



NATIONAL SOCIETY DEVELOPMENT COMPACT 2019

A collective commitment to a global
network of strong local actors



**© International Federation of Red Cross
and Red Crescent Societies, Geneva, 2020**

Any part of this publication may be cited, copied, translated into other languages or adapted to meet local needs without prior permission from the International Federation of Red Cross and Red Crescent Societies, provided that the source is clearly stated.

All photos used in this document are copyright of the IFRC unless otherwise indicated.

Address: P.O. Box 303,
CH-1211 Geneva 19, Switzerland
Telephone: +41 22 730 4222
Telefax: +41 22 733 0395
E-mail: NSD.support@ifrc.org

National Society Development Compact

A collective commitment to a
global network of strong local actors

We, the International Federation of Red Cross and Red Crescent Societies, made up of its member National Societies and its Secretariat, reconfirm our commitment to National Society Development (NSD) as a means to maximize our collective humanitarian impact, be fit for purpose, better connected and able to adapt to changing environments.

We commit to work as one to align NSD support leveraging our individual and collective strengths and be accountable to one another, and collectively to our stakeholders and communities. This includes leveraging predictable and long-term resources for NSD and pooling them.

We commit to adhere to the roles detailed in this Compact and the seven Foundations as guiding principles of NSD support, and to develop all instruments needed to ensure NSD support is focused on the priorities identified by National Societies and their branches, aligned and relevant to the local needs.

We commit to jointly monitor advances and take all corrective measures to fulfil our aspiration and mandate, as well as our collective vision of a global network of strong local actors.

President and Secretary General's Message

As we write this, in the aftermath of the 100th anniversary of the International Federation of Red Cross and Red Crescent Societies (IFRC), the world is in the grip of a new pandemic, similar to the situation in which it found itself during the flu pandemic in 1919 when the IFRC was founded, but also very different, as today the world is more interconnected. This situation, unprecedented in our lifetime, underscores our common humanity and reinforces the need to draw on local strengths and collective solidarity to address the challenges posed by a global pandemic.

National Red Cross and Red Crescent Societies (National Societies) deliver lifesaving activities in response to disasters and other crises, through over 14 million volunteers and a global network of 170,000 branches, operating in extremely challenging conditions. They also discover new ways to better support people in need by adapting quickly to changing environments, agile in response to new needs and emergencies, connecting with communities and leveraging people's solidarity, exploring new ways of volunteering, rapidly increasing their ability to operate digitally, and working together as one network, all of which is enshrined in our Strategy 2030.

Since its creation, the IFRC has been motivated by one underlying concern: harnessing the potential of its National Societies to enable them to fulfil their humanitarian mandate. National Society development is one of our core functions, as supporting National Societies to become strong and sustainable service providers is the best way to address vulnerability. It ensures National Societies' continued relevance, effectiveness, and sustainability, as well as the capacity to constantly adapt to changing environments and emerging needs.

In a world where resources are limited, mutual support among National Societies is of paramount importance to maximise our collective output and contribute to more empowered and resilient communities. Approved by the IFRC General Assembly in December 2019, we have the pleasure to share with you the National Society Development Compact (NSD Compact), which is developed through extensive consultation among the IFRC membership. This policy document ensures that NSD support is aligned with the priorities defined by each National Society, without duplications or gaps, high quality skills on the supply side to match demand, and with the ability to generate learning that can contribute to collective improvement and innovation across the network.

While the NSD Compact applies to IFRC members, we have also worked closely with the International Committee of the Red Cross, which is wholly supportive of the four commitments and the seven foundations contained in the NSD Compact. In addition, we invite and encourage external partners to adhere to the same principles.

The NSD Compact also underpins a number of important achievements of the IFRC, such as the Federation-wide integrity and accountability framework, which aims to increase trust by safeguarding integrity in humanitarian action, accountability to stakeholders and protection of the humanitarian space.

Today, the NSD Compact commitments are even more meaningful when the entire world is confronted with pandemics and the risk of a global economic crisis. Our volunteers are making a difference at a time when mobilizing surge capacities across countries is not possible; their actions, embedded in local vulnerable communities, is a guarantee of principled humanitarian action, today, tomorrow and always. Let us spare no effort to continue to build a global network of strong local actors.

