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National
Society
Investment
Alliance



THE NSIA

Annual Report 2021



ICRC



IFRC

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

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The National Society Investment Alliance Annual Report 2021

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Foreword

As we are issuing this report, the world continues to experience the lingering impact of COVID-19, the adverse effects of both new and ongoing conflicts, and the long-term effects of climate change and emerging disasters. Today we see more than ever the need for strong Red Cross and Red Crescent National Societies capable of adapting to the changing environment, remaining fit for purpose and able to meet growing humanitarian needs while always adhering to the fundamental principles of the International Red Cross and Red Crescent Movement. While National Societies have been delivering local humanitarian action for generations, many of them – especially in fragile contexts – continue to require investment support to realise their potential and provide lifesaving and resilience-building local action for the communities in which they are rooted. The NSIA and the Empress Shôken Fund (ESF) (both jointly ICRC/IFRC managed), alongside the

IFRC's Capacity Building Fund (CBF), are the key complementary funding mechanisms for National Society development.

The NSIA provides tailored investment which enables National Societies to develop their organisational and operational capacities - especially those National Societies operating in contexts of increased risk and fragility. The NSIA grants contribute to strengthening National Societies' readiness for change and transformation through multi-year investment in sustainable organisational and service development. The goal of NSIA is to contribute to strong Red Cross and Red Crescent National Societies who are seen as trusted local partners of choice, in line with the commitment of the Movement and the wider humanitarian community to promote increased localisation of aid as outlined in the principles of the Grand Bargain.



The Ugandan Red Cross team assesses the damage in Western Uganda, after it was hit by a wave of flash floods in 2020.

The year 2021 marked the NSIA's third year of operation, during which we saw growing evidence of impact and return on investment for the National Societies who have received funding. We can present concrete results in areas such as fundraising, financial sustainability through income-generating activities, and branch development, to name a few.

A few highlights from the report: all three National Societies who received Accelerator grants in 2021 had previously received a Bridge grant from the NSIA, which confirms the validity of our sequential approach to grants – a short-term Bridge grant which prepares a National Society for more substantial and longer-term funding through an Accelerator grant. Furthermore, NSIA funding has managed to amplify investment interest in the development of National Societies, attracting additional contributions from other partners.

Heading into our fourth year of operations, the results of the 2021 Call for Proposals clearly demonstrate that there is a great and growing need for this type of support which focuses on long-term sustainability development.

As we move forward, we will continue to use the learning from previous experiences to reinforce NSIA operations and its value proposition. We are looking forward to working collaboratively with interested partners to ensure that the NSIA plays an increasingly important role in the ecosystem of support to National Society development, especially in fragile contexts.



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.

2021 marked the third round of proposals. For this round, the NSIA chose to modify its selection criteria somewhat in order to focus on National Societies in higher-risk settings. Of the 26 proposals received, nine National Societies were approved for funding. This brings to 21 the total number of National Societies supported by the NSIA since 2019.

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



During disasters and emergencies, lifesaving work continues. In 2020 The Uganda Red Cross Society reported 700 new volunteers.

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 in developing an investment plan and increasing 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 award or other sources of funding
- maximum CHF 50,000 for up to 12 months



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.

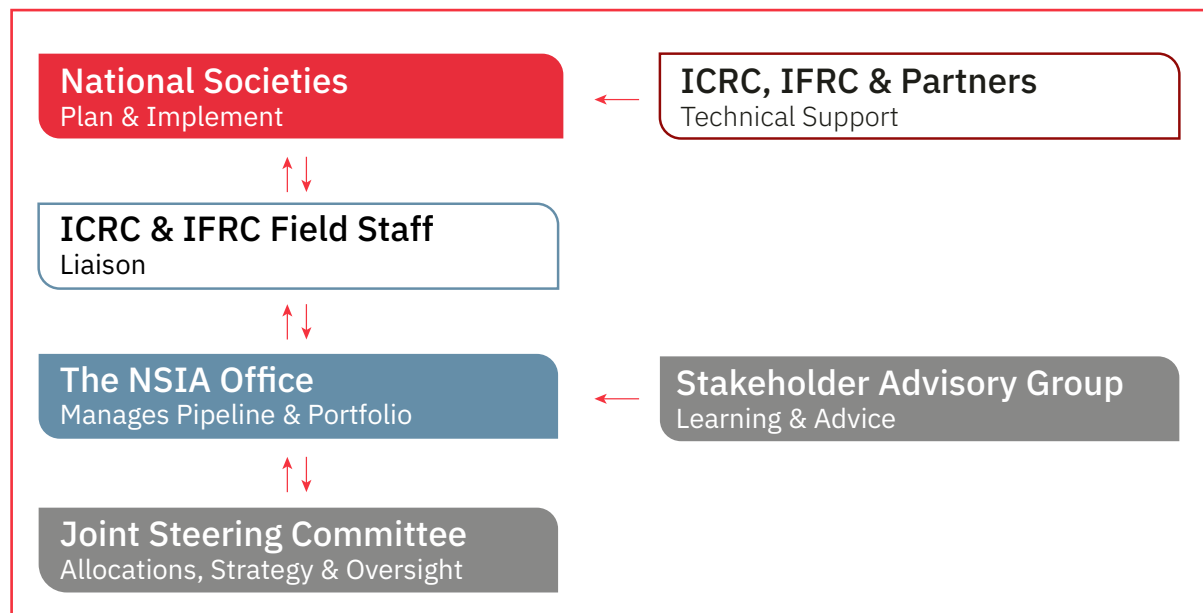
A Steering Committee of senior IFRC and ICRC representatives oversees the fund, providing strategic direction, developing the funding strategy, approving grants, and ensuring the accountability of the fund. In 2019, the NSIA also established a Stakeholder Advisory Group, to better engage with and draw 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



NSIA Overview 2021

The NSIA was created for the express purpose of fostering the development of individual National Societies, particularly those facing increased humanitarian needs. The global events which have shaken the world since the NSIA was created in 2019 have only heightened the need for National Societies, as integral members of their communities, to strengthen not only their ability to respond to the humanitarian needs, but also to build the leadership and systems necessary to serve the community for the long-term.

Planning is one of the key features of many, if not most, of the applications the NSIA has received over the course of these first three years of grant-making. Increasingly, National Societies in difficult or unstable contexts are striving for improved financial sustainability, seeking to diversify their sources of funding and working to develop new revenue streams in order to reduce their dependency on funding from within the Movement and short-term project funding from other international donors. Whether it be through the acceleration of the development of new digital fundraising programmes, such as in Lebanon, or the creation of new products for personal protection against epidemics and pandemics as in Georgia, National Societies are finding innovative solutions to the need for longer-term and sustainable funding.

