

# *One for All and All for One*

## **Support and Assistance Models for an Effective IFRC**

A Report for the International Federation of Red Cross and Red Crescent Societies



*Photo: Karl Schuler/Swiss Red Cross*



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August 2004

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## Acknowledgements

We are, as always, indebted to a myriad of people and institutions who have helped guide us in this work: everyone we interviewed (see annex I), all of the Advisory Group and of course all of the researchers who worked with us on the report (see annex III). While we take full responsibility for all the judgments reached in the report – and we are aware that some are controversial and that not all the researchers working with us would sign up to all of them - we absolutely could not have done this without the hard work and thoughtfulness of the research team: thank you. We are indebted to the staff of the Cambodia, Kenya and Vietnamese Red Cross and the IFRC and PNS delegations in those countries for their patience in helping us understand their perspectives, priorities and problems. We are also indebted to staff at the IFRC Secretariat and its regional delegation staff in Nicaragua, Jordan, Kenya and Thailand, along with the ICRC headquarters, and its regional delegation in Thailand, for giving us additional views on the Movement. The study was commissioned by the Norwegian Red Cross, supported by a number of national societies and the IFRC Secretariat. Finally we would like to thank Anne Bergh at the Norwegian Red Cross, whose enthusiasm and hard work, from late 2003 onwards, gave rise to this initiative and helped shape its development.

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Medford USA August 2004

## Executive Summary

In recent years and for a variety of reasons, the International Federation of Red Cross and Red Crescent Societies (IFRC) has been buffeted by an array of forces. In one sense, the pressures are similar to those experienced by other federations, perhaps accentuated by the fact that the IFRC is one of the earliest and developed into the largest such federated, or federal, institutions. Like other federations, the IFRC is struggling with a set of generic problems. These include being a faithful representative at the global level of diverse national member societies and needs; promoting coordination of members which often comes with a great temptation to directly implement projects; and finding a workable balance between the federalism of the past and the increasingly profile-conscious bilateral and unilateral actions of its membership. The Federation has also been faced with managing the increasingly intense competition within the humanitarian sector which involves traditional humanitarian actors but now also for-profit entrepreneurs and military forces engaged in civic action work.

From another perspective, however, the pressures experienced by the IFRC are quite individualized and specific. Its authority has been undercut by rapid personnel turnover at the leadership and management level. This has had a profound effect upon the level of trust within the organization. The thrust of centripetal forces in the Red Cross Movement have been sorely tested by strong centrifugal actions by PNS members, some of them reflecting the political agendas of national governments. National societies have themselves had difficulty nurturing their international personas at a time when most of their activities have a local domestic focus. Despite its global nature, the IFRC and its members have not found a way of modeling the kind of mutuality that asymmetrical power relations in the wider world make more and more difficult. The prevailing ethos of trust and dialogue has been put under stress by concerns around the funding and management of a growing program of international humanitarian and development assistance. The IFRC is in need of reinvigorating.

This report examines key elements in the complex but daily interactions between the IFRC, its secretariat, and the national societies which comprise its membership. It reviews three new institutional developments in particular: the creation of centers of excellence and service, the increased use of individual delegations as programming agents in poorer countries, and the more ample cultivation of partnerships outside of the Red Cross movement. Each of these developments is an indicator of the health, vitality, and creativity of the Movement. Yet each also calls into question the IFRC's current ability to provide basic institutional coherence around core Movement principles for the many moving parts involved.

The report's recommendations are premised on the widely held view that the IFRC in specific, and the Red Cross movement more generally, are global "public goods" with a recognized mandate and an impressive track record in responding to critical needs. The recommendations affirm the healthiness of a structure which encourages innovation and experimentation but at the same time urges that such growth be anchored by a more assertive IFRC and supportive Secretariat. The Secretariat does not have to be in the center of all the action, however, since some activities can appropriately remain delegated to new configurations of actors.

Looking to the future, the study seeks to turn what at the moment often seems an unstructured "free for all" into a more coherent set of institutional arrangements in which individual societies work to benefit the wider family ("one for all") and in which groupings of national societies join

forces to benefit particular societies and respond to particular challenges (“all for one”). Orchestrating all of this requires an energized IFRC and secretariat which would acknowledge and broker inequalities of power. For their part, national societies need to be more consistent in their use of the IFRC, as envisioned by the core documents of the Movement. Dialogue and transparency are essential elements in the nurturing of the trust necessary to allow this to happen. It is suggested that a more strategic approach is needed with respect to centers of reference and service, IFRC-related delegations, and non-Movement networks, if the IFRC is to achieve its full potential.

## Chapter 1 - Background

*This chapter gives a brief overview of the terms of reference for this study and its methodology. It also provides some key definitions which are central to the understanding of the report.*

This study was commissioned by a group of national societies and the Secretary General of the IFRC.<sup>1</sup> Its terms of reference set out a clear agenda:

The study will seek to determine areas where National Societies' special skills and strengths might be further utilized within the framework of the IFRC, through National Societies taking specific responsibilities regionally or globally. It will also study the modes of coordination and facilitation of cooperation by present field structures within the framework of the IFRC's secretariat. The Taskforce is expected to quantify and qualify areas where improved quality and effectiveness in provision of services as well as cost reductions can be obtained in multilateral and bilateral cooperation in programming and capacity building within the IFRC. Furthermore, the Taskforce will identify key-elements for a consortia approach to operating delegations within the IFRC field structure.<sup>2</sup>

In laying out a research plan, the Tufts team stated:

This study is born out of a desire to make the most of the unique and global nature of the IFRC in pursuit of its mission **to improve the lives of vulnerable people by mobilizing the power of humanity**. ... When it was founded in 1919 the IFRC functioned using a hub and spoke model with its secretariat in Geneva (and Paris for a while) taking on all the communication, representational and international action functions. Times change and new possibilities emerge. Today it is possible to do business many different ways – bilaterally, in consortia, through centers of excellence, with outside partners, with the ICRC, with national government.... Today, the IFRC, along with many value-based humanitarian organizations, faces a harsh operating environment. States continue to divest themselves of direct responsibility for their social and welfare services. Globalization of commerce spreads work but creates tremendous disparities of power and wealth. Competition within the humanitarian sector has increased, with private commercial actors and the military seeking a piece of the action.<sup>3</sup>

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<sup>1</sup> An Advisory Group, made up of Mary Kuria, Secretary General Kenya RC, Pierre Duplessis, Secretary General Canadian RC, Jonas Gahr Støre, Secretary General Norwegian RC, Mostafa Mohaghegh, Head of International Section, Iranian RC, Markku Niskala, Secretary General, IFRC, was formed from those commissioning the study.

<sup>2</sup> Terms of Reference 11 March 2004: "Taskforce on mapping and analysis for strengthening the performance of the International IFRC of Red Cross and Red Crescent Societies." Drafted by Norwegian Red Cross.

<sup>3</sup> "One for all and all for one: A study of support and assistance models for an effective and empowered IFRC." Feinstein International Famine Center, April 14<sup>th</sup> 2004.

## **Methodology**

The study was carried out by an independent team from the Feinstein International Famine Center at Tufts University in the USA using researchers drawn from the Center and seconded from national societies and the IFRC Secretariat.<sup>4</sup> Research was conducted during the spring and early summer of 2004. The research team held two workshops, one in March in Boston to initiate the work and one in June in Geneva to review initial data and findings. Field visits were conducted to Southeast Asia and the Middle East to talk with local national societies, representatives from the IFRC, ICRC and operational Participating National Societies (PNS). Visits were also made to the IFRC Secretariat and ICRC headquarters in Geneva. Phone and email interviews were conducted with many national societies and individual delegates in Europe, the US, East Africa, and Central America. In total over 50 people were interviewed. (See Annex I)

Historical and present-day data were gathered on IFRC cooperative arrangements, funding and functions and on bilateral arrangements. At the same time a comparative study on federalism in other organizations was carried out along with an academic literature review of federalism today. The team leaders had two meetings with the Advisory Group (see Annex III) via phone conference and kept them informed of the research progress through frequent phone calls and emails to the designated Secretariat contact person (Susan Johnson, Director for Movement Cooperation).

Initially much emphasis was put on examining the financial differences between federation mechanisms and bilateral mechanisms. We sought to discover the differential costs of doing business via each route. Unfortunately, in common with a recent, much more in-depth financial study<sup>5</sup>, we found that comparison is almost impossible. Likewise the relative impact of the two ways of working proved difficult to assess in the absence of IFRC-wide impact indicators, standard monitoring tools or baseline assessments.

Thus making best use of the small amount of quantitative data and of the more available qualitative data, we chose to focus on the relationships, systems, structures, policies and thinking that makes a federation function. In our interviews we used a ten point check list as the basis of our conversations. (Box 1.1)

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<sup>4</sup> The Team is listed in Annex III.

<sup>5</sup> The IFRC Value Chain (Discussion Document), 9th September 2001, The IFRC.

**Box 1.1**

**Interview check list**

1. Is your work driven by the values and mission statement of the IFRC? Do you have evidence for this?
2. Does your work effectively build the capacity of national societies? Do you have evidence for this?
3. Does your work promote equity, trust & democracy in the IFRC? Do you have evidence for this?
4. Is your work cost effective, fundable and sustainable? Do you have evidence for this?
5. Does your work promote a coherent and accountable systems approach to problem solving and service (no cherry picking)? Do you have evidence for this?
6. Is your work amenable to data driven monitoring and evaluation? Do you have evidence for this?
7. Does your work have a sound and consistent Legal status? Do you have evidence for this?
8. Does your work promote the international nature of the IFRC (culture, legal, staffing, representation)? Do you have evidence for this?
9. Does your work actively seek and build support from the membership? Do you have evidence for this?
10. Does your work harmonize where appropriate with the ICRC? Do you have evidence for this?

### ***Getting the terminology right***

The research team found huge disparities of understanding over common terms used to discuss IFRC work: the IFRC, Governance, the Secretariat, and delegations. After consulting the IFRC's constitution and legal advisors at the Secretariat, we believe the definitions below provide an accurate and up-to-date picture of the main elements of the IFRC.

In summary the **International Federation of the Red Cross and Red Crescent Societies** – the **IFRC** - is the organization created by its membership as described in its Constitution. It consists of 6 statutory bodies; the General Assembly, Governing Board, Finance Commission, President, Vice Presidents and Secretary General, as well as a Secretariat, including its numerous delegations, which is considered the operating arm of the Secretary General. The external legal personality of the organization is governed by status agreements concluded between the organization and the host Governments. The headquarters of the organization was formally recognized, in 1996 as being similar to that of an inter-governmental organization under a treaty with the Swiss government which detailed its diplomatic privileges and immunities.<sup>6</sup> This status has been confirmed in 59 other countries, allowing delegations significant diplomatic privileges

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<sup>6</sup> This Treaty concluded in 1996, entitled, "Accord entre la Fédération internationale des Sociétés de la Croix Rouge et du Croissant Rouge et le Conseil fédéral suisse en vue de déterminer le statut juridique de la Fédération internationale en Suisse" explicitly recognizes the IFRC as having an "international legal personality" and grants the IFRC a legal capacity in Switzerland with the privileges and immunities granted to international organizations such as the United Nations, including immunity from jurisdiction, tax and custom exemptions, and privileges and immunities for its staff and representatives.

and immunities. The IFRC is a component of the Movement, along with the ICRC and the National Societies.<sup>7</sup>

The researchers found however that the term IFRC was often used in two senses. First, in reference to organization as described above. Secondly, to the role of the membership in general and in particular to their international activities or efforts in regards to a collectivity. In this regards it should be kept in mind that National Societies operating under their own names outside of this statutory construct can not be considered as an act of the IFRC. IFRC membership are only acting as the “IFRC” when they, *act through the six recognized channels*. It should also be kept in mind that through the Governance structure the members own and control the “IFRC.”

*Second*, the IFRC is the legal institution headquartered in Geneva, with its 60+ delegations & offices around the world.

The **General Assembly** is the highest decision-making body of the IFRC. It meets every two years and comprises representatives from all member National Societies

A **Governing Board** acts between general assemblies, meeting twice a year with the authority to make certain decisions. The board comprises the IFRC's president and vice presidents, representatives from elected member Societies and the chairman of the Finance Commission. Four other commissions cover health and community services, youth, disaster relief and development.

