



National
Society
Investment
Alliance



THE NSIA

Annual Report 2020



ICRC



IFRC

The National Society Investment Alliance (NSIA)
A joint investment fund of the IFRC and the ICRC

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Crescent Societies, Geneva, May 2021

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**The National Society Investment Alliance
Annual Report 2020**



**Cruz Roja
Colombiana**

Foreword

We are pleased to share with you this Annual Report outlining the activities and progress of the National Society Investment Alliance (NSIA) in 2020.

Last year brought unprecedented challenges for us all. Covid-19 has made clearer than ever the need for strong local humanitarian actors, and it is in the most challenging settings that Red Cross and Red Crescent National Societies play the most vital role. National Societies are independent, but they are not alone. They participate in and draw on the knowledge and resources of the global humanitarian network that is the International Red Cross and Red Crescent Movement, and in this way are able to better serve the local communities in which they are deeply rooted.

Given the diversity of our network, the development needs of National Societies vary greatly and there is no single approach to supporting organisational and capacity development. For those operating in contexts of increased risk and vulnerability, the NSIA offers an opportunity to access additional resources to help realise their development strategies, with a focus on sustainably increasing humanitarian impact. By offering different types of funding within the NSIA mechanism, we aim to offer a pathway for National Society leaders to pursue long-term organisational development efforts through sustained investment and support.

Co-chairs of the NSIA Steering Committee



Katrin Wiegmann
Deputy Director-General,
ICRC



Xavier Castellanos
Under Secretary-General,
National Society
Development and
Operations Coordination,
IFRC

Our goal is to help ensure that Red Cross and Red Crescent National Societies are recognised and supported as a critical part of the global humanitarian response system. This aim also aligns with the commitment of the Movement and the wider humanitarian system to promote increased localisation of response within the context of the Grand Bargain.

The year 2021 will be the NSIA's third year of operations, during which we will complete our third round of funding. The fund has developed the systems and structures to function as a credible mechanism supporting the organisational development of National Societies. We are also beginning to see the positive impact and return on investment from the work of National Societies who have received funding in previous years. As we move forward, we will continue to learn from experience and ensure that the NSIA continues to be as relevant and efficient as possible.

The challenges of the previous year have only served to underscore the determination and drive of so many leaders to develop and strengthen their National Societies, and the need to work collectively across the Movement and with partners to support such efforts. We are pleased that the NSIA continues to develop and play a vital role in the global ecosystem of support to National Society development.



About the NSIA

For more than 150 years, the Red Cross and Red Crescent have signified hope and help in times of crisis. What a century of providing support to the most vulnerable has taught us is that principled humanitarian action should be as local as possible. National Societies are an integral part of the communities they serve, providing care and services before, during and after emergencies.

For a National Society to be able to provide relevant and adequate services to vulnerable populations in times of crisis it is imperative that they have not only sufficient financial and human resources, but also that they have in place robust and effective systems, processes and structures. National Societies must focus not only on responding in the short-term, but also on developing and adapting for the long-term.

National Societies with limited capacities, however, or those in situations of continual instability, can find it difficult to access the resources they need, and even accomplished humanitarian responders can struggle to mobilise investment in their organisational and operational capacities.

The National Society Investment Alliance (NSIA) was formed following the World Humanitarian Summit to address this need. The International Federation of Red Cross and Red Crescent Societies (IFRC) and the International Committee of the Red Cross (ICRC) have come together to create a demand-led fund that provides substantial, multi-year support to National Societies, especially those in contexts with heightened humanitarian needs or risks.

The NSIA seeks to strengthen National Societies so they can increase their impact. Against a backdrop of evolving risk contexts and increasing needs, the NSIA is focused on supporting the development of Red Cross and Red Crescent National Societies as principled, effective and sustainable humanitarian actors.

How it works

Our goal is to identify and support strong leadership teams who have a coherent vision for the development of their National Society and its humanitarian services. Through an annual call for proposals National Societies – particularly those operating in situations of increased risk and humanitarian need – are invited to apply for funds to implement initiatives focused on the development of organisational and operational capacities.

National Societies are at the centre of the process: they develop their own priority areas for investment, provide the evidence for their decision, and outline how the proposed investment will lead to a sustained increase in capacity and impact.

Investments might begin with initial, short-term exercises such as assessments or strategy development. These are aimed at preparing the ground for longer-term investments over three to five years, such as developing and implementing planning, monitoring, evaluation and reporting (PMER) systems, or investing in income-generating activities.

Proposals are evaluated through a review process that includes analysis of the proposals by the NSIA office; field consultation with IFRC and ICRC staff; and interviews with National Society leaders. The merit of each individual proposal is then evaluated by the NSIA Steering Committee against a set of objective criteria.

The process also seeks to ensure that National Societies selected for funding adhere to high standards of integrity, and that any risks are identified and mitigated through the selection and contracting process.

During 2019, the NSIA completed its first round of funding. This saw 48 applications resulting in support for ten exciting investment proposals from National Societies globally, covering a range of organisational development and capacity strengthening initiatives. The second round of funding, in 2020, culminated in 49 proposals submitted, of which seven were approved for funding. Demand far outstrips the amount of funding currently available.

1. INITIAL ELIGIBILITY

Basic eligibility and relevance, screening for integrity issues and basic fulfilment of requirements (i.e. complete applications)

2. CONSULTATION

Extensive consultation with IFRC and ICRC field structures to triangulate and evidence proposal details.

3. STEERING COMMITTEE

Short-listed proposals ranked and presented to the Steering Committee for review and final decision-making

4. FUND DISBURSEMENT

Following the agreement of the Steering Committee and a risk assessment, agreements are signed with National Societies



Volunteers from the Comoros Red Crescent visit the elderly, talk with them and monitor their health status.

Types of funding

Because the need for organisational and capacity development varies widely, the NSIA offers two types of funding to National Societies: Accelerator funding and Bridge funding. This model aims to both provide relevant support and to create a pipeline of opportunities for future investment and funding, whether from the NSIA or other sources.

Accelerator funding provides grants of up to CHF 1 million over three to five years (reviewed

annually). These are investments geared to National Societies with a clear vision and existing plan for improving sustainability and developing their organisation.

Bridge funding is awarded in amounts up to CHF 50,000 over one year, and is destined to support National Societies to develop an investment plan and increase their readiness for more substantial funding.