Francesco Rocca
President

Jagan Chapagain
Secretary General

PURPOSE OF THE NATIONAL SOCIETY DEVELOPMENT COMPACT



The NSD Compact provides a unique opportunity to invest in the world's largest network of local actors, supporting them to provide services to vulnerable people at all times in a principled way and to scale up delivery when needed to respond to disasters and crises.

The IFRC membership has a network of millions of volunteers in around 165,000 local Red Cross and Red Crescent chapters, branches and units in villages, towns and cities around the world. It has a presence in most places worldwide, and in several cases National Societies are the only organizations still able to operate when the social fabric is collapsing and to make a difference in the lives of people dealing with disasters, protracted crises and conflicts. The role of National Societies before, during and after emergencies represents a unique ability to address the changing needs of its own populations, and will continue to grow at national and even more at local levels in the coming years.

The NSD Compact does not substitute the NSD Framework approved in 2013¹ – it builds on it. The NSD Compact focuses on one part of the overall NSD work, namely NSD support, defining it and articulating the main roles to make it effective.

The NSD Compact aims to operationalize the NSD Framework approved in 2013.

The Framework recognizes that many actors are engaged in NSD support, including Movement actors (IFRC as its mandate, plus partner National Societies and the ICRC), and external actors or partners, such as national and local governments, international cooperation agencies, UN agencies. The Framework identifies critical factors that may also, positively or negatively, affect National Societies, such as power and financial inequities which may limit National Society ownership of their activities and development.

While the NSD Framework covers the overall approach to NSD, the NSD Compact focuses on a particular area of NSD work which is **NSD support**. The NSD Compact defines NSD support and defines the main foundations for effective NSD support as well as the main roles and responsibilities for IFRC members as well as non-Movement actors when working together on NSD.

The NSD Compact seeks to address this lack of alignment, duplication or inefficiencies, and promotes coherence and predictability of NSD support across the IFRC membership.

Working together across the network of National Societies has been a common feature from the onset of the IFRC, a hundred years ago. National Societies have been cooperating and collaborating in a variety of forms, globally, regionally or bilaterally, and have been sharing global and regional strategies to underpin these collaborations. However, in recent years such cooperation has often

¹ The NSD Compact builds upon the 2013 National Society Development Framework. The Framework defines NSD as follows: 'working to achieve and maintain an organisation that consistently delivers, through volunteers and staff, relevant countrywide services to vulnerable people sustained for as long as needed and that contributes to the strength of the IFRC and the Movement.' (p7); 'the work done to increase one or more of the relevance, quality, reach and sustainability of National Society services.' (p7)

been shaped by traditional donor-recipient requirements, with short-term support aligning to pre-established external agendas rather than local needs². This has often resulted into increasing fragmentation, lack of alignment and duplication.

The NSD Compact contributes to providing a conducive environment for quality needs-based support across the IFRC membership and the wider Movement, mobilizing the distributed network and improving our collective impact.

The NSD Compact is set up to guide and enable Federation-wide NSD support to maximise the impact of all parties' efforts, and provides the reference framework for effective coordination within the Movement which incorporates the ICRC's support to National Societies on NSD and capacity strengthening, thus enhancing the Movement's overall humanitarian impact.

The NSD Compact reaffirms the role of the IFRC Secretariat to support a common harmonised approach towards NSD³.

The NSD Compact recognizes the ICRC's statutory role in strengthening the capacities of National Societies to prepare for and to respond to armed conflict⁴ and the ICRC's statutory responsibility to preserve and strengthen principled humanitarian action at all times.

The IFRC and the ICRC work collaboratively to strengthen the legal and statutory base of NS, including through the Joint Statutes Commission. The NSD compact recognizes the institutional objective of the ICRC in relation to NSD and encourages close alignment within the Movement⁵.

It seeks to enable all National Societies to leverage the full potential of the network of volunteers rooted in their communities, to capture their needs and act upon them, providing relevant services or playing a major role in a disaster or crisis. NSD underpins programmes and lays the organizational foundation to apply global standards and quality in preparedness and response to disasters and crises.

NSD enables volunteers to adhere to the Red Cross and Red Crescent Fundamental Principles, supporting National Societies and their branches to be actors and contributors to civil society strengthening.