The **President** is elected by the membership every four years. The President acts under the authority of the Assembly and of the Board to guide the affairs of the IFRC in conformity with the decisions of the Assembly and the Board. The President may advise the Secretary General on implementation of these decisions, when necessary, in order to ensure the smooth functioning of the IFRC.

The **Secretary General** is appointed by the General Assembly for a four year term on the recommendation of the Board. The Secretary General is the Chief Executive Officer responsible for the management of the IFRC

The **Secretariat** is the functional arm of the IFRC, accountable to and managed by the Secretary General.

**IFRC delegations** are wholly subsumed under the IFRC's Secretariat. They should be staffed by at least one person and may include international delegates. Where not staffed, their legal status may be suspended until the vacancy is filled. They are always part of the IFRC and have an officially recognized legal status in Country where the IFRC has signed a Status Agreement with the host country. The agreement is not signed with the host national society nor is the delegation legally part of the national society. However, where a Status Agreement cannot be made, IFRC delegations may operate through the local national society under an agreement with them.

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<sup>7</sup> Written communication, Elise Baudot, Legal Counsel, IFRC, Geneva. 7<sup>th</sup> May 2004.

A **Participating National Society** (PNS) is one that provides assistance (people or funds) to support the programming of a sister Society.

An **Operating National Society** (ONS) is the Society carrying out programming in its own country. It may receive assistance from a PNS.

## ***Conclusions***

Much of the rest of this study hinges around whether member national societies and their employees act as part of and in support of the IFRC, as defined above, or in other forms of cooperation with sister member societies, which may not fall within the remit of the IFRC. Therefore understanding these definitions and their practical meaning is vital.

## Chapter 2 - The Rise of Federations

*This chapter is something of a “reader” on federations. It examines present day thinking on the role and attributes of successful federations, drawing heavily upon the academic literature and then compares the IFRC with other federations, principally in the NGO world.*

### Successful Federations

#### Introduction

Federalism is very messy, costly and time consuming. Yet organizations in both the profit and not-for-profit sectors are choosing to move towards it (for example, World Vision and Shell Oil) to leverage resources and effectively coordinate inputs to yield increased outputs and impact. In this sense the IFRC, as one of the earliest federations, is actually ahead of the curve. Federalism is full of tensions; all federations experience these. These tensions will not fade and are rarely resolved. They have to be managed.<sup>8</sup> Federalism may provide a more productive way of managing these tensions than other management models.

Federalism denotes a system of government in which power is divided by constitutional right between the global and local units. Federalism seeks to return political power to the people by decentralizing and devolving structures of government. At the same time it also seeks to establish international levels of governance for dealing with global problems. Federalism can be summarized as making decisions at the most appropriate level and decentralizing power to the lowest possible level.<sup>9</sup>

Over time organizations have a tendency to rigidity, bureaucratization and solidification<sup>10</sup>. A federal structure has the potential to manage these tendencies. But a key question for any federation, particularly an older one such as the IFRC, is how does it manage these tendencies and remain nimble and adaptable while also being global and established?

#### The importance of values

There are a number of elements to successful federalism. An overarching one is that a successful federation requires concentration both on the ‘soft’ and ‘hard’ elements of management. Values, process and relationships are as important as structure and rules. As Charles Handy writes in the Harvard Business Review:

*‘A federal organization can be particularly exhausting to govern since it relies as much on influence, trust and empathy as on formal power and explicit controls. But in today’s world of interrelationships and constant change the move to federalism is inevitable.’<sup>11</sup>*

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<sup>8</sup> Interview with Jonathan Moore.

<sup>9</sup> <http://en.wikipedia.org/wiki/Federalism>

<sup>10</sup> Candler, G. G. (2001). "Transformations and legitimacy in non profit organisations - the case of Amnesty International and the Brutalisation thesis." *Public Organisation Review* 1: 355-370.

<sup>11</sup> Handy, C. (1992). "Balancing Corporate Power: A New Federalist Paper." *Harvard Business Review* (November-December 1992). Italics added by Tufts.

Federal organizations need a high level of trust. This can't take place without frequent and open conversation. Secretariat and members need to deal creatively with the tensions of being in a federal structure. For example, how is the Secretariat managing the tension between serving members and being an actor on the international stage or between having a national identity in every country and also a global international signature? This tension was not so present in the organization at its inception but has developed over the years.

The changing context and the natural process of aging require that the organization keep revisiting its fundamental values in a participatory way. How are the values put into practice internally and externally? Long-serving institutions are always in danger of running out of steam and there is a need to have constant renewal and revisiting to get clarity of purpose and remain relevant in the fast evolving operating environment. The process of renewal should be ongoing and involve all members. When was the last time the IFRC reviewed the validity of the concept and purpose of its federation? To what extent are the fundamental principles still relevant and important to members?<sup>12</sup> These principles are what bind the members together, unlike some faith-based organizations bound by their common religious convictions.

## Power relations

A federation needs to take power relations into account openly and deal with them through dialogue, systems and procedures.<sup>13</sup> Thus for the IFRC to act according to its principles, power needs to be taken into account. The clearest power imbalance is between those members who are donors and those who are recipients (in the IFRC parlance: PNS & ONS). This power imbalance is reflective of the larger imbalance of the political and aid systems that the IFRC is operating within. The dynamics of aid policy and North-South relations are mirrored in tensions between members within the IFRC. There are also many other global tensions and imbalances that are reflected in the IFRC; between the US/West and the Islamic/Arab world for instance. These internal power relations are not going to disappear and they can actually provide very useful information about the external context. There is a great potential for change if they are dealt with openly. There are very few organizations that have the kind of the breadth and depth of membership that IFRC does. Real dialogue, cooperation and partnership between members could be a very extraordinary and fruitful process.

Dealing with power imbalances requires leadership that is willing to help people face up to power relations and manage them - including at times giving up some power. Members who possess funding may have to be helped to see that they are behaving in a high-powered way and need to change. Members who receive funding may need to see that they are behaving in a low-powered way and they also need to change. Like with any oppressor/oppressed situation, the oppressor group does not always understand that it is part of the problem. Even though conceptually they want things to be different, they are not aware of their own behavior and how it contributes to tension. The leadership challenge for the Secretariat is to highlight the problem and encourage the societies to seek a solution.<sup>14</sup>

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<sup>12</sup> Gawlinski, G. (2004). Telephone Interview. R. Dale. Graessle, L. (2004). Interview. R. Dale.

<sup>13</sup> Frado, D. (2004). Telephone Interview. Myers, B. (2004). Interview with World Vision. R. Dale.

<sup>14</sup> Myers, B. (2004). Interview with World Vision. R. Dale.

An alternative strategy when faced with power differentials is to ignore them and avoid conversation. This can allow for a quiet life but actually the dynamics will play out in other ways that can be destructive for the federation and its integrity. Strong organizations do not sweep tensions and differences under the rug.

### **Evolving a federation**

Evolving a federal structure has two critical steps.<sup>15</sup> First, to conceptualize and create architecture for one's federal model, including how members relate to each other and the role of the center. This process takes a huge amount of energy and requires large amounts of participation. Second, creation of an organizational development change plan. For this plan to be successful the organization needs to:

- Be willing to criticize its existing culture (*with all its dynamics and faults.*)
- Work out what would need to look like (where the organization is trying to get to). And most crucially:
- Identify the gap between the two and work out how do we change the behavior and culture of the members to get from a to b.

Thanks to Strategy 2010, the Strategy for the Movement and the Secretariat's Change Strategy, much of the thinking and agreement around change is already in place. The process the IFRC has recently embarked upon "The Federation of the Future" should take this a stage further.

Most institutions pay only lip service to bridging the gap between what the institution really is and what future the membership wants. People may say and believe that they are willing to move from a to b, and they may do it to the degree that they understood what it means. But this will not suffice. A process for moving to this new way of working including supporting people through the culture and behavioral changes is required. The vision alone is not enough to get there and the vision alone can lead to frustration and disappointment.

Good federations provide a way to deal with paradoxes of power and control, they allow one to be local and global simultaneously and they define autonomy with boundaries and common direction. They exemplify the key principles of trust and shared vision, twin citizenship, subsidiarity,<sup>16</sup> interdependence and a common way of doing business.

The purpose of the secretariat in this model is only to do those things which the members cannot do for themselves, unless asked by the membership to take on such tasks. The Secretariat thus seeks to do things for the collective and to do them cheaper and better than if they were done individually: It provides cultural glue to hold partnership together, and it facilitates development of a core common and creates synergies between partners. It retains the right of intervention on behalf of an individual member of the federation and it does those things that members agree they cannot or do not wish to do for themselves.

Within a federation it is essential to have processes to identify and cope with resistance to an effective federation. Federalism is not decentralization and it is important not to confuse the two. When one NGO was moving to a federal structure many of its "branches" felt that they were

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<sup>15</sup> Myers, B. (2004). Interview with World Vision. R. Dale.

<sup>16</sup> Having decisions made as close to the grass roots of the organization as possible, subject to its collectively agreed goals and procedures.

decentralizing, meaning much less central control. When the center did play its role as a federal center, these branches felt that this was an attempt to recentralize and felt very threatened.

The right of intervention (e.g. to sanction and discipline members) requires a high level of legitimacy in the eyes of its members and so it needs to be truly representative. This may require restructuring the working of the board or modifying the way decisions are made. Are board members fully seized with the mission of their federation? Do all board members feel empowered? Are board members backed up by their home membership? The right of intervention also needs to be a credible (if seldom used) threat that members know will be applied to any member whether from the North or the South, rich or poor.<sup>17</sup>

### **The trade-offs of federalism**

There are trade-offs in being part of a federation. Members gain some degree of power and control through membership but they also have to give up some degree of power and control. As such members need to ask themselves, and come to terms with, with two central questions:<sup>18</sup>

1. What do you want the IFRC to be and is it capable of doing what you want it to do?
2. Can you do it? (what are the trade-offs?) Are you willing to support it or are you setting up a straw man that you can scapegoat?

### **Using networking across a federation**

Healthy federations encourage networking amongst their membership. Spontaneous and ad-hoc groupings are a good thing. They keep alive the value of being a federal member and reinforce the responsibilities of the membership. Networks are amongst the best tools for creativity, diffusion of knowledge and the creation of new procedures: they act as “the federal glue”. Participation in networks should be supported and such support needed to be structured and careful (and sometimes that means leaving the network alone!) Networks can take a long time to gestate. World Vision took five years to get its advocacy network functioning.

A secretariat can support/convene networks to allow for dialogue across the federation. It can support representation and capacity building across these networks. Both domination, and neglect, by the secretariat, can kill a network.

### **Bilateralism within Federalism**

There is an increasing trend in federations towards bilateralism that is, individual members or groups of members work directly with each other rather than through the center. Advantages cited for this include: encouraging innovation, saving time and money, reducing administrative machinery, increasing proximity, building partnerships between members and empowers partners in making decisions and finally greater visibility for individual members, which may be important for fundraising and helps meet donor accountability needs.

However, there are also a number of disadvantages to bilateralism. There can be a lack of a global strategy and direction if the strategy is just the sum of the bilateral strategies. There may be high numbers of innovations but no strategic direction in terms of which to prioritize. This

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<sup>17</sup> Myers, B. (2004). Interview with World Vision. R. Dale.

<sup>18</sup> Moore, J. (2004). Interview with Jonathan Moore. R. Dale.

can be overwhelming for programs which are asked to implement many different kinds of innovations. At the same time there can also be less diffusion of learning and knowledge to the rest of the federation. Though there may be cost-savings with individual bilateral arrangements, there can be replications of procedures and chaos between incompatible information and financial systems. Power relations can be negatively reinforced since the bilateral relationships are often between donor member and recipient member (in terms of financial or technical expertise). At times the funding provider cannot overcome the temptation to make additional demands/requests of the recipient. There is also a tendency to be more donor driven with bilateral projects.

