

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 PROGRAMME

25 June, 2005

The Federation's mission is to improve the lives of vulnerable people by mobilizing the power of humanity. It is the world's largest humanitarian organization and its millions of volunteers are active in over 181 countries.

For more information: www.ifrc.org

In Brief

Appeal No. 01.92/2004; Period covered: January – December, 2004; Appeal target: CHF 5,000,000; Final coverage: 43.5%.

(click here to go directly to the financial report).

Related Emergency or Annual Appeals: see text below

For further information on this programme please contact the Organizational Development Division, Ken Phillips, Head, email: ken.phillips@ifrc.org

This Programme Update reflects activities to be implemented over a one-year period. This forms part of, and is based on, longer-term, multi-year planning. All International Federation assistance seeks to adhere to the [Code of Conduct](#) and is committed to the [Humanitarian Charter and Minimum Standards in Disaster Response](#) in delivering assistance to the most vulnerable. For support to or for further information concerning Federation programmes or operations in this or other countries, or for a full description of the national society profile, please access the Federation's website at <http://www.ifrc.org>

The Capacity Building Fund (CBF) seeks to build on the Federation's collective experience of capacity building and to target funding where it is most needed and where it can make the most difference. In 2004 the Fund provided ongoing support to build organisational capacity in over 45 national societies world-wide. In many cases, these societies are the recipients of multi-year funding for areas of organisational development – thus, the CBF is providing rare support for organisational development processes that it can be difficult to fund from other sources and is helping those national societies make progress on the path to becoming “well functioning national societies”.

Criteria to select programmes remained the same as in past years - that the Fund should support:

- Ÿ "forgotten" National Societies, especially those in countries of high vulnerability;
- Ÿ innovative capacity building programmes in key capacity building focus areas;
- Ÿ integrity issues;
- Ÿ increased civil society networking;
- Ÿ projects focusing on youth and gender are favorably considered.

However, in 2004, more emphasis was given to ensuring that grants were made in consultation with national societies and the regional teams to ensure that the Fund is as well targeted as possible. That has also meant that some grants were rescinded or reallocated if a national society was unable to use the funds effectively or demonstrate progress towards the planned objectives of the programme.

The Fund also continued to play an important role in enabling the Federation Secretariat to support its member national societies in building capacity or supporting organisational change. In 2004, the CBF allowed delegations and regional departments the flexibility to support national societies in their own development initiatives as that support was needed rather than in response to donor priorities. This flexible, timely support has been most welcomed by national societies and has often enabled them to take the first steps in an organisational change process or to leverage other support. An example of this was the gathering of fourteen Asian and Pacific national societies that met in Kuala Lumpur in December to look at ways to measure the impact of their capacity building or organisational development work. The majority of these noted the value of the CBF support in enabling them to move forward with organisational change in specific areas.

This annual report complements the programme update issued late last year and provides feedback on the added value of the CBF in 2004. It reports on achievements against the objectives set out in the appeal 2004.

Goal: to serve as a multilateral fund to assist national societies build sustainable capacities in order to make a significant difference to the lives of vulnerable people.

Objective: to ensure effective management of the Fund so that it has a demonstrable impact in building the capacity of National Societies in order to support programmes and promote services to vulnerable people.

Ø *More targeted selection of programmes:*

The aim of the Fund in 2004 was to ensure that a target number of national societies in each region submitted and received multi-year funding to support longer-term planned capacity building or organisational development. In this way, the Fund aimed to provide a rare source of predictable funding for longer-term organisational development or change processes.

Over the course of the year, grants were made in response to new multi-year applications. Funding was provided directly to 34 national societies and to a further 20 plus through three regional approaches or networks (the Organisational Development Network in the Caribbean (RODNET), support to the five Central Asian national societies to help build their capacity in reporting, and for regional leadership training in MENA). There is a full list of grants for 2004 at the end of this report.

Of these grants, 20 are part of a multi-year planned funding to support organisational change or longer-term capacity building in target national societies in each region. These societies were identified after detailed discussions with regional delegations and departments and in consultation with technical departments and the ICRC. Of these 20, five societies are in Africa, four in the Americas, five in Asia Pacific, five in Europe and one in MENA and all are now working with CBF support to follow through on longer-term planned work. Six of the African and four of the Asian societies to receive support for their applications come from the least developed countries.

