

Appeal 2003-2004



International Federation
of Red Cross and Red Crescent Societies

CAPACITY BUILDING FUND

Appeal no. 01.94/2003

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	2003 (In CHF)	2004 ² (In CHF)
Total	5,000,000¹	5,000,000

Introduction

The Capacity Building Fund (CBF) is an important element of the Federation's wider work to strengthen National Societies to enable them to deliver more effective services and advocate on behalf of vulnerable people. Its goal is to serve as a multilateral fund to build sustainable capacities of National Societies to make a significant difference to the lives of vulnerable people, particularly in forgotten situations. Over the past two years work has been successfully undertaken to expand the resource base of the CBF, and the Fund is now established at a level to enable it to make twice yearly allocations to support quality capacity building programmes. The Tripartite Advisory Group (TAG) made up of five donor country National Society and government representatives continues to advise on the direction of the Fund and to provide the main financial support. This group has expanded in 2002 and other National Societies and their governments have expressed an interest to join in future.

Background and achievements/lessons to date

The CBF was formally established by the Federation's Governing Board in May 2000 replacing the former Development and Youth Funds. During the second half of 2000 the CBF became operational once a sufficient level of funding had been secured to make it a viable, ongoing fund. An internal Federation Secretariat committee was established to review and select programmes for funding.

In the first round of allocations in late 2000, nine programmes were selected for funding totaling CHF 812,000. These programmes were implemented during the course of 2001 and monitored by the Secretariat in the field and in Geneva. Based on this experience and the more secure resource base of the Fund, two rounds of allocations were made in 2001/2 totaling just over CHF 4 million. The first, in December 2001, supported 20 programmes from the annual field planning cycle that met the Fund's criteria, including the five that had been continued from 2001. These programmes were funded from January 2002. The second, in June, supported a further 19 priority programmes that had not received funding through conventional appeal response channels. These programmes were funded from July 2002. Details of these can be found in the Federation Programme Updates issued during 2001 and 2002.

¹ USD 3,595,971 or EUR 3,345,798.

² These are preliminary budget figures for 2004, and are subject to revision.

All programmes were selected against the established CBF criteria, which had been revised by the TAG in September 2001. These state that the CBF should support:

- “forgotten” National Societies, especially those in countries of high vulnerability;
- innovative capacity building programmes in key capacity building focus areas (see below);
- addressing integrity issues;
- supporting increased civil society networking.

In addition, projects focusing in youth and / or gender are favourably considered. The key capacity building focus areas under the second criterion (based on the Federation’s new Capacity Building Framework) are: strategic planning skills; programme management skills; leadership development (including training); volunteer management; branch development and community mobilization; information and communications development; and financial resource development.

Following the lessons learned from the first round of CBF allocations, the selection committee engaged in a thorough dialogue with regional departments and delegations when selecting the projects for 2002 to ensure they met the criteria and represented quality capacity building. Issues such as the National Society’s commitment to change, the timeliness of the capacity building intervention, how it fitted within the Society’s wider development plan or Cooperation Agreement Strategy, and the level of Secretariat support, all became important considerations in the decision-making process.

Monitoring has also been an important issue for the CBF in order to maintain the credibility of the Fund and ensure a level of quality in the capacity building work supported. This has included monitoring by the relevant departments in Geneva, by the delegations in the field and, in some instances, through donor government visits. During the course of 2002, three programme updates have been sent out detailing the selection and progress of the 39 projects. In addition, contact has been maintained by the Coordination Department with the TAG members to update them on progress.

In examining progress on the projects funded in 2001 and 2002, a number of interesting lessons emerge. It is important that capacity building is not seen as an end in itself, but part of a planned process designed to bring about more effective service delivery to support vulnerable people. Consequently in the range of projects selected, there has been a clearer link between organizational development and the National Societies’ programming, as well as a focus on building grass roots capacity at the NS branch level. The CBF also recognizes the importance of sound governance and management and the majority of programmes address this critical issue, often as part of a wider capacity building approach. Lessons have also been learned around providing funding over a longer period, within a framework of rapidly changing external environments or with changing National Society leadership and motivation.

Funding for existing programmes will be reviewed towards the end of 2002. These will be considered for continued support in 2003 but will be required to demonstrate good progress and outline a coherent proposal for a further year’s funding. New projects will be considered in relation to the overall coverage and capacity of the Fund, in order to ensure that coherent, longer-term support can be provided where required.

