

Mid-Year report



Capacity building fund (CBF)

Appeal No. MAA00011

2 September 2010

This report covers the period 1 January to 30 June 2010.



First aid volunteers standing by at a recent public event, Seychelles Red Cross Society (2009). IFRC

In brief

Programme outcome: In facilitating the implementation of Strategy 2020, a core focus is on building strong National Societies. This is fundamental to enabling sustainable service delivery in meeting the needs of vulnerable people. CBF is a multi-year organizational development (OD) funding mechanism which makes Federation members strong in order to scale up services and programme delivery, through financing priority OD and National Society capacity-building activities that do not manage to attract adequate funding.

Programme(s) summary: The Capacity building fund provided the following support during the reporting period:

- Intensified capacity building (ICB): Three additional National Societies received financial support for the implementation of their ICB plan (China, Yemen and Colombia.). In total 12 National Societies are implementing an ICB plan over three years.
- Specific OD support: Four new grants for specific development initiatives went to three National Societies (Peru, Belarus, Moldova and Nicaragua) that did not receive ICB support. This brings the total to 13 National Societies currently benefitting from SOS support.
- Urgent OD intervention: one grant was allocated.

Seven reports on grants were received during the reporting period (see annex), three of which were already summed-up in the previous report.

Financial situation: The total 2010 budget is CHF 5,381,077 of which CHF 861,129 (16 per cent) covered by contributions received during the reporting period. Overall expenditure during the reporting period was CHF 467,836 (9 per cent of the budget).

At the end of June, 75 per cent of the fund's closing balance (CHF 5,820,816 excluding ongoing projects) was already earmarked for future expenses and grants to which the CBF is committed

or is expecting (multi-year projects approved between 2007 and 2010, National Societies still in a selection process, annual management costs and three-year review costs). In view of the requirement to keep a minimum balance of CHF 1 million in the fund at all times, this means that less than CHF 0.5 million is available for new grants.

July 2010 Fund Balance	CHF5,820,816
2010 committed and planned grants	CHF1,668,009
2011 committed and planned grants	CHF1,523,120
2012 committed and planned grants	CHF745,500
Other planned expenses (management, 3 year reviews)	CHF429,746
Total committed and planned expenditures	CHF4,366,375
All times reserve:	CHF1,000,000
Amount available for future grants distribution:	CHF454,441

A detailed table of committed and planned expenses is available upon request.

On 1 July 2009, the CBF committee (see the “Working in partnership” section below) considered the financial situation of the fund and decided that it would not take new commitments that it was not able to financially support. Following this decision, the launch of the ICB 4th round is postponed until the amount available for future grants distribution reaches at least 1.8 million Swiss francs. The immediate amount needed to launch the next round of ICB and Specific OD Support during the last quarter of 2010 is CHF 2.8 million.

[Click here to go directly to the attached financial report.](#)

See also:

[CBF Plan 2010-2011](#)

[Organizational development support Plan 2010-2011](#)

[Supporting National Society development mid-year report 2010](#)

No. of people we have reached: Eight new National Societies have been benefiting from the support of the CBF in the first half of 2010. All together, 41 National Societies have been implementing OD activities with the support from the CBF during the reporting period (including 16 National Societies from the Caribbean region through a regional volunteering development project).

Our partners

- The current support provided by the CBF to National Societies is possible thanks to the valuable contributions from the British Department for International Development, American Red Cross and the governments and National Societies of Sweden, and Finland.
- National Society partners with a contribution above 250,000 Swiss francs per year were given the ability to propose an OD expert practitioner in the CBF’s expert advisory panel. Other partners who provided an OD expert in the CBF’s expert advisory panel were the National Societies of Jamaica, Kazakhstan, Nepal and Norway. See the “Working in partnership” section.
- In 2010, the secretariat, with the support of the American Red Cross, pursued the preparatory work for a study on the initial impact of ICB and other OD and capacity-building initiatives towards programme sustainability and community development.

Context

Over the years, the International Federation of Red Cross and Red Crescent Societies (IFRC) has provided OD and capacity building support to National Societies, mostly targeting individual programmes, and trying to reach as many of them as possible with limited resources. Although successful, this has often times not made National Societies stronger in the long term.