Accelerator funding for long-term development

- 3–5 year investment plans developed by National Societies
- for organisational development and improving sustainability
- funding for up to five years (reviewed annually)
- maximum funding of CHF 1 million over five years

Bridge funding to support National Societies preparing for future investment

- support to develop a credible, evidence-based investment plan
- increase readiness to apply for NSIA Accelerator or other sources of funding
- maximum CHF 50,000 for up to 12 months



CRUZ ROJA
MEXICANA

NEUTRALIDAD · INDEPENDENCIA · VOLUNTARIADO · UNIDAD · UNIVERSALIDAD

Fund management

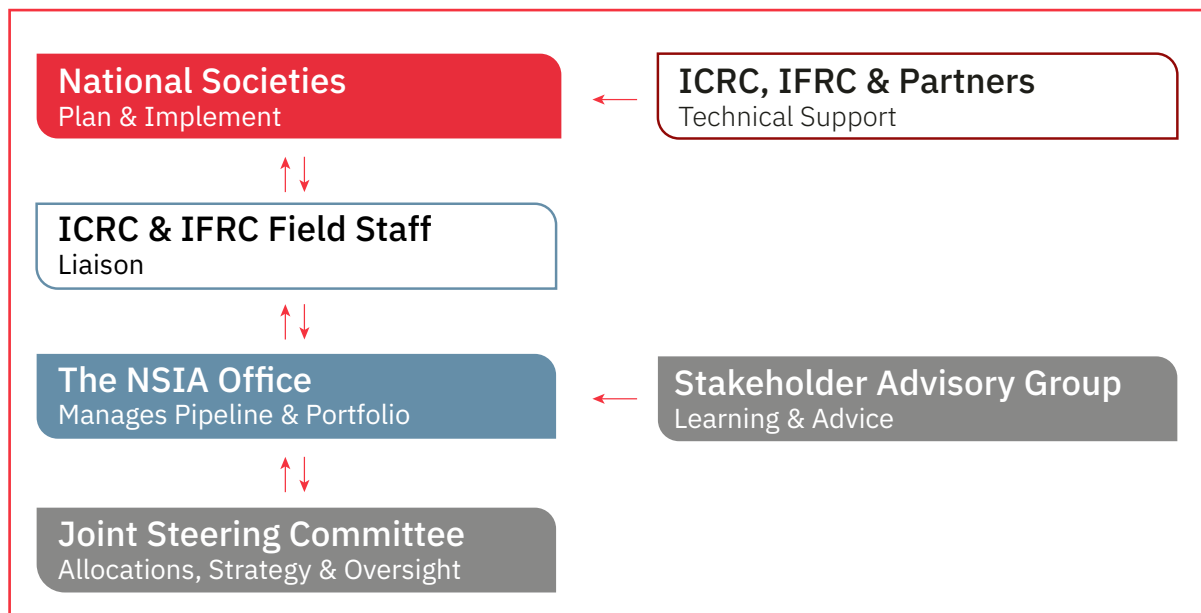
The NSIA is jointly managed by the ICRC and the IFRC, and day-to-day management of the fund is carried out by a small Office, hosted by the IFRC. The NSIA Office works closely with ICRC and IFRC field staff to support National Societies through contracting, implementation and reporting, actively managing the risks associated with developing capacity in fragile and emerging contexts.

A Steering Committee of senior IFRC and ICRC representatives oversees the fund; providing strategic direction, developing the funding strategy, approving grants, and ensuring the accountability of the fund. In 2019, the NSIA also established a Stakeholder Advisory Group, to better engage with and draw on the experiences of the Movement, with engagement from the leadership of the National Societies of Canada, Germany, Kenya, Lebanon, and Switzerland.

In the course of the past year, the fund has been working to strengthen its systems and processes. Drawing on the resources of both ICRC and IFRC, we are learning and adapting, working with partners to scale the level of support the NSIA is able to provide. Events of the past two years have made it clear that there is a great and growing demand for such funding on the part of National Societies.

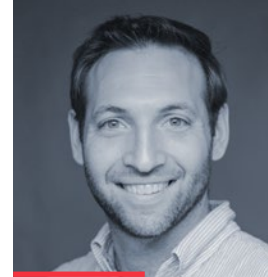
The goal is to increase the long-term sustainability of National Societies as effective local actors able to provide relevant services underpinned by adherence to humanitarian principles.

The NSIA Stakeholders





Fund Manager's Overview



Kim Scriven,
Fund Manager, The NSIA

The year 2020 was unprecedented. Like many, at NSIA we watched the pandemic unfold with a growing concern for the impact it would have globally. There was also a great deal of uncertainty as to what the restrictions and other effects of the growing crisis would mean for the implementation of the programmes the NSIA was funding – as well as how it would affect the day-to-day work of the NSIA itself.

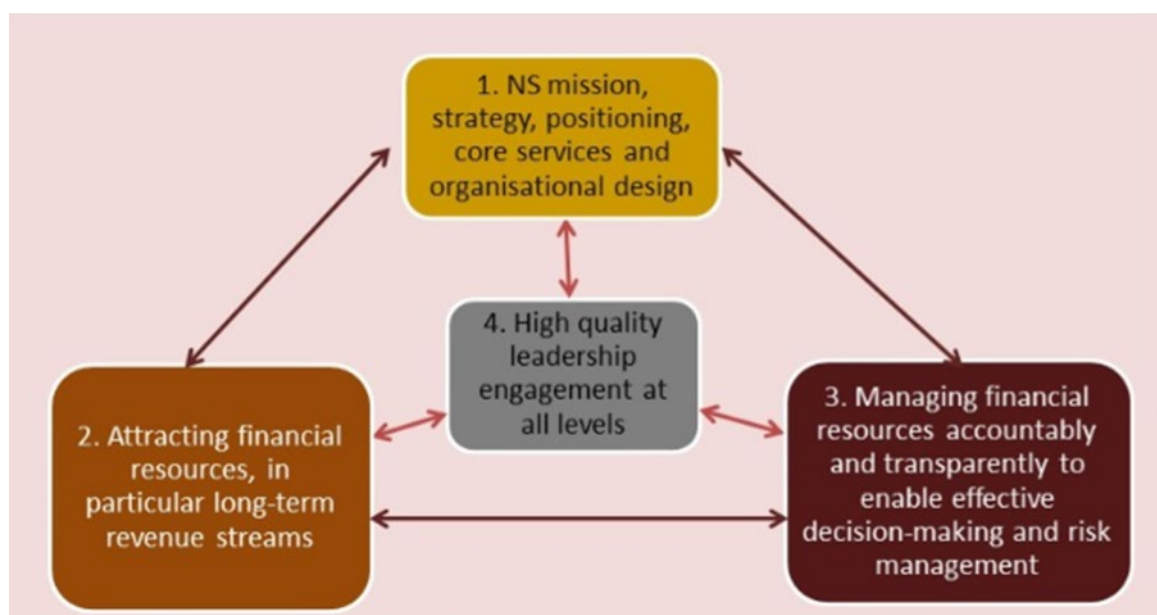
In the initial weeks of the crisis, it was decided to delay the call for proposals so as to not overburden National Societies who were already devoting all of their efforts to the immediate response needs in the communities where they work. However, it quickly became clear that despite (or perhaps because of) the challenges of Covid-19, the demand for support to aid organisational and capacity development remained high. The call for proposals was thus launched in April 2020. The number of proposals received was consistent with the previous year (a total of 49 proposals), and we also saw an overall increase in the quality of the applications, at the Accelerator stage in particular.

Perhaps most gratifying of all, we saw in 2020 that the impact of NSIA funding within National Societies is beginning to be felt. In particular, it gave National Society leaders the additional flexibility they needed to respond with agility to the challenges they were facing.