The accountability requirements of donors are often cited as a reason for the increasing trend towards bilateralism in not-for-profits. Does this create a dilemma between donor accountability and federalism? Is this need to satisfy donors a genuine need, how much does it allow member societies of donor countries to avoid surrendering power in a structure that favors them keeping it? We will examine these questions further in chapter seven when we look at the role of country delegations.

One needs to look for creative solutions to this dilemma. One solution could be involving donors more in solving this problem. This could include working with donors to see how to close the gap between the value of empowering poorer societies espoused by donors and the reality of practice. Clearly agreed guidelines for bilateral arrangements may be helpful. There is need for a constant and open dialogue about this issue between members, otherwise it can create many problems for the high power and low power members (in financial terms) and for the relationships between them.

There are both advantages and disadvantages to bilateralism and there is not an either/or solution as to which system should be chosen. Rather, there are a number of key questions to ask:

- How do one act as partners in a federal structure?
- Can partners line up with a specific direction and still be federal?
- How can partnerships/centers of excellence/regional entities contribute best to the federation?

Investigating openly and discussing why members are moving towards partnerships/centers of excellence/regional entities (e.g. is it dissatisfaction with the center; changes in the operating environment etc) can provide very useful data for the organization and this should not be seen as a threat.

The literature suggests three basic ways to manage creatively the tension between federalism and bilateralism.

1. Using the federation (joint vision and interest) to ensure alignment across partnerships/centers of excellence/regional entities/virtual teams and support this creativity.
2. Using networks (which may include virtual teams) across the federation for knowledge diffusion and standardization.
3. Jointly developed regulations/criteria for bilateral agreements and centers of excellence (how they are chosen, managed, prioritized etc).

There is an important balancing act to be done to make the most of the potential of bilateralism for the effectiveness of federalism.

In summary, federalism is a powerful and increasingly popular way of organizing diverse groupings to allow both for individual freedom and collective action. The second half of this chapter compares the IFRC with that of some of its peer organizations in the humanitarian world. How well, comparatively speaking, does the IFRC “do” federalism?

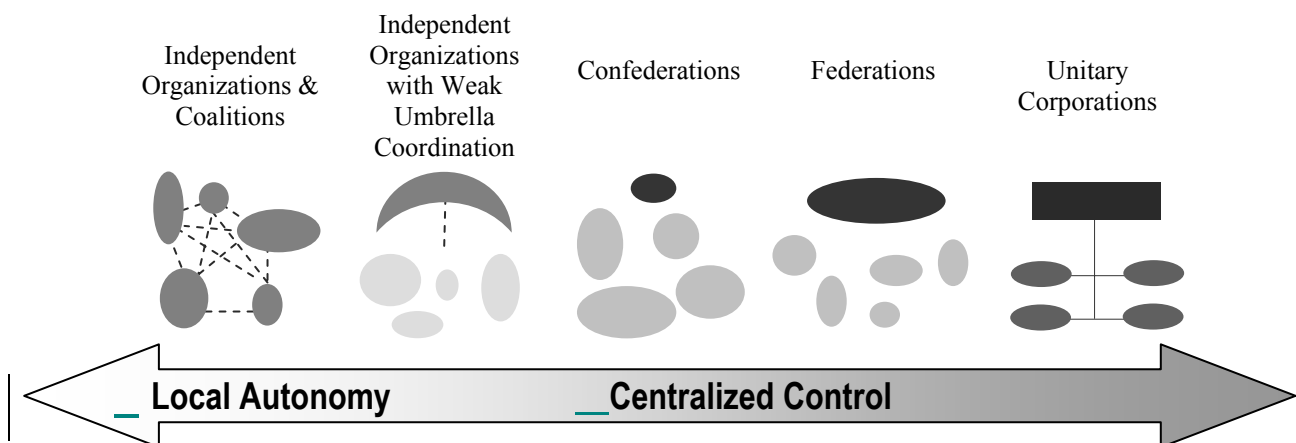
## ***Comparative Analysis of Cooperation & Support Models of NGO Family Networks***

### **Networks of NGOs**

Corporations and government agencies typically have well-defined structures and identifiable power bases. They are generally organized geographically or functionally. Many NGO follow similar structures, but some have adopted and benefited from alternative models which distribute power and responsibilities across the organization, its affiliates, and to external agencies. There is also a growing number of NGOs that no longer fit standard organizational structure classifications but employ a combination of many models or something altogether different. The history and key characteristics of organizations determine where they begin and the limits of where they go. It is common for organizations to move from one NGO family classification to another as the organization evolves and its environment changes.

Today, most NGO alliances or membership organizations can be classified into one of five family networks based on the level of autonomy of its members or affiliates. (See Annex IV for a more detailed comparative review of each)

***Figure 2.1 NGO Family Networks Continuum***



Adapted from Marc Lindenberg and Coralie Bryant's *Going Global: Transforming Relief and Development NGOs* (2001)

***Separate independent organizations & coalitions*** – Fully autonomous organizations sharing common purpose and cooperating on an ad hoc, pragmatic basis but without a formal central coordinating mechanism.

***Independent organizations with weak umbrella coordination*** – Affiliates maintain virtual autonomy but establish a weak coordinating mechanism to share information and facilitate cooperation.

***Confederations*** – Strong affiliates delegate limited coordination, standard setting, and resource allocation duties to an international headquarters; decisions from the central office need virtual unanimity with most power remaining with the affiliates.

***Federations*** – International headquarters has strong powers for standard setting and resource acquisition but affiliates have separate boards and implementation capacity.

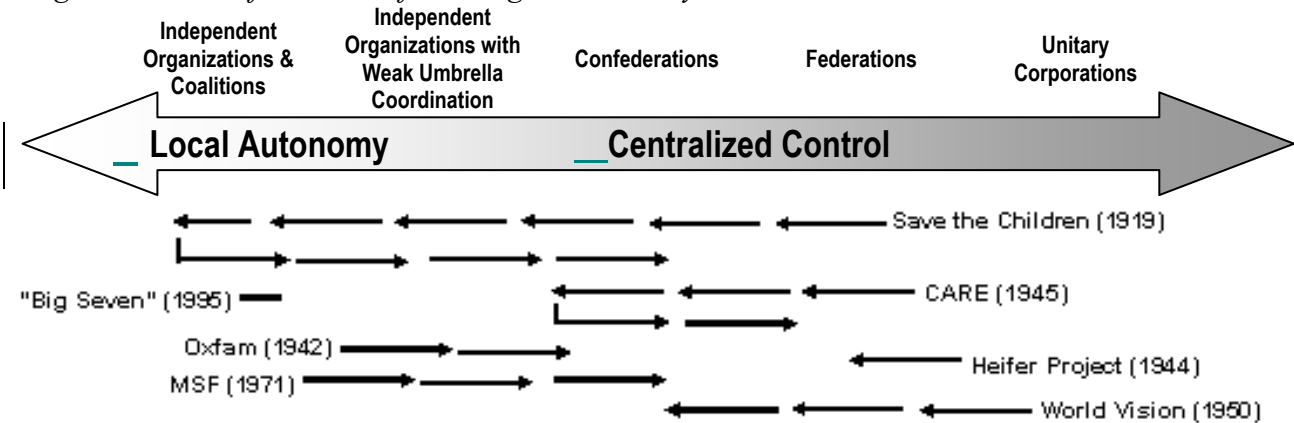
***Unitary corporations*** – A single global organization with a single board and central headquarters which makes resource acquisition, allocation, and program decisions. Branch offices around the world are staffed by the central body and implemented centrally taken decisions.

International relief and development organizations are migrating toward the middle three models – *weak umbrella coordination, confederation or federated structure*. These provide some degree of coordination and economy of scale, but do not fully surrender national identity and local decision-making authority. They have been influenced by key trends and environmental changes that have encouraged or forced them to adjust their coordination model:

- donors demand for greater accountability among affiliates
- pressure from national donors and publics for national organizations to be seen and known to be effective globally
- opportunity to use new technology for coordinated global activities
- potential of economies of scale in support systems, programming and fundraising
- opportunities for worldwide organizational learning and greater impact
- the trend of increasing participation and empowering civil society in the countries they are working in

Most NGO family networks were created as single entities that evolved to establish branch offices or independent national affiliates, or began as a loose collection of independent organizations that have come together under some coordination mechanism. A distinguishing feature of most of these organizations, and arguably one of their comparative advantages, is that they have realized the value of being flexible and adaptable to change. While they too experience many of the organizational tensions seen in other NGO family networks, they have adjusted their coordination model to ensure relevance and maximize efficiency.

Figure 2.2 Transformation of Leading NGO Family Networks

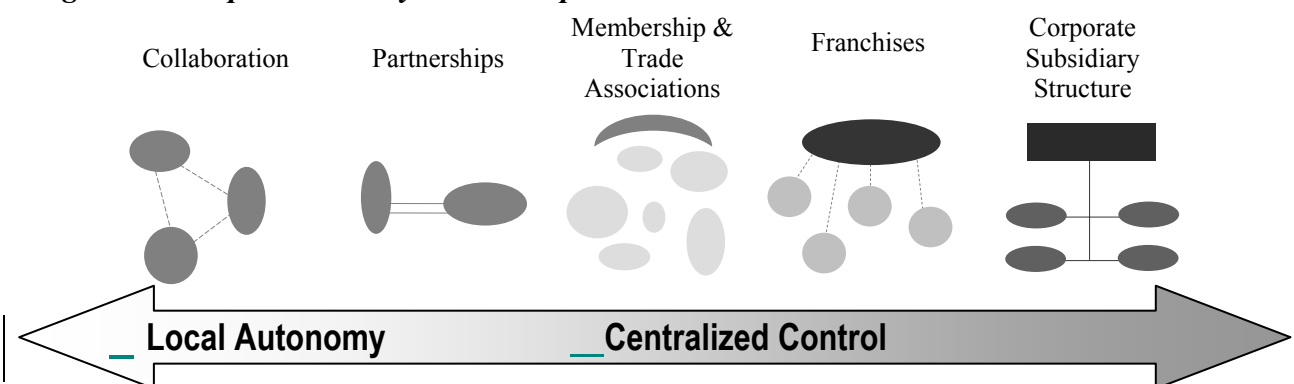


Some of the older federated and confederated organizations, like the IFRC, have fairly fixed coordination models that haven't changed much since their inception. While this has helped preserve and reinforce a formal structure and perhaps even grow the network, it can also elevate tension between dynamic individual members and the more rigid association. Researchers also characterize older federations and confederations as spending a considerable amount of time focusing on the maintenance of its international affiliate structures. Leaders of these organizations are so consumed by these activities that they rarely have time to think about extensive broader cooperation outside their immediate organizational family. Their cooperation with other organizations is thus occasional and sporadic rather than systematic and purposeful.

## Learning from Corporate Structures

For-profit organizations can also be classified into 'family' structures and placed on a similar spectrum based on the power of their central coordinating bodies. NGOs are increasingly adopting many characteristics of these corporate structures to benefit from the efficiency and effectiveness realized by for-profits. While power struggles between the central body and its affiliates are less common in corporate structures as power is defined through clearly established ownership, both NGOs and for-profit family networks experience similar tensions and coordination challenges.

Figure 2.3 Corporate Family Network Spectrum



**Corporate Subsidiary Structure** – Similar to unitary corporations described in the NGO family classifications, this structure has a strong, central headquarters that directly manages and owns subsidiary offices worldwide.

**Franchises** –A headquarters sanctions and controls the operations of affiliates to ensure local standardization and consistent quality while the affiliate are often independently owned and managed. Many new NGOs are being developed using a franchise-like structure. This enables them to quickly scale-up their presence geographically while maintaining a standard level of quality to support branding and fundraising efforts.

**Membership & Trade Associations** – An association of independent organizations come together to promote common interests and/or benefit from cost-savings for various services. Members often, but not always, pay a subscription fee and have voting rights. Many NGO federations and confederations are also established as *membership associations*. Here we need to draw a distinction between the still common organization membership associations and individual membership associations which are becoming less and less popular, at least in North America, where today individuals volunteer for causes and projects and make financial contributions to organizations, but they rarely do this through members. NGOs also frequently engage in *trade association*-like networks to strengthen their advocacy voice or to participate in joint trainings.

