

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

May, 2001

This Annual Report is intended for reporting on the Federation's Annual Appeals only.

Appeal No. 01.70/2000

Appeal Target: CHF 2,000,000

The Context

The Capacity Building Fund (CBF) was established in May 2000. Its goal is to enable the Secretariat of the International Federation 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 origins of the CBF stem from the Development Fund which was established in 1990 to provide small grants for development projects. However, evaluations of the Development Fund 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 by it. Thus the recommended approach was to seek 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 recommendations from the Development Fund evaluation 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 was merged with the Development Fund in 1997 as it was not able to attract sufficient funding in pursuit of its aim to finance Red Cross/Red Crescent youth projects.

Objectives, Achievements and Constraints

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 two million to be raised in 2000 was set in the Appeal 2000-2001. Building on contacts and discussions within the Tripartite Advisory Group (TAG), sufficient resources were 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 donor national societies to

mobilize resources in order to make the fund an important instrument in strengthening national societies in need of capacity building support.

In order to develop the CBF in a sound and transparent manner, the Federation's secretary general asked the TAG to advise and guide him on the management and resource mobilization strategy of the fund. Since 1997 this group, which brings together national societies and governmental representatives from Britain, Canada, Finland and Sweden, has been helping shape the Federation's approach to national society capacity building and overseeing the implementation of a special tripartite pilot project. It is hoped that the composition of the TAG may be expanded in the future as its role evolves.

During the second half of the year, the CBF became operational. A CBF committee, comprising senior-level staff from the Federation's Secretariat, 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 intended to support new initiatives in capacity building. Particular attention should be given to capacity building programmes in countries 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 752,500. These were carefully selected to ensure that the above criteria were met. Three of the programmes benefit societies in the regions of North Africa and the Middle East which have traditionally not received significant amounts of external development-oriented assistance. They focus on helping these national societies strengthen their strategic and programme planning capacities, as well as carrying out leadership training courses. The focus of the programmes supported in other regions is primarily on strengthening branch development and community mobilization activities, with a particular emphasis on human resource development. The programmes in the Central American and Caucasus regions focus on helping national societies improve and on sharing best practices among themselves in different aspects of capacity building, including image building and communications. The list of programmes supported is as follows:

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

Most of the above programmes were 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 recognized 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. Particular attention will be paid to looking at progress achieved against the stated expected results and at the problems encountered. It is planned to use this reporting system not only for accountability to donors 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 at 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.

Conclusions

The Capacity Building Fund was successfully launched in 2000, with adequate start-up funding mobilized and the first grant allocations made to support nine programmes. Future situation reports will give information on the progress of each of these programmes and provide analysis of the lessons being learned. It is planned that the size of the fund will be progressively built up over the coming years. The target set for 2001 is CHF four million.

The most important challenge, however, is to find mechanisms to draw out the learning from the programmes supported by the CBF to guide the future direction of capacity building within the Federation at large. The active involvement of national society and governmental representatives in the Tripartite Advisory Group will be important in helping shape this process.

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All International Federation Operations seek to adhere to the Code of Conduct and are committed to the Humanitarian Charter and Minimum Standards in Disaster Response (SPHERE Project) in delivering assistance to the most vulnerable.

For further information concerning Federation operations in this or other countries, please access the Federation website at <http://www.ifrc.org>.

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Annual Financial Reports 2000

- Explanatory Note -

1. Consolidated Response to the Appeal

- This report provides a global picture on the funding situation of a specific appeal at a specific time.
- The cash column indicates all cash contributions channelled through the Federation, together with the balance carried forward from the previous year. Financial statements in support of the reported income are available upon request.
- The in-kind contributions (goods and services provided in response to the appeal objectives) are registered in a stand-alone system, based on the information provided by the respective donor. The values of these donations are based on information received from donors, and will be reported as such in the income and expenditure part of the consolidated report.
- Direct cash or in kind contributions made to Operating National Societies or in kind donations made to the Federation Delegations in response to the appeal are recorded as in-kind contributions in the report.

2. Balance of Funds - Cash Only

This report is a summary cash statement, providing the information on the balance carried forward from the previous year, cash income (including reallocations), cash expenditure (including reallocations - ref. part III of the consolidated report), and the closing balance at the end of the year.

3. Budget Analysis / Breakdown of Expenditures

This section of the report provides a comparative analysis of the total expenditures (cash and in-kind) versus the last approved budget of the appeal.

- The cash column reports on all expenditures booked against the Federation projects and cost centres . It relates only to the use of cash contributions received by the Secretariat for the specific appeal. Financial statements in support of the reported expenditure are available upon request.
- The in-kind columns (goods/services and personnel) report on the in-kind contributions donated in response to appeals, as per the information received from donors. This information is shown both as contribution and as expenditure against the specific appeal, and is consolidated, together with the cash expenses, against the appeal budget. As financial information is not always available from PNS, and for consistency reasons, a flat rate is applied for the calculation of personnel costs.
- The consumption rate represents the level of total expenditures (cash and in-kind) compared to the total income available (opening balance, cash and in-kind contributions),

4. Pledges vs. Contributions

Attached to this financial report is the list of pledges against the respective appeal.

- The comparative analysis of the list of pledges and the list of actual contributions provides a clear insight into any outstanding pledges in response to the appeal.
- Any differences in values between the two reports are due to fluctuations in exchange rates at the time of booking and the time of reception of the contribution.

INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES					
				Interim report	
				Annual report	
				Final report	
Appeal No & title: 01.70/2000 Capacity Building Fund					
Period: year 2000					
Project(s): P30001					
Currency: CHF					
I - CONSOLIDATED RESPONSE TO APPEAL					
FUNDING	CASH		KIND & SERVICES		TOTAL
	Contributions	Reallocations	Goods/Services	Personnel	INCOME
Appeal budget	2'000'000				
less					
Cash brought forward	1'531'291				
TOTAL ASSISTANCE SOUGHT	468'709				
Contributions from Donors					
Austrian RC (DNAT)	50'000				50'000
Canadian Govt. via RC (DGN)	1'140'500				1'140'500
DFID - British Govt (DFID)	600'000				600'000
Finnish Govt. via RC (DGNF)	254'973				254'973
Icelandic RC (DNIS)	29'135				29'135
Swedish Govt. via RC (DGN)	7'481				7'481
Swedish RC (DNSE)	67'333				67'333
Other income	23'540				23'540
Allocations		-150'000			-150'000
TOTAL	2'172'962	-150'000			2'022'962
Coverage	463.6%	-32.0%			431.6%
II - Balance of funds					
				Opening balance	1'531'291
				CASH INCOME Rcv'd	2'022'962
				CASH EXPENDITURE	-----
				CASH BALANCE	3'554'253

Capacity building fund						ANNEX 1
APPEAL No. 01.70/2000		PLEDGES RECEIVED				11.06.2001
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						