

# Appeal 2005



International Federation  
of Red Cross and Red Crescent Societies

## Capacity Building Fund (CBF)

**Appeal no. 05AA083**

**Appeal target: CHF 5,000,000<sup>1</sup>**

The International Federation's mission is to improve the lives of vulnerable people by mobilizing the power of humanity. The Federation is the world's largest humanitarian organization, and its millions of volunteers are active in over 181 countries. All international assistance to support vulnerable communities seeks to adhere to the Code of Conduct and the Humanitarian Charter and Minimum Standards in Disaster Response, according to the SPHERE Project.

This document reflects a global programme and related activities to be implemented in 2005, and the related funding requirements. For further information concerning the programme, please direct questions to For further information please contact: Christine South, CBF Manager, OD Department; 00 41 22 730 4529; email: [christine.south@ifrc.org](mailto:christine.south@ifrc.org)

For programmes or operations in other countries or regions, please access the Federation website at <http://www.ifrc.org>

Programme title	2005
Capacity Building Fund	5,000,000
<b>Total</b>	<b>5,000,000</b>

### Context

Many of the key strategic and policy documents of the International Federation of Red Cross and Red Crescent societies and of the Red Cross and Red Crescent Movement emphasise the need to strengthen the capacity of national societies. The second strategic direction of Strategy 2010 stresses the importance of “well-functioning National Societies” as being central to the Federation’s ability to deliver effective and relevant local services through its global network. The Strategy for the Movement also stresses the importance of support to national society capacity building and measuring our progress and performance in this area.

The building of local capacity is a challenging task. It is often difficult to ensure that the resources provided through the wider Federation genuinely support local capacity building and it is often difficult to get the resources and financial support to fulfil this important mandate. In this world, the Capacity Building Fund (CBF) has become an important tool to enable the Federation to fulfil its role to support national society capacity building and to provide strategic and timely support in that area.

Over the past four years the Fund has grown in size and has strived to improve the effectiveness of its grants in order to have a more sustainable impact on Red Cross and Red Crescent societies. It has built on the original aim of the Fund, which was to provide flexible, unearmarked funding to support quality capacity building programmes and, over the last four years, has allocated nearly CHF 10 million in support of a range of programmes in over 90 societies.

<sup>1</sup> USD 4,250,972 or EUR 3,280,431.

## Capacity Building Fund; Annual Appeal no. 05AA083

Funding levels for the CBF remained fairly steady in 2004, but did not move towards the goal of more predictable multi-year funding. Most donors still pledge funds on a year-by-year basis, limiting the Fund's capacity to support long-term, multi-year capacity building programmes within national societies. Also as demands from back donors tighten this ultimately has an impact on the multi-lateral nature of the Fund. There is an urgent need to diversify the CBF's funding base in future beyond the existing Tripartite Advisory Group (TAG) members to build a more predictable, multi-year funding base to support multi-year capacity building programmes. In 2005 we will approach a range of major aid agencies and private funders to address this issue.

The TAG, comprising the governments and national societies of Britain, Canada, Finland, Norway and Sweden, advise the Federation on the direction of the Fund as well as providing its main financial support. Due to the many changes within the different stakeholders, this group has not met in 2004. However contact has been maintained with the individual national societies and Governments and the Secretariat has consulted with the TAG members to examine the best ways to optimise this network in 2005. A meeting will be held in the first quarter of 2005.

## Background and achievements/lessons to date

In 2004, the Secretariat made some changes to achieve the Fund's objective - "to ensure effective management of the Fund so that it has a demonstrable impact in building the capacity of national societies". After consultation with the TAG and other stakeholders, new guidelines and application procedures were launched to improve the targeting of the grants and the effective use of the Fund. The main changes were to:

- allocate the bulk of the funding for multi-year grants in support of planned, longer-term capacity building programmes and to commit to two or three years of funding
- agree the allocations after thorough consultation with national societies and regional departments/delegations to ensure the effective targeting and strategic use of the funds.
- push for the national society voice to be more central to the application process with societies being required to develop and co-sign the application and commit to the follow up / reporting
- introduce a standard format to push for greater standardisation in applications to allow for better comparison and decision-making.
- retain a smaller amount (up to CHF 1 million) for a second round of smaller, timely grants that supported risk-taking or innovative OD interventions.