**Partnerships** – Occurs when two or more independent organizations establish an on-going relationship to increase the administrating efficiency and/or further the mission of one or more of the participating organizations through shared, transferred, or combined services, resources, or programs. Partnering organizations forgo some degree of independence to share resources, decision making authority, and profits. For-profits and NGOs are similar in that they often enter partnerships to benefit from faster project start-up, expanded geographic coverage, and access to new or stronger skills, resources and distribution channels.

**Collaboration** – Process by which several agencies or organizations make a formal but limited commitment to work together to accomplish a common mission or develop a specific project. Organizations retain their decision-making power and independence with collaborations generally project specific and for a shorter period of time than a partnership. NGOs often collaborate to bid jointly on proposals or to work together on a specific project.

## **Alternative Coordination & Support Mechanisms**

While most NGOs follow the broad characteristics of one of the five NGO family network classifications, many also engage in other coordination and support activities which deserve to be highlighted as part of this study.

### ***Outsourcing to External Vendors***

Many firms, government agencies, and nonprofit organizations have generated substantial savings from *outsourcing* or purchasing services or products from specialized firms rather than producing or generating them within the organization itself. Outsourcing allows organizations to shed operations that can be done more effectively and economically by independent suppliers that have better expertise and/or larger scale of operations in a narrow activity, and that can pay undivided attention to that activity.

From the perspective of an organization that considers how to best obtain a service, there are costs and benefits associated with outsourcing. Outsourcing allows for specialization and permits clear evaluation of the costs of various inputs by comparing prices on the market. It also allows for flexibility in adjusting the size of the organization and its production without hiring and laying off employees. While outsourcing may clearly generate better services and savings, it can also cause decline in services and escalation of costs. Outsourcing requires search and selection of suppliers, which can be costly. Also, the relationship with suppliers has to be managed through contracts, which entails costs of writing and enforcement of contractual relations, including the monitoring of performance by suppliers.

Outsourcing is an alternative that many organizations pursue. To the extent that an external third party service provider can provide services in a more cost effective and efficient manner than the organization is able to do itself, outsourcing makes sense. Activities that are central to the operations of an organization should not be outsourced; everything else is a possible candidate. The decision to do so has to be weighed carefully by each organization considering a number of factors related to specialization, comparative advantage, and transactions costs:

- Is the task outside your core competency?
- Is the function difficult to manage or produce desired results?
- Is the task routine?
- Do you need to accelerate results?
- Do you need to reduce and control operating costs?
- Do you need expertise to accomplish the task that is not available or cost-effective to have in-house?

Most large organizations have experience outsourcing non-mission related activities such as computer programming, routine cleaning, infrequent filing activities, and temporary needs to satisfy peak demand. The most extreme cases are like Nike, which does not own any of its own factories, but instead out-sources to sub-contractors to make its sneakers and manage the entire production process. NGOs, like for-profits, also have significant experience in outsourcing routine business tasks such as payroll services, graphic design, and printing. NGOs have long outsourced direct-mail, but some have even begun to outsource corporate and foundation fundraising activities to allow their leadership to focus on mission-related activities.

### ***Outsourcing to Affiliates or Subsidiaries***

With improved information technology, many larger corporations and NGOs have also begun outsourcing routine tasks internally – that is, to affiliates or subsidiary offices with established competencies and excess capacity in performing that task or access to a cheap labor market where transaction costs would be lower.

The American Red Cross, for example, shifted and centralized its general accounting and payroll function from its headquarters and chapter offices, to a newly established Red Cross Shared Services Center in North Carolina to provide greater standardization for routine tasks, as well as access to cheaper labor and a major U.S. banking community. This has allowed the National Society to a) save money by leveraging economies of scale and new technologies, b) achieve more timely, efficient and error-free transaction processing, c) improve internal controls and

reporting capabilities, and d) dramatically improve internal and external customer service levels and satisfaction.

### ***Lead Member System***

Many confederated organizations and weak umbrella coordination structures have adopted a lead member system with the members appointing an operational member (typically from the North) to coordinate the activities of the others in a country in the South.

CARE International is a confederation of twelve independent national members operating in over 70 developing countries, with national CARE members contributing financially as well as operationally to projects in a given country. In order to coordinate operations, the members negotiate for one national CARE member to act as the country "lead" responsible for managing the overall efforts of the CARE International network in that country. While there are predictable challenges associated with a lead member responsible for representing the varied interests of all CARE members, this has been viewed as an effective mechanism to coordinate global resources and an effective response.

### ***Emergency Coordination Team***

Similar to the lead member system, the International Save the Children Alliance evolved its Emergency Liaison Teams (ELT) from a centrally coordinated and implemented function of its secretariat to a member drive approach to facilitate Alliance-wide response to major emergencies. Under this model, one or two Save the Children members coordinate and manage the emergency response effort on behalf of the Alliance. This model promotes the effective use of member's existing response and technical capacities with the London-based secretariat having a role in facilitating communications and international fundraising. While this has been a successful model for pooling and coordinating resources in emergencies, previous attempts to apply a similar lead member system in non-emergency situations have failed as the lead members couldn't guarantee quality implementation and reporting required to meet other member's increasing donor demands.

### ***Commonly Accepted Systems***

Many NGO family networks have established standard planning, implementation, reporting and evaluation systems that are accepted and used by its members. While CARE program leadership and much decision-making is decentralized to the country lead level, it has established a comprehensive standard planning and evaluation system that is used in almost all countries.

CARE International has adopted a family-wide, centralized system used by CARE members to collect standard project data. The API (Annual Project Information) survey was developed and is administered by CARE USA, CARE Canada, and CARE Australia as lead members and provides valuable data both for management/planning as well as marketing and fundraising purposes. Through their API process, CARE International is also able to report on the contributions CARE members collectively to the UN's Millennium Development Goals (MDGs), which has positioned CARE far above all other NGOs in advising UN leadership on MDG-related matters.

## Profiles of leading NGO family networks

### *CARE International*

CARE was formed in the U.S. in 1945 in the aftermath of World War II to send food aid and basic supplies in the form of ‘CARE packages’ to war-torn Europe. It evolved into a confederation (CARE International –CI) composed of twelve national members, each being an autonomous NGO registered as a non-profit charitable organization according to the laws of its own country. Each CARE member is governed by its own board of directors, with management overseen by a national director or CEO. CI’s Secretariat is a charitable, non-profit organization based in Brussels and registered under Belgian law. The CI Secretariat is governed by a CI board of directors which consists of two representatives from each CARE member.

In 2003 CI welcomed CARE Thailand (Raks Thai Foundation) as the first member representing a developing nation. Raks Thai brings a unique perspective to the decision-making process. It also brings new approaches to analyzing the underlying causes of poverty, promising to enrich and improve CARE International’s fulfillment of its vision and mission.

The CI Secretariat consists of 16 staff (including a secretary general) tasked with a narrow range of responsibilities. While the CI Secretariat itself isn’t operational and admittedly struggles with building consensus as to range of responsibilities and authorities that should be vested in its secretariat, it coordinates many efforts of CARE members, including:

- Providing secretariat support to the CI board of directors
- Coordinating membership capacity building and organizational development
- Representing CARE members with multilateral institutions and other international bodies, including maintaining an EU Unit tasked with coordinating all CARE’s interactions with the EU
- Limited coordination of policy advocacy; representation to multilateral institutions
- Coordinating CI’s response in emergency response

To promote effective coordination and participation of CARE members, CI developed a “lead member” system in which the confederation names an operational member to coordinate the activities of the others in a particular country. Non-lead members program resources through the lead member, which is responsible for line supervision of the country office and programs. Such a system may have combinations of operational members who directly supervise overseas programs, non-operational fundraising members, and hybrid members who raise funds and are operational as well. The lead member is formally assigned by the CI Board and is responsible for strategic planning, program development, financial and administrative management, and the hiring and dismissal of personnel.

The lead member system has also been extended to broad technical initiatives with CARE members leading the development of new systems and technical task forces, such as developing a confederation-wide planning and annual project reporting system as previously described. There is also some limited specialization around technical programme capacities, including CARE Canada in HIV/AIDS programming and CARE UK in urban development policy.

### *Key Learning*

A lead member system is generally an effective coordination mechanism to facilitate affiliates' participation and leverage their technical expertise within a confederation with a small, non-operational secretariat. Establishing a centralized reporting system is perhaps aided by the lead member system (i.e., in theory the lead member should be collecting the consolidated data for all the projects in a country), but is a valuable tool for representing the organization-wide full collection of activities and impact for management (planning/monitoring) and marketing purposes.

### ***Heifer International***

Heifer was established in the U.S. in 1944 as a faith-based organization to help alleviate poverty and hunger by providing income producing animals and training needy families around the world who then share their animals' offspring with others in their community. Heifer International has grown into a medium-sized NGO supporting small-scale farm projects in 115 countries. It routinely ranks as one of the most efficient charities in the U.S. Heifer is registered as a non-profit organization in the U.S. and governed by a Board of U.S. faith-based leaders.

Heifer operated as a unitary corporation for much of its history, establishing national offices in some 47 countries staffed by nationals but managed by its U.S. headquarters. The country offices develop partnerships with community NGOs and are responsible for project selection, technical support and oversight. Heifer's U.S. headquarters provides centralized administrative support including marketing, strategy setting, fundraising and overall decision making. Heifer recently established quasi-independent fundraising offices in Europe and Asia and has begun the process of decentralizing its authority to more independent country offices, beginning the process of transforming the organization into a federated structure. Heifer has also developed a working relationship with two similar European organizations (Send a Cow in the UK and Bothar in Ireland) that provide funds and livestock to Heifer.

Heifer's U.S. leadership is firmly committed to transitioning its national offices into more autonomous entities but anticipates various challenges related to the capacity and resource generating potential of making the local offices truly independent. To promote financial sustainability, Heifer recently established a country endowment program which solicits funds through its fundraising offices in the U.S., Europe and Hong Kong for a particular program, initiative, or area of interest. The funds are then invested by the Heifer Foundation to grow and support the program toward sustainability. Each year 5.5% of the value of the endowment is available to Heifer program staff to use above and beyond their annual budget provided by Heifer International.

### *Key Learning*

While centralized administrative support, including fundraising, can be an effective model for a *unitary corporate* or *federated* structure, local project management and authority is required to ensure local programming relevance, ownership and sustainability. Effective division of roles with Northern affiliates and partners focusing on fundraising and operational Southern affiliates designing and managing projects allows each affiliate type to do what it does best.

### ***International Save the Children Alliance***

Save the Children began as a single member organization with a unitary corporate structure in 1919. Separate independent organizations sharing the Save the Children name were established over the years in more than 20 countries, with cooperation among affiliates taking an ad hoc, pragmatic form without a formal central coordinating mechanism. By 1993, problems of maintaining standards and controlling many of the independent Save the Children organizations led to the decision to develop a weak umbrella coordinating mechanism. By 1997, a new effort was launched to form an even strong democratic and inclusive confederation, but with sufficient controls to ensure maximum program impact, effective organizational positioning and fundraising. Save the Children members are involved in a debate on the future of the Alliance; many are pushing for a stronger secretariat under a more federated model, while others want to limit the secretariat's role to facilitation and communication with individual members maintaining their implementation and technical capacities.

The International Save the Children Alliance today is a confederation of 27 independent national organizations from the primarily the North but with a few representing the South. The 25-person, non-operational secretariat based in London aims to facilitate and coordinate the work of members programming, international fundraising and communications. The Alliance maintains a Brussels liaison office established to influence the policies and activities of the European institutions, including the Commission, the European Parliament and the Council of Europe, as well as a wide range of European networks in the fields of European social policy, development co-operation, and humanitarian assistance. There are advocacy offices of the Alliance in Geneva and New York.

Affiliates are registered in their own country and governed by independent boards. The International Save the Children Alliance is driven by a seven person board which is represented by the largest members. Save UK and Save US are the largest Alliance members and often dominate dialog and decision making.