One such example is Lebanon, where Accelerator funding of more than CHF 700,000 over five years is enabling the Lebanese Red Cross (LRC) to develop their PMER, digital communications, and fundraising capacities. These capacities allowed the LRC to conduct awareness raising on the role they were playing in Covid-19 and grow income from private and corporate sources. Following the Beirut Port explosion in August 2020, the LRC was able to raise funds to support a CHF 18.5 million (USD 20 million) cash assistance programme for people affected by the blast. While the ongoing crises in Lebanon continues to require significant international support, the LRC is increasingly seen as a credible and effective actor both nationally and internationally.

In Colombia, we were also pleased to see a successful implementation of Bridge funding (a short-term grant of no more than CHF 50,000), leading to awarding of follow-on Accelerator investment in 2020. This initial funding allowed the National Society to pivot its fundraising efforts from face-to-face campaigns (no longer possible under Covid restrictions) to digital giving, raising more than CHF 200,000 to support its Covid-19 response – a 300 per cent return on investment. The Colombian Red Cross will use its subsequent Accelerator funding to expand its resource mobilisation capacity and invest in systems for learning innovations – central to sustainable and consistent development of the organisation.

IFRC's National Societies Financial Sustainability Framework



In reviewing the proposals and the funding awarded in the first two rounds, we are getting a clearer picture of the kinds of areas that National Societies are prioritising. It was clear from the first round that financial sustainability and independence are perhaps the biggest priorities for National Societies, and this has also been evident in the second round – perhaps unsurprisingly, given that 57 per cent of applicants foresee a decrease in income in the medium-term as a result of Covid-19.

We are also getting a clearer picture of the kinds of investment areas that National Societies are pursuing in order to sustainably increase their income. We see from a range of National Societies an investment in traditional resource mobilisation capacity, which is an effective route to increasing income. But increasingly we are seeing National Societies turn to more innovative approaches, such as additional commercial income-generating activities.

There are ambitious, sophisticated commercial social enterprises, such as the sanitizer production business that the Georgia Red Cross Society is pursuing. Or the efforts to recoup capital investment by renting out commercial space inside the Somalia Red Crescent's redeveloped headquarters building.

There are also micro-entrepreneurial efforts, such as the South Sudan Red Cross's new programme to rent out part of its IT infrastructure to be used as internet cafés within local branches. This diversity reflects the range of contextual challenges and opportunities faced by National Societies, united by a desire to explore new ways to sustain and expand their humanitarian services within their communities. It is particularly welcome to see such initiatives align with the Financial Sustainability Framework developed by IFRC, with the first two areas of the framework currently the focus among relevant NSIA investments.



The Lesotho Red Cross runs workshops with communities to train them on agricultural practices and conservation of food.

We also see a strong focus on the development of the internal systems that are crucial for pursuit of continuous learning and improvement and in turn the long-term sustainability of National Societies. For example, several National Societies supported by the fund are undertaking substantive work to develop their PMER systems, such as in Lebanon. More broadly, there are also initiatives to support systems for learning and innovation across the organisation, as evidenced by investments being made in the Red Cross Societies of Colombia and Mexico.

Beyond just facilitating day-to-day operations, these programmes are key to improving communication and exchange of information between the national headquarters and branch offices, ensuring that ideas spread across the network, and that organisational development remains anchored in the volunteer-led action that underpins the Movement.

Unsurprisingly, some National Societies faced substantive challenges to implementing activities

supported through the NSIA as a result of the pandemic; we are working with these National Societies to support the completion of activities and help them (and us) learn from their experiences where possible. Nevertheless, we are pleased to be able to demonstrate the positive impact of NSIA funding on National Societies.

In 2021, our third year of operations, we have a growing body of evidence and a substantial amount of experience, which we will use to inform our work going forward. We are focused on supporting more National Societies in applying for funding, particularly those operating in the most high-risk and challenging contexts. Looking ahead, our goal is to ensure that the NSIA continues to be relevant and focused on areas of greatest need and we will continue to engage across the Movement and beyond to help us ensure that our work is strategically coherent with wider Movement development efforts. Above all, we look forward to celebrating the work of the National Societies we support as they drive forward efforts to better serve communities in need.



Investment results

17
awards in total

CHF 3.3m
in total allocations

CHF 20m+
return on initial
investment

The NSIA has now completed two rounds of funding, and although still in its early stages, is beginning to show its potential. In 2019 the NSIA supported eight Bridge Grants and two multi-year Accelerator Investments. Below are updates from the two Accelerator awards in Lebanon and Ukraine.

Lebanese Red Cross

When the earth shook and the noise rebounded from the walls, the Red Cross was there. First on the scene of the port explosion, the Red Cross provided aid to thousands. But the cost of the immediate response, as well as longer-term assistance in the following months, is tremendous – and its resources, finite. Thanks to investments in its fundraising capacities, including a new digital fundraising platform, however, the Lebanese Red Cross (LRC), in the first two months following the Beirut port explosion, was able to raise more than CHF 25 million (USD 28 million). A success which was only made possible through NSIA Accelerator funding.

Beirut, capital of Lebanon and once known as “the Paris of the Middle East”, has suffered greatly

under the twin shocks of 2020: the arrival of the Covid pandemic in the early part of the year and the devastating port explosion in August. This in the heart of a country that was already struggling with a weak infrastructure, a fragile economy and the long-term presence of refugees from the war in neighbouring Syria.

The Lebanese Red Cross (LRC) has been serving the poor and vulnerable in Lebanon since 1946, and today provides 148,000 patients with free ambulance services, delivers more than 43,000 units of blood to hospitals and patients, and offers 365,000 primary health care services each year. Despite their longstanding history of service, the LRC’s biggest challenge is financial sustainability.



The investment made by the Lebanese Red Cross in its fundraising capacities has had an immediate impact on our ability to provide lifesaving services to thousands of persons. With more effort, hard work, determination and also some luck, we will be able to improve our ability to raise funds and become a more sustainable organisation even outside of a crisis.

Nabih Jabr,
Under-Secretary General of the Lebanese Red Cross



The LRC saw a drop in contributions in 2019 of more than CHF 11 million (USD 12 million), as the country is suffering from a major economic crisis. Currently, some 60 per cent of the LRC's funding comes from Movement partners, but the goal in the medium-term was for the LRC, by 2023, to be able to fund at least CHF 19 million (USD 21 million) of its core costs and services through local giving. Today, however, the severe financial crisis means that people in Lebanon are no longer in a position to donate and the LRC has shifted its fundraising strategy towards the Lebanese Diaspora.

The LRC knew that finding sufficient funding for immediate needs as well as for developing their longer-term financial sustainability would require investing in their organisational development. To this end, they applied for funding from the NSIA in May 2019.

The purpose of the Accelerator funding was to establish a new Individual Giving Programme as well as to develop tools that would help increase funding from existing sources. This includes establishing an individual giving team, building staff capacity, developing online tools, implementing advertising campaigns, and scaling up income-generating activities. The LRC was awarded funding of 705,000 CHF to be invested over five years.