The decision of IFRC's Governing Board, at their 2007 meeting in Addis Ababa to upgrade the CBF, was followed by the taking up of significant measures to utilize the fund more effectively¹, towards a more strategic approach to OD support to National Societies. In addition, measures were taken to improve the fund's management as per recommendations of the external review published in 2006.

The Capacity building fund offers the following types of support:

- **Intensified capacity building:** This is the secretariat's main National Society development strategy. Its aim is to enable National Societies to strengthen their capacity for sustainable service delivery to vulnerable people countrywide, through self-commitment, ownership and a tailor-made and holistic approach to National Society development. More specifically, focus is on building organizational capabilities needed to scale up countrywide service delivery. Assistance is provided through three-and-a-half year rounds. For more information, see the "Contributing to longer-term impact" section below.
- **Specific OD support:** Addresses specific development initiatives, particularly for National Societies that are not receiving ICB support. Assistance is provided through zone offices for targeted OD activities, limited in range, time and budget. The zone offices and OD delegates in the field work with staff of National Societies to facilitate the building of capacities for programme and organizational sustainability.

Urgent OD interventions: IFRC makes available special, one-off small-scale and rapid response funding and technical support to help address organizational challenges, such as integrity cases, faced by National Societies. Urgent OD interventions have fast-track application procedures, and result in small disbursements of cash from the CBF, which are used by zone offices as start up capital, until the IFRC develops a plan of action to handle the specific case.

Progress towards outcomes

Outcomes

- *Intensified Capacity Building* support is provided to 60 National Societies. Fifty to 65 per cent of the fund's resources are allocated to ICB.
- *Specific OD support* is provided through zone offices to 20 National Societies who do not receive ICB support, and do not have the adequate funding for the targeted transformation needed.
- When needed, *Urgent OD interventions* by zone offices to National Societies are possible with the necessary funding available under short notice through a fast-track application procedure.
- Fifty per cent of the fund's resources go to Africa.

Achievements

- **Intensified Capacity Building support**
During the reporting period, three additional National Societies received financial support from the CBF:
 - ICB 1st round: China
 - ICB 2nd round: Yemen and Colombia.

¹ See 2006-2007 report: http://www.ifrc.org/cgi/pdf_appeals.pl?annual06/MAA00011r0607.pdf

Overall, 29 National Societies (the National Societies of Benin, China, Comoros, El Salvador, The Former Yugoslav Republic of Macedonia, Morocco, Yemen, Zambia, Belarus, Brazil, Colombia, Kiribati, Malawi, Moldova, Namibia, Seychelles, Tajikistan, Cambodia, Central African Republic, Democratic Republic of the Congo, Ethiopia, Kyrgyzstan, Mongolia, Montenegro, Philippines, Liberia, Uzbekistan, Ghana and Burundi) have so far been benefiting from technical and financial support to prepare ICB development plans, as well as received recommendations and advice to improve them. This represents 48 per cent of the three-year target fixed by the Governing Board in 2007. The delay is due to the lack of contributions to the CBF (see Constraints or Challenges).

Among these:

- Two ICB pilot projects of the Ghana and the Burundi Red Cross Societies have reached the third year of implementation, and already show significant impact and learning (see CBF report 2009).
 - Twelve were selected for full support (National Societies of Liberia, China, El Salvador, The Former Yugoslav Republic of Macedonia, Yemen, Colombia, Kiribati, Namibia, Seychelles, Central African Republic, Montenegro and the Philippines), and benefit from technical and financial support for the implementation of the ICB plan over three years.
 - Three are still working on their ICB plan or awaiting a final decision - the National Societies of the Democratic Republic of the Congo, Kyrgyzstan and Mongolia).
- **Specific OD support:**
Four National Societies have benefited from new grants for specific OD support in the reporting period (Moldova, Peru, Belarus and Nicaragua).
 - **Urgent OD interventions:**
 - One zone office benefited from a grant to solve an urgent OD situation faced by a National Society.