² 'Foreign National Societies can be driven as much by the priorities of their own donor government as by those of the local National Society and a focus on delivering against project goals can go against the best interests of the local National Society. Foreign delegates are expected to prioritise the delivery of 'their' projects. Delegates are often not briefed or trained on how to assist the local National Society to develop [...] (IFRC, Mid-term review of S2020, final report, page 33–34, numeral 167, accessible at <https://www.ifrc.org/en/publications-and-reports/evaluations>)

This resonates with the external environment: '... it is clear that current humanitarian and development funding and partnership models are not working. Local and national voices are marginalised, organisations are treated unequally, and current approaches do little to invest in the responsive capacity and sustainability of civil society for the long term.' (Poole, L. 'Turning Rhetoric into Resources: Transforming the Financing of Civil Society in the Global South', NEAR Network Strategy Paper, Report 2018)

³ As set by the Preamble and Functions outlined in the IFRC Constitution (accessible at https://media.ifrc.org/ifrc/wp-content/uploads/sites/5/2020/02/01_IFRC-Constitution-2019-EN.pdf) and in the Statutes of the International Red Cross and Red Crescent Movement adopted by the 25th International Conference of the Red Cross in 1986 and amended in 1995 and 2006 (accessible at <https://www.icrc.org/en/doc/assets/files/other/statutes-en-a5.pdf>)

⁴ This includes the Safer Access Framework (SAF) and programmatic areas such as Restoring Family Links (RFL) or dissemination of International Humanitarian Law (IHL).

⁵ ICRC Strategy 2019–2022: <https://www.icrc.org/en/publication/4354-icrc-strategy-2019-2022>; ICRC Cooperation Policy (2003): <https://www.icrc.org/en/doc/resources/documents/article/other/5ssf3w.htm>

The NSD Compact provides a unique opportunity to capture and share learning across the network thus providing a more conducive environment for quality and needs based peer support across the IFRC membership

Today, there is growing evidence that more needs to be done to capture and leverage the wealth of knowledge at the local level, using the opportunities for connectedness to access and support existing capabilities. In line with the Movement commitment to the Grand Bargain at the World Humanitarian Summit, including the importance of and need to invest in local actors, the Compact aims at surfacing such richness of experience and innovation and make it available to partners.

Definition of NSD support in the Compact

While the NSD Framework defines NSD in general (see footnote 1), there is no agreed upon definition of the NSD **support**. This NSD Compact therefore fills this gap.

The Compact defines **NSD support** as:



any support provided by an external actor to a National Society, based on the request and priorities of that National Society, that purposefully contributes to helping that National Society to achieve and maintain a sustainable organization able to deliver relevant, quality, and accessible services in full respect of the fundamental principles."


NSD support therefore includes all efforts by other actors to support a National Society's work to increase the relevance, quality, reach and sustainability of its services. It includes what is commonly called 'capacity building, strengthening, enhancement, or sharing', 'organisational development', 'peer-to-peer review', and 'material/financial investments'.

Four commitments for collective investment, shared roles and responsibilities for NSD support

The challenges of the future require a renewed commitment across our IFRC to strengthen our network of local actors in a predictable, consistent and coherent way, supporting one another to adapt, innovate, connect, learn and most importantly deliver relevant and sustainable services to vulnerable people. This requires coordinated action, new ideas and substantive investment in NSD and learning from current and future experience.

FOUR COMMITMENTS

NSD support follows a pattern that focuses on the needs and strategic priorities identified by a National Society where it needs support and the provision of support by an external partner. To be effective, all collaboration through these partnerships must be based on clearly identified needs on the demand side, a clear offer of skills and competences of the appropriate quality on the offer side, and a proper matching of the two. All such support must also be of the right quality, aligned and avoiding duplications. Finally, there is a need to capture the learning that is generated by such support thus contributing to a stronger IFRC and Movement. The NSD compact therefore sets out roles for National Societies, their partners and the IFRC secretariat on NSD support. While the commitments are binding for the National Societies and the IFRC Secretariat, external partners are expected to follow these commitments when engaging in NSD support.





COMMITMENT 1

Better identification of NS priorities in NSD

The ownership and responsibility of the development of a National Society sits with the National Society itself. National Society leadership bears the responsibility to ensure National Society is fit for purpose, and able to identify priorities for its own development.

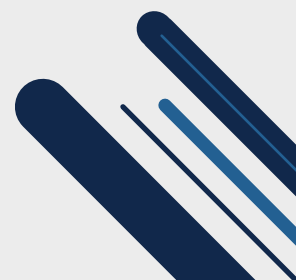
The identification of priorities can take place in many different ways using tools developed by the IFRC for self-assessment as well as other tools used within or outside the Movement, recommendations from external audits and in relation to the National Society's legal base (especially taking into account recommendations generated by the revision of a NS Statutes)⁶. Based on this, many National Societies develop a plan of action to address the identified priorities for improvement and if necessary, revise their existing strategic plans.

