

Appeal 2001-2002



International Federation
of Red Cross and Red Crescent Societies

Kenya (Appeal 01.14/2001)

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	<i>In CHF</i>
1. Institutional and Resource Development	500,587
Total	500,587



Introduction

National Context

Kenya's economic performance has been deteriorating steadily since the early nineties. To this effect, and whereas in 1996, the Government estimated that a minimum economic growth of 6% per year would be needed to achieve significant reductions in unemployment and poverty, the actual growth rate has fallen well short of this target. On average, the rate has been a mere 2.3% in the past three years.

Kenya's economy is dominated by agriculture. However, sector performance is dependant on favourable weather patterns and export commodity prices both of which the authorities have no control over. As it turns out, and as a result of these uncontrollable variables, the sector's contribution to the country's GDP has tumbled down from an impressive one time average of forty percent, down to below thirty. This is at a time when other sectors, notably manufacturing, are not doing so well mainly as a result of a continually deteriorating infrastructure which can no longer adequately support sector activities. Internal security problems have also meant a decline in the tourism industry.

Added to the economic situation, Kenya has experienced a series of both natural and man-made disasters over the past years and under the prevailing economic situation, the authorities have simply been in no position to tackle them on their own. Amongst such disasters have been drought and famine, refugee influxes, internal displacement of people as a result of tribal clashes, floods and disease outbreaks and of course the well documented Nairobi Bomb Blast of 1998.

Another disaster is the scourge of HIV/AIDS especially amongst the productive sectors (15-49 years) of the communities. This is particularly serious in the north and western parts of the country. This in most cases, has meant the exacerbation of poverty and other social problems for families some of whom are already victims of the prevailing socio-economic environment. The combination of all these factors has been an increase in the numbers of the unemployed, poverty and increased vulnerability in both physical and psycho-social dimensions.

National Society Priorities

It is evident from Kenya's national context that the Kenya Red Cross Society faces many challenges in terms of service delivery to the most vulnerable. And, at a time that there is an ever decreasing availability of resources, it is imperative that the National Society adopts a strategy of "maximum output for minimum input" i.e. increases the efficiency and effectiveness of its interventions. This was realised sometime back and was the very rationale behind the Management and Constitutional Review exercises of 1996 and 1998 respectively. The recommendations in both cases pointed to a need for fundamental changes in practices pertaining to both Governance and Management and so the KRCS path towards change was charted. Firstly, the Society's policy blueprint, the strategic plan 1999 -2001 was produced, in line with the Society's 1996 Management Review Report. Secondly, the Society's Constitutional Review process reached its climax when a meeting was convened in June 1998, whereby Branch representatives had the opportunity to make their recommendations pertaining to the review of the Society's Constitution.

The National Society's overall priority for the years 2000 - 2001 is thus derived from this strategic plan and is summarised as an effort to: *strengthen the positioning of the National Society through the efficient and effective implementation of relevant programmes that benefit the most vulnerable and which contribute to the development of communities.*

Priorities and Objectives for Federation Assistance

To support the KRCS, the Federation's priorities and objectives for assistance generally fall under the institutional and resource development sector and are geared to:

- ✓ To assist the National Society to maintain the momentum of the change process through the development of realistic operational plans which take into account the existing capacity and resource base of the Society.
- ✓ To assist the National Society in the development of appropriate monitoring and control tools for the effective and efficient management of human, financial and material resources. Such an outcome would yield as an added bonus, the restoration of donor confidence and enhance the National Society's potential for successful external mobilisation of resources.
- ✓ To assist the National Society in the development of relevant programmes whose design facilitates goal attainment and quality service delivery at a cost that the Society can afford.
- ✓ To assist the National Society in strengthening its own resource base through diversification of sources of self generated income.

1. Institutional and Resource Development

Background and progress to date

Following years of an increasing decline in organisational performance, the Kenya Red Cross Society (KRCS) took the bold decision to conduct a comprehensive introspection exercise. The exercise revealed a number of weaknesses which had resulted in management crisis. In the quest to strengthen the identified areas of weakness, the National Society gave itself three years to turn the situation round through the development of its “Strategic Plan 1999-2001”. Prior to the finalisation of the strategic plan, the then Kenya Country Delegation which had come into being in the early nineties as a result of the Somali Refugee disaster, had been closed in July 1998 as its “raison d’être” had expired.