Work on the digital fundraising platform began immediately, and thanks to this investment in

organisational development, the LRC was able to scale their fundraising efforts rapidly. As a result, they saw a major increase in direct fundraising in 2020. When Covid struck in early 2020, the LRC was able to raise CHF 4.5 million (USD 5 million) in the first two months of the pandemic and used those funds to purchase PPE to enable the ambulance volunteers to continue their missions. After the port explosion, donations poured in and more than CHF 25 million (USD 28 million) was raised from individual donors as well as from the private sector – the vast majority of which came from outside the country.

It is clear that the investment in building capacity – both human and technological – has paid off financially even more than could have been imagined. But the organisational development paid off in other ways too: at the end of the year 2020, trust in the LRC was at a record high, with public perception of the LRC more positive than that of any other actor on the ground.

The Accelerator funding provided by the NSIA is for a five-year period. Over the course of 2021 to 2024, the remaining monies will go to support improvement of the digital platforms, including the SaveLives website; growing the amount raised through regular giving; publishing a new consolidated annual report in Arabic and English; and ensuring further transparency and accountability around the LRC's response to the port explosion.

Ukrainian Red Cross Society

Sometimes even a small gesture – a visit, a bag of groceries – can make a big difference in people’s lives. The Ukrainian Red Cross Society (URCS) has been serving its community through gestures both large and small for more than a century. But doing so requires leadership, efficient operations, and sustainable funding.

In 2018, an assessment of the URCS’ operations recommended that the National Society seek to improve its financial sustainability and reduce its dependence on partner funding by expanding its resource mobilisation capacity.

With Accelerator funding of CHF 368,272, the URCS set about developing its fundraising capabilities by investing in both its informational technology and its human resources. In 2020, the National Society implemented Salesforce as its customer relationship management (CRM) tool, integrating it with the URCS website and the Liqpay electronic payment system, facilitating online donations. This is particularly important to attract recurring donations from individual giving.

Alongside the technological and informational improvements, the National Society developed a new resource mobilisation strategy that would incorporate not only individual donations but also corporate gifts and grants. The resource mobilisation team is also receiving ongoing training on a number of topics, such as presentation skills, direct mail fundraising, and proposal writing, all against the backdrop of Covid-19.

Thanks to their improved fundraising capacities, the URCS was able to expand the services it provided during the pandemic. One example was the “Treasures of Human Kindness” campaign. Through this campaign, the National Society crowdfunded CHF 2,000 (50 per cent of the goal). Other fundraising efforts raised an additional 150 per cent from a private sector donor, Henkel Ukraine LLC, exceeding their overall goal. With the CHF 8,000 thus raised the URCS supported a Healthy Ageing Club in a small community in the Luhansk oblast where 70 per cent of the population is over 60 years old.

Corporate partnerships was another new element to the URCS’ fundraising activities. As part of the Covid response, the National Society partnered with Rozetka, a leading online supermarket. Customers to the website were able to donate to a campaign entitled “Sack of Good”, and with the approximately CHF 15,000 raised, more than 1,000 packages of essential groceries such as flour, oil, sugar and tea were delivered to needy and disabled elderly residents.

The corporate partnership was so successful that they repeated the campaign at the end of summer and were able to collect enough school supplies to provide 240 children from low-income families with a backpack of supplies, ready for the first day of school on September 1, all of which were donated by Rozetka’s customers.

The National Society is continuing to improve its efforts to engage with existing donors and attract new donors, building on the improvements made to their fundraising systems and processes.



2020 call for proposals

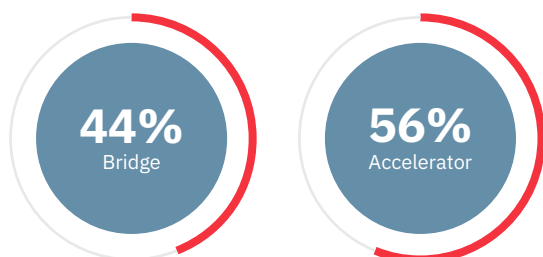
2020 in Figures



Despite the challenges of the pandemic, for its second round of proposals in 2020 the NSIA continued to see strong interest from National Societies, with 49 eligible applications received by the deadline. This included 27 applications for Accelerator funding and 22 applications for the short-term Bridge funding, representing an 18 per cent increase in the number of Accelerator applications received.

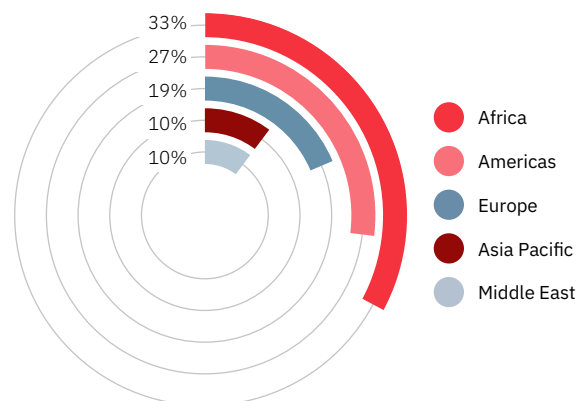
Overall, the regional spread of applications increased, with Africa and the Americas submitting the highest proportion of applications. The average multi-year Accelerator application value remains the same over the two rounds at CHF 750,000.

2020 split between Accelerator and Bridge applications



Though there was an increase in the proportion of Accelerator applications received, 2020 again saw a balance between applications to the two types of funding, as well as a decrease in the average amount requested.

2020 split between application regions



The 2020 call for proposals saw an increased balance of applications from across regions, with more applications received from the Americas and Middle-East. There is still a deficit of applications from Asia-Pacific.

Evidence-based applications

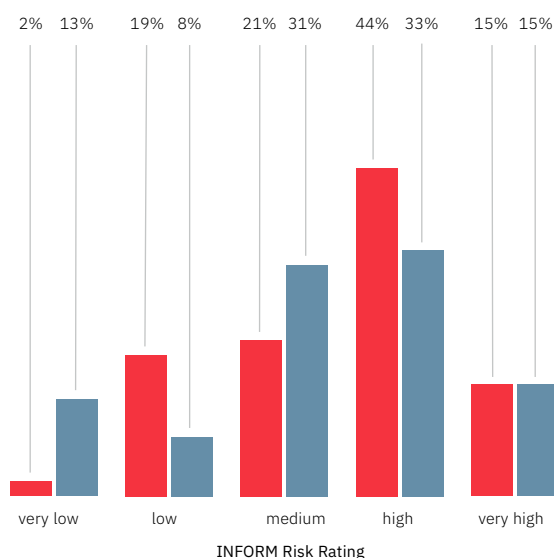
Again in 2020 the NSIA encouraged applications based on strong contextual and organisational analysis, and the IFRC's OCAC assessment remains the most regularly cited self-assessment tool utilised by National Societies, referenced by 62 per cent of applicants, followed by the branch-level BOCA at 38 per cent.

Two-thirds of applications reference investment across national and branch level; the remainder reference national-level activity, often related to income generation.