Additional tools also provide the National Society with a valuable set of areas of improvement in services or programmes upon which to take action, and in case external support is needed, for partners to engage⁷. These tools can contribute to a better integrated approach and facilitate alignment and complementarity.

Some National Societies may choose to shape these priorities within their strategic plans, while others prefer to develop a separate plan to address these internal priorities that support programme and service objectives. Regardless of the approach taken, National Societies need to discuss and agree on their own development priorities, approve the line of action to tackle those development priorities and communicate them widely within their National Society. Once the needs are clearly identified and priorities decided, a National Society will identify which priorities can be fulfilled with its own capacities, and which need external support.

⁶ This includes through the Organisational Capacity Assessment and Certification (OCAC) as well as the Branch Organisational Capacity Assessment (BOCA) self-assessment processes, that allow NSs to obtain a comprehensive picture of the state of the organisation and the areas for improvement at both central and local levels. In addition, all National Societies are required to undergo an annual external audit, and many do so, carried out by certified auditing companies. The results of the mentioned exercises are also useful to identify the critical gaps, needs and priorities for investment in the organization, to enable it to offer more relevant and sustainable services. The revised Guidance for NS Statutes (2018) offers additional opportunities to a NS to identify its priorities for development.

⁷ A series of additional tools for self-assessment are available for National Societies, including the Preparedness for Emergency Response (PER) tool, as well as specific tools on technical areas to include communications, logistics, CASH programming, among others. The Safer Access Framework developed by ICRC together with NS and IFRC, contributes to NSD by drawing attention to context-specific organizational weaknesses, through the lens of acceptance, security and access.



In relation to this process of identifying the National Society's priorities for NSD, the Compact outlines the following commitments:

- **A National Society** in its own country defines its overall strategic direction and priorities and adheres to them, engaging proactively with partners to ensure they focus on the identified priorities. If the National Society has developed a NSD plan at country level, this will be shared with its partners and guide potential partners from inside and outside the Movement to help them identify how their support can best add value to a National Society's development efforts. If there is no such plan, the National Society should consider developing one or, as a minimum, outline its NSD priorities for partners based on evidence and indicating steps leading to self-reliance on the long term. The NS will coordinate all external support received (where needed with the support of the IFRC secretariat), and ensure that all support is used in an efficient way and contributes to the overall development goals of the NS.
- **Other National Societies** when acting as partners are responsible to contribute to the strengthening of a National Society in line with the latter's priorities and aligning with the latter's NSD plan. This can include proactively taking steps to avoid duplication or concentration of efforts in the same areas as well as be ready to realign their support in order to reduce such risks. Other National Societies when acting as partners have to ensure that they have the capacities and expertise to meet the identified priorities, work collectively to mobilise those expertise and resources from Movement and non-Movement partners, and be ready to take part in country coordination mechanisms.
- **External (non-Movement) partners** when engaging with a NS are expected to respect, and align with, the priorities set by the NS they intend to cooperate with, develop any support within the framework of the agreed upon country NSD plan, and take part in country coordination mechanisms.
- **The IFRC Secretariat** will support the National Society and its leadership with the process of needs identification, prioritization and planning. To create a conducive environment for partnership, this may include supporting the development of the country NSD plan at country level and supporting the National Society to coordinate all cooperation. This may be done, when needed, in line with the practice of shared leadership, according to who is best positioned in a given context or area.



COMMITMENT 2

Competences that match the needs

Each National Society has strengths and competences in addition to needs or gaps. Identifying those areas of strength and making them available across the network is embedded in the organizational culture and tradition of the IFRC. It is therefore vital for National Societies to identify which areas of competence they possess, or are willing to develop, to be able to offer that support to other National Societies. This includes support in times of emergencies.

The quality of NSD support is also a crucial factor for success - only skills, competences and capabilities of the appropriate level and type will result in proper support for capacity strengthening and contribute to better impact. Making such support predictable is a key commitment that will enable more effective partnerships and improved NSD.