Looking back on 2004, it would be fair to say that the dialogue has varied between regions and some regions have been more pro-active in using the CBF as an effective means to support or leverage organisational change within national societies. In some cases there has also been good synchronicity between the application of CBF support and that of other Federation or Movement support. However, in each region we have seen real results from the CBF grants:-

AFRICA

South Africa Red Cross, resource mobilisation – the CBF provided a two year grant to SARCS to help the society develop its profile and resource mobilisation skills within South Africa. During the period, the national society worked to develop a clear resource mobilisation policy and plan and to ensure that development in fundraising and resource mobilisation was supported at provincial level. Using a local consultant, SARCS has worked on its marketing plan and has made major inroads in building relations with government, international organisations, corporate partners and the general public. It has also developed a donor database and used this to

spearhead timely contact with the media and through direct mail with a wider donor base. This is an important achievement after years of poor profile and has yielded results for SARCS's own programmes, such as its HIV/AIDS programme and raised CHF 5 million for the tsunami response. SARCS has also planned to host a regional "skillshare" or workshop for other societies in the region.

Angola Red Cross, provincial assemblies – For many years Angola Red Cross has experienced problems in its functioning and in its relationship with its donors. In 2004, the national society embarked on a new process to stimulate commitment at local level in the provinces and to re-establish democratic process to its governance. Following an assessment mission in March, the society embarked with CBF and ICRC support on a process to hold assemblies in all 17 of its provinces. This has brought in fresh blood to the local governance and will culminate in a General Assembly – the first since 1998 – in mid to late 2005. As part of this process the national society also plans to undergo an external audit and to review its statutes and its financial systems. If all goes according to plan, the general assembly could provide a fresh start for Angola Red Cross and enable it to become a more relevant actor within its own country.

AMERICAS

Argentina Red Cross, organisational change - the change within Argentine Red Cross has been quite remarkable over the past four years and the CBF has contributed to this dynamic process. In 2004, the third year of CBF funding, the national society focused on improving its own sustainability, both in terms of its human resources (both volunteer and staff management) and its fundraising. For its volunteers, ARC has developed a coherent volunteer training package for new through to experienced volunteers, to ensure they receive consistent training and support. By the end of 2004, 50% of all branches were using the new system and over 60% had identified a volunteer focal point. The national society also hired a new human resources manager to improve its staff recruitment and management processes. In relation to local resource mobilisation, the society has built good relationships with a number of local actors, including alliances with corporate partners such as Cisco Systems, VISA and Nestlé and programme related partnerships with the Pan American Health Organisation (PAHO) and the national HIV/AIDS network (REDLA+). The national society has also made good progress in building links with its branches (it now has five paid branch coordinators) and is supporting them to develop local operating plans to improve relevant service delivery. The change process in ARC is an interesting one and is described in more detail in a CBF-funded case study (*this can be obtained from the CBF focal person in Geneva*).

Costa Rica Red Cross, regional reference centre for community disaster education – 2004 was the second year of funding for this innovative centre of excellence in community disaster education. Established in 2003, the centre has served two main functions. It has moved away from delegation led support and built on national society capacity within Costa Rica RC to lead the way in developing community disaster management tools and good practice. Thus far six modules of a community disaster preparedness manual have been designed and four of these have been fully field tested and validated. These draw on the expertise in the region and ensure national society buy-in to the agreed approach. The second function is to act as a focus for good practice. The centre has supported 47 internships from national societies in the region and has set up a network of experts in community education. It is also developing a web-based information system for sharing harmonised materials and methodologies. The reference centre has also spearheaded the regional VCA promotion and training, through first promoting it within Costa Rica and subsequently developing 13 workshops in Honduras, Nicaragua, El Salvador, Panama and the Dominican Republic.

ASIA PACIFIC

East Timor Red Cross, preparation for recognition - the CBF has supported the organisational development of the new national society in formation in East Timor since 2002. This support, alongside support from ICRC and other Federation actors, has helped CVTL take major steps towards recognition by the Movement. In 2004, the national society identified three important areas to address: statutes, strategic planning and implementation. To develop its new statutes the society underwent a thorough process of consultation within each district. This led to the production of a final draft for presentation to the general assembly in 2005. On the implementation

front, the focus was on membership recruitment and the creation of branches. The group working on this drew up simple “how to” guidance and agreed a schedule for each district. By the end of 2004, CVTL had around 5,000 registered members and had raised USD 6,000 in membership fees. It had volunteer coordinators in each district. It is planned to hold local branch elections in each of the 13 districts in early 2005. The national society has also made changes to its headquarters functioning and provided basic management training for staff. As part of preparing for its new strategic plan, Vulnerability and Capacity Assessments (VCAs) are being held in all 13 districts. Although the national society has experienced problems, such as with the agreement on the Red Cross recognition law or with the growing demands on management and staff, it has used CBF and other support to take some major steps to improve its functioning as a “national” organisation and improved its coverage to deliver services across the country.