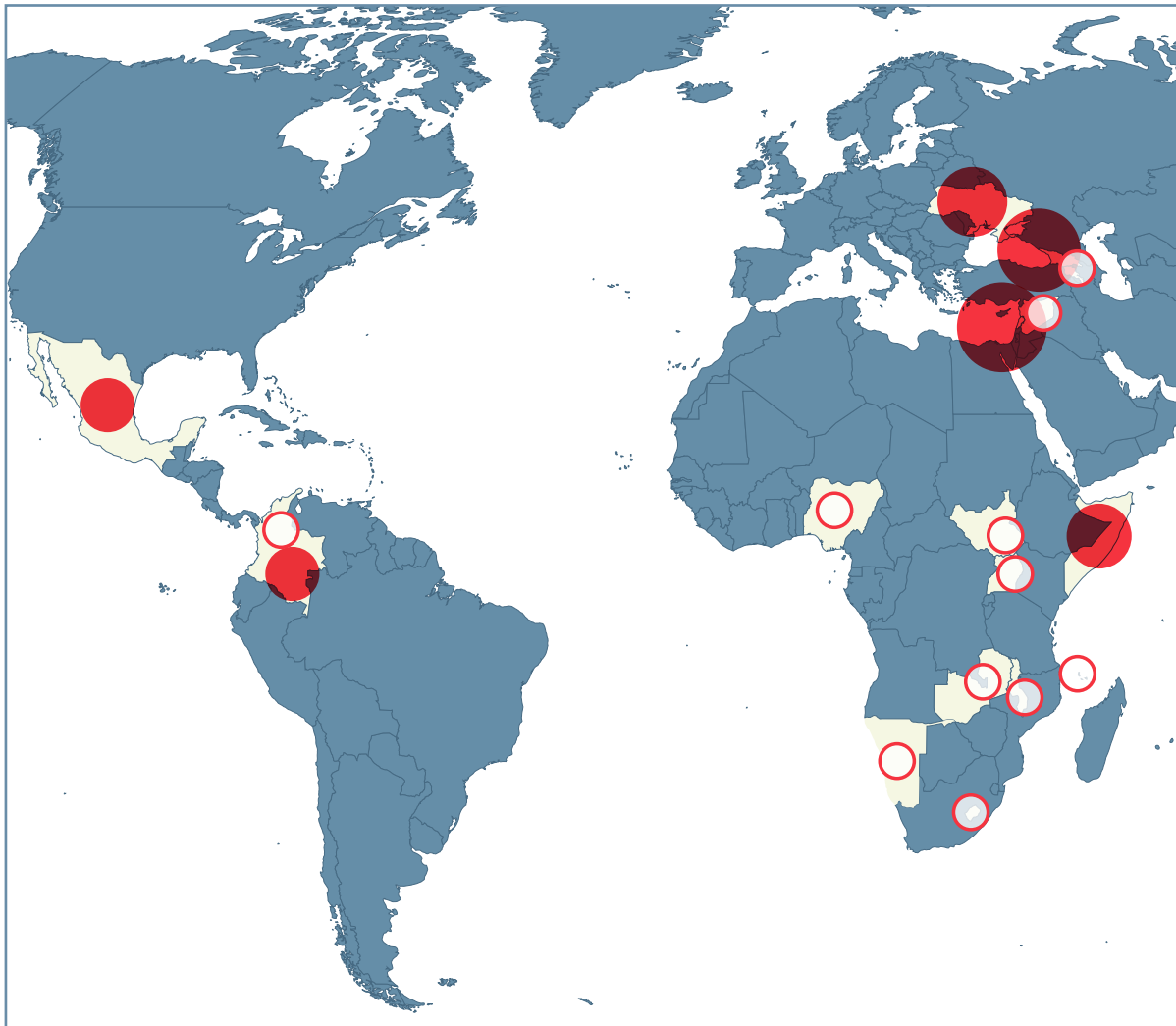
Focus on higher-risk settings

In accordance with the NSIA's scope and mandate, the mechanism continues to prioritise National Societies operating in situations of increased humanitarian risk and vulnerability, and this focus is reflected in both the applications to the fund and the National Societies selected for funding.

Humanitarian risk ratings used by the NSIA are generated using the independent INFORM Risk Index, a global, open-source risk assessment for humanitarian crises and disasters. The data shows that applications from high and very-high risk categories account for around 50 per cent of all applications received, around double the proportion they account for in the overall INFORM index.



The NSIA Portfolio



● Accelerator Investments

2020

Georgia Red Cross Society
Colombian Red Cross Society
Somali Red Crescent Society
Mexican Red Cross

2019

Lebanese Red Cross
Ukraine Red Cross Society

○ Bridge Grants

2020

Lesotho Red Cross Society
Syrian Arab Red Crescent
South Sudan Red Cross

2019

Armenian Red Cross Society
Colombian Red Cross Society
The Comoros Red Crescent
Malawi Red Cross Society
Namibia Red Cross
Nigerian Red Cross Society
Uganda Red Cross Society
Zambia Red Cross Society



Understanding Covid-19 impacts on National Societies

Demand for NSIA funding from National Societies held steady in 2020, despite concerns that the ongoing response demands of the pandemic might overwhelm the capacity needed to develop funding proposals for the NSIA.

To understand the impact of the pandemic on their development, additional data was collected during the application process, indicating that 57 per cent of Bridge and Accelerator applicants experienced a decrease in income as a result of Covid-19, often due to barriers to fundraising and income generation under national lockdown measures, such as the cancellation of first-aid training.

Against this backdrop we see the drive and agility of the National Societies applying for and implementing NSIA investments in adapting to this rapidly evolving crisis. A move to digital was an adaptive strategy adopted by many National Societies receiving NSIA funding, and an increase in IT investments was seen in applications, indicating National Societies moving to digital and remote activities where possible while remaining on the front lines of response when needed. This has had an inevitable impact on volunteers, and action to protect volunteers and staff was referenced in 37 per cent of applications in 2020, with a further 15 per cent of applicants raising the issue of volunteer and staff mental well-being.



The [Covid-19] crisis is global, the National Societies' resources are dwindling and funding is increasingly scarce; however, the [National Society] does not have any income-generating activities. As the majority of salaries are paid by the partners, the Society risks finding itself defaulting on payments in the short- to medium-term and without qualified human resources.

Extract from an African National Society NSIA application



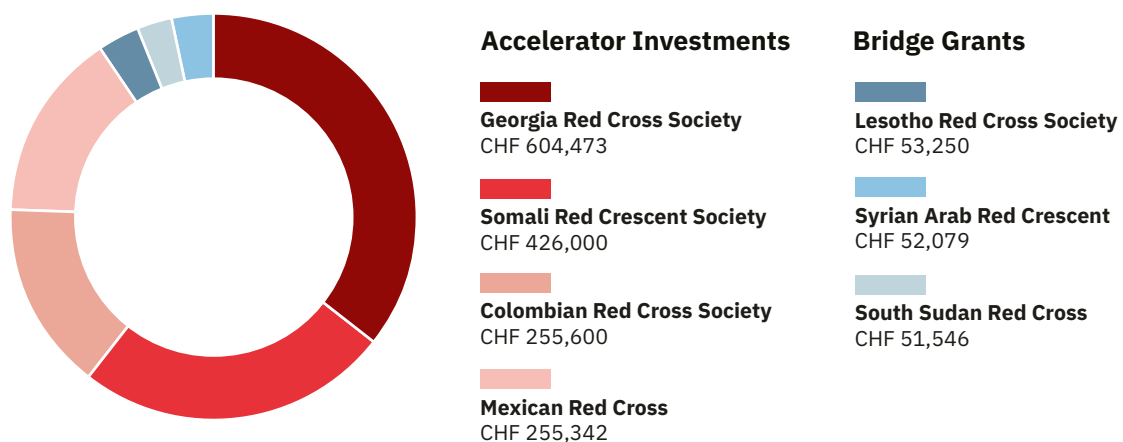


New Investments in National Societies

In 2020 seven Red Cross and Red Crescent National Societies were selected for funding following an open call for proposals and independent review of applications. During this second round of funding the majority of investments went to providing multi-year Accelerator funding to four National Societies, including one which built on a previous Bridge award. In addition, three new Bridge awards were made, to be implemented over 12 months.