The International Save the Children Alliance members continue to recognize the need for much better co-ordination among the members given a number of key factors:

- the need to consider effective use of resources and secure maximum impact of our efforts
- the increasing competitive environment among NGOs
- the increasing number of Save the Children organizations who wants to become operational
- the need for efficient liaison with host government and the donor community

Save recently adopted a *Strategy 2020*, a board driven plan to build fundraising and service delivery capacity over the next 17-years. The strategy focuses on three core areas: building stronger members, particularly in donor countries, promoting a unified presence and adopting a new programmatic focus (quality education for children in crisis).

To build stronger members, the secretariat established a market development program to promote the development of four weak or relatively new national members (Italy, Netherlands, Spain and Australia). This initiative is supported by the four largest Save members providing a modest financial investment which will be returned once the emerging countries realize financial growth.

The Alliance has also established other mechanisms to promote coordination and communication with and among members. It attempted to establish a 'Program Consolidation' process to achieve greater program impact as well as a simplified and more efficient management structure to its members' field programs. Under this process, a unified management structure was piloted in three countries with one Save the Children member appointed Director and responsible for representing the program to the external world. While there was agreement in theory to the value of consolidation to maximize the diversity and complementarity of the participating members, the approach failed in practice as key members pulled out of the pilots citing concerns that giving up project control would greatly jeopardize their credibility and accountability with key donors as they couldn't guarantee quality implementation and reporting.

Another attempt to coordinate members was with the development of the Alliance's Emergency Liaison Team (ELT). This ELT was originally based in the secretariat and staffed by an emergency coordinator, but this early effort failed as members felt the secretariat was becoming too operational and duplicating the existing capacities of many members. It was replaced by essentially a lead member system for emergencies, with one or two members coordinating and managing the response effort for the Alliance. Under this approach, the secretariat's role is reduced to facilitating communications and international fundraising.

### *Key Learning*

The Secretariat's bylaws have been modified over the past 10 years to ensure its relevance to environmental trends and its responsiveness to its members needs. The Secretariat has been most effective in limiting its focus to just few areas, primarily facilitating cooperation in fundraising and communications, adopting an approach that lets members with certain capacities lead efforts with the secretariat coordinating information sharing and strengthening the capacity of strategic members. Program consolidation and lead member system has only been successful in emergency situations where the environment and rapid response facilitates a high degree of coordination. In non-emergency periods, participating members maintain their identity required for domestic fundraising and marketing through independent programming with minimal coordination or pooling of resources. Affiliates stay in communication via email, taskforces, and occasional CEO-forum phone conferencing.

### ***Caritas International***

Caritas International is an international confederation of 162 Catholic relief, development and social service organizations working to build a better world, especially for the poor and oppressed, in over 200 countries and territories. After the International Red Cross and Red Crescent Movement, it is the largest humanitarian network in the world. It has a special status with the Holy See, with its headquarters in the Vatican City State. Caritas members are independent Church-based organizations operating domestically (a few also have international programs), and are not required to use the Caritas name. The heart of Caritas is at the grassroots level, in communities, parishes and dioceses, and volunteers play a significant role in local organizations.

Caritas International is made up of a General Assembly with one representative from each of the member organizations, an Executive Committee elected by the General Assembly and Regional Conferences, and a Secretariat that consists of the Secretary General and 24 full-time staff. The

secretariat is supported by the annual contributions of the member organizations and charitable gifts. It is responsible for the mobilization and coordination of member organization's response to major emergencies, and facilitating communications and advocacy efforts. It is also engaged in strengthening the capacity of member organizations so that they are capable of servicing the poor in an efficient and professional way. These capacities include members' ability to think strategically, plan and implement programs, mobilize resources, and manage their organization. On the Confederation level, they strengthen cooperation among member organizations and to deepen the knowledge and commitment to the Confederation's emergency response mechanisms.

### *Key Learning*

Similar to other large confederated organizations, Caritas struggles with adopting common advocacy statements on behalf of its diverse membership and facilitating information flow within the confederation. Also similar to other agencies reviewed, upon request from the membership, the Caritas International Secretary General can mandate individual member organizations to operate in representation of the whole confederation. This can include appointing a member organization to act as "Liaison Agency" for a specific situation or delegating a member organization to act as lead for the confederation in a specific sector or theme (e.g., HIV/AIDS).

## **Conclusions**

This chapter has provided an overview of federalism and federations as organizational concepts, and gone on to examine how some federations, in areas of endeavor close to the IFRC, work. While these organizations have developed different structures and mandates to the IFRC and can't be used as a direct comparison, there are general similarities among the organizations which are useful to highlight:

- most are dominated in size and resources by one or two affiliates who provide much of the overall funding, leadership and technical guidance; this may compensate or promote a weak secretariat
- the secretariats are generally non-operations, but rather supports fairly specific and limited set of tasks (e.g., advocacy, representation, fundraising capacity building, global branding)
- the secretariat are able to remain focused as its membership are almost all donor organizations
- many Northern affiliates were established to exclusively support fundraising, but are increasingly seeking a greater role in operations to promote their brand-image nationally and respond to donor requirements for greater accountability
- many organizations have adopted a standard reporting and evaluation system

There are a number of conclusions we can draw from this study, relevant to the IFRC's case today.

### **Conclusion 1**

#### **Conclusion 1**

In all federations members balance their national persona against their international persona. The more explicit they are about this and the more there is common guidance to do it, the more functional the federation. At present many national societies, their delegates and staff, have a hard time conceptualizing and practicing their "international persona". Too often what is projected is the international perspective of the national society, not the international perspective of the IFRC.

### **Recommendation 1**

All national society staff who work internationally: whether in PNS, a receiving ONS or seconded to the IFRC, should undergo a short induction course into the duties, responsibilities and opportunities of IFRC international work. They need to have a true and common understanding of the values, persona and working methodologies of the IFRC. The curriculum for this course should be developed by the IFRC and approved by its governance. In addition the Secretariat needs to find ways of allowing all national societies to feel that they are contributing more to the international persona – that it is relevant and applicable to them and they feel that they have some stake or role in developing that persona as well as in thinking about how to operationalise it in their context.

### **Conclusion 2**

To remain a nimble federation into the future, the IFRC needs to pay more attention to the principle of *subsidiarity* and truly value the additional benefits the legal status of the IFRC brings to its secretariat. Only put in the center that which needs to go in the center. IFRC centers (Secretariat) tend naturally to accumulate functions, services and attributes over time. They are not so good at shedding them!

### **Recommendation 2**

The IFRC – which means its governance in some form - needs to systematically review all functions and services presently incorporated into the Secretariat and its delegations through the lens of first shedding all those which are not central to the mission of the IFRC or which do not provided added value through cost savings of quality enhancement by being at the center. Second, the governance and the membership need to defend and support the unique roles and advantage their secretariat brings them. Unsupported, the secretariat, and then the IFRC, will wither. It is our sense that this process has already started, albeit prompted by financial constraints rather than efficiency concerns. The *Change strategy for the Secretariat* speaks of many of the same concerns as does the *Federation of the Future* process currently underway.

### **Conclusion 3**

All federations are vulnerable to the disease of “might is right” practiced benignly or less so. The IFRC has a particularly asymmetric membership in which unequal power relations are the norm. In the past these relations appear to have been viewed as an embarrassment – Red Cross and Red Crescent people don’t think like that - and thus ignored or wished away. Down this road leads suspicion, mistrust and fractionation.

### **Recommendation 3**

Inequitable power relations are the norm not the exception in the IFRC, particularly in its internal international work. IFRC staff and delegates need to take the lead in recognizing this reality and helping national societies to openly address it in their dealings. In facilitating the negotiation of a CAS, for instance, it should become standard practice for the IFRC delegate to facilitate an open discussion of power relations between the ONS, the PNSs, the Secretariat, and their respective governments and back-donors. This is no easy thing to do and may imply the need for specific training for senior delegates.

#### **Conclusion 4**

IFRC's, unlike corporations, thrive on influence, trust and empathy not formal power and explicit controls. But this means they are inherently unstable and the federal structures – secretariat and governance - have to do work, just to keep the federation together. Open relationships, conversations and chatter are the oil in the federal machine. And this IFRC, with its multiplicity of languages, cultures and geography, needs to be constantly encouraging and inventing new ways to talk.

#### **Recommendation 4**

Create the opportunities for dialog within the framework of regional meetings, chat rooms on websites, phone-ins streamed live on fednet. Even with in the General Assembly and its Commissions there is scope for more enlivened conversation, as has been demonstrated in the past with the Youth Commission.

#### **Conclusion 5**

Many other NGOs are going federal, as are some major corporations. IFRC has lessons to pass on, and much to learn.

#### **Recommendation 5**

The Secretariat, and the membership, should invest time in understanding how other federal organizations work. SOS Children Villages, Caritas, and the YMCA have country-member federations. The IFRC Secretariat could invest time in dialogue with World Vision International, Amnesty International or Rotary International about how they make their federations vibrant.

#### **Conclusion 6**

This study does not attempt to identify where the IFRC currently is on the NGO Family Network Continuum or where it should be, but expects that there would be very different options on this among some national societies and Secretariat staff.

#### **Recommendation 6**

It would be healthy for the IFRC, and perhaps as part of the *Federation of the Future* process, to question its membership and Secretariat leadership as to where on the NGO Family Network Continuum they see the IFRC today, where they would like to see it in the future, and explore if these are sustainable and fundable models. This process could identify important gaps in perception and visions needed to evolve the organization.

#### **Conclusion 7**

There is an increasing trend of large NGO family networks to have a non-operational secretariat that facilitates much of its actions through the leadership and existing expertise of its members. In this way the organization as a whole fully embraces and benefits from the core competencies and comparative advantages of its individual members. Almost all organizations reviewed have evolved and benefited from a *lead member system* where one or two members are delegated the authority and responsibility for representing the wider organizations' membership in areas such as a response to an emergency, the country lead for all development programming, and as a lead in a thematic area such as HIV/AIDS. While none of the organizations would claim their lead

member systems to be without issues, they generally agree that it fulfils the concept of a federated movement by greatly streamlining and maximizing an agency response by taking advantage of the existing competencies and resources of its membership and providing an acceptable and effective alternative to funding multiple and often duplicative efforts.

#### **Recommendation 7**

The IFRC has some, although limited, experience with its own version of a lead member system – the Emergency Response Units as well as some IFRC-delegated centers of excellence would qualify. But this area is deserving of further review and is explored further in the centers of reference and support section of this report.

#### **Conclusion 8**

Other NGO federated organizations have developed commonly accepted systems for facilitating activities such as planning and monitoring and evaluation. These organizations have benefited from not only capable members leading the effort to develop and manage these processes, but also from effectively facilitating strategic and resource planning among members and collecting comparable project data globally as required to evaluate the organizations' progress and market its achievements. In the absence of these standard systems, national societies and the Secretariat are either forced to develop separate and often conflicting system, or go without.

#### **Recommendation 8**

The IFRC can benefit greatly from developing and enhancing commonly accepted planning and evaluation systems. While the CAS processes remains a viable concept to facilitate cooperation and maximize members' contributions and participation, it must be revitalized using the findings from the recent CAS review. This effort could further be supported through establishing an ad hoc group of national society representatives working closely with the Secretariat. The CAS process must also link together various IFRC planning and project design elements which are currently at varying levels of development and acceptance, and often uncoordinated (IFRC planning, CAS, PPP, monitoring and evaluation). With the IFRC's recent push to associate itself closer with the MDGs, it would also benefit from a standardized project reporting system (perhaps similar to CARE's) so it can fully represent the program outputs and impact of its membership collectively.

## Chapter 3 - Systems, relationships and trust in the IFRC

*This chapter seeks to expand upon some of the generic features of federations identified in the previous chapter and apply them to the IFRC. Specifically the tensions between a society's national and international persona are explored, along with the effect of the growth in international humanitarian assistance and the disparities this has caused between those societies who frequently participate in international aid and those outside of the loop.*

The IFRC, previously known as the League (LRCS) started its life with tremendous ambition and drive. It was clearly and explicitly an attempt to create a structure linked to the then League of Nations but practically “auxiliary” to it: the League of Nations for the State politics, the LRCS for people focused health and disasters work. National Societies should remember this level of ambition and seek to aspire to it today.