The importance of different cultures, including organizational cultures, should not be underestimated when providing NSD support and is a key element in peer support. The IFRC Secretariat will, through its field structure, ensure this aspect is taken into account when an offer of support is put forward to match needs. In many cases, the best support is the closest one, from within the same or from a neighbouring country, or an environment sharing similar characteristics or challenges (e.g. south-south cooperation), as this has the advantage of reducing transaction costs, is already culturally and language appropriate, and is aligned to national rules and laws. In other cases, such skills and competences may not be available locally, especially in complex contexts and international support will be needed.





In relation to competence development, the Compact sets out the following commitments for National Societies, the IFRC secretariat and external partners:

- **All National Societies** will identify the areas of expertise where they have a value added or specific competence that could be relevant for other Societies.
- **Other National Societies** when acting as partners and intend to offer such expertise, shall draw upon their areas of expertise. To maximise Movement efficiency and impact, they are requested to coordinate with the IFRC Secretariat, to allow for coordination and predictable use of this expertise among the membership. Where investment is needed to develop these competences for international cooperation, National Societies should allocate the necessary resources to do so. This can include resources to invest in research and development based on learning and to facilitate evidence based support.
- **External (non-Movement) partners** already engage with National Societies, including a number of UN agencies as well as private sector partners. Therefore, coordination mechanisms at the country level should be inclusive of all partners. For those external partners that intend to engage with a National Society, they are invited to take part in coordination mechanisms led by the National Society at a country level. They are expected to identify areas of competence they have that could support NSD where they consider they have a value added / specific competence and where they are prepared to invest or make themselves available to support the National Society with whom they intend to cooperate.
- **The IFRC secretariat** will support the development of competences within National Societies and ensure the coherence and compatibility of those of external (non-Movement) partners, ensuring that it is of quality, predictable and sustained. The IFRC Secretariat will contribute to the mapping of actors and partners, highlighting those that have the competences, capacities, resources and willingness to share their skills in a given area, facilitate the contact between and among National Societies as well as external partners, and suggest areas of expertise for future development according to identified needs. The IFRC Secretariat will be responsible for ensuring coherence, consistency and complementarities across regions. The IFRC Secretariat engages with the ICRC, as and when appropriate, to promote optimal collaboration.

In specific terms, this Compact reconfirms that all support needs to be tailored to the priorities as identified by the National Society which is requesting support. Nevertheless, three main areas of work stand out in need of collective investment for improvement, as identified by the IFRC Governing Board: Volunteering; Integrity, Transparency and Accountability; and Financial Sustainability. These three main areas imply an accrued focus on leadership development as a condition for success.

VOLUNTEERING

Volunteering is one of the seven Fundamental Principles of the Red Cross Red Crescent Movement.⁸ Volunteers demonstrate and promote the value of the Movement and are at the center of everything it does. Volunteers are an embodiment of community engagement and accountability. They lead by example, all too often sacrificing their lives to save the lives of others.

National Societies provide volunteers with opportunities to serve and must prioritise sound volunteer management which allows for greater speed, flexibility and greater diversity of engagement opportunities, including the safety and security of volunteers at the heart of their NSD work and plan. A strong volunteer base and strong volunteer management, in turn, enables a National Society to accomplish its mission.

The Volunteering Alliance, which aims to better engage, attract and protect volunteers, has committed to strengthening and empowering the volunteer base of National Societies and as such is a key partner in NSD and a priority commitment for the Compact.

We collectively agree to prioritise NS volunteering in areas such as but not limited to:

- new ways of engagement of volunteers (including e-volunteering, corporate volunteering, spontaneous volunteering);
- data management for volunteering;
- safety and wellbeing of volunteers (including volunteering in emergencies).

⁸ 'VOLUNTARY SERVICE. It is a voluntary relief movement not prompted in any manner by desire for gain'.

INTEGRITY, TRANSPARENCY AND ACCOUNTABILITY

National Societies are accountable to the communities and people they serve and, as members of the IFRC, are committed to a culture of accountability, transparency and good governance. They have an obligation to deliver high quality services, making use of resources in the most effective and efficient way, in line with the Fundamental Principles of the Red Cross and Red Crescent Movement.

Integrity in the IFRC Integrity Policy is defined as *'the extent to which the National Societies and the International Federation possess the will and the ability and act in pursuit of their respective declared objectives, policies and standards in full accordance with the Fundamental Principles of the Movement'*. Integrity breaches cover individual as well as organisational responsibilities, and both internal and external challenges.