Papua New Guinea Red Cross, youth programme – Papua New Guinea has a real problem of youth violence and youth disengagement from society. In 2002, the national society identified youth as one of its priorities and established a school-based youth programme to engage youth in community activities and share Red Cross / Red Crescent Principles and values. Since its inception the programme has been extended to work with across 44 schools and in 2004 piloted work to reach youth outside the school system in the national capital district. The programme runs a range of training and youth events (drama productions etc). It also engages its youth members in community education and projects, such as HIV/AIDS peer education, first aid provision, wheelchair construction, home care for the elderly and work with evacuees from the Manam Island volcano. The national society has found it difficult to maintain levels of youth engagement over an extended period; however, in the latter part of 2004, steps to include youth in branch planning and decision-making seemed to be addressing this challenge.

EUROPE

Romania Red Cross, organisational change – Although not originally part of an appeal, the timely support for organisational change in Romania Red Cross has worked well. The support came at the right moment to allow the national society’s new governance and management to take forward a carefully planned change process. This has turned around the society’s management structure, financial systems, fundraising and branch engagement and after three year’s the society has been able to exited from CBF support as planned. In 2004, the CBF funded a lesson learning seminar between Romania Red Cross and the other national societies in the region going through similar change processes - Latvia and Poland. The agenda was determined by the societies to allow them to share relevant experiences and challenges in trying to adapt to a new European environment. Romania Red Cross had much to share in relation to its positive experience in financial management and communications and fundraising. Branch representatives also attended and shared the challenges of building sustainable, community focused branches in each context. This meeting provided a good impetus for the planned change processes within Latvian Red Cross and prompted Polish Red Cross to move forward with its recovery planning.

Kazakhstan Red Crescent, support to Astana branch – Kazakh Red Crescent applied for funding for an unusual request –to support the branch in their new capital city. With the relocation of the capital, there was a need to build the profile, membership and activities of the branch. The small grant from the CBF allowed them to promote the Red Crescent to new volunteers and members and to publicise its activities through round table meetings with government, NGOs and donors and through a creative media campaign (e.g. billboards, inserts on utilities bills etc). Targeted training was provided to branch staff on volunteer and project management and to volunteers on social mobilisation, supporting their work with communities, with groups of lonely elderly and disabled children. By the end of the year the branch received recognition from the authorities for their contribution to improving the situation for the most vulnerable in the city.

MENA

Palestine Red Crescent, organisational development – in 2004 the CBF was one of a number of supporters to assist the Palestine Red Crescent with its organisational change development. The CBF was keen to support this programme, particularly as it receives relatively few applications from the MENA region. During the

course of the year, the national society was able to make relatively good programmes in some areas. The society held two orientation workshops for newly elected branch governance and supported two board members to attend the regional leadership training (also supported by the CBF). Training was also provided for senior and middle managers in project planning and the society held regular meetings with branches and headquarters departments to review programme implementation. Good progress was also made in establishing functioning human resources and financial management systems – both are still in progress. However, on other areas, such as the holding of the General Assembly and the development of a strategic plan the national society was unable to progress due to the serious political and security issues affecting the region in 2004.

Ø Improved management of the Fund:

A number of new measures were introduced in 2004 to improve the management of the Fund. Although prepared in 2003, new guidelines and a new application format were introduced for the Fund in early 2004 in time for the first round of applications. Although not used comprehensively, the new guidelines and format helped to improve and standardise applications to the Fund, clarifying the information required and allowing for a better comparison between the applications (previously applications came in many different styles and were difficult to view objectively). The standard format was circulated to national societies via the regional delegations.

The new guidelines and application format contained requests for some key information, some of which came out of lessons learned from previous experience and feedback from the TAG meeting in October 2003. The most important of these changes was the requirement for national sign off – previously applications could be submitted from delegations only. The new formats also included requests for information on:

- § the support from other Secretariat departments, donor national societies or the ICRC;
- § links to other processes such as the national society's own strategic plan and self-assessment, a Cooperation Agreement Strategy (CAS), prior evaluation recommendations, etc;
- § a standard budget for the multi-year programme showing a phase out of CBF support;
- § a logframe for the programme;
- § a clear exit strategy.