Another trend we have seen emerging over the course of these three years has been a strong focus on the development of internal systems as well as

an emphasis on continuous learning and development. National Societies have taken to heart the lesson that the ability to respond effectively in the short-term requires planning for the long-term – and the leadership skills to see it through. The Syrian Arab Red Crescent, for example, has prioritized the development of skills and leadership within local branches as well as improved communication with national structures.

What we are seeing is that National Societies of countries in fragile settings – despite what are sometimes severe constraints and very difficult contexts – are increasingly developing holistic visions for their organisations that emphasize continuous development while balancing short-term response to crises with longer-term impact. The National Society in South Sudan, for example, is addressing immediate needs by installing a new IT infrastructure that makes communication between branches as well as with the global community possible, whereas the Mexican Red Cross is focusing its efforts on a long-term strategic plan that develops and implements a revitalized planning, management, evaluation and reporting (PMER+A) system.

There are many times when organisations acknowledge their challenges, but simply do not have the resources to devote to defining the problem, much less to coming up with a solution. This is why the NSIA was designed to provide both short-term Bridge grants and longer-term Accelerator funding: Bridge grants are designed



NSIA bridge grant was a unique opportunity for the ARCS, in the most challenging period, to assess the needs and opportunities for efficient resource mobilisation and to prepare solid ground for sustainable income-generating activities. The flexibility of the grant management by Movement partners enabled us to adapt the planned activities with the emerged consequences of COVID pandemic and Nagorno Karabakh conflict escalation and support to the implementation of the Resource Mobilisation strategy in a most efficient way.

Anna Yeghiazaryan,
Secretary-General, Armenian Red Cross Society



to allow National Societies to assess the situation, and Accelerator grants serve to assist National Societies in implementing the set of necessary solutions. The results of these first three years have shown this to be an effective approach, as all three grantees receiving Accelerator funding in 2022 were awarded the funds on the basis of work carried out under their initial Bridge funding.

It has become abundantly clear that there is great demand among National Societies for funding to support organisational development, and a genuine desire to further develop leadership capacities. In each of the three proposal rounds to date, the number and quality of applications received continues to grow, and demand far exceeds the amount of funding available so far.

No one could have predicted the events of 2020 and the impact that COVID-19 has had and continues to have. As National Societies around the world responded to the immediate needs of their communities, some were able to also move forward with programmes for which they had received a NSIA grant, while others were obliged

to postpone some of the planned activities. The IFRC and the ICRC have been working closely with all grantees to provide advice and assistance where necessary and ensure successful completion. Further details are available in the section addressing investment results.

As well as the results obtained by individual National Societies, the past three years have seen an evolution in the management of the fund itself. The Stakeholder Advisory Group was established in 2019 to assist in decision-making, the application process has been streamlined and digitized, and the assessment criteria have been improved in response to comments from applicants and other stakeholders. Other changes include the appointment of the new Fund Manager for NSIA following the departure of the former manager.

2021 demonstrated that the impact of NSIA funding is beginning to be felt, and thanks to the flexibility provided by its grants, National Society leaders have been able to respond with agility to the challenges facing them.



NSIA 2020 Investment Results

9 awards and grants under implementation

CHF 2.7m under active management

8 Bridge grants from 2019 successfully closed

This section presents the results achieved by National Societies who were awarded or had ongoing grants in 2020.

Accelerator Funding

Lebanese Red Cross

CHF 750,825

Awarded in 2019 for 5 years

Lebanon, with a population of 6.8 million, sits at the crossroads of different cultures and traditions, and is home to a rich mix of peoples and languages. It also is challenged by a weak infrastructure, poor public services, and the highest number of refugees per capita in the world.

The Lebanese Red Cross (LRC), which was established in 1946, enjoys a high level of confidence on the part of the general population as well as local and national authorities, and it has managed to maintain this reputation irrespective of the political dynamics of the country. Despite this public trust and longstanding history of service, the LRC's biggest challenge has always

been its financial sustainability. In 2019 the LRC set itself the goal of being able to fund at least CHF 19 million (USD 21 million) of its core costs and services through local giving by 2023.

However, the combination of a severe economic crisis (now in its third year) and the twin shocks of COVID-19 and the Beirut port explosion in 2020 has meant that local giving has become virtually nonexistent. Even the Lebanese Ministry of Health has been forced to cease providing financial support to the LRC.

This drastic change in context has reduced the ability of the LRC to raise funds in a traditional

manner in the country. At the same time, the LRC's high respectability and its ability to respond to and support the needs of the population has increased its ability to collect resources from the Lebanese Diaspora and other international sources. Thanks to the NSIA grant enabling support for the development of a new digital fundraising platform, the LRC was able to raise CHF 2.4 (USD 2.6 million) in 2021. Although this was less than what was raised in 2020 (an exceptional year due to external events), this contribution is outstanding.

Following the success of the new fundraising platform which was developed and implemented in the first two years of the programme, the LRC decided to expand the platform and integrate new features that include the blood transfusion database, which will allow the LRC to better manage its individual and corporate donors. This part was delayed in 2021 by a shortage of technical staff within the subcontracting company, as skilled technicians continued to emigrate - another impact of the ongoing economic crisis.

On the communications front, the LRC met its commitment to publish an external operational audit of the cash assistance response to the Beirut port explosion. In all, 76 customised reports for individual corporate and foundation donors were produced. This transparent, customised approach not only served to reinforce the National Society's integrity mechanisms, but it also built a great deal of trust with the donors and the public. Several corporate partners which had donated in 2020 provided very positive feedback on the LRC's reporting and were, as a result, eager

to renew their contributions. This also led to the establishment of a new partnership with a major beverage company and its corporate foundation.

With much of the existing communications resources dedicated to the work of reporting, the LRC was unable to address the plan of the development of a CRM (customer relationship management) system. This limited the expected success of fundraising efforts and led to the loss of some individual donors but will be pursued in the coming year.

In 2022 (the fourth year of the programme), the LRC will focus on growing their reach, and on developing relationships. Efforts will be made to reach more people, primarily in the Diaspora, through increased presence on social media, high-visibility actions in conjunction with the partner, and working with branches to increase their digital fundraising efforts. Individual giving campaigns will also be launched.

The various crises of 2020 and 2021 have made it clear that there is a need for clear and direct communications with all types and categories of donors. This requires not only accountability systems but also a robust CRM, so a key priority in 2022 will be to ensure the complete implementation of the CRM in order to be able to communicate on a regular basis with individual and corporate donors. In addition, once the integration of the blood donor database is completed, the LRC will be able to launch its Savelives.me website and associated blood donor recruitment campaign, which will enable them to attract more donors and volunteers.