Federations, more so than almost any other organizational arrangement, are organic, people-focused and open to evolution and change. The IFRC is no exception. Since its inception in 1919 it has grappled with the central tension of all federations – that between the individual persona and the federal persona of each member. Between the ideology that drives membership and the “national identity” of each member. As the analysis of federalism in the previous chapter showed, federations thrive off the dynamic this tension sets up. It is a good thing for federations, not a regret, and it is for this very reason that it needs to be nurtured and managed.

### **Personas and cooperation**

Both the above tensions were recognized and demonstrated right from the outset of the IFRC.

The initial intent seems to have been for a combination of a health organization (dominant at the Cannes meeting) and a relief organization - close to Davison's heart. Sir David Henderson - the first Director General was already arguing the case for development of national society capacity in "afflicted countries" by October 1919. Davison clearly envisaged an operational League - receiving resources from donors and operating itself. There probably were few clear decisions as to how things should operate in advance of operations getting going - it was a question of seeing what was possible.

Davison sought US government resources for the League operation in Poland in 1919. The reality was that the national societies took the lead as operators under a loose League coordination (Amcross was running 22 trains and had 800 delegates in Poland) (see page 50 of *Beyond Conflict*).<sup>19</sup> At the end of 1919 Davison reflected that the Polish operation had given rise to the old question of direct operation, operation through separate national societies, or through the local red cross.<sup>20</sup>

The question of working through as opposed to beside the host national society was clearly present from the beginning of the League as the quote above demonstrates. The fact that Davison refers to this as "the old question" suggests that the issue of how to operate

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<sup>19</sup> “Beyond conflict: the International IFRC of Red Cross and Red Crescent Societies, 1919-1994” Daphne Reid; Patrick F. Gilbo. IFRC Geneva 1997.

<sup>20</sup> See page 51 of *Beyond Conflict*.

internationally was already in debate pre the creation of the League. The attention given to this issue is evident from the fact that it was of sufficient importance that the Xth International conference of the Red Cross in 1921 through resolution XI, addressed this issue.

*"No Red Cross society shall set up a section , delegation, committee or organization or have any activity in a foreign country without the consent of the Central Committee of the National Society of that country and of its own Central Committee, especially as far as the use of the name and emblem of the Red Cross is concerned" ....*<sup>21,22</sup>

The purpose of the federation is neatly laid out in its Constitution.<sup>23</sup> Relevant to our study are seven of the eleven explicit functions:

1. act as the permanent body of *liaison, co-ordination and study* and to give the NS assistance.
2. *encourage and promote* in every country the establishment and development of a NS.
3. bring relief by all available means to all disaster victims.
4. assist NS in their disaster preparedness, organization of relief actions and in the relief operations.
5. organize, coordinate and direct international relief operations in accordance with “Principles and Rules of Disaster Relief”.
6. be the official *representative* of the members Societies in the international field, among others for dealing with matters in connection with the decisions and recommendations by the General Assembly....
7. carry out the mandates entrusted by the Int. Conference. (This is also important as it establishes that the purpose of the IFRC goes beyond that which the membership decides, by giving states a role in the direction of the IFRC.)<sup>24</sup>

Aside from those functions to do with disaster response, all the verbs connote a coordinating and facilitating organization, not a managing and operational one.

### ***Ideology or national identity?***

The conundrum of ideology versus national identity is also addressed early on in the Movement’s and IFRC’s body of policy.

The Resolution VII of the XVI<sup>th</sup> International Conference (London, 1938) speaks directly to the issue of sovereignty it recommends to National Societies:

1. that no Red Cross delegation, Section of Committee shall be established in foreign territory without the consent of the Central Committee of the National Society of the country concerned,
2. that this consent should only be asked for in exceptional circumstances, for purposes definitely determined in advance, and for a limited period of time.

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<sup>21</sup> Resolution XI of the Xth International Red Cross Conference, held in Geneva in 1921

<sup>22</sup> Stephen Davey, email communication to Peter Walker, 9<sup>th</sup> June 2004

<sup>23</sup> Constitution of the International IFRC of Red Cross and Red Crescent Societies. Present version adopted by the XIIth session of the General Assembly (1999). See <http://www.ifrc.org/who/constit/contents.asp>

<sup>24</sup> Italics added by Tufts

A later International Conference recognized the principle of Unity as one of the seven fundamental principles of the Red Cross and Red Crescent.<sup>25</sup> “There can be only one Red Cross or one Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.”

Specifically in the field of international assistance outside of disasters and war zones, the development cooperation policy of the IFRC, adopted by its membership at the 1997 General Assembly, is premised on the principle of sovereignty: “The ONS has the responsibility for planning and managing all aspects of its own development... Assistance offered by a PNS will always be in line with the priorities and objectives of the ONS as described in its strategic development plan...”<sup>26</sup>

Clearly, it is the intent of the IFRC and its membership that “autonomy” as expressed in Red Cross/Red Crescent terms, shall be sacrosanct: that is, that host national societies will be the key decision-makers.

Even without the above, an interventionist argument, outside of acute humanitarian emergencies, holds little water. National society work, in public health, social welfare and dissemination of Red Cross/Crescent thinking, all deal with issue of chronic suffering and vulnerability. Such issues can only be addressed through an intimate understanding of the context and institutions affecting that suffering, and through the application of sustained pressure for change. They are simply not amenable to short term external interventionist action.

Thus, both from the point of view of operational effectiveness and of IFRC policy, the case for non-disaster response activities outside of the structure and strategy of the local national society cannot be made.

## **Modes of cooperation**

With that as background, let us now turn to look at the structures for cooperation which have grown up over the past 85 years. There are three very distinct and different modus operandi for international cooperation.

First, the daily business of the IFRC is coordinated and serviced by the Secretary General and his/her Secretariat. This basic functional structure is financed by the statutory payments of the members which have grown steadily over the years and now amounts to 23.5 million CHF/annum. This function has been there from the start of the IFRC like the UN’s Secretariat in New York or the Office of Caritas Internationalis in the Vatican.

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<sup>25</sup> The Fundamental Principles weren’t recognized, but proclaimed, in 1965. Behind this proclamation was a long process of research and analysis on the question of what the characteristics were of operations and activities which had gone well: although the Movement often now treats the Principles as revealed wisdom, they are, in reality, the distillation of practical operational experience over a very long period of time, not a priori and normative in origin.

<sup>26</sup> An Operating National Society (ONS) is called that because it is operationally in charge and responsible in its home country; the Participating National Society (PNS) is precisely that, participating in someone else’s operation and not an independent operator (the fact that the inspiration for developing this terminology was found, partly, in a wish to avoid the donor / recipient terminology reinforces the emphasis on solidarity as the basis for RC/RC cooperation internationally).

Second, the IFRC's membership has a long tradition (older than the IFRC itself) of forming ad-hoc groupings and structures for mutual help. Many of these are described and assessed in the chapter on networks and external partnerships. Such ad-hocness is a sign of a vital and active membership. It is a healthy federation. The more active and healthy the federation, the more the sum of these ad-hoc groupings will involve the totality of the membership – not everyone in every network, but everyone in at least some networks. Of course in a highly asymmetrical federation like the IFRC, one has to actively guard against such networks being continually dominated by the stronger members.

The official persona of a federation (the General Assembly, the Governing board along with the Secretary General and his/her staff) plays a tangential role in these arrangements. They do not have to get involved, but should see themselves as having a role to encourage and support spontaneous groupings which add value to the mission of the IFRC.

Third, the IFRC *and its membership*, have developed a parallel *modus operandi* for carrying out international disaster response and development assistance. In 2003 CHF 254.3 million was raised for relief and development appeals. These funds originated from around 30 national societies.<sup>27</sup> Most of these societies have evolved, over the past 30 years, separate International Departments to deal specifically with international humanitarian response. In turn, many societies which regularly receive this assistance have developed specific receiving mechanisms, ranging from complete structures (Malawi Red Cross's Relief Unit receiving assistance for Mozambique refugees in the 1980s) to language-skilled individuals who can liaise with IFRC and society delegates. In the IFRC's secretariat, specific units and structures evolved to service this business; Appeals and Reports Unit, Regional Finance Units, Logistics Unit etc.

Paralleling this growth of international humanitarian assistance via the IFRC has been a similar growth in assistance bilaterally, from society to society, and aimed primarily at the alleviation of suffering and reduction in vulnerability in the recipient country. A great deal of the growth occurred in the 1990s, a period when humanitarian NGOs saw similar growth, and most "donor" national societies rightly perceived themselves a competing directly with their national NGOs for a share of the same (largely government-provided) cake.

This parallel system of the international departments of the donor societies, the aid receiving structures of the recipient societies, and the aid service structures of the secretariat have grown into a largely separate functional system that was never envisaged in the original formation of the IFRC, and probably even today is largely unrecognized within the membership. In 2003 the IFRC issued appeals on behalf of 79 societies, some 30 societies made contributions to these appeals; some 72 societies or 40% of the membership was thus left out of this particular loop – which dominates much of the work of the IFRC.

This system exists in many ways *separate* from the membership. The international departments of most donor societies are not staffed by Red Cross/Crescent workers and volunteers who have

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<sup>27</sup> The Donor Forum: one of those membership ad-hoc groupings, listed as attending its 2003/4 meetings sociteis from the following countries: Australia, Austria, Bahrain, Belgium, Canada, China, Czech Republic, Denmark, Egypt, Finland, France, Germany, Iceland, Indonesia, Iran, Ireland, Italy, Japan, Republic of Korea, Kuwait, Norway, The Netherlands, New Zealand, Portugal, Qatar, Saudi Arabia, Spain, Sweden, Switzerland, Turkey, UAE, United Kingdom, USA.

run national services, managed branches, conducted blood drives or set up first aid trainings. They tend to be staffed by the emerging profession of international humanitarian workers, who usually have more in common with their counterparts in Oxfam, MSF and CARE than they do with the branch and chapter staff of “their” national society. A similar staffing trend can be seen in the IFRC’s secretariat.

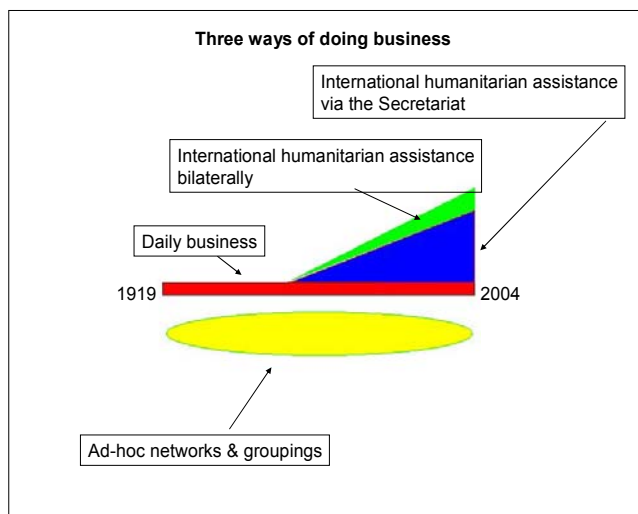
It is as though the World Bank, UNHCR, UNICEF and WFP were never formed but all their work was gradually added into the business of the UN Secretariat in New York. If this had happened, then the business of servicing the daily work of the UN would have been overwhelmed. The Secretariat in New York would have morphed into an operational agency.

This interplay of core structure and shadow structure shows up in the IFRC’s delegations. They are presently a mix of operational management, program implementation, and secretariat service offices, although the Change Strategy makes it clear that their future role is as extensions of the core functions of the Secretariat.<sup>28</sup> Figure 3.1 below shows this above diagrammatically.

There are three key lessons to draw from this.

1. Within the IFRC world, all non-disaster-response assistance should flow through the local national society, at its bequest and in line with its strategy. Assistance which flows otherwise is irregular.
2. The international business of the IFRC, its service to its membership, is not synonymous with “international assistance”, it is far more wide-reaching.
3. The international business of the IFRC does not subsume all international transactions, networks and contacts among the members of the IFRC.