In general, these changes led to clearer applications being received from applicants; however, the lesson from this experience was that while information was received on all these different links and aspects, often the actual information on the projects activities was weak. More emphasis needs to be placed on receiving clear project or programme proposals. It should also be noted that the changes also raised the issue as to whether applications should be sought and received directly from national societies. This has not been finally resolved and should be taken up in the review of the Fund when it goes ahead. However, in the meantime, the CBF attempted to improve its information to and communication with national societies regarding the calls for proposals and the allocation of grants, through means such as FedNet and the Federation Secretary General's letter to all national societies.

Unfortunately, due to human resource changes and constraints, the planned review of the Fund did not take place in 2004. There were changes in the Fund management and the CBF focal person was absorbed into the Organisational Development (OD) department of the Secretariat. This had some advantages, as the Fund was able to access more direct input from regional OD advisers, but also made for some disruptions. Also, the human resources supporting the Fund were reduced due to cut backs within the Secretariat. This meant that administrative support to the Fund was lost and a number of the previous CBF committee members were no longer available. In this instance, colleagues from the OD department assisted with the selection process. Despite the reduction in resources, the Fund still managed to support allocations to over 45 national societies. However, the aim to hold a review of the Fund is still valid and will be revisited in 2005. By that time, the CBF will have been in existence for five years and it would be practical to review its functioning and sustainability and clarify its future direction.

The planned marketing / fundraising strategy also was not developed due to the human resource changes mentioned above, however, contact with individual donors was maintained, leading to ongoing multi-year support from Canadian CIDA and a re-negotiation of support from the Finnish and Norwegian Red Cross Societies. The planned work to support national societies to improve their sustainability and prepare exit strategies was not

further clarified and there were not the resources to work on this. Individual support was provided to national societies through delegations and continental OD focal points to plan beyond the CBF support. In 2004, Bangladesh, Romania and South Africa Red Cross Societies phased out its CBF support and some of the Americas national societies phased down the support received.

Ø *Promoting and sharing good practice:*

In 2004, the role of managing the CBF was moved to the Organisational Development department as part of the restructuring of the Secretariat. This facilitated a greater focus of the Fund on supporting organisational development good practice in national societies and improved coherence between the Fund and ongoing OD or capacity building priorities in the regions. For example, the OD continental focal persons played a far more active role in helping to target the funds to good organisational change or capacity building processes in the regions.

As part of the changeover of responsibilities, the work carried out under the auspices of the CBF to move forward on capacity building indicators linked to the Fund, was superseded by the broader process of establishing indicators against the “Characteristics of a Well Functioning National Society”, led by the new Head of Department. This work built on learning from the initial work undertaken under the auspices of the Fund, particularly around the recommendation to focus indicators against the well used and recognized “Characteristics”.

Due to funding constraints only two monitoring visits were made to CBF-funded programmes in 2004. The CBF focal person visited the Argentine Red Cross in May 2004 with the Secretary General of the Ecuador Red Cross (the latter national society was also a recipient of CBF funding and was able to benefit from the exchange of knowledge). The team was impressed by the dynamic change process in the Argentine Red Cross and the work done to ensure that it was becoming a more effective, relevant and community-focused organisation. This work led to a detailed field report that was subsequently turned into a published case study in English and Spanish. Copies of this report are available from the manager of the Fund in the OD department. Later in the summer, a visit was also made to one of the steering committee meetings for the change process in the Romania Red Cross. Again, there were good examples of positive change in that national society, in the leadership of the governance and management, the strength of their reporting and financial management and their new steps to improve their image and in-country resource mobilisation. The change process has been well planned and well reported back to the CBF. In both national societies, one of the major challenges they now face is working through the change process with their diverse branch structure and ensuring they are part of a modernising national organisation.

Conclusions

In conclusion, the CBF maintained its value to national societies in 2004 and provided an important source of support outside the standard appeal or bilateral channels. For many national societies and the Federation Secretariat the CBF has provided:

- Ø ***The only source of funding*** for organisational development or change within some national societies. In many cases, donors are less interested in supporting organisational development processes; however national societies need to be able to implement these changes to become better functioning organisations that can deliver improved services and programmes. National societies have therefore often turned to the CBF and a rare source of funding for areas such as strategic planning, governance support, local resource mobilisation or financial management.
- Ø ***Flexibility*** allowing grants to be targeted where and when funds are most needed and can be best used to make a difference. As the CBF is not tied to any specific donor priorities or schedules it can be flexible in its response to timely requests and quality proposals and can target funding where it is most needed or can make the biggest difference. It also has a greater flexibility in relation to some of the variances in the timeframes of the grants. An area where this could be of greater value in future is supporting organisational development in national societies in the transition period following a less well-resourced disaster or emergency.
- Ø ***Support for risk-taking*** in a number of the more “forgotten” national societies. Often there are situations where, possibly for good reason, donors are no longer wishing to risk supporting certain national

societies. However, there may still be opportunities to support small moves for change. In these situations, the CBF has been tasked to support these “forgotten” national societies or those trying to deal with integrity issues and can respond to these changing circumstances amongst all our Federation member societies. In 2004, the CBF provided rare support for important new processes in some of the more difficult or challenging national societies. In these cases, working alongside a joint ICRC response is important.

