that is leading the project.

CDEM Group comment

Each proposal requires a comment provided by the CDEM Group of the local authority that is leading the project. The comment should provide information on the extent that the proposal addresses the identified priorities and gaps from the CDEM Group plan. It should also provide an assessment of the feasibility of the proposal in achieving the planned deliverables.

The CEG Chair of the CDEM Group will be required to sign off the comment and overall proposal (even when the CEG Chair is the Chief Executive that has approved the proposal).

Annex One: CDEM Resilience Fund project application form

APPLICATION FOR CDEM RESILIENCE COLLABORATIVE FUND APPROVAL		
Project title		
Date of application		
Details on application		
Lead local authority		
CDEM Group		
Other TAs or Groups supporting the proposal		
Project description		
Executive summary <i>[200 words maximum description.]</i>		
Problem/opportunity <i>[200 words maximum description.]</i>		
Alignment with identified goals and objectives <i>[200 words maximum description.]</i>		
Dissemination of benefits to sector <i>[200 words maximum description.]</i>		
Project design		
Project manager		
Other project members		
External providers/contractors		
Milestones		
Milestone <i>[add lines as required]</i>	Date for completion	Cost
Identified risks		
Risk <i>[add lines as required]</i>	Suggested management	
Funding request and use (GST exclusive figures)		
CDEM resilience fund contribution		
Local authority contribution		
Other sources of funding		
Expenditure <i>[please provide details]</i>		
Application confirmation		
Approval of Chief Executive		
CDEM Group comment		
Comment		
Approval of Coordinating Executive Group Chair		

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