However, in the light of emerging technical support needs for the implementation of the strategic plan, the Federation made a decision to re-establish a presence in the form of the present Kenya Operations to support the National Society in its willingness to successfully realise its goal of “change for the better”. Kenya Operations was accordingly established in April 1999.

At the time of the establishment of Kenya Operations, the change process had started albeit, at a modest pace. However, the year 2000 saw changes which rocked the whole organisation. Donor confidence which had fallen over the years reached a new low. This coupled with the adoption of a revised Constitution at the National Society’s Annual General Assembly 2000, led to a change leadership of the society. No sooner had the new leadership been elected, they in turn, made changes to the top management as part of their efforts to restore donor trust. In the run up to the General Assembly, some activities had been suspended all together while others were in the process of being closed down, save for a few which by then were being implemented only at a minimal level. Given that the National Society is being run by an acting Secretary General pending the appointment of a permanent one, a decision was made to maintain the status quo with respect to the level of activities until such a time that the new leadership has consolidated itself and a new top management re-established.

In addition to the institutional crisis the KRCS has within the last few years faced major financial management, administrative and governance problems. As a consequence, the Finance department has not been able to provide the required services to the other departments, branches, donors, suppliers or beneficiaries.

The accumulated deficit of the KRCS, as per the audited accounts for the year ended 31.12.1999, was the equivalent of CHF 510,000.

Within the twelve-month period September 1999 to August 2000, two persons have been recruited to the Finance Department and five have resigned, and presently it has only two officers. Mid-2000, the Secretary General and the Personnel Officer left the Society, and most of the posts within the management are now filled on an interim basis.

From September 1999 the Federation has placed a finance development delegate in the Finance Department, as per the request by the KRCS. The finance development programme has so far only reached progress in identifying and documenting the problems the KRCS is facing. How much has been achieved in advising and facilitating the change process is less easy to measure, but without the contribution of the delegate the change would not have been based on actual financial facts and figures. The Kenyan officers have undergone basic computer training and are now conversant with the commonly used spread sheet and word processing programmes.

Should the KRCS leadership succeed in taking the necessary decisions on its financial situation and in employing a competent and qualified Secretary general, it will be in desperate need of continued support to establish a proper accounting and financial management system and to enable proper reporting on its programmes.

Goal To support the KRCS with its recovery process and its re-establishment as a well functioning institution and to strengthen its capacity in both headquarters and branch levels.

Objectives and Activities planned

Objective 1 To support the development of a leadership which is effective in providing strategic direction in the running of the KRCS, is able to distinguish between governance and management functions and which will maintain the momentum of the change process started in 1999.

Activities related to objective 1:

- The process of promoting good governance started in 2000 will be intensified, more so in 2001, given that there is a new leadership within the KRCS. Such promotion will be through sensitisation and awareness as well as a follow up workshop on good governance which will involve the national, regional and the branch levels.
- Study visits for the Governor and members of the Finance Committee to a sister national society which has been through a similar crisis and but have successfully emerged from it (e.g. Uganda).
- Assist the Board to review the “Strategic Plan 1999-2001” and approve revised strategic directions with sound policies taking into account the current NS situation and capacity.

Objective 2 To strengthen the management by increasing the level of competence and enhance professionalism within the Society’s managerial ranks, as well as strengthen the role of the regional offices in order to improve monitoring and supervision of activities at the branch level.

Activities related to objective 2:

- The continuation of the review process of existing systems which led for example, to the development of the “Transport Regulations” and in particular, systems pertaining personnel management, recruitment, conditions of service, code of conduct and regulations. Where necessary, these will be revised and/or replaced should they be found to be outdated.
- The designing and implementation of target specific in-house training workshops in supervisory management for line managers. One workshop and a follow up workshop each, is planned for headquarters and regional office officers respectively.
- With the strengthening of management skills at the regional level, the process of devolution of an increasing level of responsibility and accountability to the regional offices will be intensified.
- Given that a new Secretary General will be appointed during the course of the year if not before, he/she will benefit from peer support hence an exchange visit to a well managed sister national society is planned.
- The development of tools to allow measurements of qualitative impacts of management.
- The activities will be implemented through technical assistance provided by the Federation Kenya Programme Co-ordinator who works closely with the office of the Secretary General as well as the Federation Regional Delegation, external consultants, ICRC and some participating national societies.