- Ø ***Providing seed funding / supporting pilot projects*** has been an important aspect of the Fund. It can be difficult to access funding for the initial stages of a programme or project and the CBF has encouraged applications from more innovative pilot projects, particularly those that look to build peer support between national societies. Examples of these have been the regional reference centre of excellence for community disaster management in Costa Rica or the knowledge sharing forum for Central Europe. Often, if successful, these projects either lead to ongoing peer support between the national societies or to other partner support within or beyond the Movement.
- Ø ***A trigger for other donor support*** for programmes. As mentioned above, in many cases, such as the change process in Romania Red Cross or in Argentine Red Cross, the CBF support has supported initial steps or changes and encouraged other donors or partners to come on board.

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Reporting Timeframe	
Budget Timeframe	
Appeal	
Budget	

Selected Parameters

2004/1-2004/12
2004/1-2004/12

	Health & Care	Disaster Management	Humanitarian Values	Organizational Development	Coordination & Implementation	TOTAL
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All figures are in Swiss Francs (CHF) 5,000,000 5,000,000

I. Consolidated Response to Appeal

B. Opening Balance 2,174,872 2,174,872

Cash contributions						
Canadian Red Cross (from Canadian Government)				483,368		483,368
British Red Cross				49,772		49,772
DFID Partnership				1,017,623		1,017,623
Income				79,647		79,647
Finnish Red Cross (from Finnish Government)				282,385		282,385
Norwegian Red Cross				20,625		20,625
Norwegian red Cross (From Norwegian Government)				185,626		185,626
Swedish Red Cross (From Swedish Government)				84,250		84,250
C1. Cash contributions				2,203,295		2,203,295

Other Income						
Interest				3,326		3,326
C6. Other Income				3,326		3,326

C. Total Income = SUM(C1..C6) 2,206,621 2,206,621

4,381,493 4,381,493

D. Total Funding = B + C

H. Balance of Funds 2,174,872 2,174,872

C. Income 2,206,621 2,206,621

E. Allocations -2,097,373 -2,097,373

F. Closing Balance = (B+C+E) 2,284,120 2,284,120

III. Allocations Breakdown

	Health & Care	Disaster Management	Humanitarian Values	Organizational Development	Coordination & Implementation	TOTAL
Allocations						
Alghanian RCS OD				-100,000		-100,000
OD Support Project				-92,366		-92,366
Angola				-25,000		-25,000
Argentine OD				-73,000		-73,000
Armenia				-70,000		-70,000
Azerbaijan Branch Development				-56,000		-56,000
Bangladesh				-92,500		-92,500
Brazil OD				-35,000		-35,000
Caribbean Reg.OD				-96,000		-96,000
Central Asia				-11,000		-11,000
Central Europe				-359,100		-359,100
Comores				-80,000		-80,000
Costa Rica DM				-55,940		-55,940
Côte d'Ivoire				-40,000		-40,000
Georgia Branch Devt				-25,000		-25,000
Gabon				-43,500		-43,500
Guinea Bissau				-30,000		-30,000
Jordan				-42,370		-42,370
Kazakhstan				-29,920		-29,920
Nepal Resource Mobilization				-60,000		-60,000
Mali				-15,356		-15,356
Mauritania				-17,922		-17,922
Mena OD				-49,000		-49,000
Namibia				-35,000		-35,000
Niger				-17,922		-17,922
Papua NG Branch Network				-48,000		-48,000
Palestine				-60,000		-60,000
S. Asia NS Development				-51,750		-51,750
S. Africa OD				-100,000		-100,000
S. Caucasus				74,663		74,663
Seychelles Branch & Youth Devt.				-50,000		-50,000
Syria				-47,400		-47,400
Timor leste OD				-128,000		-128,000
Venezuela				-51,450		-51,450
Vietman				-48,700		-48,700
CBF Youth Programmes (BY/MD/UA)				-34,840		-34,840
E. Total Allocations				-2,097,373		-2,097,373