

Appeal 2006-2007



International Federation
of Red Cross and Red Crescent Societies

CAPACITY BUILDING FUND (CBF)

Appeal no. MAA00011

This appeal seeks a total of CHF 6,000,000¹ to fund programmes and activities to be implemented in 2006 and 2007. These programmes are aligned with the International Federation's Global Agenda, which sets out four broad goals to meet the Federation's mission to "improve the lives of vulnerable people by mobilizing the power of humanity".

Global Agenda Goals:

- Reduce the numbers of deaths, injuries and impact from disasters.
- Reduce the number of deaths, illnesses and impact from diseases and public health emergencies.
- Increase local community, civil society and Red Cross and Red Crescent capacity to address the most urgent situations of vulnerability.
- Reduce intolerance, discrimination and social exclusion and promote respect for diversity and human dignity.

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The International Federation's mission is to improve the lives of vulnerable people. 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.

	2006-2007 (in CHF)	
Capacity Building Fund (CBF)	2006	3,000,000
	2007	3,000,000
Total	6,000,000	

Context

The development of national societies is a key priority for the International Federation of Red Cross and Red Crescent Societies. As membership organisation, the Federation's value is in all areas of its work based on the capacity of its members. 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 Federation's strategic and policy documents recognise this and increasingly emphasise the need to put national societies at the forefront of our "Federation of the Future".

The Capacity Building Fund in 2006-2007 will be guided by the Strategy 2010 Mid-Term Review, Federation of the Future and A Common Approach to National Society Development.

¹ USD 4.6 million or EUR 3.8 million

Strategy 2010 Mid-Term Review recommended that success for organizational development would look like this:

- *Each National Society meets the success criteria and performance indicators for the four core areas, has growing resources, and credible, transparent and accountable governance and management.*

Success can be measured by the following performance indicator:

- *All national societies satisfy the requirements for a well-functioning National Society.*

Federation of the Future articulated a global agenda which includes as a key goal to:

- *Increase local community, civil society and RCRC capacity to address the most urgent situations of vulnerability.*

The Common Approach to National Society Development was endorsed by the Governing Board in September 2005. It reflects the following strategic concepts:

- The main responsibility of the host National Society for its own development.
- All components of the Movement are responsible to work together in a Common Approach to support the development of national societies so they are better able to carry out their mandate.

However, the building of local capacity is a challenging task. It is also difficult to ensure that there sufficient long-term resources available to provide predictable support for planned capacity building or organisational development. There are areas of supporting national societies to develop their skills, for which it is difficult to find appropriate support. A second challenge is to find realistic and achievable ways to analyse and demonstrate the impact of our inputs as a Federation to support national society capacity building. The Federation has been working in this area for some time and significant progress has been made in many areas, but to date we have not succeeded in capturing or sharing those successes as case studies.

Within this framework, the Capacity Building Fund (CBF) has played a useful role, often providing timely support to national societies struggling to move forward with important areas of organisational change and enabling the Federation Secretariat to fulfil its role to provide strategic and timely support towards the capacity building of its membership. Over the past five years, the Fund has made a major contribution to this work. Building on the original aim of the Fund, which was to provide flexible, un-earmarked funding to support quality capacity building programmes, it has allocated nearly CHF 11.6 million to support a range of programmes in over 100 societies.

In 2005, the CBF faced significant challenges to maintain a steady funding base. In the current environment, many donors are seeking greater ear-marking in their funding support and this throws up many challenges for the management of the Fund. Also, as the Fund has moved towards providing more “multi-year support” to national society recipients it is challenged by the difficulties in finding multi-year funding into the Fund in return. We are grateful for the continuing support of our key donors to the Fund (the governments and national societies of Britain, Canada, Finland, Norway and Sweden). A key challenge for the 2006 will be to develop creative new ways to secure long-term donors to the Fund. Part of that challenge will also be to assess the added value and sustainability of the Fund. To that end, a substantial external review of the Fund is now underway. The analysis and recommendations of this review will help inform the effective management of the Fund in 2006.

The review will include a chronology of the main milestones experienced by the fund over the past 5 years and will provide an independent subjective assessment of the Capacity Building Fund’s added value to date, and an indication of what added value it could offer (or not) in the future, particularly in relation to other existing funding mechanisms. It will also assess the criteria and working modalities of the Fund used to date, with accompanying lessons learned and recommendations regarding the procedures and resources required to manage the CBF effectively in the future. Finally, it will provide a set of actionable recommendations related to the sustainability of the Fund and, in contact with current and potential donors, a description of the potential level of funding the Fund should have (or not) in the coming three to five years. It is anticipated that the review will make concrete recommendations to improve the impact and effective targeting of the Fund. The information below and the amount of the appeal itself may therefore be reviewed and updated to reflect the recommendations of the review.

Background and achievements/lessons to date

Building on lessons from the past, the CBF ran an early round of multi-year funding to ensure that national societies received decisions on funding early in the year to be able to better plan their programmes. In early January, over 35 societies received CHF 2.1 million in grants for selected organisational development and capacity building programmes. These decisions were made in consultation with regional OD counterparts, delegations and

in many cases with the national societies who are central to the process. 2005 saw the continuation of the Fund to commit to fund more “multi-year” grants. Over previous years, one of the key learning’s was the need to move from annual, unpredictable support towards more predictable support for longer-term planned development programmes. This is now seen as an important attribute of the Fund amongst regional teams and national societies.