2020 Accelerator Funding Awards

In the second round of proposals, four National Societies were selected for multi-year investment under the Accelerator awards.



**these figures include PSSR*

Colombian Red Cross Society

Together for a sustainable and innovative Red Cross, transforming communities in Colombia



**Cruz Roja
Colombiana**



Funding amount
CHF 255,600

Funding period
Three years

The Colombian Red Cross Society (CRC) was awarded an Accelerator grant in 2020 based on the results obtained with the Bridge funding of CHF 50,000 which they received in 2019. They are the first National Society to make the move from initial funding to a more substantial multi-year investment, a central element of the NSIA mechanism.

This new Accelerator funding is being used to support elements of the CRC's wider development strategy. The monies will go to increasing organisational sustainability and strengthening systems, particularly knowledge management and innovation, which are crucial for the National Society's future sustainable growth and development.

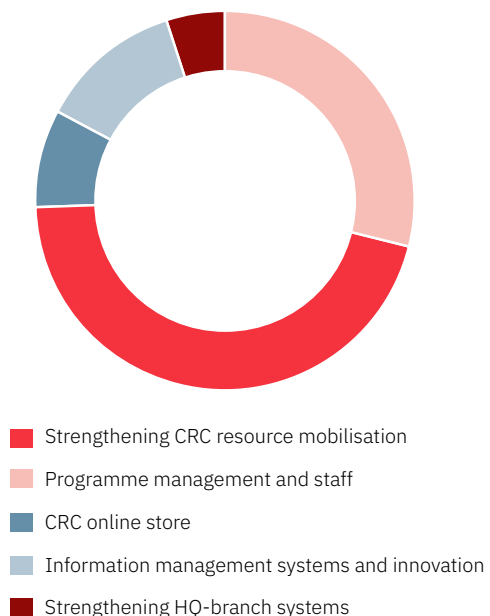
The initial Bridge funding enabled the CRC to develop their domestic resource mobilisation capacities, particularly as regards individual giving. The pandemic required adapting the CRC's resource mobilisation activities and most of the work moved from in-person to digital stakeholder engagement. Despite the challenging circumstances, the National Society was able to exceed its fundraising targets and raise an additional CHF 200,000 from new domestic sources in 2020, while laying the groundwork for growth.

Following feedback from the NSIA Steering Committee, the Accelerator funding will be used to build on this foundation through four workstreams: expanding a supporter engagement programme; strengthening the CRC's digital presence; developing business systems that enable learning and innovation; and strengthening links between HQ and branches. Other elements of the CRC's development strategy, such as expansion of their national blood bank, continue to be explored and may warrant future investment from the NSIA or other sources of funding.

EVIDENCE OF IMPACT

As part of the Bridge funding activities completed by the CRC, the National Society was able to raise more than CHF 200,000 to support its Covid-19 response, **a 300 per cent return on investment.**

CRC Accelerator Budget



Georgia Red Cross Society



A financially sustainable and
resourceful National Society



Funding amount
CHF 604,473*

*with an additional 400,000 CHF
loan through Enterprise Georgia

Funding period
Five years

Like much of the world, Georgia has been hit hard by the effects of the Covid-19 pandemic, and much of the work of the Georgia Red Cross Society (GRCS) has of necessity been focused on responding to the immediate needs of communities. However, the GRCS is also looking to develop a longer-term strategy, based on a social enterprise approach which will provide improved access to sanitizer products while generating income to improve their financial sustainability and support their humanitarian mission.

The initial phase of the project will see GRCS develop a commercial sanitizer production facility in Tbilisi which will enable the National Society to produce sanitizer to WHO production standards and market the product both at the wholesale and at the retail levels. NSIA Accelerator funding will be used to support the development of the facility, along with a national loan backed by Enterprise Georgia. The remaining funds will be used to inject working capital into the business.

The GRCS is committed to providing a high-quality product at a price point that will

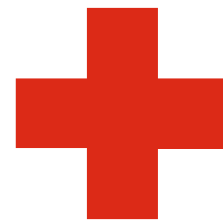
appeal to a broad segment of the population (which may not be the case with imported products). Though this focus on providing a low-cost, high-quality product will reduce the net profit margins of the company, the payback period of the production for initial investments is less than three years and the projected internal rate of return amounts to 63 per cent.

The project is not without risk, both in terms of the successful and timely implementation of the production facility, and also in terms of bringing new products to market in a competitive and fast-moving product category. But the NSIA Steering Committee was impressed by the quality of the business plan submitted by the GRCS, and by the fact that the NSIA funding formed only part of the project capital. A low-interest loan backed by the Georgian government provides the remainder of the funding needed. Furthermore, the investment is closely linked to the broader vision and strategy of the National Society, and forms part of the longer-term vision of developing the GCRS and increasing its humanitarian effectiveness.



