

ANNUAL REPORT



International Federation of Red Cross and Red Crescent Societies
Fédération Internationale des Sociétés de la Croix-Rouge et du Croissant-Rouge
Federación Internacional de Sociedades de la Cruz Roja y de la Media Luna Roja
الاتحاد الدولي لجمعيات الصليب الأحمر والهلال الأحمر

CAPACITY BUILDING FUND

April 2004

In Brief

Appeal No. 01.94/2003; Appeal target: CHF 5,000,000; Appeal coverage: 38.8%.
([click here to go directly to the attached Financial Report](#)).

This Annual Report reflects activities implemented over a one-year period; they form part of, and are based on, longer-term, multi-year planning (refer below to access the detailed logframe documents). All International Federation assistance seeks to adhere to the Code of Conduct and is committed to the Humanitarian Charter and Minimum Standards in Disaster Response in delivering assistance to the most vulnerable. For support to or for further information concerning Federation programmes or operations in this or other countries, please access the Federation's website at <http://www.ifrc.org>

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Overall analysis of the programme

The Capacity Building Fund (CBF) is an important element in the Federation's work to strengthen the sustainable capacity of National Societies to enable them to deliver more effective services and advocate on behalf of vulnerable people. It contributes towards achieving the second strategic direction of Strategy 2010 – to building “well-functioning National Societies”.

Since the Fund's establishment in 2000, the CBF has built on its original aim of providing flexible, unearmarked support for quality capacity building programmes and has allocated CHF 7.9 million to over 70 National Societies. 2003 saw the CBF consolidate this vital support and strive for improved targeting of grants to make a more sustainable impact on Societies. In 2003, CHF 3.2 million was granted in 40 programmes to assist “forgotten” National Societies with their own organizational change and to help them become better functioning civil society organizations in their own countries. More than half of these Societies were the recipients of multi-year support, with the CBF often providing the only source of funding for necessary and timely capacity building interventions.

Following on from lessons learned in previous years, the CBF selection committee worked closely with Regional Departments/Delegations and with the Organizational Development Department to ensure that programmes represented quality capacity building and were in line with wider capacity building priorities in the region. The selection also considered the quality of the proposal, the commitment and/ potential capacity of the Society, the sustainability of the programme and the availability of Secretariat support.

All the programmes selected met with one or more of the Fund's criteria:

- “forgotten” National Societies, especially those in countries of high vulnerability;

- “innovative” capacity building programmes in one or more of the key capacity building focus areas in the Federation’s Capacity Building Framework (strategic planning; programme management; leadership development (including training); volunteer management; branch development and community mobilization; information and communications development; and financial resource development);
- addressing integrity issues;
- supporting increased civil society networking;
- programmes focusing on youth or gender are considered favorably.

The Tripartite Advisory Group (TAG), a group of donor country National Society and government representatives from Britain, Canada, Finland, Norway and Sweden, continued to advise the Federation Secretariat on capacity building issues. 2003 saw the first joint field visit of the TAG, with a team comprising representatives of the British and Finnish Governments and National Societies and the Secretariat, visiting Sri Lanka in March to review the Society’s experience of organizational change and the impact of consecutive CBF grants. The visit provided important insights into the experience of a National Society in a post-conflict situation and highlighted the importance of addressing the coordination and sustainability of capacity building support provided by the Movement. The mission made recommendations on the management of the Fund and developed a set of draft capacity building indicators, which are contributing to the Secretariat’s wider work on generic capacity building indicators. These findings were discussed at the last TAG meeting in October, where participants contributed to the development of a clearer strategic framework for the CBF and stressed the importance of coherence across the Movement’s capacity building work.

Funding levels for the CBF remained steady in 2003, but did not move towards the goal of more predictable multi-year funding. Most donors still pledge funds on a year-by-year basis, mitigating against the Fund’s commitment to move towards multi-year support to National Societies for long-term capacity building programmes. There is a need to diversify the CBF’s funding base in future beyond existing TAG members.

Objectives, Achievements and Constraints

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.

As planned in the Appeal, the CBF Committee held two calls for proposals in 2003 and supported 40 programmes, which met the CBF criteria and were prioritized in consultation with Regional Delegations/Department. The focus of the Fund’s allocations was at country level, responding to the capacity building needs of individual Societies. Two programme updates were produced during the year covering the two allocations and progress for the periods January to June and July to December (*details of the full allocations can be found below*).