National Societies are committed to establishing policies and internal procedures for the protection of their integrity, recognize the necessity of ensuring their collective integrity, and the importance of addressing integrity issues at an early stage. If they are unable to resolve such integrity issues, they must seek support according to established IFRC mechanisms such as the Compliance and Mediation Committee, as well as agreed Movement processes and practices, including the joint IFRC-ICRC Joint Statutes Commission on the strengthening of their legal and statutory base and related policy frameworks.

We collectively agree to prioritise NS accountability, transparency and integrity in areas such as:

- integrity risk management, including the legal base, auxiliary role, legal advice and policy development;
- systems support for PMER, finance, Human Resources, Information Technology, Logistics and communications functions;
- accountability, including accountability on services and programmes to vulnerable communities, to Movement partners, donors and internal and external audit.

FINANCIAL SUSTAINABILITY

Financial sustainability is vital to enable a National Society to expand and develop the quality and reach of its service delivery, respond to sudden humanitarian emergency, learn and innovate and adapt to the challenges of the future. A financially sustainable National Society attracts and manages the financial resources it needs to run its core humanitarian services and governance and management processes. It manages financial risk to ensure it has the freedom to identify and respond to the humanitarian needs that it prioritises at the present and into the future. To be financially sustainable, a National Society must have an organizational design that ensures that its programmes, structures, and governance and management processes are able to function, have effective financial management systems to enable evidence-based strategic decisions and be able to access a range of funding, including unrestricted funds.

We therefore collectively agree to prioritise support to NS financial sustainability in areas such as:

- supporting National Societies to analyse their organisations, and evolve towards more financially efficient ways of working;
- supporting development of strong financial management skills, including being able to build and maintain financial reserves, assess and manage financial risk, financial planning and strategically manage and finance overhead costs;
- supporting the development of capacities in commercial income generation (sale of goods or services for a profit to be re-invested in a NS's running or service costs);
- supporting the development of capacities in fundraising (donations, grants and contributions), Government-contracted goods or services such as educational services or health services; and to explore innovative financing such as crowdfunding, public-private partnerships, solidarity taxes, debt swap/buy downs, social impact bonds, catastrophe bonds, among others.





COMMITMENT 3

Aligned effective NSD support

To maximize its effectiveness, all NSD support from all partners must be aligned with the humanitarian needs, the mandate and the priorities of the National Society.

The Compact recognises that when multiple actors, with different and potentially competing agendas, engage with one NS in an uncoordinated manner, this has the potential to become a risk to the independence of the National Society, threatening it as well as its operational effectiveness and long-term sustainability. Uncoordinated approaches have the risk of undermining, rather than strengthening, the capacity of the National Society, and confuse donors and non-Movement actors. NSD must focus on coordinated approaches and building synergies, to ensure National Societies' operational effectiveness and long-term sustainability.

External partners have a genuine interest in supporting National Societies, since they recognize the reach and impact they have at a local level. Considering that some external (non-Movement) partners may not have a full understanding of how a National Society works (e.g. their volunteer base, auxiliary status in the humanitarian field, global network or Fundamental Principles) and that not all National Societies are familiar with the way private sector companies, UN agencies, or academia work developing better communication and mutual understanding is important.

Finally, partners shall reduce administration costs to a minimum, ensuring a fair allocation of resources to the strengthening of local capacities, including a fair distribution of overhead costs, in line with the commitments of the Grand Bargain.






In relation to the alignment of NSD, the Compact sets out the following roles for National Societies, the IFRC secretariat and partners.

- **A National Society** in its own country defines its priorities and adheres to them, turning down offers of projects or programmes that are not aligned with their plans and priorities. It is the responsibility of the National Society to lead the coordination of its partners holding regular meetings with partners on NSD support, share their NSD plan and priorities with partners, facilitate and ensure convergence of all partners around agreed upon common goals, jointly monitor progress or take corrective measures as appropriate.
- **Other National Societies** when acting as partners shall ensure that all programme support takes into account the long-term development needs of the National Society, ensuring alignment of their support and resources with the latter's NSD plan and priorities. Other National Societies when acting as partners shall reduce transaction costs to a minimum, ensuring a fair allocation of resources to the strengthening of local capacities, in line with the commitments of the Grand Bargain. They shall avoid duplicating efforts of other partners, make efforts to reduce the burden in terms of reports onto the National Society they cooperate with adhering to common standards of reporting, and use IFRC tools and approaches to cooperate.
- The Compact exhorts **external (non-Movement) partners** to refrain from seeing National Societies purely as 'implementing partners', and to avoid imposing their agendas on the National Society partners. Instead, external partners are expected to respect the National Society's adherence to principled humanitarian action, align their support with the priorities of the National Society and are encouraged to commit expertise and resource to strengthening the National Society helping to reduce transaction costs.
- The IFRC Secretariat has a major and multi-functional role to play in aligning effective NSD support. This includes supporting and accompanying the National Society to drive its own development, as well as to enable the National Society to coordinate its partners, advising partners on successful NSD engagement, identifying gaps for further partnerships or support and identifying new partners, looking for duplications or economies of scale. At a higher level, the Secretariat may also identify areas across the distributed network where increased investment and alignment is required for greater efficiency and impact, look for other partners to provide support in new areas, accompany any new partners in their engagement with National Societies, and represent the IFRC with global multilateral actors. The IFRC Secretariat will disseminate, and develop when needed, tools and approaches for effective cooperation. Finally, the IFRC Secretariat must ensure that its own technical support to National Societies is coherent and aligns with their long-term development objectives.