Ukrainian Red Cross Society

CHF 392,209

Awarded in 2019 for 3 years

The Ukrainian Red Cross Society (URCS) has been providing services to the most vulnerable in Ukraine through 25 regional and 330 local branches. In 2019, the URCS embarked on an ambitious plan to develop its resource mobilisation capacities in order to reduce its dependency on other Red Cross and Red Crescent partners and help the National Society build financial sustainability.

This two-pronged approach includes investment in both informational technology and in human resources. The focus on updating its technological abilities led to the implementation in 2020 of Salesforce as the URCS' CRM tool, which enabled the CRM to be integrated not only with the website but also with the Liqpay electronic payment system, facilitating online donations.

Thanks to this integration, the URCS was able to attract individual donors through a number of campaigns, such as the “Sack of Good” campaign, where individuals could purchase a package of basic necessities through a leading online supermarket corporate partner. As a result, more than 1,000 packages of essential items were delivered to needy and disabled elderly residents.

In 2021, a number of innovative digital activities were also implemented. These included an online shop where visitors can purchase a selection of branded items; the development of a number of stories for online use; and the “Club of Friends”, which includes bloggers and other celebrities who promote URCS and its activities. It is expected that the “Club” could attract as many as 200 regular monthly donors. Another new source of funding was the inclusion of URCS into the list of worthy causes which individual donors could choose to support through a television streaming service.

The other element of the resource mobilisation development strategy involved ensuring that the staff was equipped with the necessary skills. The team has received training on such topics as presentation skills and proposal writing and is now fully operational. In addition, some 120 volunteers throughout the country have also received

resource mobilisation training and tools to assist with strategic planning at the local level.

Some of the key lessons learned through this programme include that implementing digital innovations requires strong project management skills, and not to overlook the importance of creating synergy between the different systems or teams involved, such as finance and procurement and logistics.

At the end of 2021, the UCRS had set out a number of key objectives for the final year of the programme to help them continue to improve their resource mobilisation capacities at both the national and branch levels. However, the new phase in the ongoing armed conflict which began in February 2022 meant that the National Society was obliged to shift its focus to more immediate priorities.

Thanks to the fundraising infrastructure which the UCRS put in place during the first two years of the NSIA grant, and with the technical assistance of both the Swiss Red Cross Society and the IFRC, the National Society in Ukraine was able to launch an emergency fundraising campaign on the first day of the conflict. The campaign, coupled with corporate giving, raised 26 million Euros (CHF 26.6 million) in its first three weeks.

Colombian Red Cross

CHF 255,600

Awarded in 2020 for 3 years

The Colombian Red Cross (CRC) was the first National Society to make the successful transition from Bridge funding to the more substantial, multi-year investment of an Accelerator grant. The initial Bridge grant of CHF 50,000 was used to develop and test an approach which would enable individual branches to create and implement local resource mobilisation activities. This use of a small, short-term grant to further develop a National Society’s vision and assist them in planning for multi-year actions is a key element of the NSIA mechanism.

Following on from that initial work in 2019, the CRC requested and was approved for Accelerator funding to allow the CRC to strengthen its organisational capacities and develop resource

mobilisation strategies that will enable the CRC to become financially sustainable.

The plan centres around three key pillars: attracting and retaining donors and partners to support humanitarian operations; the creation of a virtual store; and strengthening the resource mobilisation infrastructure.

In order to attract new donors and strengthen relationships with existing partners, the CRC established “Accionistas Humanitarios” (Humanitarian Stakeholders), a project to raise awareness of the CRC’s work while also integrating recurring partners into the CRC’s fundraising efforts. New resource mobilisation staff were hired, and a digital marketing agency was brought

on board to create the visual identity and marketing materials for the campaign.

To date, two marketing initiatives have been carried out, one for “Giving Tuesday” and one related to migrants; five new publications have been produced and marketed; and another campaign entitled “Always on” has been developed, to be launched in 2022. The work has also included the creation of mini-sites about the Accionistas Humanitarios project for each of the 32 branches in the country.

The project to create a virtual store which would serve as an additional stream of revenue has moved forward with the selection of a market research company who will carry out a feasibility study for the project; the results are expected mid-2022.

With regards to ensuring that the CRC’s information systems are fit for purpose, work in 2021 focused primarily on the selection of a CRM system and of appropriate human resources to help manage donor relationships. Contracts are now in place with the CRM provider, which has meant that the CRC is now in a better position to manage incoming donations and its relationships with donors. In addition, a national coordinator, a project analyst, and accounting personnel have all been added to the resource mobilisation team.

For 2022, the priority will be to expand the CRC’s humanitarian efforts through the Accionistas Humanitarios campaign as well as raising the awareness of the general public as to the CRC’s work. This will include two additional marketing initiatives – a push to address immediate survival needs in the region of La Guajira and a project which will focus on the need for increased medical services in Choco, Western Colombia.

Georgia Red Cross Society

CHF 604,473

Awarded in 2020 for 5 years

In Georgia, COVID-19 has presented both a challenge and an opportunity. Although the Georgia Red Cross (GRCS) has of necessity focused much of their efforts during the last two years on meeting the immediate needs of their community, leadership has also been hard at work developing an innovative solution that will drive their long-term financial sustainability.

Very early on in the pandemic, the GCRS saw a growing need in the local market for sanitizer. Working closely with a local company partner, a government-funded agency, a project was rapidly developed to create and build a commercial sanitizer production facility. Working with partners, the National Society will produce sanitizer to WHO production standards and make it available both at the retail level and for commercial use. Initially the new facility is expected to produce 30 tons of sanitizer per month, and the production capacity is expected to grow to 100 tons per month.

In addition to hand sanitizer, which will be made available in packages of 100 ml, 500 ml, and 5 liters, the facility will also produce disinfectant for use in large indoor spaces. The products will be commercialized through existing sales channels,

and future plans call for these products to be sold under the GRCS logo in neighboring countries as well. The resulting income stream will be reinvested into GRCS’ core structure and services.

The first two years of the grant have been dedicated to establishing an oversight mechanism and putting the necessary contractual agreements into place.

The Project Funding Agreement between the NSIA and the GRCS has been signed, and the consultations with the bank and the local company, which will provide 43 per cent of the total funding, are moving forward. NSIA funding will primarily be used to cover the investment in the production facility, with the remainder invested in the bank loan.

Recruitment of a Plant Director to oversee the production facility is currently underway, and the GRCS has appointed a Project Manager who will be responsible for overseeing day-to-day operations and the implementation of the project. Land has been found, and construction of the facility is expected to begin in November 2022, with first delivery of sanitizer planned for December 2022.