More than 20 “**forgotten National Societies**” or Societies in “**countries of high vulnerability**” received CBF funding for a second or third consecutive year to support strategic capacity building programmes. This included support to Societies in post-disaster or conflict situations, such as Haiti Red Cross, where the CBF provided much needed funding for the Society’s institutional development, including the development of branch capacities and longer-term planning. This was complementary to the programme support provided by other Movement partners and enabled Haiti Red Cross to be better placed to respond to political crises in early 2004. The allocations also provided support to National Societies working with extreme poverty or social vulnerability. 2003 saw the third

grant to Argentina Red Cross to support major organizational change across the Society and improve engagement between headquarters and its widely dispersed branches. This helped to facilitate the Society's response to the social crisis and to regional flooding. A case study of the Argentina Red Cross experience will be produced in mid-2004 to capture lessons learned. The expected results of the Appeal also stated that "National Societies receiving CBF funding, particularly those supported in earlier rounds, should demonstrate real progress and results". A good example of this was the successful consolidation of the regional communications network in Central and South America and the Caribbean. The final evaluation of the programme recognized the results of the long-distance education support and network, in terms of developing branch skills and engagement and in improving communications/profile across the concerned Societies. However, it also noted the challenges of sustaining this network without external support.

In 2003, grants were made for the first time to 19 new Societies, where the timing or area of support was deemed appropriate or to support risk-taking or "**innovative capacity building programmes**". In Sudan, a peer branch development programme used the existing experience of four stronger branches to coach a weaker branch in areas of branch and volunteer management and local resource mobilization. This enabled Sinnar branch to recruit new volunteers at community level and refocus the branch activities in health and disaster preparedness. The model will in turn be used to mentor other branches in the country and if successful, may be replicated in other parts of East Africa. The Fund also invested in some innovative approaches, such as the new gender network in the Middle East region, organized by the Iranian Red Crescent and bringing together a network of gender focal points and facilitated gender awareness raising/training in Arabic and Farsi across the region. The CBF also funded peer resource mobilization seminar, funding 12 National Societies already in receipt of CBF funding for resource mobilization programmes to attend the "Skillshare" workshop in the Netherlands and learn from the experience of other National Societies.

The CBF also continued to make an important contribution to National Societies dealing with "**integrity issues**". This has been an important role for the Fund and last year grants were made to a number of Societies, including Brazil, Georgia, South Africa and Zambia to support recovery programmes to rebuild the Society and its credibility, with differing levels of success. A good example is in South Africa, where the CBF has contributed towards the improvement of the Society's financial management and resource mobilization capacity, with SARCS now accessing and managing funds from local sources, such as the lottery. In Zambia, the Fund also helped the National Society to go through an extensive audit process and establish a new governance and management team. The CBF also funded a range of programmes, which contributed to "**increased civil society networking**" and closer engagement with vulnerable communities. This included programmes helping National Societies build stronger grass-roots base and volunteer network, as with the participatory community development programme in Albania, where branches worked with vulnerable local Roma communities to develop locally resourced projects. The Fund has also continued its commitment to "**youth or gender**", particularly where programmes encouraged youth engagement in service delivery, as was the case in Sri Lanka. Investment in the Society's Youth Wing over the past two years has enabled the recruitment of youth coordinators in most of the 25 branches, who in turn have mobilised young volunteers in the local community to play a key role in disaster response and scaling up HIV/AIDS campaign.

2003 was also a year of change for the Fund. After three years of operation, the Secretariat was aware that it needed to review and clarify the role and "added value" of the Fund and to optimize its management. The CBF committee carried out a thorough consultation with key stakeholders across the Secretariat and amongst the TAG membership. Through this consultation it became clear that the "added value" of the Fund was in enabling the Secretariat to:- make strategic decisions about timely and targeted capacity building support world-wide (regardless of donor interest); provide multi-year support to these targeted Societies; and demonstrate good practice and lessons learned. Based on this consultation and the recommendations of the joint TAG visit and TAG meeting in October, new guidelines for the management of the Fund and the allocations were issues in December 2003 for implementation in 2004 and beyond.

The main changes were:

- The CBF will priorities quality, multi-year capacity building programmes in target National Societies, with 70% of available funding allocated to these programmes at the time of the annual planning cycle. This will enable the Fund to provide **strategic, long-term capacity building support** in each region. The new application formats will also require National Societies to prepare a phase-down or exit strategy to minimize dependency on the Fund.
- 30% of the available funding will be retained to support timely, one-off organizational development (OD) interventions, with a particular focus on **risk-taking or pilot / seed initiatives**.
- The CBF will focus on **monitoring, capturing and sharing the results** of CBF-funded programmes, through a combination of field reports, Secretariat or TAG visits and case studies (one case study will be produced per continent). The Fund will also continue the work already started to pilot and implement generic capacity building indicators.
- The **national society's "voice"** will be at centre of its own capacity building and all applications/reports will be jointly signed off by named counterparts in both the NS and the delegation.