Constraints or Challenges

- **Fundraising**
At its meeting in Addis Ababa in 2007, the Governing Board strongly urged National Societies to make financial contributions to the CBF. Since then, two new donors have made contributions, one in 2008 and the other to finance a study on ICB and other organisational development and capacity building initiatives (see Working in partnership). In addition, two traditional partners increased their annual contribution. Considering the situation of the fund (see In brief), the CBF committee decided in July 2009 that it would not take new decisions on allocations until there are sufficient funds to support new capacity-building initiatives. The funding needed is CHF 5.38 million of which 16 per cent has been covered so far. The immediate amount needed to launch the next round of ICB and Specific OD Support during the last quarter of 2010 is CHF 2.8 million.
- **Fund management**
The CBF is managed by a fund manager at the secretariat since July 2007. Among various improvements, this has allowed the upgrade of the fund and the testing and launching of the Intensified Capacity Building modality. In addition, the position covers the management of the Empress Shōken fund and involves acting as the secretary of its joint ICRC and Federation commission. The number of grants managed is increasing significantly, and so is the budget. At a time when fundraising for the CBF is of crucial importance, the CBF manager needs to spend a significant amount of time on the grants and fund administration and other files of the National Society development department. Increasingly, emphasis will be placed on programme and impact monitoring, knowledge capturing, analysis and sharing, developing OD strategies and tools and heightening communications and fundraising, as well as increasing networking and relationships with partners. The CBF team is reduced to 1.5 staff: the CBF manager and a 50 per cent assistant (financed by the Empress Shōken Fund). This is not sufficient as both are not

100 per cent dedicated to the CBF management. The secretariat set-up for the organizational development department is being looked into in order to maximize human resource support to meet the priorities and targets of the CBF and overall support to building strong National Societies as reflected in Strategy 2020.

The following steps have been taken in the interim to overcome these challenges:

- Further human resources will be considered in 2010-2011.
- The initial successes and learning of the global OD pilots in Burundi and Ghana, and the ICB in China and The Former Yugoslav Republic of Macedonia are starting to raise the interest of current and potential partners. They will be further communicated.

A study on the initial impacts of the ICB strategy and other OD and capacity-building modalities will be conducted and communicated to current and potential partners (see under “Working in partnership”). There are 30 National Societies involved in the study. The outcomes and recommendations of the study will enhance National Society development focussing on long-term programme and organizational sustainability. The outcomes and recommended actions will be shared widely.

Working in partnership

The current support provided by the CBF to National Societies is possible thanks to valuable contributions from the governments and National Societies of Britain, Sweden, Finland and Netherlands.

To further increase its quality and accountability, the fund is guided by the CBF committee on behalf of IFRC’s Secretary General. The committee temporarily consists of the under secretary general for National Society and Knowledge development, the head of the organizational development department and the CBF manager as secretary. It will be reorganized as per the new management structure that is in place since 1 July 2010.

An expert advisory panel was established in 2008 to support the CBF committee and the OD department. The expert advisory panel provides the CBF committee with expert, objective technical advice on the fund allocation decisions. It ensures stakeholders engagement, professionalizes the CBF selection process, and provides objective and technically sound assessment of development plans. The members are appointed by IFRC’s Secretary General and are currently as follows: Director for OD and support at the Norwegian Red Cross, Vice-President of the Kazakh Red Crescent Society, Secretary General of the Nepal Red Cross Society, and Deputy Secretary General of the Swedish Red Cross. The panel kept in contact through e-mail in 2010 to review an ICB plan that had been re-worked.

IFRC, in partnership with the American Red Cross, is undertaking an eight-month study to identify the conditions, elements and inputs that lead to the development of strong National Society capacities. A substantial part of this study is based on an assessment of the impact and effectiveness of the ICB programme on National Society strengthening and sustainable community development, as well as key lessons related to successful OD and capacity building from the assessment of a sample of National Societies from various geographic regions. The study will be part of the 2010 review of the upgraded CBF, as requested by the Governing Board, and will overall benefit all elements of the Red Cross Red Crescent Movement committed to building strong National Societies.

Contributing to longer-term impact

- The CBF aims at improving the use of resources and increasing the long-term impact and sustainability of National Society development. Priority is given to organizational change processes to create or strengthen a National Society’s ability to deliver sustainable services

at the community or country level, with resources mobilized locally and limited dependency on foreign funding.

- The National Society development knowledge, generated through the CBF and particularly through the ICB, is collected, analyzed, discussed and shared with zone OD staff and partners. It also feeds in the development of global model approaches, principles and strategies for sustainable National Society development. It is expected not only to help individual National Societies greatly improve and expand their organization and work, but also to inspire and encourage further development in a growing number of National Societies, through knowledge sharing and the dissemination of success stories.

