

CAPACITY BUILDING FUND

***29 December
2000***

appeal no. 01.70/2000

situation report no. 1

period covered: January - December 2000

The context

The Capacity Building Fund (CBF) was established in May 2000. Its goal is to enable the Federation Secretariat to support innovation in National Society capacity building through assistance with new programme design and the financing of priority planned programmes that do not attract adequate earmarked funding from donors.

The CBF's origins stem from the Development Fund which was established in 1990 to provide small grants for development projects. However, the results of two evaluations carried out in the second half of the 1990s noted that the small size of the grants limited the capacity building impact of the assistance provided. Thus the recommended approach was to attract larger non-earmarked contributions from National Societies, governments and other potential donors on an annual basis. Grants would be allocated for larger and longer-term capacity building programmes based on the Federation's country and regional assistance strategies.

With the Development Fund evaluation recommendations supported by the Federation's Development Commission and the Tripartite group of National Society and government donors, the Federation's Governing Board established the new Capacity Building Fund in May 2000. This replaced the former Development and Youth Funds, which had a combined capital sum of CHF 1.5 million. The Youth Fund had been amalgamated with the Development Fund in 1997 as it was not able to attract sufficient funding to operate independently in pursuit of its aim to finance Red Cross/Red Crescent youth projects.

Red Cross/Red Crescent action

The first six months of the year were used to prepare the start up of the CBF. The first priority was to assure adequate financial support for the new Fund. An initial target of CHF 2 million to be raised in 2000 had been set in the Appeal 2000-2001. Building on contacts and discussions within the Tripartite Advisory Group (see below), sufficient resources had been secured by mid-year to allow the effective launch of the Fund. Another important element was for the CBF to be formally established by the Federation's Governing Board. At its meeting in May 2000, the Board welcomed this new initiative and agreed on the creation of the Fund based on the proposal submitted by the Secretariat. It

urged National Societies to mobilise resources in order to make the Fund an important instrument in strengthening National Societies.

In order to develop the CBF in a sound and transparent manner, the Federation's secretary general has asked the Tripartite Advisory Group (TAG) to advise and guide him on the management and resource mobilisation strategy of the Fund. This group, which brings together NS and government representatives from Britain, Canada, Finland and Sweden, has been overseeing the Tripartite pilot project since 1997. It is hoped that the composition of the group may be expanded in the future.

During the second half of the year, the CBF became operational. A CBF committee, comprising senior-level Federation Secretariat staff, was established by the secretary general to review and select programmes for funding. The rules for the CBF adopted by the Governing Board specify that eligible programmes must be for National Societies in poorer countries that have demonstrated commitment to internal change and development. Furthermore, programmes must either be part of a planned country or regional assistance strategy or to support new initiatives in capacity building. Particular attention will be given to capacity building programmes that have not received adequate funding through normal channels from participating National Societies or other donors.

In November, the first allocation of funding was made by the committee. 22 capacity building proposals were submitted and nine programmes were selected for a total of CHF 752,350. These have been carefully selected to ensure that the above criteria were met. Three of the programmes will benefit certain Societies in the North Africa and Middle East regions which have traditionally not received significant amounts of external development-oriented assistance. They focus on helping these Societies strengthen their strategic and programme planning capacity, as well as carrying out leadership training courses. The emphasis of the programmes supported in other regions is primarily on strengthening branch development and community mobilisation work, whilst the programme in the Central Americas region focuses specifically on helping improve Societies' public information and communications capacity. The list of programmes supported is as follows:

- Rwanda Red Cross HIV/AIDS awareness programme;
- Cuba Red Cross branch development programme;
- Central American national societies communications capacity building programme (Panama, Nicaragua, Costa Rica and Mexico);
- Sri Lanka Red Cross human resource and branch development programme;
- Caucasus national societies regional networking on best practices in capacity building (Armenia, Azerbaijan, Georgia);
- North Africa regional capacity building programme (Morocco, Algeria, Tunisia, Libya, Egypt);
- Middle East and North Africa national societies leadership training programme;
- Yemen Red Crescent community development and disaster preparedness programme;
- Polio eradication global programme.

Most of the above programmes have been planned to continue for two to three years. The initial funding commitments from the CBF are for one year at this stage. However, each programme will be carefully monitored and, provided satisfactory progress is made, funding will be provided for their continuation.

It is recognised that the ability to manage the CBF effectively and report on the impact of programmes supported will be key to building the confidence of donors to sustain the Fund in the coming years. Regular half yearly reports will be shared with donors to the CBF on the programmes supported by the Fund. Particular attention will be paid to looking at progress achieved against the stated expected results and at problems encountered. It is planned to use this reporting system not only for donor reporting but also as a tool to be used by the National Societies and delegations in order to draw out broader lessons on capacity building.

Presentations on the progress of the CBF were made to the November meeting of the Federation's Governing Board and to the TAG in early December. At the TAG meeting several members stressed the need for a broader strategic framework for the CBF and that greater clarity was needed in the criteria used to select programmes for funding. It was agreed that the Secretariat would work on these issues in the coming months. These would be reviewed at the next meeting of the TAG in the first half of 2001, by which time the first programme reports would be available for analysis and discussion.

Contributions

See Annex 1 for details.

Conclusion

The CBF has been successfully launched with the first grant allocations being made to support nine programmes with a total of CHF 752,350. Future situation reports will give information on the progress of each of these programmes and provide analysis of the lessons being learnt.

It is intended that the size of the Fund will be progressively built up over the coming years. The target set for 2001 is CHF 4 million. The active involvement of National Society and government representatives in the TAG will continue to be important in guiding the evolution and future strategic direction of the Fund.

Peter Rees-Gildea
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Capacity building fund						ANNEX 1
APPEAL No. 01.70/2000		PLEDGES RECEIVED				12/29/00
DONOR	CATEGORY	QUANTITY	UNIT	VALUE CHF	DATE	COMMENT
CASH						
REQUESTED IN APPEAL CHF ----->				2,000,000		TOTAL COVERAGE 187.7%
Balance carried forward from 1999				1,527,331		
AUSTRIAN - RC				50,000	27.09.00	
BRITISH GOVT/DFID				600,000	11.02.00	
CANADA - GOVT/RC		1,000,000	CAD	1,140,500	10.03.00	
FINNISH - GOVT		1,000,000	FIM	256,000	26.06.00	
ICELANDIC - RC		1,500,000	ISK	30,410	18.12.00	
INTERESTS				23,540	30.03.00	
SWEDISH - RC		674,000	SEK	126,510	21.07.00	
SUB/TOTAL RECEIVED IN CASH				3,754,291	CHF	187.7%
KIND AND SERVICES (INCLUDING PERSONNEL)						
DONOR	CATEGORY	QUANTITY	UNIT	VALUE CHF	DATE	COMMENT
SUB/TOTAL RECEIVED IN KIND/SERVICES				0	CHF	0.0%
ADDITIONAL TO APPEAL BUDGET						
DONOR	CATEGORY	QUANTITY	UNIT	VALUE CHF	DATE	COMMENT
SUB/TOTAL RECEIVED				0	CHF	
THE FOLLOWING PROJECTS ARE LINKED TO THIS APPEAL:						
P30001						