Mexican Red Cross

CHF 255,343

Awarded in 2020 for 2 years

The Mexican Red Cross (MRC)'s objective, long-term, is to improve its governance and administration in order to expand its impact in the MRC's three key areas of work: search and rescue, health, and social inclusion, as outlined in their 2016–2025 Strategic Plan. Achieving this goal will require the development of institutional capacity, in particular with regard to Planning, Monitoring, Evaluation, Accountability and Performance systems (PMER+A).

Only by developing new PMER+A systems and the processes for implementing them will the National Society be able to capture and document the results of their work, including outcomes, impacts and effects.

In 2021, the MRC was able to take a number of key steps, beginning with the successful recruitment of a project manager. With the appropriate human resources in place, the National Society started the development of the 2030 Strategic Plan, whose objective is to align the MRC's institutional operations with the IFRC Strategy 2030. The MRC has also defined a system of indicators to be used in the strategic plan.

This strategy development process will also help leadership manage the upcoming institutional

changes and support the alignment of all the State Delegations with the national strategic plan. To date, 8 State Delegations (Chiapas, Guanajuato, Mexico, Morelos, Nueva Leon, Puebla, Tabasco and Zacatecas) have begun the alignment process.

All of these efforts will require appropriate technological solutions. The MRC was able to select and contract with a software development partner to develop a platform based on the National Society's specific requirements. This included the creation of a number of "dashboards" which will enable the MRC to visualize and manage key indicators in real time.

Work has progressed to the point that the first version of the platform has been created in a test environment; the goal in 2022 will be to release a working version of the software nationally for all branches to implement.

Next steps for the MRC include the creation of a digital reference centre which will strengthen the National Society's planning, monitoring, evaluation and accountability mechanisms through a results-based approach and the development of a strategy for the strategic alignment of the remaining State Delegations and structures of the national headquarters.

Somali Red Crescent Society

CHF 425,000

Awarded in 2020 for 3 years

It is often said that the road to success can be long and winding. For the Somali Red Crescent Society (SRCS), the way to its own sustainability has been taking place in an extremely difficult environment.

In 2017, the SRCS headquarters building in Mogadishu was destroyed, and the National Society has been continuing to serve the community from a temporary base in Wadajir district ever since. In 2020, the SRCS was awarded an Accelerator grant as part of a Movement-wide investment to permit the National Society to redevelop the site and its buildings, thus contributing

to the SRCS' ability to improve and expand its services to the population.

The goal of the overall redevelopment project is for the SRCS to reduce its financial dependency on Movement partners while also improving its operational capacity to respond to local emergencies.

Not only will the new building permit the SRCS to carry out its activities with greater ease and security, it will also have extra space, which the National Society plans to lease out for commercial purposes, generating much-needed rental income.

Despite the tendering process taking longer than anticipated, and difficulties compounded by the heavy summer rains, which delayed the necessary excavations, the building works have progressed significantly. Another issue that contributed to the delays in the implementation was the pre-election violence that led to frequent road closures, which, together with the shortage of materials within the country due to the COVID-19, impacted the delivery of materials to the building site.

However, once these obstacles were overcome, the building could begin in earnest, and by the end

of 2021 the old structure had been demolished, the groundworks had been completed, and the foundation and structural framework had been put in place. As the project advanced, the SRCS requested additional elements (such as security rooms and parking) be added to the plans. Despite these changes and all the above-mentioned challenges, the building was almost fifty per cent complete at the end of the year.

This investment will contribute to SRC's development and its ability to deliver principled humanitarian services.

Bridge Funding

Lesotho Red Cross Society

Lesotho is a small mountain enclave completely contained within the country of South Africa which is frequently subject to climate and environmental disasters. As a result, the Lesotho Red Cross Society (LRCS) has two primary areas of activity: disaster management and health and social services.

Currently, the LRCS relies on partner contributions for 90 per cent of its income. Seeking ways to increase its financial sustainability and reduce its reliance on partners, the LRCS was awarded a Bridge grant in 2020 to explore a number of potential fundraising initiatives.

One of these potential projects involved investment in real estate as a possible revenue-generating activity. To determine the feasibility of such an investment, the LRCS conducted a market study and then went on to carry out an appraisal of several proposed properties. Alongside the site evaluation, the LRCS also investigated how each site could best be used and developed business plans for the most likely alternatives. The evaluations and reports are being reviewed, and a decision as to which site should be acquired and developed is expected in early 2022.

South Sudan Red Cross

One of the youngest National Societies in the Movement, the South Sudan Red Cross (SSRC) has been hampered in its humanitarian efforts by a lack of basic infrastructure, and in particular IT infrastructure. This has meant that communications from national headquarters to branches, and between branches, have been severely impacted by poor connectivity and a lack of appropriate equipment. The goal of the Bridge grant awarded for 2021 was to upgrade the IT infrastructure in the SSRC's national headquarters and 4 additional branches (out of 21 in the country).

During the course of 2021, the SSRC was able to procure the VSAT (satellite communications system) equipment, local area network infrastructure, desktop computers and video conferencing system needed for the upgrade of the IT infrastructure in the national headquarters and also in 4 branch offices. This included site visits to ascertain the correct installation and implementation of the system, along with online training for 25 volunteers from the branches.



In South Sudan, our NSIA grant allowed us to ensure IT infrastructure and connectivity for 4 (out of 21) branch offices, and this attracted additional support from Movement partners improving the connectivity of an additional 12 branches. The SSRC will continue strengthening branch connectivity so as to increase communications between branches and access to the Internet.

John Lobox, Secretary General, South Sudan Red Cross Society



The new IT infrastructure, and in particular the video conferencing system, has enabled staff and volunteers to participate in branch and headquarter meetings and attend international virtual conferences. It also enabled the SSRC to host larger events such as the IFRC Secretary-General's visit to South Sudan.

Thanks to additional funding from Movement partners such as the ICRC and the Canadian, Netherland and Icelandic National Societies, the SSRC was able to expand the project to ensure connectivity to 16 branches from the initial four; the next steps will be to procure the necessary IT equipment for the 12 branches that have not yet been able to upgrade their IT equipment.

Syrian Arab Red Crescent

In an extremely challenging humanitarian situation that is a result of more than a decade of conflict, the Syrian Arab Red Crescent Society (SARC) continues to provide essential services to some six million people a year. This includes not only emergency relief supplies but also food, water, and access to health services.

As it continues to provide services in both urban and rural contexts, SARC's objective is to strengthen governance and management capacities not only at headquarters but also within the 14 branches. To this end, SARC received Bridge funding to carry out assessments of two initial branches in order to identify the areas and capacities that most need strengthening.