Looking ahead

In 2010 to 2012, the CBF will place priority on communications and knowledge generation and sharing. It aims to provide support to over 80 National Societies ongoing development processes through its three modalities:

- ICB - Sixty National Societies will receive financial and technical support for their internal development process. In addition, the Burundi and Ghana Red Cross Societies will complete their OD pilot projects under the umbrella title “Mobilizing the local capacity of Africa”.
- Specific OD support - Financial support will be granted to specific OD activities by 20 National Societies who are not selected for ICB support, as well as those with specific OD intervention needs.
- Urgent OD intervention - A reserve will be made available for the zones to facilitate urgent OD situations faced by National Societies as needed.

How we work	
<p><i>All Federation assistance seeks to adhere to the Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organizations (NGO's) in Disaster Relief and is committed to the Humanitarian Charter and Minimum Standards in Disaster Response (Sphere) in delivering assistance to the most vulnerable.</i></p>	
<p>The IFRC's vision is to:</p> <p>Inspire, encourage, facilitate and promote at all times all forms of humanitarian activities by National Societies, with a view to preventing and alleviating human suffering, and thereby contributing to the maintenance and promotion of human dignity and peace in the world.</p>	<p>The IFRC's work is guided by Strategy 2020 which puts forward three strategic aims:</p> <ol style="list-style-type: none"> 1. Save lives, protect livelihoods, and strengthen recovery from disaster and crises. 2. Enable healthy and safe living. 3. Promote social inclusion and a culture of non-violence and peace.
Contact information	
<p>For further information specifically related to this report, please contact:</p> <ul style="list-style-type: none"> • At the secretariat in Geneva: Jean-Etienne Brodier, Senior Officer, Funds Management; email: je.brodier@ifrc.org; phone; +41 22 730 4339; and fax +41 22 733 0395. • At the secretariat in Geneva: Geri Lau, Head, National Society development department; email: geri.lau@ifrc.org; phone; +41 22 730 4335; and fax +41 22 733 0395. 	

Annex

Updates on CBF funded development initiative (Extracts from reports received during the reporting period)

ICB – Namibia Red Cross Society – year 1 of 3 “Towards sustainable National Society development”

The Namibia Red Cross Society (NRCS) is one of the young societies in Southern Africa. It has no sustainable programme that it could claim as its own. Its current programmes are heavily determined by external funding support. Some other significant challenges for the NRCS are situated in its branch management structure and local governance. The NRCS ICB plan is addressing these strategic issues leading *towards a sustainable National Society development*. It focuses on:

1. Developing community-based health and first aid (CBHFA) as the core programme of NRCS by building on the existing HIV/AIDS programme.
2. Establishing local governance structures in four branches (*Caprivi, Oshikoto, Khomas and Otjozondjupa*).
3. Developing a training design for the newly-ushered leaders to ensure clear understanding of their roles and responsibilities in branch development.
4. Strengthening the human resources of the Namibia Red Cross Society by significantly increasing the number of members and volunteers, improving volunteer management, and enhancing staff capacity. This includes establishing youth structures and programmes in two branches (*Khomas, Oshikoto*)
5. Reviewing and/or developing supportive policies and guidelines to create an enabling environment for the first three strategies.

After a year of implementation, NRCS has already come out stronger with CBHFA being implemented as its own core programme in two of the regions in the ICB focus. CBHFA was introduced to regional leaders during branch development workshops to be undertaken in their action plans. Through a process of training of trainers in branch development, workshops in volunteer management and CBHFA training, the process is being cascaded down to the branches. Branches in Caprivi and Otjozondjupa regions now have functional and trained local governance structures and community services are delivered. The increase in volunteers/members is not yet evident as many have left with the closure of other programmes, but the number of local branches (the units at the lowest level of the organizational pyramid) has increased i.e. six committees in the Caprivi region and six in the Otjozondjupa region.