*Figure 3.1*

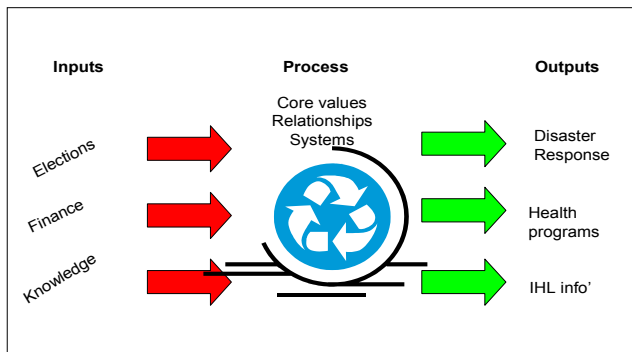


There is a sense that in the 1980 & 90s national societies and the IFRC focused almost exclusively on the inputs and outputs of the IFRC and neglected the relationships and core values (see figure 3.4). Securing funds, conducting elections for the board, ratcheting up the number of

<sup>28</sup> Strengthening National Societies and Delivering a more Effective Service: A change Strategy for the Secretariat. The International IFRC, Geneva 2002.

vulnerable people served or deaths averted is no substitute for time spent on making the IFRC work.

Figure 3.4



The responsibility to make the IFRC work rests primarily with the membership, as the principle of subsidiarity would dictate. But, the General Assembly, the Board, the President and the Secretary General must enhance the will of the membership.

We believe that the IFRC's members and their statutory bodies must significantly increase the time they devote to understanding and promoting the IFRC's core values and to building trusting relationships amongst the membership if they are to significantly increase the effectiveness and vibrancy of their IFRC.

### **Cooperation Agreement Strategies**

The Cooperation Agreement Strategies are central to the Strategy for Change and to the use of the IFRC as leverage in a society's pursuit of Strategy 2010.

A CAS process creates a collective Red Cross and Red Crescent approach to *supporting the work of a National Society* as it strives to respond to the needs of vulnerable people in their own country. CAS calls for a collaborative approach to cooperation efforts to ensure that the impact of international support and assistance is both maximized and lasting. The collaborative approach necessitates joint planning and management of the flow of resource allocation.

*Most National Societies now have their own strategic plans<sup>29</sup> that set out the priorities of the National Society.* A CAS process gives space for a dialogue between a National Society and its partners (both from within the Movement and beyond) on how together they can best meet these priorities.

The commitments and intentions of partners working within a joint strategy are captured during the CAS process in a CAS document. The document enables partners<sup>30</sup> to monitor

<sup>29</sup> In some contexts a National Society strategic plan is known as the National Society Development Plan. Throughout this document the term strategic plan will be used for the sake of simplicity.

<sup>30</sup> Red Cross Red Crescent partners includes National Societies, the ICRC and the IFRC Secretariat (both its delegations and Geneva).

their own actions against the intentions of the strategy, to hold the various partners to account against their commitments and to periodically review the collective action, making adjustments to experience on the ground.<sup>31</sup>

The CAS is seen by many delegates and National Society leaders as the single most important process for achieving an effective IFRC. Certainly for societies which actively seek substantial external assistance, the CAS should be critical to the successful use of the IFRC as a national support mechanism.

The Secretariat recently carried out a survey of CAS users. When asked to identify the valued added through the CAS they responded:

“getting everyone strategically onto same page,”... “a way of operationalising the Strategy for the Movement,”...“achieving greater Movement impact on the humanitarian environment,”...“fixing a Red Cross/Red Crescent humanitarian agenda in any territory,” .. “enhancing our global reputation,”... “and empowering operating national societies to negotiate with donors in line with their strategic priorities.”

For survey team also pointed out that:

For critics it remains a tool imposed on host national societies: some processes had been more a funding-focused exercise, with little integrated strategic and operation planning, with donor partners continuing to impose their own agendas or ignoring the process altogether and host national societies putting more emphasis on the process being a way of fundraising and estimating likely donor responses rather than a means of harmonizing strategy for better service delivery to the vulnerable in a particular territory.<sup>32</sup>

Despite the positive comments, there are mixed feelings. Critical to the CAS is the leadership of the host national society. The purpose of the CAS is to support the work described and justified in the society’s strategic plan. Without a plan, or with a poorly thought through or not based on documented humanitarian needs and an honest assessment of a national society’s capacities, the CAS is worthless. Likewise, where partners are seeing the CAS as a vehicle for their plans, rather than for supporting the host NS, the CAS is of little value.

For many delegates (both IFRC and PNS) the critical issue seems to be an apparent dilemma between the imperative to alleviate suffering and vulnerability, or to work though and build the capacity of the host national society. These arguments will be further developed in the chapter on in-country support, but for now we will present the light version.

Here is how two PNS heads of delegation, interviewed for this study, put it.

For XX Red Cross we are clear that our first aim is to alleviate suffering in Country Y, then if possible, but not as a necessity, build the capacity of the national society.

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<sup>31</sup> Guidelines for facilitating a Cooperation Agreement Strategy. IFRC, Geneva, Revised May 2003.

<sup>32</sup> Qualitative Survey of Perceptions of Cooperation Agreement Strategy (CAS). IFRC, Geneva, 2004.

We see alleviating suffering in country as the prime objective but with capacity building of the national society as a necessary condition.<sup>33</sup>

The logic is thus - the prime purpose of the IFRC is to alleviate suffering and vulnerability. To work through and in compliance with the host society's wishes may at times apply an unjustified break to the PNS's ability to alleviate such suffering. Therefore capacity building becomes reduced to a condition rather than the objective.

For the host national society this leads to, at the very least, an uncomfortable situation.

XX Red Cross does not really have good overview of what each PNS is doing in country. We do not want to control these programs, and understand that there is a risk of incorporating them fully into the national society as funding may dry up and then we will be left with unsustainable programs. But, we would at least like to be able to paint an overall picture of what goes on in our country.<sup>34</sup>

All host national society staff we interviewed were at pains to point out that this was not a problem of bilateralism, it was one of program intent and implementation and as such IFRC programs were also susceptible to such poor implementation and incorrect intent.

What's wrong with capacity building today is that PNS, ICRC and the IFRC Secretariat have really only paid lip service to this idea in the past. Do your project and bung in a budget line to pay for a vehicle and a couple of computers and say that this is contributing to building the capacity of the NS.<sup>35</sup>

The policy and legal documentation of the IFRC is consistent in asserting that there is one national society in a country and all other societies must work through it in order to help the host society carry out its programs. The documentation is also clear that assistance is contingent upon *invitation* to assist and thus can at times be refused. Programs and projects running outside of this rubric, whether carried out by the IFRC, by bilateral delegations, or unilaterally are, by definition, not programs of the IFRC.

The other side of the supposed dilemma – the imperative to act to alleviate suffering – also bears examination. The programming we are discussing here is not disaster response. It is not the alleviation of acute suffering in extreme crises. Rather, our focus is on programs which could broadly be categorized as public health and social welfare: programs which seek to alleviate chronic suffering, to provide support to the most vulnerable to achieve some minimum of life with dignity, and to gradually change the institutions which cause such suffering and vulnerability.

Such work is not about finding a problem and fixing it, it is about engaging in a continuous struggle to defend people against the processes and institutions which tip them into vulnerability, or to struggle with these forces in an attempt to gradually affect their course.

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<sup>33</sup> Interviewed by Peter Walker.

<sup>34</sup> Interviewed by Peter Walker.

<sup>35</sup> Email interview with a senior delegate in the Americas.

The target of such programming is the vulnerability of this and future generations. To be effective, programming must stretch across generations. It must be rooted in a canny understanding of the institutions and processes that determine national and household livelihoods and vulnerabilities. Unless an outside institution is willing to commit to say a 30 year involvement then local agency programming is the only viable route to take.

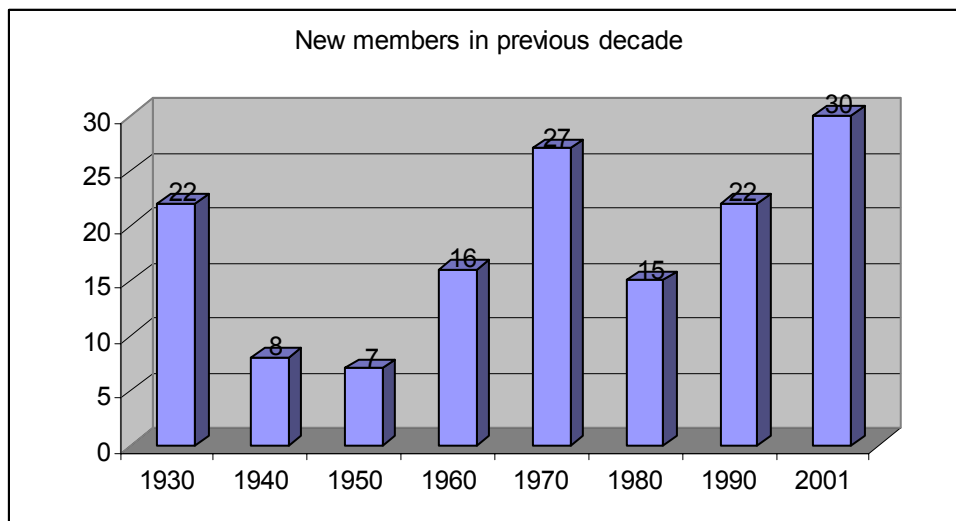
In sum there is no compelling argument to support either PNS or IFRC programming which does not work through a host society, build its capacities and conforms to its strategic plan. Such free-cause efforts are neither juridically nor institutionally permissible, even though from a parochial standpoint they may have a certain appeal.

### ***Parsing the population of national societies***

The IFRC presently has 181 recognized national societies as members, with a number of others in various stages of formation. Its nearest rival, World Vision, has somewhere in the region of 70 members. Church-based networks may rival it in numbers (Caritas Internationalis, LWF) but the absence of differentiation between their church structure and aid structure in southern countries makes comparisons difficult.

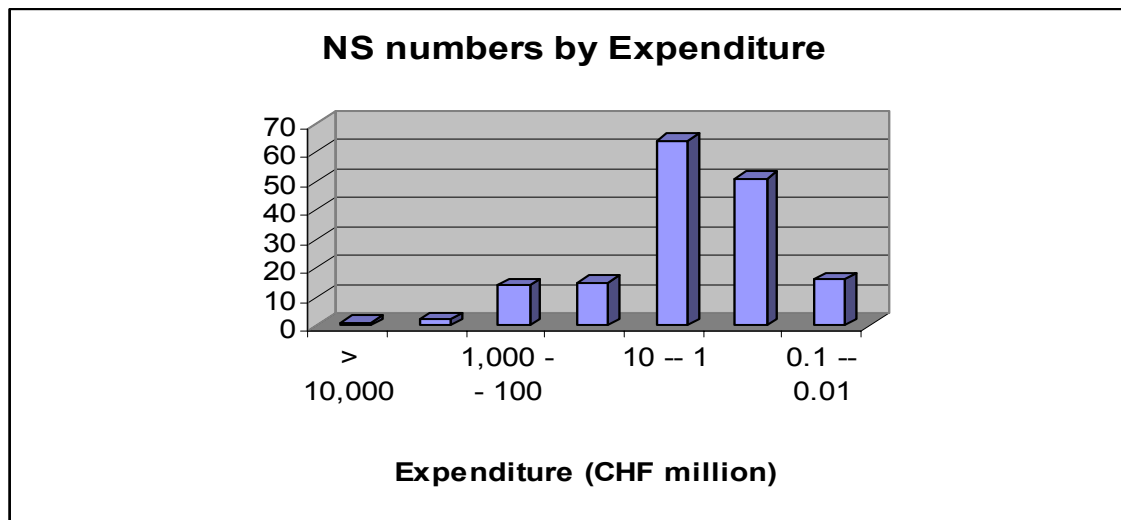
The IFRC has grown tremendously in the past twenty years, with the ending of the Cold War and the reforming of national boundaries that resulted. Indeed in the last decade it has added more membership to its ranks than in any previous decade. Figure 3.2 shows this growth.

*Figure 3.2*



While held together by a common value set, national societies vary tremendously in almost every other measure: number of staff, volunteers, population served and annual income. When plotted on a frequency curve of annual income they form a skewed normal distribution. (See figure 3.3)

Figure 3.3



The PNS societies sit to the left end of the curve, and the ONS to the right.