Due to the ongoing restrictions in the banking system in the country, the project has experienced some delays and some of the PMER activities originally planned had to be modified, such as the assessments being carried out by existing facilitators rather than training additional facilitators. However, instead of providing training to only two branches, the capacity strengthening programme was able to be extended to all branches, and in total 25 human resources coordinators and 29 financial managers received training on their respective topics. SARC has already seen visible improvements in efficiency and enhanced coordination between headquarters staff and branch staff as a result of the programme. Despite some challenges related to safe travel for some participants, the general conclusion was that these workshops were highly valuable and should be continued in future.



2021 New Investments



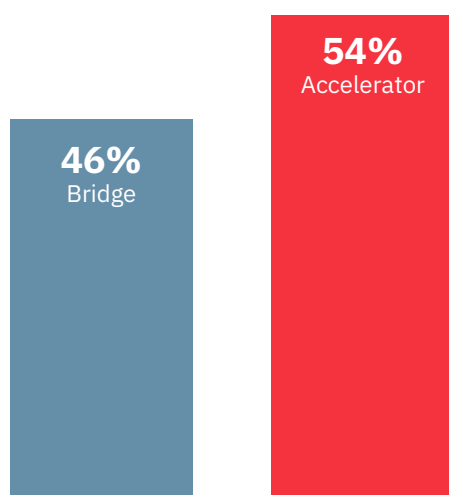
In the third call for proposals, 26 applications were received for a total value of CHF 9.8 million, commensurate with the number and value of proposals received in previous rounds when looking only at proposals from medium-, high- and very high-risk settings. The NSIA received 14 applications for Accelerator funding and 12 requests for Bridge funding, the split between the two types of applications remaining essentially the same as in previous years.

In total, nine applications were approved, for a total value of CHF 1.9m. Seventy-five percent of this amount was allocated to three Accelerator investments, with the remaining funding allocated to 6 Bridge grants.

All three of the Accelerator investments are focused on developing the financial sustainability of the respective National Society, while Bridge grants were approved to address this issue including the advancement of resource mobilisation, the development of volunteers, and property development for income-generating purposes.

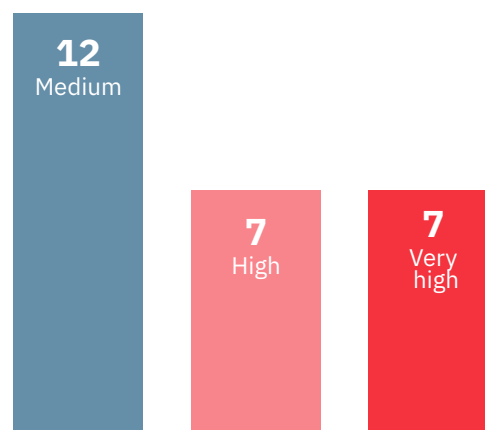
2021 Call for Proposals

The first two NSIA calls for proposals demonstrated that there is clearly a great deal of interest in and need for funding which supports organisational development and capacity strengthening of individual National Societies. Unfortunately, however, demand far exceeds the amount of funding available.



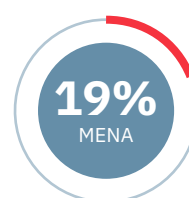
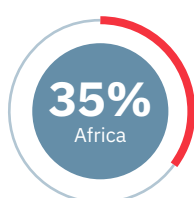
2021 split between Accelerator and Bridge applications

Consistent with what has been seen in previous rounds, slightly more than half of the total value of all proposals submitted was for longer-term Accelerator funding, although there was a slight decrease in the average amount requested in proposals submitted for Accelerator grants.



Focus on higher-risk setting

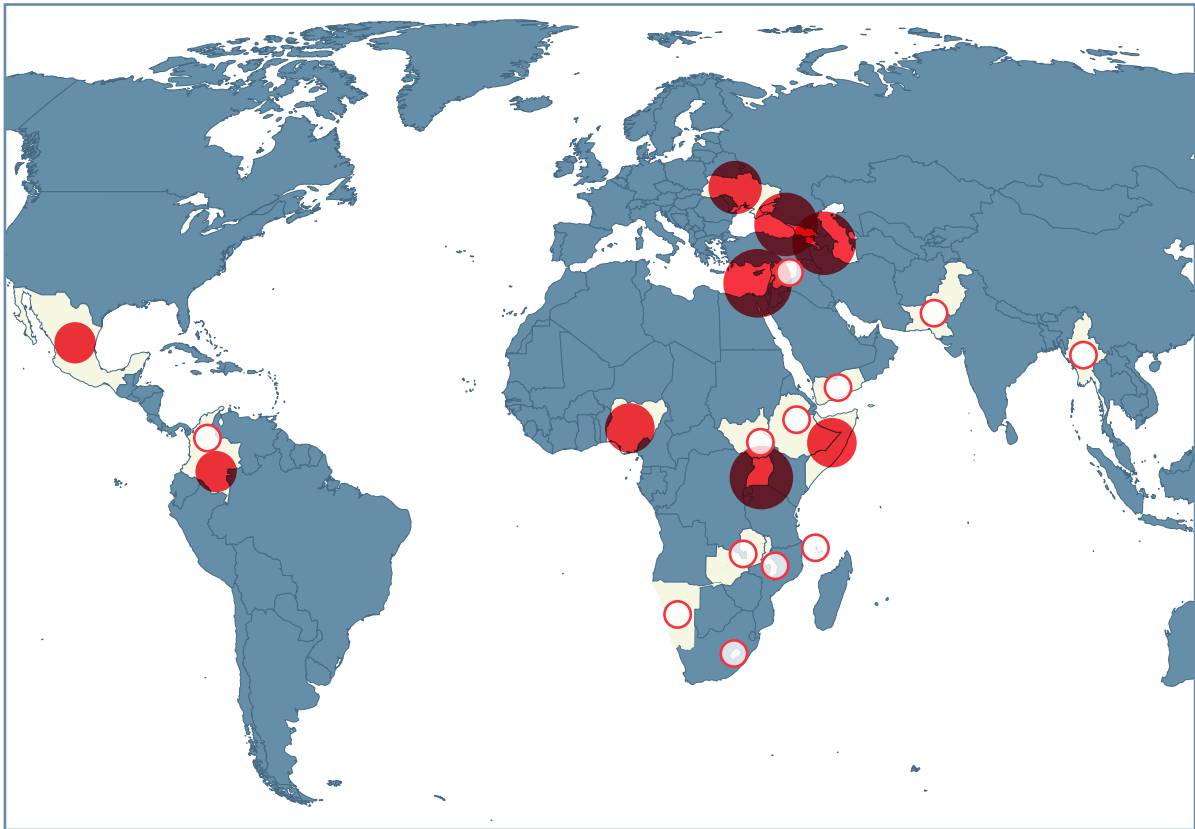
In order to ensure that funds would be targeted to National Societies at greatest need, the decision in the third call for proposals in 2021 was to restrict it to National Societies in medium-, high- and very high-risk environments, according to the humanitarian risk ratings generated by the INFORM Risk Index, a global, open-source risk assessment for humanitarian crises and disasters.