ICB – Salvadorean Red Cross Society – year 1 of 3 “Reducing vulnerability through local capacity building”

In 2009, the Salvadorean Red Cross Society (SRC) embarked on the challenge of fulfilling its mission to assist and protect the most vulnerable by working with the community and generating a new public perception as an organization that does much more than provide pre-hospital care. The first step in the project was to strengthen the departmental branches, by training their volunteers, who could then pass on the knowledge acquired to target communities. Once they were trained, it is the job of these volunteers to strengthen the capacities of the communities, by promoting development and reducing risks, with the formulation of micro-projects by the community volunteers themselves through a process of vulnerability and capacity assessment (VCA). The opportunities provided by the project have greatly motivated the departmental branches involved in the various stages of the project and, in some cases progress has already been made towards fulfilling the results and indicators. One of the project's strengths is that it has promoted partnerships with social actors in the areas covered by each of the departmental branches, including institutions and organizations such as the Ministry of Education (universities, colleges and schools), Ministry of the

Interior, mayor's offices, civilian police forces, Ministry of Public Health and Social Welfare and other organizations in a position to assist our communities.

ICB – Red Cross of Montenegro – year 2 of 3 “With Development towards the Goal”

The ICB plan of the Red Cross of Montenegro is targeted towards the development of material and technical capacities and the human resources at all levels of the organization. Quality and efficiency of the services provided to the people reached will be improved by the increased networking of relevant stakeholders, partners and beneficiaries in the work of Red Cross at all levels. According to the findings from numerous analyses that preceded the creation of ICB plan, the following core areas for improvement 2009–2011 are:

1. Improvement of strategic governing and management
2. Development of human resources
3. Fundraising
4. Communication improvement

The first six months focused primarily on decision making and planning, with the involvement of the complete managing and governing leadership, advisory bodies and committees, headquarters and branches. A committee was in charge of evaluating the implementation of the strategy 2006-2010 to provide the basis for an assessment. The new strategy was developed and adopted between January and June 2010 with the support from an external consultant from a domestic center for development of non-governmental organizations. The process of creation of a human resource policy started in May 2010. It will be addressing the recruitment processes, employment policy, capacity building, and assessment of working results, motivation and the promotion of staff. The policy was due to be submitted to the Governing Board of the Red Cross of Montenegro assembly in June. A web designer was hired to redesign and maintain the internet presentation of the National Society so that it better shows current activities and the specifics of individual programmes. News is now regularly updated and the web site includes modern tools such as videos. It was noted that an increased number of volunteers are approaching the National Society following the redesign of the website (NDLA: the data was not yet provided to the CBF). In addition, leaflets (200 pieces per programme) for the voluntary blood donation and first aid programme were designed and printed, and are now distributed to the local Red Cross branches for distribution to new volunteers. A quarterly bulletin was also developed and printed in order to inform stakeholders about activities and programme highlights. It is distributed to media, partners, organizations and institutions as well as sister National Societies.

SOS – Armenia Red Cross Society (ARCS) “Red Cross for you and you for the Red Cross”

The “Red Cross for You and You for the Red Cross” programme aimed at setting up a communication system and mechanism for reporting at all levels of the society, leading to a higher profile of the National Society amongst the general population. The implementation of the programme, especially the image raising and fund raising activities through billboards and charity boxes, fund raising campaigns, advertisements, sms campaigns, talk shows, radio and TV broadcasts and use of public relation materials, contributed to the dissemination of the ARCS work creating visibility among the public (an estimated 300,000 people were reached) and providing a better image of its work. This resulted in a more effective cooperation between the ARCS, the communities and the different structures (private and governmental).

New partnerships and communication channels were formed between the ARCS and a number of local and international businesses, corporations, governmental and non-governmental organizations, communities and mass media. This resulted in a greater in-country fund raising capacity allowing the society to be able to fund more of its domestic activities, and to extend its programmes to cover more people in need. One of the major achievements was the signing of a memorandum of understanding with a leading private sector mobile-phone network provider on

continuous cooperation. The cooperation agreement has enabled the National Society to implement a large-scale advertising and information campaign, including the use of billboards and SMS campaigns. Further successful partnerships have also been formed with Zvartnots International Airports, Antares Printing, Nikita Mobile and the Marriot Hotel. Agreements with Ashtarak Kat and HSBC Bank are also in the negotiation progress. In total about 1,960,000 Armenian dram (AMD) (about 5,300 US dollars) was raised, including 2,000 US dollars for Haiti by the ARCS. The ability to raise this money represents a major achievement for the ARCS, and will contribute to the long-term goal of reducing dependence on external sources of funding.

The capacity of the ARCS also increased in terms of human resources, particularly volunteers from headquarters as well as regional/territorial branches through organizing skills development courses such as article writing, photography, survey skills, fundraising, and leadership skills.