Objective 3 To enhance the skills of both headquarters and regional officers in programme development with respect to the design and management of programmes.

Activities related to objective 3:

- One training workshop on programme design for programme officers at both the headquarters and regional levels during which a proposal on HIV/Aids and disaster preparedness will be developed.
- A follow up workshop on programme management in respect of these two programmes.
- The continuation of the process started in 1999, of in-service coaching which covered project supervision and monitoring; reporting in respect of narratives and finances.
- Monitoring and supervision of headquarters officers and field visits to the regional offices by a joint team consisting of top management and delegates.

Objective 4 To co-ordinate all support from within and outside the Red Cross Movement to facilitate the successful transition of the KRCS from its present status to a Well Functioning Society.

Activities related to objective 4:

- To identify areas of need for support for the KRCS’s activities, to lobby and appeal for such support.
- To assist the KRCS in establishing and maintaining sound relationships with partners, both within and outside the Movement.
- To support the KRCS in determining priorities and effectively communicating these with funding requirements to partners.

- To ensure that the KRCS enters into written agreements with partners and support them in adhering to them.
- To ensure that the KRCS submits regular, accurate and timely reports on activities and finances to partners.
- To encourage the KRCS to continue with the practice of annual partners consultative meetings and assist in the organisation thereof.

Objective 5 To continue the process of strengthening the financial management systems.

Activities related to objective 5:

- To establish an efficient and accurate accounting and Management Information System (MIS). This will include the re-structuring of the chart of accounts and the selection, procurement and installation of accounting software.
- To design a uniform donor reporting structure in agreement with the major cooperating partners. Reports will be submitted on a quarterly basis, unless otherwise agreed.
- To prepare a finance administration manual and have it approved by the Finance Committee and the Executive Board, and then diligently followed. Other procedural manuals (procurement, transport, personnel) that have financial implications, will be taken under discussion by the Finance department.
- To train the Finance Department staff in accounting and accounting software. The branch treasurers will take part in financial management training, on regional basis. This training will focus on planning and budgeting, book keeping and reporting.

Expected results

Results related to objective 1:

- An efficient and effective Board capable of providing the necessary strategic direction and sound policies for the continuing change process within the National Society.
- A clear distinction between governance and management functions coupled with more effective monitoring and supervision of the Secretariat by the Board.

Results related to objective 2:

- An increased level of competence and professionalism in the management of the National Society.
- An increased level of devolution of responsibility and accountability to the Regional Offices and thus closer monitoring and supervision of activities at the field level.
- Restoration of donor confidence through increased support to programmes.

Results related to objective 3:

- Re-establishment of target specific and high impact programmes which make a difference to the quality of life amongst the vulnerable.
- Quality programme management practices which inspire donor confidence.

Results related to objective 4:

- Increased inflows of relevant support which facilitates the fulfilment of the KRCS's mandate and contributes to the re-building of its image internally and externally.
- Re-establishment healthy relationships with partners and restoration of donor confidence in the National Society.
- Well co-ordinated external support which meets the priority needs of the KRCS and does not contradict its plans or any other inputs.

Results related to objective 5:

- More accurate information for decision-making, financial and operational control and for Governance statutory bodies.
- The accounting will be computerised, resulting to more accurate and efficient book keeping and information delivery for planning, control and reporting.
- Increased information, timely submission of reports and decrease in workload within the Finance Department.
- The planning and writing of the manual will bring about new, improved procedures to be followed, and the manual itself will standardise the use of resources and improve control mechanisms.
- The improved skills will contribute towards a proper chain of reporting from the branch/ programme level to headquarters, and from there to the donor.

Indicators

Indicators related to objective 1:

- All National Board members will participate fully and actively in the governance workshop at national and regional level.
- At least, 3 KRCS members will visit a sister national society in the region for a field study the ultimate objective of which is the application of lessons learnt to Kenya situation.
- Clear strategic directions and policies for the development of the KRCS will be in place.

