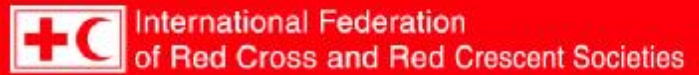


Report 2006-2007



Capacity Building Fund (CBF)

Appeal No. MAA00011

This report covers the period of 01/01/2006 to 31/12/2006 of a two-year planning and appeal process.

In a world of global challenges, continued poverty, inequity, and increasing vulnerability to disasters and disease, the International Federation with its global network, works to accomplish its Global Agenda, partnering with local community and civil society to prevent and alleviate human suffering from disasters, diseases and public health emergencies.



Iranian Red Cross workshop in Boroujerd (12 to 13 December 2006), aimed at increasing women's role in community-based Red Crescent activities. International Federation.

In brief

Programme Summary:

Twenty-five multi-year projects were granted allocations by the Capacity Building Fund in 2006. In addition, a programme on "Mobilizing Local Capacity in Africa" was supported. In total, grants worth CHF 1,304,515 were allocated.

Goal: To support National Societies build relevant and sustainable capacity in order to make a significant difference to the lives of vulnerable people.

Needs: Total 2006-2007 budget CHF 8 million (USD 6.6 million or EUR 4.97 million), out of which 48% covered. [Click here to go directly to the attached financial report.](#)

No. of people we help:

- In 2006, 25 National Societies benefited directly from CBF allocations;
- In 2007, 10 National Societies will receive an intensive capacity building support. Ten to 20 National Societies should receive support for other capacity-building modalities and nine National Societies will receive support to complete their multi-year ongoing programmes.

Current context

A five-year review on the functioning and added value of the Capacity Building Fund (hereafter referred to as the Fund, or the CBF) was completed in February 2006. The report highlighted that: multi-year funding allows for long-term thinking and for Organizational Development (OD) processes to mature

and consolidate; grants have a very high return on investment; and grants raise awareness on the importance of institutional capacity building work for improving service delivery. The report was circulated to all National Societies in April 2006 with a letter by the Secretary General seeking support for the Fund.

During the year, the main challenge was the lack of funding to recruit a dedicated manager for the CBF. This has affected the other aspects of work such as knowledge management and fundraising.

Progress towards objectives

Objective: To provide long-term resources to support planned capacity building and/or OD processes. A total of 24 multi-year programmes received financial support. They were mainly within their second and third year of implementation. In addition, a pilot project in Burundi on “Mobilizing Local Capacity in Africa” was supported.

2006 Programme Status

Region/NS	Project	Amount (CHF)	Project code	Pledge No.	End of time-frame
Africa					
Cameroon	Capacity building	53,022	PCM001	0605083	31.05.2007
Central African Republic	Capacity building (year 2 of 2)	57,483	PCF001	0605084	31.05.2007
South Africa	Advocay, communications, external relations, marketing and resource mobilization / fund-raising development (year 3 of 3)	60,000	PZA006	0602049	28.02.2007
Americas					
Argentina	Organizational change (year 3 of 3)	30,000	PAR002	0604081	30.04.2007
Brazil	Strategic planning process (year 3 of 3)	54,500	PBR001	0604080	30.04.2007
Costa Rica	Reference centre for community education in Disaster Management (year 2 of 2)	46,720	PCR161	0603067	31.03.2007
S.America (Uruguay/Venezuela)	Regional volunteering and Community Integrated Programme pilot (year 2 of 3)	85,111	P46007	0604078	30.04.2007
South America	Leadership in health (year 2 of 2)	38,485	P46401	0604079	30.04.2007
Asia & Pacific					
Afghanistan	Branch development and capacity strengthening (year 2 of 2 prolonged)	100,000	PAF006	0602066	Completed
Cambodia	OD and capacity building (year 2 of 3)	50,000	PKH015	0603077	Completed
East Timor	OD and preparation for National Society status (year 3 of 3)	55,000	PTP001	0603076	01.05.2007
Fiji	OD (year 2 of 3)	87,117	P55907	0605027	31.05.2007
Mongolia	Building management capacity and financial resource development (pilot year + year 2 of 3)	50,000	PMN005	0603090	Completed
Myanmar	Branch development through finance development (year 2 of 3 + previous grant)	59,240	PMM005	0604110	30.04.2007
Nepal	Resource mobilization (year 3 of 3)	24,405	PNP002	0603069	30.06.2007
Papua New Guinea	Extending the branch network (year 2 of 3)	47,948	PPG001	0604185	30.04.2007
Vietnam	Finance development (year 2 of 2)	29,981	PVN015	0603075	31.03.2007
Europe & Central Asia					
Azerbaijan	Branch development (year 2 of 2)	40,000	PAZ008	0603089	Completed
Belarus, Moldova, Ukraine	Cross-border youth programme (year 2 of 2)	39,398	P67011	0602061	28.02.2007
Georgia	OD (year 3 of 3)	52,000	PGE013	0603088	Completed
Latvia	OD (year 3 of 3)	49,105	P66916	0603091	31.03.2007
Poland	OD (year 3 of 3)	80,000	P66916	0603092	31.03.2007
Russia	OD - CB of regional branches (year 2 of 2)	40,000	PRU028	0605007	31.05.2007
Uzbekistan	OD and resource development of 2 regional branches (year 2 of 2)	23,000	P70006	0603087	31.03.2007