It also means that partners when working together need to pay attention to power relations, cultural factors, and be aware of differences in organizational cultures, considering the need for empathy and respect alongside skills and competences so that the risks of compromising the technical content is reduced.





■ **All National Societies** will capture and share the learning about their own development and invest in the co-creation of new approaches, recognizing the collective benefit of mutual learning, and will apply the learning for their continual development. They will respect the seven foundations (Annex) as guiding principles for NSD support. When acting as partners, National Societies will capture and share the learning of their NSD support. This learning will contribute to overall improvement of the NSD approaches.

■ **The IFRC Secretariat** will support National Societies to capture the learning from their own development, through inbuilt feedback and review mechanisms.

The IFRC Secretariat will facilitate knowledge sharing⁹, learning from new ideas, approaches, failures and successes, informing future approaches, as well as the overarching IFRC-wide NSD approach to improve NSD delivery and the longer-term impact of the IFRC network under S2030.

The IFRC will further coordinate or contribute to research on approaches to NSD and establish Communities of Practice to share learning; as well as interact with other actors on organizational change outside of the Red Cross and Red Crescent ecosystem.

In cooperation with Movement partners, the IFRC Secretariat will act as a global knowledge broker, leverage on the emerging learning as source of quality assurance, ensuring where appropriate the development of standards, and fostering the incremental co-creation of a Movement-wide success measurement system on NSD.

The IFRC Secretariat will develop with Movement partners appropriate tools such as a platform for National Societies to share learning, co-develop approaches, facilitate peer to peer support and contribute to overall coherence of NSD support.

⁹ Reference is made to the 'Review of the Decentralization of the IFRC Secretariat' by Accenture, published in 2013: 'The review recommends that the Secretariat essentially becomes a knowledge broker organisation. It should facilitate global knowledge exchange using existing centres of expertise within its membership (NS) and professional organisations that already specialise in multiple technical areas ...' (accessible from the IFRC Secretariat upon request)



RESOURCING NSD SUPPORT



In order to fulfil the four commitments, the NSD compact calls for all NSs and partners to collectively invest in our global network of strong local actors. This requires long-term commitment; alignment and pooling of resources; and innovative approaches to funding.

Long-term commitment

National Society Development requires a systemic approach, considering services, volunteering and organisational strengthening as part of the same system, which in turn requires long-term commitment. This responds to a change of approach, where National Societies are required to become more adaptive organisations, able to adjust to their changing environment. Recognising this, the IFRC and the ICRC have agreed to jointly develop the National Society Investment Alliance (NSIA), that provide multi-year, significant funds to a National Society. This is also the approach that already shapes the support between some National Societies.

National Society, other National Societies and IFRC have the responsibility to actively advocate to their Governments and donors to resource long-term and predictable support.

Donor Governments are invited to recognise the advantage and impact of such long term and predictable commitment to NSD support as a way to materialise their commitment to the Grand Bargain and the Sustainable Development Goals; and donor partners from the private sector should recognise the importance of investing on a global network of strong local actors.

The NSD Compact calls on all partners to a National Society to commit multi-year plans and budgets based on expressed priorities of the National Society they partner with.

Alignment and pooling of resources

The NSD Compact commits to an aligned effective NSD support, which includes the alignment and pooling of resources. This includes pooling resources in existing multilateral mechanisms such as Funds, where resources are pooled together and made available for National Societies through a competitive application process (e.g. NSIA); bilateral funding support, where one National Society or external partner provides funding to another one; pooling funds from two or more bilateral partners together; and providing funding support to a National Society via the IFRC annual plan and budget exercise.