**Simulation exercise for the
Georgia Red Cross Society
Disaster Response Team**

Mexican Red Cross



**CRUZ ROJA
MEXICANA**

Development of institutional
capacities in the Mexican Red Cross



Funding amount
CHF 255,600

Funding period
Two years

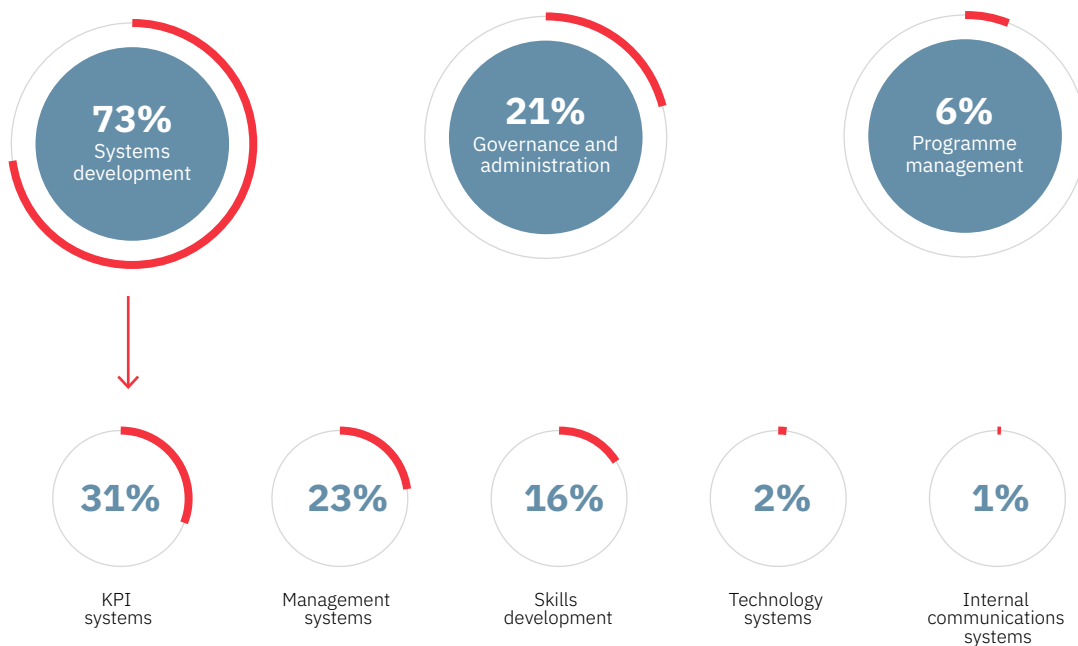
The Mexican Red Cross (MRC) will utilise its Accelerator funding to invest in two inter-linked areas: PMER+A (which includes learning as an additional element), and governance and administration.

Under the first priority, the MRC will develop an evaluation system which captures the outcomes, effects and impacts of the National Society, fostering an institutional culture of continual improvement. This will help the MRC ensure that it continues to provide an adequate and timely response to the problems and needs of Mexican society.

By developing the capacities and skills for governance and administration across both management and operations, this second priority seeks

to support the transfer of knowledge. This will enable the MRC to strengthen its leadership and to make the processes of governance, management, administration and operation in the 550 branches of the National Society more efficient.

These two areas of investment complement the broader development efforts of the National Society as set out in its Strategic Plan 2016–2020, which has been expanded to incorporate plans through 2025. The goal is to align programmes and services which respond to the social problems arising from disasters that people in Mexico are facing. By investing in these two key priorities, the MRC is aiming to improve the organisation's impact in three key areas: search and rescue, health, and social inclusion.



Somali Red Crescent Society



Mogadishu coordination
office building redevelopment



Funding amount
CHF 425,000*

*part of a 1.7m CHF investment

Funding period
Three years

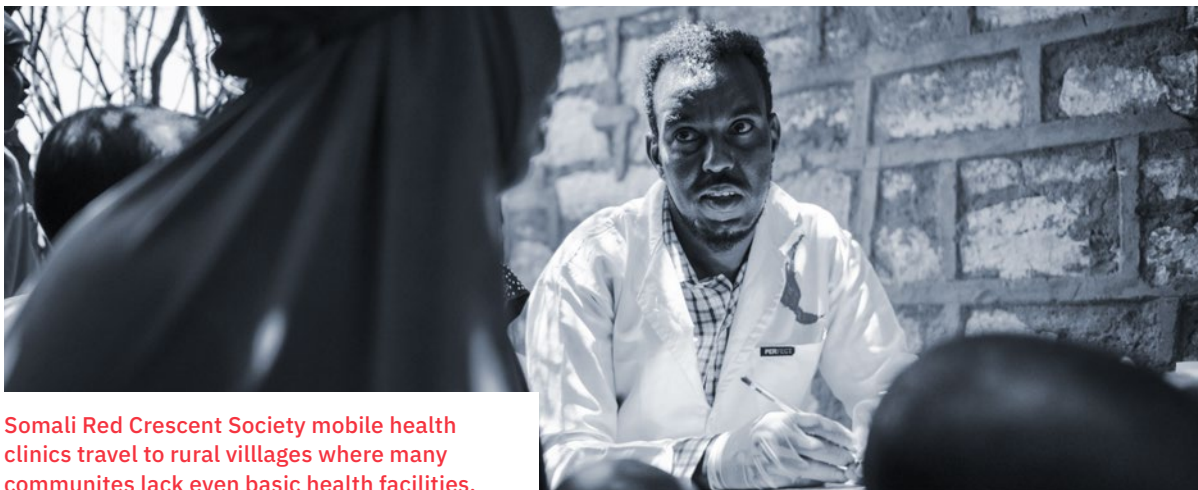
The Somali Red Crescent Society (SRCS) has been serving Somalis since its founding in 1963, and continues to respond to multiple, compounding crises, including erratic climate shocks, protracted conflict, ongoing disease outbreaks, and, in 2020, the combination of a massive desert locust infestation and Covid-19.

Though not itself a target, the previous headquarters of the SRCS was destroyed in 2017, and the NSIA Accelerator funding awarded in 2020 forms part of a Movement-wide investment to redevelop the site and its buildings.

The overall objective is to assist the SRCS to become a more fully self-sufficient National Society through the development of income-generating opportunities. Redeveloping the National Society headquarters means that the SRCS would be able to lease out excess space for commercial ventures, generating much-needed rental income.

In the longer term, it is hoped that the investment will assist the SRCS to reduce its dependency on partner support, with the income generated by the redeveloped complex contributing to core costs, sustaining core services, and improving operational capacity to respond to local emergencies and disasters.

This investment plan of the SCRS is well developed and clear, and a market study projects that more than CHF 90,000 in rental income will be generated per year once the construction is complete. Furthermore, the plan is supported by a broader strategy and development vision. With the ongoing humanitarian caseload necessitating long-term partner support, co-funding from partners across the Movement is also a welcome sign. Although the co-financing conditions reduce the implementation risk, serious contextual risk factors remain, not least related to the ongoing fragility of Somalia itself. These risks are offset by the potential impact of this project on the SRCS' ability to develop its organisation and fulfil its mandate.



Somali Red Crescent Society mobile health clinics travel to rural villages where many communities lack even basic health facilities.

2020 Bridge Funding Awards

In addition to the four multi-year Accelerator investments agreed by the NSIA Steering Committee in 2020, three new Bridge awards were made. These smaller grants of up to CHF 50,000 serve to lay the groundwork for a longer-term investment strategy.

South Sudan Red Cross

Connectivity for growth

Since gaining its independence in 2011, South Sudan has been beset by a variety of humanitarian crises, with up to a third of its population internally displaced and recurrent food insecurity. Although the South Sudan Red Cross (SSRC) is one of the youngest National Societies in the Movement, today it has 17 branches throughout the country and a network of 12,000 active volunteers.

The SSRC recognises that in order to serve as a trusted partner to international actors and for it to enjoy high levels of credibility and acceptance among local communities it must invest in organisational development. Their first step will be to invest in the strengthening of branch capacities, because strong, sustainable and capable branches are critical if National Societies are to deliver relevant, timely and effective services throughout the country, in line with existing assessments and the National Societies Development Framework.

However, communications from national headquarters to branches, and between branches, remains difficult due to poor infrastructure and a lack of connectivity. The NSIA's Bridge funding will provide for an investment in IT infrastructure and lay the foundation for a medium-term investment plan which would see a comprehensive ICT network rolled out to all SSRC branches.