To improve the monitoring of grants, an internal review was undertaken during the second half of 2006 to reflect on the existing practices on financial reporting. This initiative has already improved the accountability of the project managers who oversee project implementation and has paved the way for quality and timely reporting.

Working in partnership

Improved sustainability for a multi-year, un-earmarked Fund:

The Fund maintained partnerships with current donors and received CHF 2,134,861 from the Japanese Red Cross, Swedish Red Cross, Canadian International Development Agency (CIDA)/Canadian Red Cross, Finnish Red Cross and the British Department for International Development (DFID). During 2007, efforts will be made to identify new donors, as well as to improve regular contacts with existing donors. A CBF section on the Federation public website is being developed to increase donors' visibility, as well to inform them on how their contributions were allocated.

An effective National Society platform for capturing and sharing good practices and lessons learned:

Project managers in the field are requested to document best practices and lessons learned during the year. A section is being created on FedNet to facilitate knowledge sharing between National Societies. The approach to providing intensive capacity building support, described hereafter, will strengthen the ability for CBF-supported projects to explore the impact of different approaches and interventions, and to learn from past experiences. Further work will be carried out to develop methodologies and approaches in evaluating capacity building work.

Contributing to longer-term impact

To avoid dependency on the Fund and ensure capacity building, emphasis was put on the importance to use the CBF allocation as a starter for longer-term programmes. Project holders were requested to include an "exit strategy" in their allocation request, detailing a gradual phasing out from CBF funding and phasing in of other sources of income over three years.

In parallel, measures are being undertaken to use the CBF more strategically. The main objective is to shift from funding of small projects to funding of long-term capacity development plans.

Looking Ahead

More effective targeting of grants:

- From 2007, the Capacity Building Fund will consist of two sub-funds: the Africa Sub-fund and the Rest of World Sub-fund; and will propose two kinds of support: intensified capacity building and other OD support.
- The intensified capacity building modality is founded on the recognition of the practical reality that some National Societies are faced with special institutional and programmatic constraints that impair their capability to function effectively and to deliver expanded programmes to fulfil the Federation's Global Agenda. The intensified capacity-building support will be targeted to those National Societies in countries of high need, and with relatively low organizational capacity to meet those needs.
- The rest of the Fund (approx 35 per cent of each sub-fund) will support other institutional capacity building modalities. Special attention will be given to long-term plans and programmes to strengthen the service delivery capacity of National Societies at the local and community level.
- A portion of the CBF will be used as a special resource for urgent OD issues such as

integrity cases.

