

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

KENYA

June, 2002

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

Appeal No. 01.14/2001

Appeal Target: CHF 500,586; budget revised to CHF 368,740

Summary/Update: Following a six month period in 2000 during which the Kenya Red Cross Society (KRCS) operated without a Secretary General, a new Secretary General was appointed at the end of January, 2001. Given the nature of the constraints encountered by the new Secretary General upon assuming office, in particular the operating deficit which at the time stood at approximately Ksh. 22.0 million (approximately USD 294,000), the main concern during 2001 focused on reducing the debt by containing or decreasing costs and working with various entities (banks and private companies) to review and rationalize the outstanding debts or payments.

Organisational and Resource Development

The appeal was launched to assist the National Society to maintain the momentum of the change process started in 1999, focusing primarily on the following objectives:

Objective 1: Leadership -- 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.

With support from the ICRC and the Federation, ten of the twelve members of the Executive Committee attended a governance workshop in March. The main objective of the workshop was a self assessment of the board's performance since being elected into office, identifying areas of weakness, and coming up with a plan of action for strengthening these areas. The workshop was considered a success, and there has since been evidence of a better understanding of the function of governance amongst the members.

Objective 2: Management -- to strengthen management by increasing the level of competence and enhancing professionalism within the Society's managerial ranks, as well as strengthening the role of the regional offices in order to improve monitoring of activities at the branch level.

The focus in this area is on the development of administrative systems for the effective management of the Society. To this effect, the Federation, continued to work with the National Society in developing the necessary control instruments. Given the leadership crisis which existed such instruments had yet to be finalised by the time of the closure of the Delegation. All the same, informal

control measures have been introduced since the appointment of the new Secretary General. As such, it is a matter of time before the instruments are finalised and adopted by the Executive Committee. The Nairobi Regional Finance Development Delegate will continue working with the National Society in the application of financial management systems.

As part of the ongoing technical support for the KRCS finance staff, the acting accountant went on an exchange visit to the Uganda Red Cross Society in April to become familiar with financial management practices in other National Societies.

While most of the finance staff had undergone training in computers by the end of the year 2000, the computerisation of the accounting system unfortunately could not be implemented during the period for lack of funding due to a lack of funding.

Objective 3: Programme Development -- to enhance the skills of both Headquarters and Regional Officers in program development with respect to the design and management of programmes.

As a first step towards a more integrated approach to program development and deriving maximum utility from resources invested therein, the new Secretary General immediately proposed a new structure at the Headquarters in which there will be three major program departments viz. Disaster Preparedness and Response, Health and Social Services and Development, each under the leadership of a Director. The proposal was accepted by the Executive Committee and as at the end of the period under review, the Director, Disaster Preparedness and Response was already in place. He is a former employee of the National Society who the ICRC agreed to second back to the National Society. Support is being sought for the other Director positions as well as that for the position of Director, Administration and Finance.

The strategy is to employ fewer staff at better salary levels in order to attract a high calibre of officers. With 75% of the debts settled in a record five months, the new Secretary General should be able to turn his attention to this important area.

Institutional and Resource Development

While this is an area of high concern, the new Secretary General has had to focus on other pressing priorities and has been unable to apply the required degree of attention to this dimension of National Society development. All the same, a new Fund Raising Committee was set up at the beginning of the year and has since been meeting regularly. Among the activities planned for this year were a golf tournament, a gala night, and an international fair.

With support from the Regional Finance Development Delegate, the National Society secured funding from the Federation Capacity Building Fund for the computerization of its financial accounts. The KRCS is using the Naivason Financial software and has started training of its staff on its application. It is envisaged that the system will be fully implanted for all core and programme activities by the end of September 2002. The updating of the Financial Procedural Manual is also ongoing and should be ready for endorsement by the Board before the end of 2002.