The learning from this experience will lead to further important changes for 2005, particularly around the focus on multi-year capacity building support and national society involvement in the process. While it is important to ensure good strategic use of these limited funds, the CBF must also ensure that national societies are central to the CBF process. Using the continental OD coordinators to work with national societies and delegations, the CBF will ensure that these funds are used to provide more direct, relevant and timely support to committed national societies. Further lessons around the timing of the allocations have also influenced the move to an earlier call for proposals for next year. Decisions will be made in late 2004 to decide multi-year allocations for 2005 and beyond. This will mean national societies will have a decision on their application by 1 January and will be able to plan for that support from the beginning of the year.

In terms of the grants themselves, the CBF allocated over CHF 2.1 million to well over 41 national societies in 2004. This was within the amount of the funds available (77% of available funds were allocated to programmes). The Fund is required to retain CHF 1 million to guarantee its multi-year commitments for 2005/6, which amount to approximately CHF 800,000.

All programmes that were funded met with one or more of the Fund's criteria shown below and over the course of the last two to three years cumulative support for various national societies is starting to build real capacity and to render important lessons in terms of our capacity building and OD support to national societies:

- **"forgotten" national societies, especially those in countries of high vulnerability** – the CBF targets national societies facing high vulnerability, either in a post disaster or conflict situation or in relation to poverty and social vulnerability. In many cases, these societies have been "forgotten" by donors and are finding it difficult to access funding for capacity building and organisational development to complement programme support. In 2004, the CBF provided funding for a two-year change process in East Timor Red Cross Society to implement the organisational changes recommended in the joint Federation / ICRC assessment. This will prepare the new society for acceptance into the Movement. A key lesson for the CBF has been the need for greater coherence with the support provided by the ICRC. This engagement will be further developed in 2005;

- **“innovative” capacity building programmes in one or more of the key capacity building focus areas** (taken from the Capacity Building Framework these are:- strategic planning; programme management; leadership development (including training); volunteer management; branch development and community mobilisation; information and communications development; and financial resource development). The CBF has often been the sole provider of funding, particularly multi-year funding, for organisational change processes within national societies. The multi-year support to Argentina, Romania and South Africa Red Cross has enabled them to commit to planned phases of an organisational change process and to show tangible results in terms of engagement with local communities and delivery of services. These societies will now provide valuable case studies to inform future OD work. In terms of innovation the Fund has also supported new OD learning networks and cross-border peer programmes, such as the Caribbean OD network or cross-border fundraising programme between Belarus, Moldova and Ukraine. This peer support is a sustainable way forward for many societies and is an innovative approach to the challenges facing small island states;
- **addressing integrity issues** – this continues to be a specific role for the CBF. It is a challenge to the Fund to be part of a more integrated Movement response to integrity issues. The ongoing funding for Brazil Red Cross is part of a coherent Movement plan to support to the new governance of the national society and is starting to see small achievements. On the other hand, management changes in Zambia Red Cross have delayed the recovery process and the CBF is monitoring the situation to see how best it can support the next steps in the process. It is clear that support to societies addressing integrity issues has to be carefully monitored and followed up as part of a wider Movement response;
- **supporting increased civil society networking** – “civil society” is a cross-cutting issue for the Red Cross and Red Crescent, as it enables us to engage more closely with vulnerable communities and with partner organisations and NGOs. The CBF has funded a range of programmes, which contribute to this criterion in a direct or indirect way. This includes programmes aimed at building national society capacity to engage at community level, such as the support for Syrian Arab Red Crescent to build its first aid expertise at community level through a more integrated and participatory approach and the support to Nepal Red Cross to help build its capacity to engage with local partners and donors;
- **projects that focus on youth or gender are considered favourably** – the CBF has a strong commitment to support youth and gender related programmes. In consultation with the Secretariat’s Youth Officer, the CBF has tried to ensure that it supports appropriate youth programmes that enable young people to engage in programmes and service delivery. In the third year of support to the Papua New Guinea Red Cross youth programme, it has been encouraging to hear, via the CAS process, that youth volunteers have been engaged in the recent VCA process and subsequent programming.