The first joint TAG field visit to Sri Lanka in March 2003 also contributed to learning about the Fund and the impact of consecutive CBF support to Sri Lanka Red Cross Society – this informed the changes outlined above. The visit report noted the value and timeliness of the CBF grants, which had provided valuable support for the new management team of the Society at a time when other donors were reluctant to support a “recovering” National Society. However, it also highlighted the challenges of building sustainable capacity and optimizing existing resources and of coordination with other Movement support from both the ICRC and bilateral PNS. Following the field visit, the team used the learning to develop a “menu” or “guiding framework” of draft indicators for the CBF, based on the headings of the Federation’s Capacity Building Framework (Organizational Foundation, Services & Programmes, Finance, and People) and on the requirements of the Fund (Civil Society Impact, Learning and Coordination), from which practitioners can draw to help develop context specific indicators. The draft document was presented to the TAG in October and feedback from the group recommended tightening the indicators and developing guidance for implementing them. This will be piloted in the Asia Pacific region in 2004 and will contribute to the Secretariat’s wider work on developing generic capacity building indicators.

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.

Funding levels for the CBF remained steady in 2003, with contributions totaling CHF 1,874,669 million to the Fund. This, in addition to the CHF 3,355,840 carried forward, helped the CBF reach its CHF 5 million target. The key TAG donors continued to support the Fund, however, work to extend the funding base of the CBF or to move toward the goal of predictable multi-year funding proved overly ambitious and made limited progress during the year. Likewise, steps to extend the membership of the TAG were affected by the funding challenges facing donor National Societies and by the many changes in the Secretariat, the donor Societies and the Governments. This will require more focused attention in 2004 to strengthen the basis of the TAG and its commitment to the CBF. Work also needs to be done to disseminate the value and results of the Federation’s organizational development and capacity building with National Societies to donors. At present, there is an expectation on the Secretariat to lead on this, but limited resources to support it. The CBF cannot meet these demands, but must work closely with the Organizational Development Department to disseminate the need for and value of sustainable capacity building to a wider group of donors, to support National Society to become effective civil society actors in their own countries.

During 2003, progress was made in establishing contact with other capacity building organizations. Following the TAG meeting in October a cross-section of TAG representatives met with the OECD/DAC in Paris to present the Federation’s work in capacity building and the role of the TAG. OECD/DAC were impressed by the level of concurrence between the two organizations and enthusiastic about future field and headquarters engagement, however, this contact will take time to develop and will be followed up in 2004. Secretariat representatives also had meetings with the European Union, to look at opportunities for engagement and funding for capacity building. Following recognition of the Federation as an international organization, there are now opportunities to

apply for longer-term development funding and to engage the European Commission on development issues. Initial meetings were held with the Commission and it is planned to invite the European Commission and our own Red Cross and Red Crescent Liaison Bureau in Brussels to attend the next TAG. Again this contact will take time to develop and the Secretariat's Relationship Development Unit will support the CBF and the TAG in this work.

[Financial report below; click here to return to the title page and contact information.](#)

List of allocations made in 2003

NS	Title	CHF
AFRICA (10)		
Burkina Faso	Strengthening financial & reporting management	131,000
Cameroon	Capacity building	65,700
Gabon	Capacity building	71,500
Madagascar	Organisational development	70,000
Seychelles	Recruitment of programme officer	33,020
South Africa	Organisational development	55,000
South Africa	Financial management development	42,800
Sudan	Building capacity in Sinnar Branch	40,230
Swaziland	Branches development & human resource capacity building	50,000
Zambia	Recovery process	168,800
	subtotal	728,050
AMERICAS (9)		
Argentina	Organisational development	115,000
Bolivia	Organisational development	145,000
Brazil	Strengthening capacity	45,000
Central America	Regional communication programme	115,000
Costa Rica	Disaster management capacity building	103,000
Cuba	Support to enhance capacities of CRC	150,000
Ecuador	Administrative & financial strengthening	45,000
Guatemala	Volunteer management programme	64,720
Haiti	Capacity building	62,000
	subtotal	844,720
ASIA & PACIFIC (11)		
Bangladesh	Youth & volunteers development	75,800

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China	Leadership Training	85,750
DPRK	Leadership training - improving financial management	97,980
Indonesia	OD & capacity building	65,000
Mongolia	Management capacity / financial development	50,000
Myanmar	Developing financial management systems	50,300
Pakistan	Organisational development	148,000
Papua New Guinea	Youth programme	134,370
Philippines	Financial resource development	52,720
Sri Lanka	Branch development	85,500
Sri Lanka	Youth wing development	36,700
	subtotal	882,120
EUROPE (7)		
Albania	Capacity building	76,000
Armenia	Community based social service	90,000
Azerbaijan	Volunteer/Youth programme & Branch development	91,717
Bosnia Herzegovina	Organisational development	25,000
Georgia	Organisational development	90,000
Macedonia	Organisational development	73,480
Romania	Organisational development	157,400
	subtotal	603,597
MENA (2)		
MENA region	Support for gender network	74,800
Yemen	Computer training / installation	60,000
	subtotal	134,800
GLOBAL (1)		
Skillshare seminar	Peer fundraising exchange (for Societies already in receipt of CBF funding for Resource Mobilisation programmes)	30,000
	Grand total	3,223,287