The NSD Compact calls on all partners to a National Society to prioritise options for pooling funds and reduce and ideally avoid duplications of resources. Funds made available should as much as possible be non-conditional, linked to impact in medium to long-term. In addition, the NSD Compact calls on all partners to take where appropriate part to the coordination mechanisms at the country level¹⁰.

¹⁰ Such mechanisms are developed at the country level. As an example the Red cross and Red Crescent Movement has developed the Strengthening Movement Coordination and Cooperation (SMCC) initiative for the Movement components to work together to fulfil the Movement common goals (Council of Delegates, 2013, accessible at <http://smcctoolkit.org/wp-content/uploads/2018/11/CoD-2013-Resolution.pdf>)

Innovative approaches to funding

While resources for NSD support have mainly been coming from traditional sources (other National Societies, IFRC, ICRC and Governments), there are opportunities for innovative approaches to resourcing NSD support. These include impact bonds, crowdfunding, remittances, and solidarity funds. Other initiatives to be further considered include devoting a fixed budget percentage to the NSD, so as to support the funding of the three priorities (Volunteering; NS financial sustainability; integrity and accountability).

The NSD Compact invites partners to share learning from efforts on innovative approaches to NSD support and join forces to develop innovative approaches to scale to enable NSD support to be effective and impactful.

A call to partners

The NSD Compact calls for all partners to commit long term, sustained and as much as possible non-conditional funding to NSD support to entail a long-term social impact return. It calls for partners to align resources and wherever possible and appropriate pool them together. It calls for partners to join efforts to develop innovative approaches to resourcing NSD support. It invites partners to support the development of the tools necessary to ensure alignment and learning and develop the necessary mechanisms for collective accountability and measurement of impact.

Implementation of and reporting on the NSD Compact

The leadership of National Societies and the IFRC Secretariat shall ensure the implementation of the NSD Compact. National Societies are expected to align their existing practice to the NSD Compact.

Regular reports on the implementation of this NSD Compact will be made by the IFRC Governing Board to the IFRC General Assembly. The required mechanisms and tools to monitor the implementation of the NSD Compact will be developed by the IFRC Secretariat.

ANNEX

The seven Foundations for NSD Support

The following foundations are based on and adapted from the policy frameworks of the IFRC and the Movement, and together set the **guiding principles** that shall be respected by National Society and their partners and guide the engagement of non-Movement partners when engaging in NSD support. They have been approved by the IFRC's Governing Board.

1

Volunteering and Membership

NSD support should be designed and implemented in a way that respects and supports the principle of voluntary service that lies at the foundation of each National Society.

2

Ownership

The ownership and primary responsibility for NSD rests with each National Society.

3

Continual Development as a Priority

Each NS – an auxiliary to its authorities in the humanitarian field – must seek to continually improve the relevance, quality, reach and sustainability of its services, so as to best adjust to the evolving needs of those it serves, and fulfil the humanitarian mandate of the RCRC Movement in line with the Fundamental Principles of Humanity, Impartiality, Neutrality, Independence, Voluntary Service, Unity and Universality.

4

Integrity and Accountability

National Societies, founded on a strong legal and statutory basis, must at all times demonstrate integrity and accountability. They are accountable to those they serve, their members, other National Societies, and to the Movement as a whole.

5

Partnership

A National Society receiving NSD support must be recognized as leading and coordinating such relationships. These relationships must demonstrate mutual accountability and respect for each other's competence.

6

Alignment

To maximize its effectiveness, NSD support from all partners must be aligned with the humanitarian mandate, and the priorities of the National Society which in turn are founded on humanitarian needs.

7

Sustainability

NSD support should contribute to the sustainability of the National Society's capacities and services for as long as they are needed.



The International Federation of Red Cross and Red Crescent Societies (IFRC) is the world's largest humanitarian network, with 192 National Red Cross and Red Crescent Societies and around 14 million volunteers. Our volunteers are present in communities before, during and after a crisis or disaster. We work in the most hard to reach and complex settings in the world, saving lives and promoting human dignity. We support communities to become stronger and more resilient places where people can live safe and healthy lives, and have opportunities to thrive.

Follow us:

ifrc.org | twitter.com/ifrc | facebook.com/ifrc | instagram.com/ifrc | youtube.com/ifrc