2021 split between application by regions

Overall, the regional spread of applications increased, with Africa submitting the highest proportion of applications. The Asia-Pacific region submitted more proposals than in previous years, with most countries in the region seeking Bridge grants.

The NSIA Portfolio



● Accelerator Investments

2021 Nigerian Red Cross Society • The Uganda Red Cross Society • Armenian Red Cross Society

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

2021 Red Cross Society of Niger • Ethiopian Red Cross Society • Malawi Red Cross Society • Myanmar Red Cross Society • Pakistan Red Crescent Society • Yemen Red Crescent Society

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 • The Uganda Red Cross Society • Zambia Red Cross Society



New Investments 2021

The NSIA encourages applications which are based on strong contextual and organisational analysis. Each National Society must demonstrate a clear vision for its ongoing development. This includes addressing such factors as the local humanitarian context, how the National Society is currently responding to needs in the country or territory, its strengths and challenges, and mechanisms that are or will be put in place not only for implementation of the grant but also for monitoring and evaluating the results.

In addition, National Societies must address the roles and responsibilities that will be involved in implementing the grant, as well as any partners or additional resources which may be involved. In this way, the NSIA seeks to support leadership in developing an overall vision for organisational and leadership development.

2021 Accelerator Funding Awards

The NSIA model was designed to allow National Societies to develop their organisational capacities in a two-step process. The initial step, a short-term Bridge loan of no more than CHF 50,000 for one year, allows the National Society to define the issue and investigate possible solutions.

Once an approach has been defined, National Societies can apply for longer-term funding in the form of an Accelerator grant of up to CHF 1 million for a period of two to five years. The success of this model can be seen in that all three Accelerator grants awarded in 2021 went to National Societies that had previously been awarded Bridge grants.

Accelerator funding awards

Uganda 639,000	Armenia 639,000	Nigeria 479,250
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Bridge grants

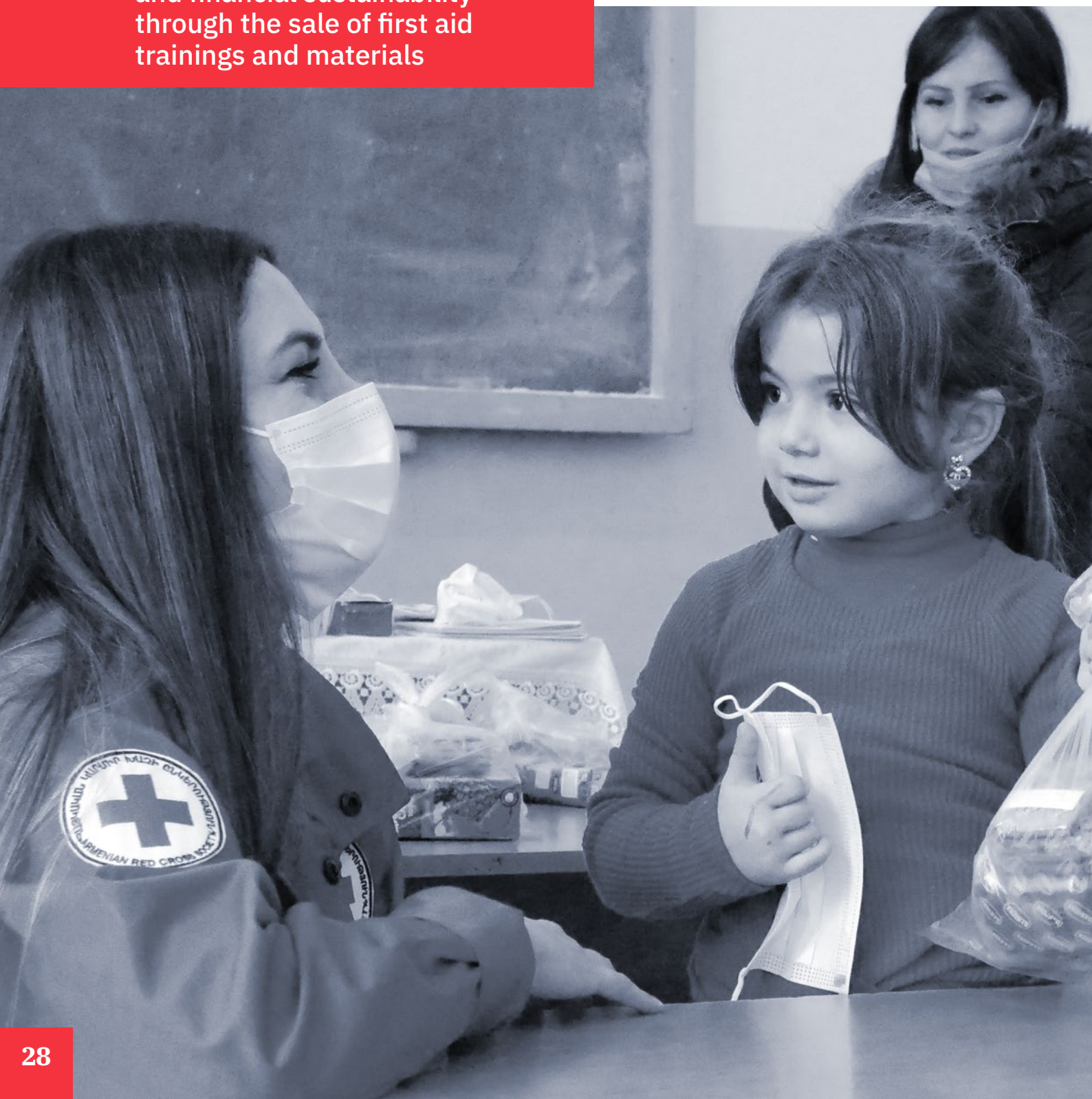
Myanmar 52,990	Ethiopia 53,250	Niger 53,250	Malawi 53,250	Pakistan 41,018	Yemen 32,483
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**these figures include Programme Support and Services Recovery (PSSR) costs*

Armenian Red Cross Society



Building public awareness
and financial sustainability
through the sale of first aid
trainings and materials



Funding amount
639,000 CHF

Funding period
Five years

The Armenian Red Cross Society (ARCS) was first established in 1920 and is today the largest local humanitarian organisation in Armenia, with 288 staff and 3,200 active volunteers across 11 regional branches. It enjoys a high level of trust among stakeholders as well as the general public.