**Goal: to support national societies to build relevant, sustainable capacity in order to make a significant difference to the lives of vulnerable people.**

**Objective: an effectively managed CBF supporting innovative, quality programmes that strengthen national societies and developing Federation knowledge about capacity building.**

**Expected programme results and related projects for this objective:**

**More effective targeting of grants and monitoring of results**

- multi-year funding will have been allocated to support a number of target national societies in each region. New multi-year allocations will be committed from 2005 to support long-term, planned capacity building programmes or organizational change processes. This will demonstrably enable them to provide more effective programmes and services to vulnerable people over the longer-term framework of the CBF support (two to three years);
- in addition, existing multi-year commitments to approximately 19 societies will be continued on the basis of evidence of good progress and concrete results;
- in response to arising needs during the year, a further group of national societies will have received timely funding for short-term organisational development interventions or for riskier, more “innovative” projects, including support for addressing leadership / integrity crises or regional cooperation. This will be delivered through a new CBF funding mechanism (a type of DREF function) which will allow for timely funding response to relevant proposals;

## **Capacity Building Fund; Annual Appeal no. 05AA083**

- all CBF programmes will have reported on performance, results and expenditure of the grants. Future allocations will be based on the evidence of such progress. The CBF will work with colleagues in the OD, Planning and Monitoring & Evaluation functions to capitalize on ongoing work around indicators;
- CBF grants will be in line with other Federation and Movement capacity building support towards a given national society (e.g. in consultation with the CAS) thus optimizing the impact of that overall support. All grants will be made in full consultation with other technical teams in the Federation Secretariat and with the relevant ICRC cooperation counterparts to ensure we optimize integrated support to that Society;
- learning from the previous four years will be used to improve the selection process and new ways will be explored to tighten the criteria for selection and to make the selection process more transparent.

### **Greater national society engagement in the CBF process:**

- technical assistance will have been provided to national societies, including via the continental OD coordinators, to ensure they are at the centre of the application, implementation, monitoring and evaluation of CBF funded programmes and to ensure they meet the criteria of the Fund and report on the results of funded programmes;
- CBF funding will be focused on helping national societies to address identified national or local needs and to achieve the goals and objectives identified in their strategic plan. It will be coherent with planned or ongoing CAS processes;
- national societies will be encouraged and supported to feed learning back into regional processes / networks to inform future capacity building support. Particular emphasis will be given to funding national society peer support and exchanges of expertise / knowledge;
- CBF grants will be coherent with identified regional priorities and strategies as outlined in the regional declarations, plans of action and other relevant regional strategies / priorities;
- CBF grants will be allocated to support the OD / capacity building priorities identified by the Federation's Governing Board;
- help will be provided to national societies to provide follow up on long-term capacity building funding and to help prepare societies for the phase out of CBF funding;

### **The CBF will be an effective vehicle for capturing and sharing good practice and lessons learned:**

- work on gathering and presenting case studies on CBF funded capacity building or organizational change processes will be stepped up. These studies will aim to capture and share key learning and good practice across the Federation. These studies will be to be produced and printed in hard copy and shared through the Federation's web site;
- innovative forms of reporting (oral and video records of programmes) will be established to capture the essence of programme successes. These will be shared, mainly through the TAG forum;
- a minimum of three field monitoring visits (including one joint visit with the TAG) will have taken place and will have helped to monitor progress and results in a number of CBF-funded programmes. The findings will be compiled and shared through the CBF programme updates and recommendations will be shared with national societies and relevant Secretariat teams;
- the CBF will compile a library of case studies, good practice records, mission reports and other relevant documentation to ensure the Fund's use as a learning vehicle is optimized. This will be shared across the Federation on FedNet and will provide quality, analytical information on capacity building across the Federation.

### **Linked programmes:**

- Global Organisational Development appeal, including finance training.
- Global Monitoring and Evaluation appeal.
- Global Movement Cooperation appeal.
- Programme appeals / funding plans for the relevant countries supported by the Fund.

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