The KRCS initiated a review of its branches under the Branch Development Programme with the objective of drawing recommendations on how to best structure the branches to better identify and respond to the needs of the vulnerable. Technical support was provided by the Regional Organizational Development Delegate in the process that involved a review of the activities, plans, strengths and weaknesses and the general function of the branches. Three professors from the school of Science and Management at the University of Nairobi have been recruited to assist in the process.

With the arrival of the new Secretary General in February of 2001, the Kenya Operation began its wind-down and closed in June 2001. All current technical support continues to be provided directly from the regional delegation upon request.

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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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INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES

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Appeal No & title: 01.14/2001 Kenya
Period: year 2001
Project(s): KE001, KE004, KE005, KE520
Currency: CHF

I - CONSOLIDATED INCOME 2001. CASH. KIND. SERVICES

FUNDING	CASH		KIND & SERVICES		TOTAL INCOME
	Contributions	Reallocations	Goods/Services	Personnel	
Appeal budget	368,740				
less					
Cash brought forward	52,470				
TOTAL ASSISTANCE SOUGHT	316,270				
<u>Contributions from Donors</u>					
American Red Cross (DNUS)	25,343				25,343
Donor - Unidentified (D000)	209				209
ECHO - (DEKE01)	12,650				12,650
German Red Cross (DNDE)	7,768				7,768
Monaco Red Cross (DNMC)	112				112
Netherlands Red Cross (DNNL)	17,374				17,374
Netherlands Red Cross (DNNL)	3,300				3,300
Norwegian Red Cross (DNNO)	40,000				40,000
Swedish Red Cross (DNSE)	16,900				16,900
Swedish Red Cross (DNSE)	16,900				16,900
Swedish Red Cross (DNSE)	40,750				40,750
Finland				19,712	19,712
TOTAL	181,306			19,712	201,018

II - Balance of funds

Opening balance	52,470
CASH INCOME Rcv'd	181,306
CASH EXPENDITURE	-360,014

CASH BALANCE	-126,238

Appeal No & title: 01.14/2001 Kenya

Period: year 2001

Project(s): KE001, KE004, KE005, KE520

Currency: CHF

III - Budget analysis / Breakdown of expenditures

Description	Appeal Budget	CASH Expenditures	KIND & SERVICES		TOTAL Expenditures	Variance
			Goods/services	Personnel		
<u>SUPPLIES</u>						
Shelter & Construction						
Clothing & Textiles						
Food/Seeds						
Water						
Medical & First Aid						
Teaching materials						
Utensils & Tools						
Other relief supplies						
Sub-Total						
<u>CAPITAL EXPENSES</u>						
Land & Buildings						
Vehicles						
Computers & Telecom equip.						
Medical equipment						
Other capital expenditures						
Sub-Total						
<u>TRANSPORT & STORAGE</u>	17,908	10,084			10,084	7,824
Sub-Total	17,908	10,084			10,084	7,824
<u>PERSONNEL</u>						
Personnel (delegates)	95,350	280,558		19,712	300,270	-204,920
Personnel (local staff)	200,387	8,362			8,362	192,025
Training						
Sub-Total	295,737	288,920		19,712	308,632	-12,895
<u>GENERAL & ADMINISTRATION</u>						
Assessment/Monitoring/experts		4,454			4,454	-4,454
Travel & related expenses	11,494	4,717			4,717	6,777
Information expenses						
Administrative expenses	3,040	11,123			11,123	-8,083
External workshops & Seminars						
Sub-Total	14,534	20,295			20,295	-5,761
<u>PROGRAMME SUPPORT</u>						
Programme management	24,864	24,955			24,955	-91
Technical services	7,443	7,472			7,472	-29
Professional services	8,254	8,288			8,288	-34
Sub-Total	40,561	40,715			40,715	-154
Operational provisions						
Transfers to National Societies						
TOTAL BUDGET	368,740	360,014		19,712	379,726	-10,986

Consumption rate: Expenditures versus income 189%
Expenditures versus budget 103%