In addition to being subject to a difficult geopolitical and socioeconomic situation, Armenia is also prone to natural disasters. And in 2020, the country – already severely impacted by COVID-19 – had to contend with the additional challenge of an influx of refugees fleeing armed conflict in the Nagorno-Karabakh region.

Like many other National Societies, the ARCS has been increasingly confronted with the issue of insufficient funding and the need to develop its long-term financial sustainability. In 2019, the ARCS received Bridge funding in the amount of CHF 50,000 to conduct a feasibility study as part of its strategy development process to determine the viability of a national commercial first aid business as a possible solution to their financial challenges.

The study concluded that as the ARCS is the best and most well-known structure providing first aid training and services in Armenia, establishing a national first-aid business could provide greater financial sustainability.

Although the urge to provide assistance is a deeply rooted part of Armenian culture, knowledge of first aid and of lifesaving techniques among the public is fairly poor. First aid is not mentioned in national legislation, which means

that there is no licensing mechanism, allowing the proliferation of untrained and unlicensed providers. This is further exacerbated by weak national legislation on work safety and health. The ARCS, on the other hand, is well known as a first aid training organisation, but challenges in recent years related to restricted funding and low demand have meant that the number and frequency of available training sessions have been severely limited.

The Accelerator grant will enable the ARCS to address this situation by increasing the ARCS' capacity for first aid training and service provision. This will include establishing a paid training system; creating a system to develop and sell first aid kits; working with the Armenian national government on first aid legislation; and marketing and promoting first aid training and services.

The first step of the programme will be to ensure the ongoing functioning of the ARCS' first aid department by improving internal planning and management processes. Secondly, the ARCS will promote first aid trainings by stressing the importance of individual knowledge of first aid and the role it can play in saving lives, thus driving demand while simultaneously advancing efforts to improve first aid legislation at the national level. The third part of the programme will be to create and reinforce an efficient infrastructure by rolling out a customised training curriculum through a large pool of dedicated volunteers and a network of motivated managers on the ground in all regions.

Nigerian Red Cross Society



Establishing income-generating workstreams to reduce financial dependency



Funding amount
CHF 479,250

Funding period
Three years

Nigeria, with over 200 million people, is bedeviled by a complex humanitarian crisis which includes armed groups in the northeast, surging banditry violence in the northwest, incessant farmer/herder conflict in the middle belt, as well as militancy and communal clashes in the south.

The Nigerian Red Cross Society (NRCS) was established by an Act of Parliament in 1960 as an auxiliary to the government, making it the first responder in the case of major disasters and emergencies. Nevertheless, it remains a grass-roots organisation with a large network of community-based volunteers, with a branch in each of the 37 states.

Financial sustainability is one of the NRCS' key challenges, the result of limited sources of income, inadequate investment in previous years in resource mobilisation efforts; a weak financial base for the coverage of core costs; and a poor level of funding from the government. The NRCS Resource Mobilisation Strategy calls for reducing dependency on international donor funding and increasing sustainability through self-generated funding in a culture of innovation and accountability. In order to explore options, the NRCS applied for Bridge funding in 2019 to conduct a feasibility study.

As a result of this analysis, the NRCS has decided to focus on three distinct areas of income generation. The first is an ambitious plan to launch marketing and sales campaigns promoting commercial first aid services. By putting in place a team with expertise in business, marketing, and sales with a physical presence in major cities, the NRCS aims to expand its workplace first aid training business. This will include such activities as commissioning research on the

potential corporate market, building a database of prospective customers, and development and implementation of a comprehensive digital marketing strategy.

The second area of income generation will focus on corporate fundraising, individual donors and memberships. The NRCS will establish a multichannel donor base comprising individual members, high-net-worth individuals, diaspora communities and Nigerian private sector organisations that prioritize corporate social responsibility. Actions in this area will include advocacy visits, the establishment of a tiered membership structure, and a series of invite-only events. It is estimated that there is the potential for a membership base of up to 50,000 individuals and 30 corporate memberships.

Alongside these two workstreams will be the third area of income generation, which focuses on the development of the NRCS' property portfolio. By subdividing existing properties into operational space and commercial space, and renovating these assets to a high standard, they hope to create a portfolio of commercial space that is attractive to more clients through what is known as Build-Operate-Transfer (BOT). This will lead to a reasonable financial return, based on property rental and lease and reinvestment of income generated from property development.

Successful expansion of the resource mobilisation framework will be an excellent opportunity for the National Society to showcase what it is capable of, and to demonstrate the ability of NRCS to use investment funding to create a sustainable business that continues generating unrestricted income each year.

The Uganda Red Cross Society



Becoming the country's leading provider of first aid training and ambulance services



Funding amount
CHF 639,000

Funding period
Four years

Uganda faces a complex humanitarian situation characterized by natural disasters, numerous public health threats, and an influx of refugees stemming from ethnic violence, political instability and human rights violations in the Horn of Africa and the Great Lakes region. The Uganda Red Cross Society (URCS) provides services throughout the country thanks to its network of volunteers in 51 branches, 118 first aid trainers and a committed Board.

The URCS is the leading provider of first aid and ambulance services in Uganda, and benefits from a brand and a reputation that most agencies and customers would like to be affiliated with. It is also a first responder auxiliary to the government. However, the URCS lacks sustainable financial resources, despite in-country opportunities. Furthermore, the National Society needs to realign itself with its 2021–2025 strategic plan in order to have the capacity and resources to meet the growing expectations of the public and of donors.

With a Bridge grant in 2019, the URCS designed a first aid improvement agenda covering staffing, standard operating procedures, quality assurance, market assessment, and potential legal issues. It also allocated space for a state-of-the-art first aid training centre. The Accelerator grant will be used to further develop activities in three areas: the coordination and risk management of the first aid and ambulances services unit; the improvement of the online training programmes; and the creation of first aid and ambulance services shops.

For the first activity, the goal is to establish a fully-fledged, risk-compliant and commercially run first aid and ambulance services unit, with

the objective of creating a fleet of 5 state-of-the-art commercially run public ambulance services that are self-funded through the revenues generated by the unit. This area of work will require getting approval for and implementing national policies related to emergency medical services.

The URCS will also seek to position itself as the country's leading first aid provider by delivering appropriate first aid training, both online and offline, throughout the country. The National Society is currently leading a consortium of 16 pre-hospital care actors to establish the country's first basic curriculum for first aid, in partnership with the Ministry of Health and Malteser International. The objective is to develop a team of 100 trainers to conduct online training programmes.