The Tripartite Advisory Group (TAG) continues to advise the Federation Secretariat on policy and resource mobilization issues affecting the CBF. The TAG is a group of donor country National Society and government representatives from Britain, Canada, Finland and Sweden that have been providing guidance to the Federation’s capacity building work over the past five years and have been the major supporters to the CBF. Norway has joined the Group in 2002 and Spain and USA are considering membership.

The TAG has, through its annual meetings, contributed to a clearer strategic framework for the CBF and for more focused criteria for programme selection. In its latest meeting, in October 2002, the Group was keen that the CBF build and maintain a distinct identity, as a supporter of quality capacity initiatives, which would improve overall Federation practice and learning around National Society capacity. The Group itself will continue to advise the Federation and to exchange information and good practice around key capacity building issues.

Goal

The goal of the CBF is to serve as an International Federation multilateral fund to build sustainable capacities of national societies to make a significant difference to the lives of vulnerable people, particularly in forgotten situations.

Objectives and activities

Objective 1 To ensure effective management of the Fund so that it has a demonstrable impact in building the capacity of Societies supported and builds a distinct identity as a key instrument to improve Federation practices and learning around National Society capacity building. The following activities will be carried out to achieve this objective:

- The CBF committee will work with key stakeholders in the Secretariat and the TAG to define the best ways to establish and maintain a distinct identity for the CBF, in terms of innovation and lesson learning, while ensuring that it still provides a relevant source of funding for quality capacity building programmes.
- The committee will post two calls for proposals for 2003, ensuring that the effective processes are established and clearly communicated in order to select the most appropriate projects. Grants will be made in accordance with CBF criteria and will, in the first instance, secure appropriate longer-term support for existing projects which demonstrate good progress/impact and can show sound plans for the future. Caution will be maintained against over-extending the Fund, so as not to jeopardize future longer-term funding for quality capacity building projects.
- Monitoring the progress and impact of CBF funded projects will be a key objective for the committee in 2003 and will be achieved through a combination of field reports, Secretariat or TAG visits and close contact with the field. The Secretariat's Organizational Development Department will provide appropriate guidance on the quality and impact of the projects and will have a clear role in relation to the Fund.
- Donors will continue to be kept involved through programme updates and, where possible, participation in field visits to review the impact of specific projects and draw out lessons learned for wider application.

Objective 2 To ensure appropriate resource mobilization for the CBF in order to build a dependable annual income level of CHF 5 million in 2003 and 2004. The following activities will be carried out to achieve this objective:

- Half-yearly reports will continue to be provided to donors on the projects supported by the Fund. Work will be done to improve the quality of the CBF reports to provide more analysis of the concrete results and impact that capacity building investments have had on individual Societies' ability to provide better programmes and services to vulnerable people. This will be supplemented by specific case studies, reports and visit feedback on selected National Societies during the course of the year.
- The CBF will be promoted amongst new donors within the Red Cross/Red Crescent Movement in order to widen the current funding base. This has already been started with work to extend the TAG and this will be further developed in 2003. Opportunities for bringing in non-Movement partners will also be explored.

- Work will be initiated with the Secretariat's External Relations Department to develop a fundraising strategy for the Fund as part of the Secretariat's overall funding strategy.

Expected results

- A consolidated number of National Societies receiving long-term support for quality capacity building programmes, with a turnover or introduction of a small number of new priority Societies introduced at each call for proposals. Programme managers are clear as to the goals, identity, criteria and procedures of the CBF.
- National Societies receiving CBF funding, particularly those supported in the earlier rounds, demonstrate real progress in their respective focus area and in their project planning, implementation and reporting.
- Qualitative and informative reports produced on a six monthly basis, showing progress in terms of measurable results and impact in the majority of the projects. Case studies and visit reports relating to a target number of the National Societies will supplement this information and will provide donors with a clear sense to the Fund's achievements and progress.
- Clear roles and responsibilities will have been established for the relevant departments in Geneva (Coordination, Organizational Development and External Relations Departments) and for the members of the TAG, to optimize the management and impact of the Fund.
- An increased number of National Societies and governments will be supporting the CBF and will have committed to providing longer-term support to maintain funds around the CHF 5 million target. This will stimulate wider capacity building funding from those and other donors.

Critical assumptions

- Participating National Societies and government donors assess the Federation as an effective and valued institution to support for the purpose of achieving common shared objectives of local capacity building and the strengthening of civil society;
- The Federation develops and maintains the confidence of donors in its ability to manage multilateral resources in a manner which meets donors' accountability requirements.