Initially the IT infrastructure will be upgraded in four branch offices, but the plan is to roll out the network to all 17 branches, with supporting training for staff and volunteers as well as developing its resource mobilisation potential. Branches will also be encouraged to use the infrastructure to generate further income by, for example, leasing out some of the excess capacity on the network to serve as local Internet cafes.

Lesotho Red Cross Society

Investing in financial sustainability

Lesotho is a mountainous, landlocked country of two million people, an enclave contained within the borders of South Africa, on which it is heavily reliant both politically and economically. The country is vulnerable to hydrological and climatic disasters such as floods, droughts and extreme cold events as well as to environmental disasters such as fires. The well-established and accepted Lesotho Red Cross Society (LRCS) provides ongoing support and emergency relief to the population through its two main areas of activity: Disaster Management and Health and Social Services.

In 2020, the LRCS was awarded a Bridge grant to help the National Society explore how

it can sustainably increase its revenue and decrease its reliance on partner income, which currently accounts for 90 per cent of the National Society's income.

The funds will be used to address the sustainability issue in three phases. The first phase will be to conduct a market assessment, analysing the potential of a number of fundraising initiatives being proposed. In the next phase, the LRCS will conduct a feasibility study to examine the potential of the most promising initiatives, after which an investment plan will be developed, consolidating the investment strategy and creating a platform for future investment.



A Syrian Arab Red Crescent staff and an ICRC staff in Mouadamieh. The ICRC and SARC are helping people recover from years of fighting by providing livestock and physical rehabilitation services.

Syria Arab Red Crescent

Development from root to branch

After more than a decade of conflict, the scale, severity, and complexity of humanitarian needs within Syria remain immense. In addition to the multiple displacements and economic hardships caused by the conflict, Covid-19 is having a catastrophic impact on both urban and rural communities.

Throughout this crisis the Syrian Arab Red Crescent (SARC) has played – and continues to play – a vital role. By virtue of its large network of more than 7,000 volunteers across 14 branches and 97 sub-branches nationwide, SARC reached over five and a half million people in 2019. In addition to providing food and other relief items to affected people, SARC also provides health services through 128 health facilities and provides access to water for 80 per cent of Syrians.

Central to the success of SARC now and in the future is building and sustaining a dynamic

network of capable local branches. Based on the organisation's strategy and Branch Development Roadmap, SARC is seeking to strengthen the governance and management capacities of both the headquarters and the branch levels in order to be able to continue to deliver quality humanitarian services to the most vulnerable.

The NSIA funding will support SARC in carrying out assessments of two branches in a pilot of the programme, reflecting on existing capacities within the branch and identifying areas that require attention. One of the strategies that SARC will use to create ownership of the process will be to identify staff and volunteers from within one branch who will then be empowered to replicate the training session for other branches. The aim is to avoid the perception on the part of the branch offices that this is something being imposed by headquarters and to instead see it as a process of self-evaluation and self-development.



2021 Appeal

For a National Society, the ability to respond and serve communities in crisis is paramount, but experience has taught us that becoming a trusted and credible humanitarian partner is not just about stockpiling supplies and recruiting volunteers. It is also about doing the long-term development work to ensure that the necessary people, processes, and structures are in place and sustainable, so that when crises strike, a National Society is fully empowered to react swiftly and efficiently.

That's where the NSIA comes in. By providing substantial, multi-year support, the NSIA helps National Societies – particularly those operating in situations of increased risk and humanitarian need – develop the capacities and competencies enabling them to fulfil their role as effective, principled, and sustainable local humanitarian actors.

Even before the arrival of the pandemic, there was sustained demand for investment to support the long-term development of National Societies in particularly fragile or complex settings. Covid-19 has made clearer than ever the need for strong local actors, and highlighted the need to invest in systems development and capacity strengthening.

Financial contributions to the NSIA result in direct, meaningful support to National Societies in higher-risk settings. Examples of the type of activities funded through Accelerator grants

include the commercial production of sanitizer products for sale; resource mobilisation work including developing individual giving and digital fundraising; and development of PMER systems. Bridge funding has been used to explore income-generating activities and invest in IT capacities, among other projects.

As the number of promising investment opportunities far exceeds the funds currently available, the NSIA is seeking CHF 10 million in funding in 2021.

New funds received in 2021 will be used to expand the number of investments made and it is envisaged that with this round of funding the NSIA will support several Accelerator awards (up to CHF 1 million for three to five years), while ensuring a strong pipeline of future investment through Bridge awards of CHF 50,000.

Within the current appeal, more than 90 per cent of requested funds will flow to National Societies for implementation. In addition, funds will be used to support a small NSIA Office in managing the day-to-day operations of the fund and ensuring the quality of the application and selection process, the management of the portfolio, and the highest standard of risk management and controls in line with international accounting standards.

Finances

The NSIA operates in accordance with the International Financial Reporting Standards (IFRS), in a manner which is transparent and with accountabilities clearly defined. Specific rules, such as use of the funds, eligible expenses and

financial capacity review and risk assessment requirements prior to investment have been developed and are outlined to National Societies in the Guidelines to Applicants.

| INCOME IN 2020 | CHF | |
|--------------------------------------|------------------|--|
| Canadian Government | 350,656 | CAD 500,000 |
| U.S. Government | 479,169 | USD 525,000 |
| Swiss Government | 1,000,000 | |
| Foreign exchange differences | (76,441) | |
| Total income in 2020 | 1,753,384 | |
| Available balance from previous year | 1,511,247 | Opening balance on January 1, 2020, minus the 2019 award to URCS that reflected in the accounts in January 2020. |
| Total | 3,264,631 | |

| ALLOCATIONS AND EXPENSES | CHF | |
|---|------------------|--|
| Allocations – Bridge Grants | | |
| South Sudan RC | 51,546 | |
| Lesotho RC | 53,250 | |
| Syria RC | 52,079 | |
| Total Allocations - Bridge Grants | 156,875 | |
| Allocations – Accelerator Investments | | |
| Colombia RC | 255,600 | Allocations are made to individual IFRC projects. These figures include IFRC indirect cost recovery of 6.5%. |
| Somalia RC | 426,000 | |
| Mexico RC | 255,342 | |
| Georgian RC | 604,473 | |
| Total Allocations - Accelerator Grants | 1,541,415 | |
| Total Grant Allocations 2020 | 1,698,289 | |
| Allocations – Fund Management | | |
| 2020 Fund Management | 260,339 | |
| Total Allocations - Fund Management | 260,339 | |
| Allocations – 2019 | | |
| Total Allocations - Bridge Grants | 423,119 | |
| Total Allocations - Accelerator Grants | 1,143,035 | |
| Total Allocations 2019 | 1,566,154 | |
| Grand Total NSIA Allocations to National Societies | 3,264,443 | |

At the end of April 2021, the NSIA had CHF 1,005,162 available for future allocations to National Societies.



With special thanks to our donors, the governments of Canada, Switzerland and the United States. Without this support it would not be possible for the NSIA to provide investment to National Societies in order to build their capacities and increase their resilience as strong local actors operating in some of the world's most challenging humanitarian settings.



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of Canada

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