The unit will be supported by a First Aid Shop in five regions that will sell all first aid-related materials and equipment. Internally, there is available market demand from 51 branches who need first aid kits as well as branded and packaged first aid materials. Externally, there is huge potential to sell branded first aid and related materials, thereby promoting the image of the Red Cross Movement. The National Society will sign agreements with strategic producers, at a subsidized price, and then brand and sell the products under the Red Cross First Aid label.

Profits raised in the first three years of implementation will be reinvested into these three initiatives. To reduce staff and trainer turnover, special attention will be given to recruitment of capable, committed and long-term first aid volunteers and members of the Uganda Red Cross Society.



Malawi Red Cross provided critical lifesaving support after flooding in early 2019, ensuring communities were evacuated safely and providing emergency relief items.

Bridge Funding

Ethiopian Red Cross Society

In order to effectively and efficiently deliver its services, the ERCS wants to focus on growing meaningful engagement through the creation of a mobile app for volunteers and members, and the development of an innovative platform that will facilitate membership and engagement within the National Society.

Malawi Red Cross Society

MRCS headquarters are located in a building in Blantyre, which is dilapidated and will require demolition. The Bridge funding will be used to conduct a feasibility study on the possibility of generating income by replacing the existing building with a high-quality modern office complex, portions of which could be rented commercially.

Myanmar Red Cross Society

Decentralisation of humanitarian services through the development of individual branches is a core objective of the MRCS. The Bridge grant will fund a market study in up to 10 states to evaluate the customer base for community organisations and, based on this study, develop a business plan to confirm expenditure, investment and revenue projections. The work would also include an analysis of branch readiness for these states.



After flooding in 2021, Yemen Red Crescent responded around the country, providing much-needed relief assistance to the families affected.

Red Cross Society of Niger

Through Bridge funding, the NRC will develop a humanitarian response plan which will define the annual strategic objectives of the NRC, its areas of intervention, the targets and the resources (both human and financial) needed to achieve its objectives. Particular attention will be paid to the development of first aid, which is the trademark of the NRC. It will also develop a monitoring and evaluation framework.

Pakistan Red Crescent

The PRC will utilize its Bridge funding to further develop its resource mobilisation capacities. Actions will include optimizing the resource mobilisation national structure; completion of a prospect scoping exercise and a donor mapping study; development of a donor “dashboard”, including for potential donors; and the implementation of the resource mobilisation strategy. In addition, two pilot projects will be launched: a new membership drive and a Red Crescent donation mechanism in conjunction with vehicle registration.

Yemen Red Crescent Society

The YRCS will use its Bridge grant to explore options for increasing resource mobilisation and income-generating activities as a means to increase financial sustainability. Among the projects under consideration are the operation of select health care facilities; establishment of a first aid and emergency training centre; building a facility to produce personal protective equipment; and the creation of online giving facilities.



2022 Appeal

Red Cross and Red Crescent Societies are trusted members of the communities they serve. Becoming a credible humanitarian partner, however, is about more than just providing services during disasters and emergencies. It is also about having the necessary people, processes and structures in place to ensure that a National Society is ready, equipped and able to provide a set of core services swiftly and efficiently, for as long as needed.

The role of the NSIA is to support the long-term development of Red Cross and Red Crescent National Societies, particularly those operating in situations of increased risk and humanitarian need, by providing substantial, multi-year support that enables them to invest in organisational development and capacity strengthening.

The NSIA is entering its fourth year of operations and has developed a credible mechanism for the identification, selection and management of National Society development interventions in higher-risk settings. The NSIA's goal is to help National Societies increase their humanitarian impact so as to be able to provide relevant and adequate services to vulnerable populations.

There has been sustained demand for investment, with a consistent number and increasing quality of applications from National Societies. It has proven to be an effective model, with National Societies implementing NSIA investments demonstrating their drive and ability to adapt to rapidly changing local contexts. Consequently, the NSIA is seeking to expand its support to National Societies, investing in their development and capacity to respond in this crisis and the next.

In 2022 the IFRC and ICRC are appealing for CHF 10 million in support to the NSIA. Financial

contributions to the NSIA result in direct, meaningful support to National Societies in higher-risk settings.

Within the current appeal, over 90 per cent of requested funds will flow to National Societies for implementation. The remaining 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 applications and selection process, the management of the portfolio, and the highest standard of risk management and controls in line with international accounting standards.

The NSIA continues to require significant and sustained support from partners in order to fulfil its potential as a robust, cost-effective, Movement-wide mechanism which increases the impact of National Societies operating in some of the world's most challenging contexts.

It can also help to demonstrate the vital role of strong, accountable, principled local humanitarian actors in response to crises. Support to the NSIA from partners will allow the National Societies to achieve the following:

01. increase the impact of their humanitarian services;
02. enhance and secure their capacity for the rapid and sustained delivery of relevant humanitarian services in high-risk settings at both the national and local levels;
03. increase institutional learning and knowledge-sharing, contributing to coherent and coordinated National Society development across the Movement, under the coordination of the IFRC.

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 2021	CHF	OTHER
Canadian Government	370 275	CAD 500 000
Norwegian Government	375 928	NOK 3 470 545
US Government	918 750	USD 1 000 000
Swiss Government	1 000 000	
Returns of unused funds during 2021	28 511	
Forex difference on unpaid pledges	35 737	
Total income in 2021	2 729 200	
Available balance from previous year	1 287 276	
Total Income	4 016 476	

ALLOCATIONS AND EXPENSES	CHF
Allocations – Bridge Grants	
Myanmar	52 990
Ethiopia	53 250
Niger	53 250
Malawi	53 250
Pakistan	41 018
Yemen	32 483
Total Allocations – Bridge Grants	286 240
Allocations – Accelerator Grants	
Nigeria	479 250
Armenia	639 000
Uganda	639 000
Total Allocations – Accelerator Grants	1 757 250
Total Allocations 2021	2 043 490
General Expenses	
Fund Management Expenses	
NSIA Office	282 114
Previous Years Allocations	
2019	
Bridge Grants	423 119
Accelerator Grants	1 143 035
2020	
Bridge Grants	156 875
Accelerator Grants	1 541 415
Total previous years	3 264 444
Grant Total Allocations to National Societies	5 307 934

Allocations are made to individual IFRC projects. The sum is made of National Society budget plus IFRC indirect cost recoveries at 6.5%. Transfer of funding is subject to individual project agreement with each National Society.



With special thanks to our donors, the governments of Canada, Switzerland, the United States and Norway.
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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Schweizerische Eidgenossenschaft
Confédération suisse
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Norad