Indicators related to objective 2:

- New management systems for human resources, procedures, procurement and transport are in place.
- At least 2 management workshops will be organised for headquarters and branches staff.
- New Secretary General recruited and fully operational having participated in a field visit through the regional exchange programme.
- Measurement tools developed to allow qualitative indicators in management, for example: increased degree of responsibility and accountability on the part of individual officers and management as an institution, as measured by the internalisation of the consequences of one's own actions; improved level of collective and professional decision making within the management as measured by the frequency of management committee meetings and the actions taken in response to the issues brought up therein; greater trust and transparency between the headquarters and regional / branch offices as indicated by an increase in delegated responsibility for decision making and authority to act.

Indicators related to objective 3:

- Two workshops on Programme management and design.
- An agreed number of field visits in the region.
- Qualitative impact to be determined to know the high return on investment with respect to quantity and quality of service delivery.
- Revived donor interest of 5 participating national societies to support activities of the KRCS.

Indicators related to objective 4:

- A high return on investment with respect to quantity and quality of service delivery.
- A decrease in the number and frequency of complaints from partners.
- A renewed or increased interest in supporting activities of the KRCS by partners

Indicators related to objective 5:

- The accounts structure has been re-organised, and new chart of accounts is in use.
- The accounting package is in use.
- A donor reporting format is in use, and reports are submitted within 30 days after the last day of the respective quarter of the year.
- The finance administration manual is in use.
- Finance department staff has undergone accounting training, and a two or three day workshop on financial management has been conducted in all the regions.

Monitoring and Evaluation

The monitoring will be achieved through technical assistance provided by the Federation Kenya Programme Co-ordinator and Kenya Finance Development Delegate who work closely with the office of the Secretary General and technical department of the KRCS. They will benefit from additional support from the Regional Delegation, external consultants, ICRC and some participating national societies.

Furthermore, monitoring will be achieved through insistence by the management on timely monthly activity reports from departments/units, monthly narrative delegates reports which are regularly shared with donors.

The monitoring of the performance of the Finance Department is, in principle, easy. From the quantitative angle, the production of financial reports, finance administration manual, re-structured accounts and installation and use of a computerised accounting package are concrete actions against which the performance can be measured. The

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quality of the performance can be measured against the overall performance of the KRCS and the important factor in this is the cooperation between the management and the governance.

Evaluation will be achieved by an annual review of the process based on monthly organisational performance appraisal meetings by the Management Committee and quarterly tripartite meetings involving the KRCS, Federation and the ICRC. The partners annual consultative meeting will be opened to participating national societies and other bilateral partners.

Critical assumptions

The above expected results are based on the commitment expressly made by the new leadership in respect of turning around of present situation of the KRCS. However, the realisation of this goal will in part, depend of the degree of KRCS commitment to the change process and to the recruitment of a competent and qualified Secretary General.

On the other hand, success in the implementation of the programme will also depend on the co-operation of the KRCS's partners which as manifested by sustained pressure, contributed to some of the changes which took place during the course of the year 2000.

There are three critical areas that determine the success of the finance development. The first is the cost saving measures to be taken by the KRCS in order to clear the accumulated deficit. The second one is the consistency of the present Finance Department staff. If the turnover will remain at the past high level, there will be no institutional memory on which to base the decisions on the financial recovery. The third one is the support from the management and the leadership of the KRCS for sound financial management and control.

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DELEGATION: KENYA		
PROGRAMME	IDRD	TOTAL
Shelter & construction	0	0
Clothing & textiles	0	0
Food & seeds	0	0
Water	0	0
Medical & first aid	0	0
Teaching materials	0	0
Utensils & tools	0	0
Other relief supplies	0	0
Sub total supplies	0	0
Land & Buildings	0	0
Vehicles	0	0
Computers & telecom	45,120	45,120
Medical equipment	0	0
Other capital expenses	1,700	1,700
Sub total capital	46,820	46,820
Programme management	33,755	33,755
Technical services	10,104	10,104
Professional services	11,206	11,206
Sub total programme support	55,065	55,065
Transport & storage	36,915	36,915
Personnel (delegates & expatriates)	217,970	217,970
Personnel (local staff)	98,153	98,153
Sub total personnel	316,123	316,123
Travel & related expenses	9,800	9,800
Information expenses	480	480
Expert fees	10,000	10,000
Admin. - general expenses	22,384	22,384
Training workshops / seminars	3,000	3,000
Sub total travel, training, general exp.	45,664	45,664
Total budget	500,587	500,587