As a result, in 2005, most of the funding went to support ongoing development programmes in a number of target national societies from across the regions (although we would welcome more applications from Africa and MENA). For example in:

- Africa, Angola Red Cross received a second grant to support steps to rejuvenate governance processes at local and national levels and to improve financial management, while South Africa Red Cross Society received further support to consolidate their communications and fundraising capacity.
- The Americas, Brazil Red Cross received support to continue to rebuild the governance, image and planning capacity of the national society, while the English-speaking Caribbean Societies received a second year of funding to support an organizational development network that is trying to find different ways to help the smaller societies of the region.
- Asia Pacific, ongoing support was provided to Afghanistan, East Timor, Mongolia and Papua New Guinea Red Cross Societies to address longer-term issues around branch and volunteer development
- Europe, ongoing change processes in Latvia and Polish Red Cross received second year funding to help them adjust to a changing environment or internal crisis
- MENA, although fewer applications were received, ongoing support was provided to Yemen and Iranian Red Crescent Societies to help their communications networks with branches and to support gender mainstreaming respectively.

However, it is also important that the Fund monitors for dependency on its grants and is still open to new national societies. In 2005, the CBF saw two national societies completing their multi-year funding support as planned. Romania Red Cross has used CBF funding to support a planned organisational development process and after two years is now moving towards a more self-sustaining funding base. The national society has brought about many important improvements in governance, management, particularly financial and human resource management, some of which have been supported by the Fund. At the same time, a number of new societies received support for the first time. These included the national societies in Rwanda, Honduras, Panama, Fiji, and Uzbekistan. It is important that the Fund can continue to support the planned development work of these new societies.

Planned work to use the CBF as a channel to support the capturing of lessons learning and knowledge sharing around organisational development and capacity building was delayed due to pressure on resources. A first step was taken during a “lesson learning” workshop in Kuala Lumpur in December 2004 and there has been ongoing work in the Asia Pacific region to improve the capturing of lessons and impact amongst the recipient national societies of the Fund. It is hoped to complete two case studies in the region before the end of 2005.

Goal: To support national societies to build relevant and 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:

It should be reiterated that there will be a review of the CBF in December 2005. The review is looking at the added value and impact of the Fund, its working modalities and its sustainability in relation to its funding base. It will look at these issues in relation to its three main stakeholder groups – recipient national societies, donors and the Federation Secretariat. It is anticipated that the review will make concrete recommendations to improve the impact and effective targeting of the Fund. The information below may therefore be reviewed and updated to reflect the recommendations of the review.

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. This will allow for the continuation of planned support to existing multi-year programmes where those national societies have complied with the reporting requirements and have shown progress against the programme’s objectives, expected results and budget. There are around 27 programmes eligible for continued support in

2006. New multi-year allocations will be committed from 2006 according to the funding available to enable new societies to benefit from predictable, longer-term capacity building support;

- Y resources permitting, a small group of national societies will also have benefited from access to small grants for innovative or timely, short-term interventions, particularly in the area of organizational development. This funding will have been accessed as required to respond to specific crises, such as to address leadership issues or integrity crises and will be agreed by the CBF Committee on a regular basis;
- 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 technical and regional departments to improve monitoring, reporting and evaluation of these funded programmes;
- CBF grants will be in line with other Federation and Movement capacity building support towards a given national society to optimize the impact of the overall support. Steps taken to improve consultation with the ICRC when planning these allocations will be continued. The CBF Committee will also have ensured contact with other stakeholders, including donor national societies, will also be included when making the funding allocations to optimize funding and avoid duplication;
- learning from the previous years will have been documented in the review of the Fund and will be used to improve its management and functioning in 2006 and beyond.

Greater impact for national societies:

- selection and monitoring process for the Fund will be further amended to ensure national societies are at the centre of any applications to the Fund and fully engaged in subsequent implementation, monitoring and reporting in relation to the funded programmes;
- CBF funding will be focused on helping national societies to address key priorities in organizational development, both as identified in their own national strategic plans and as identified by the governing board of the International Federation (leadership, volunteering and financial / resource development). CBF grants will also be coherent with identified regional priorities and strategies as outlined in the regional declarations, plans of action and other relevant regional strategies / priorities;
- particular emphasis will also have been given to funding national societies as national or regional centres of excellence or to supporting peer support exchanges or networks.

Improved sustainability for a multi-year, unearmarked fund:

- Y a strategy will be drawn up informed by the findings of the CBF review, to identify new and sustainable donors for the Fund. This will include approaches to Movement and non-Movement actors. This will be agreed and implemented in cooperation with the Federation Secretariat's External Relations Department;
- Y advocacy and improved communications will be carried out with both existing and new donors to improve understanding of the aims and workings of a flexible, multi-year Fund. This will include production of a marketing document to promote the Fund within and outside the Federation, sharing of information on the functioning and impact of the Fund and visits to key donors to promote good understanding of the work of the Fund strategy.

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

- five case studies will have been drawn up on CBF-funded programmes – one per region. These studies will aim to capture and share key learning and good practice across the Federation including effective measurement of progress. They will be shared through the Federation's web site;
- a minimum of three field monitoring visits 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 in other Federation and donor fora;
- 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 Organizational Development appeal.
- Programme appeals / funding plans for the relevant countries supported by the Fund.

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