- Finally, the management of the Fund will be improved as per recommendations of the review in 2006. The expenses related to the management, monitoring and reporting of the Fund, including the expert advisory panel, will be capped at CHF 200,000 per year for 3 years.
- Support will continue for existing multi-year commitments to National Societies already receiving CBF funds.

More effective monitoring of results:

The intensive capacity building modality will further strengthen the monitoring of CBF funds. The support will be linked to the development of high-quality baseline assessments of National Society capacity, together with capacity development plans having clear objectives and realistic indicators. A review process will ensure the quality of the capacity development plans before funding is approved. Monitoring and evaluation of impact will become simpler and more feasible, providing donors with better evidence of the changes their funding has achieved.

The increasing demand and expectations will require dedicated staff to manage the Fund and an expert advisory panel which include donor representatives to assist with selection of grants, as well as monitoring of results.

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CAPACITY BUILDING FUND

ANNUAL FINANCIAL REPORT

I. Consolidated Response to Appeal

Selected Parameters	
Year/Period	2006/1-2006/12
Budget Timeframe	2006/1-2007/12
Appeal Code	MAA00011
Budget Type	APPEAL

All figures are in Swiss Francs (CHF)

	Health & Care	Disaster Management	Humanitarian Values	Organisational Development	Coordination & Implementation	TOTAL
A. Budget				8,000,000		8,000,000
B. Opening Balance				1,678,157		1,678,157
Income						
<u>Cash contributions</u>						
British Red Cross						0
Cida / Canadian Red Cross Society				553,905		553,905
Finnish Red Cross				94,680		94,680
DFID Partnership				817,356		817,356
Swedish Red Cross				68,920		68,920
Japenese RC				300,000		300,000
C1. Cash contributions				1,834,861		1,834,861
<u>Outstanding pledges (Revalued)</u>						
CBF Funds						0
C2. Outstanding Pledges (Revalued)						0
<u>Other Income</u>						
Interest Rate Paid on General Funds				14,232		14,232
C6. Other Income				14,232		14,232
C. Total Income = SUM(C1..C6)				1,849,093		1,849,093
D. Total Funding = B + C				3,527,250		3,527,250

II. Balance of Funds

	Health & Care	Disaster Management	Humanitarian Values	Organisational Development	Coordination & Implementation	TOTAL
B. Opening Balance				1,678,157		1,678,157
C. Income				1,849,093		1,849,093
E. Allocations				-1,234,744		-1,234,744
F. Closing Balance = (B+C+E)				2,292,506		2,292,506

III. Allocations Breakdown

	Health & Care	Disaster Management	Humanitarian Values	Organisational Development	Coordination & Implementation	TOTAL
<u>Allocations</u>						
Afghanistan RCS OD				-50,000		-50,000
OD Africa				-100,000		-100,000
Argentine OD				-30,000		-30,000
Azerbaijan Branch Development				-40,000		-40,000
Brazil OD				-54,500		-54,500
Belarus,Ukraine,Moldova,Youth Progr.				-39,398		-39,398
Burundi				-41,600		-41,600
Cambodia OD				-50,000		-50,000
Cameroon				-53,022		-53,022
Central Africa Rep.				-57,463		-57,463
Costa Rica DM				-46,720		-46,720
Fiji OD				-47,117		-47,117
Georgia Branch Devt				-52,000		-52,000
Latvia OD				-49,105		-49,105
Mongolia				-50,000		-50,000
Myanmar Development				-30,000		-30,000
Nepal Resource Mobilization				-24,405		-24,405
Papua NG Branch Network				-47,948		-47,948
Poland OD				-80,000		-80,000
Russia Capacity Building				-40,000		-40,000
S.Africa OD				-30,000		-30,000
S.America Health				-38,485		-38,485
Timor leste OD				-55,000		-55,000
Uzbekistan OD				-23,000		-23,000
Vietnam Finance Devl.				-29,981		-29,981
Zambia				-30,000		-30,000
Volunteering & CIP (UY,VE)				-45,000		-45,000
E. Total Allocations				-1,234,744		-1,234,744