Interviews with IFRC delegates and Geneva staff confirm that the staff of the IFRC spend most of their time servicing donor and recipient societies. As one senior field delegate put it.

I would say I spend 30-50% of my time reporting to Geneva, or rather producing reports that then get passed on to our donors (PNS). It is very frustrating and in my opinion a terrible waste of my time. Biggest frustration is that we get no feedback on the reports. It's all one way - us to them. I spend maybe 20% on national society capacity building. Actually half for PNS and half for ONS in this region!<sup>36</sup>

This recognition that the dominance of operational funding and issues distorts the services that the IFRC offers its membership is a key theme in the Secretariat's Strategy for Change. The 70+ societies in the middle, who are neither key donors nor regular recipients of project funding, feel marginalized. Further, because the discussion around the future of the IFRC has become dominated by the role and financing of its Secretariat discussions which tend to be dominated by the key donors, this middle group also sees itself as somewhat marginalized from the key debates going on across the IFRC.

The IFRC, both through its core systems and structures and through the ad-hoc groupings of its members needs to ensure that positive efforts are made for inclusivity. The IFRC is the sum of the international personas of every national society. In creating a healthy and vibrant federation, all societies should be encouraged to have an active international persona, regardless of their financial or developmental status.

<sup>36</sup> Interview with Senior Regional Delegation delegate, 9<sup>th</sup> June 2004 (Interviewer, Peter Walker).

## **Conclusions**

Three key sets of issues emerge from the analysis above. First the importance of the interplay between governance, membership and Secretariat and the urgent need for reinvigoration. Second the dominating growth in international assistance and the need to reassess how it is managed and finally the issue of the silent minority – those societies who are full members but participate little in the international assistance scene.

### **Conclusion 10**

Vibrant federations today need engaged governance that works day-to-day to keep the federation alive. Does the IFRC have this? National society staff, delegates and Secretariat staff often saw the IFRC's governance as a distant or disconnected thing, at best represented by three days of global formal meetings in Geneva every two years (the General Assembly). Many paid staff felt the governance, in their national society, and in the IFRC was out of touch with the daily work of the membership. As one national society person put it. "Its no wonder societies only take the resolutions of the General Assembly seriously when it suits them. Most staff, who end up having to implement these resolutions, feel they have had little say in their choice and drafting."

### **Recommendation 10**

The IFRC is a complex, global body in need of reinvigorating. Senior governance needs to provide and be seen to provide strong, transparent, public and global leadership. The job of senior governance, certainly the President and the Vice Presidents should be considered as full time functions, leaving little to no room for previous national functions. At the same time there is an opportunity for the IFRC's governing board to play a greater leadership role in reaching out to the entire membership to get behind the choices and changes so desperately needed within the IFRC.

### **Conclusion 11**

The policy body of the IFRC is enormous, yet these are not known or used consistently by the membership or the Secretariat. This allows for much entrepreneurship (or anarchy?) often to the detriment of the common good.

### **Recommendation 11**

As a matter of priority the policy body needs to be catalogued, made readily available, searchable and explainable to the membership. This is a classic function for a secretariat, requiring both the creation of a managed and globally accessible database and the training of secretariat staff, particularly delegates, in the policy body of the IFRC.

### **Conclusion 12**

Over the past 20 years a virtual shadow system has grown up in the IFRC around international assistance. Driven primarily by back-donor funding this has seen the rise in PNS international departments, often very divorced from their national society work, special "receiving" staff and units in ONS and in the 1990s the growth of the DROC division in the Secretariat. The non-management of this Cuckoo has catalyzed many of the practices that the IFRC is now trying to change.

### **Recommendation 12**

This operational growth needs now to be managed differently and evolved so as not to swamp or sidelined the other core functions of the IFRC. PNS Societies need to more firmly build linkages between their international departments and the rest of their Society, whilst encouraging best professional practice in the humanitarian field so as to ensure that their international professionalism reflect a “Red Cross & Red Crescent” way of doing things. ONS, need to resist and be supported by the Secretariat (and PNS) in resisting the distorting effect of international assistance. A society’s staff member’s salary should not depend on which donor funds “her” project. The Secretariat should embrace the present trend which sees fewer development funds flowing through the Secretariat and more flowing bilaterally. This trend is good for the Secretariat as it helps it keep its focus firmly on providing service to *all* the membership.

### **Conclusion 13**

The IFRC has 181 members. Do they all get quality service? Has the Secretariat been able to manage the IFRC’s growth? In the 90s the IFRC added more members than in any previous decade. It also managed more international assistance. Most international work and effort in the IFRC involves the rich top 30 and poorest bottom 70 societies. What about the 81 in the middle? Have they really got the service they deserve?

### **Recommendation 13**

In an effort to build trust, equality and transparency, the Secretariat should commit, publicly to the membership, to a minimum package of service it is able to guarantee to deliver to *all* members.

## Chapter 4 - Centers of Reference & Service

*This chapter examines centers which have been set up to provide service for either all national societies or a large specific grouping of them. It categorizes such structures and examines their legal status, governance, management and fundability. It explores the circumstances under which such centers add value to the IFRC.*

### What is a Center of Reference or Service?

There are many examples within the IFRC in which either the Secretariat or a national society undertakes to provide a centralized service for the membership, either regionally or globally. These have been established both formally and informally. Within present IFRC parlance the term “center of excellence” has now become associated with a specific arrangement whereby a national society provides expertise to the membership as an extension of or a supplemental to that provided by the Secretariat. We have therefore used the more generic term Centers of Reference and Service to include centers of excellence as well as current or potential service centers, such as a regional logistics unit, or frame agreement arrangements with suppliers. There are three categories of centers:

**IFRC Centers of Excellence.** These centers carry out a delegated function of the IFRC under the IFRC’s name. They are truly “decentralized” and placed outside of the IFRC’s legal structure. They are contractually obliged to follow IFRC policies and applicable rules, and are jointly governed and managed by the IFRC and NS.

**Bilateral Regional Centers, Networks and Platforms of Cooperation.** These centers or more ad hoc arrangements do not purport to act in the name of the IFRC nor to carry out an “IFRC delegated function.” They exist to serve the individual needs of their regional or sectoral partners. The IFRC collaborates with them as it would with any bilateral project. These groupings usually have a centralized secretariat which serves to organize the group; they generally do not carry out IFRC delegated functions. They could include the IFRC as a member or observer and some of them may be globally focused.

**IFRC service centers.** These centers provide specific administrative or project implementation functions for societies. These could include the regional reporting units (RRU) or regional finance units (RFU) and the Logistics Frame Agreements – under which a society may purchase at a fixed price with a chosen supplier - and the IFRC Service Agreements in general whereby other services may be contracted from the IFRC.

Table 4.1 lists those arrangements we initially identified as Centers of Reference and Service which are not under IFRC direct day to day management.

Table 4.1 IFRC Centers of Reference and Service

Initiative	Type of Relationship	Partners Involved
IFRC Reference Centre for Psychological Support	IFRC Partnership (Center of Excellence)	Secretariat Danish Red Cross
European First Aid Reference Center	IFRC Partnership (Center of Excellence)	Secretariat French Red Cross

## Feinstein International Famine Center

Measles Initiative	Loose Center of excellence	American Red Cross, Secretariat & External partners
Malaria Initiative	Loose Center of excellence	Norwegian & Canadian Red Cross, Secretariat & external partners
Water Center	(Being negotiated)	Austrian Red Cross
Strategic Relief Centre in Tehran	?	Iranian Red Crescent
Climate Change Center	IFRC Partnership (Center of Excellence)	Secretariat Netherlands Red Cross
Volunteering – United Kingdom and Spain	Bilateral Regional Center	British & Spanish Red Cross

In looking at reference and service centers we have examined four critical issues which formed a common base across our interviews with IFRC and society staff, namely:

- How do you decide what to do in a center?
- Where should such centers be located?
- How do you decide how to legally constitute, govern and manage it?
- How do you fund them?

Let us look at each of these questions in turn.

### ***How do you decide what to do in a center?***

There are really two questions rolled into one here. First, what should be centralized in the IFRC and second, what is it appropriate for that centralized service to be carried out by a “center”, hosted by a member society, outside of the Secretariat. We will deal with the second part of this question later as it is really an issue of deciding on location. On the first part of the question, the literature on federalism is clear.

In a federal model partners should do everything they can and want to do for themselves. They decide not to do something because in their view can be done either cheaper or better somewhere else or as a shared function.<sup>37</sup>

So things get done together because they can be done *cheaper*, or *better*, than separately. Clearly the “cheaper” refers to potential economies of scale. “Better” includes of course technical capacity and funding capacity, as well as, in the IFRC’s case the unique characteristics of a collective structure, such as the Secretariat. These characteristics include for example:

- The secretariat is owned and accountable to the entire membership. If any member is unhappy with the quality or terms of the service provision there is a mechanism in which it can bring its complaint (this is not the case in regards to individual members – who remain accountable to the own national governance structures).
- The secretariat is created to be an honest broker. The fundamental principle of international civil service is that you do not serve any one member’s interest or national agenda. (There is an inherent conflict of interest for a partner in providing the services – its own needs and interests v. that of the membership as a whole.)

<sup>37</sup> A One-Page Primer on Federalism. World Vision International, 2004.

- The secretariat is given the necessary infrastructure and legal environment to serve all. It has an international body of staff, language capacities, civil service culture and an external and internal legal framework adapted towards this secretariat function.

The Frame Agreements the IFRC has established with suppliers provide an example of a *cheaper* service or taking advantages of “economies of scale”. These are Secretariat agreements with suppliers locking the Secretariat into purchasing a certain good from a supplier at a fixed price. In most Frame Agreements there is a clause which enables the other components of the Movement to purchase goods at this advantageous price. Today the IFRC purchases under Frame Agreements concluded by ICRC, and both the ICRC and NSs purchase under the IFRC’s Frame Agreements. The Regional Reporting Units of the Secretariat might count as centers which aim to be both *cheaper* and *better* than the equivalent non-centered service. These units have been formed to provide professional support to improve the timely delivery of quality appeals and reports to donors, national societies, and governments.<sup>38</sup>

### ***How do you decide where to put it?***

We examined three centers, presently outsourced to national societies and carrying out functions which might previously have been carried out in the Secretariat. We looked at the Climate Change Center associated with the Netherlands Red Cross, The IFRC Reference Centre for Psychological Support hosted by the Danish Red Cross and the Reference Center for Volunteering for Europe hosted by the British and Spanish Red Cross. In this section we will examine their genesis and purpose in order to understand the basis upon which such centers can and should be initiated.

### **The Climate Change Center**

The Netherlands Climate Change Center defines its purpose thus:

The goal of the Red Cross/Red Crescent Climate Centre is to support the IFRC and other interested parties with projects and activities which aim to decrease the vulnerability of people hit by the negative consequences of climate change and the extreme weather situations caused by climate change.

The Climate Centre aims to bring together a number of experts who can be requested to participate in climate-change-related activities. The business plan stipulates that the Centre plays first and foremost a facilitating role.<sup>39</sup>

The genesis of the Climate Center is an interesting one. Netherlands Red Cross had a particular interest in climate change, being on the front line if the ocean level rises. They had the opportunity to get funding for this activity and had an individual who had the expertise in the area. The NRC insisted that the Center be set up *with* the IFRC Secretariat and to serve the entire membership globally and be able to represent the IFRC at an international level where most of the climate change negotiations and conferences take place. There was, however, no decision on the part of the membership that it would be better to have the center in the Netherlands rather

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<sup>38</sup> Regional Reporting Units: Terms of Reference. IFRC Secretariat, Undated.

<sup>39</sup> Red Cross/Red Crescent Climate Centre Mission Statement. <http://www.climatecentre.org/>

than the Secretariat in Geneva. Rather, the membership endorsed a proposal from the Netherlands to set up the center.

### **The IFRC Reference Centre for Psychological Support**

The late 80s and early 90s saw a series of high profile technological and transport accidents, the emotional and psychological stress caused to victims of these disasters was all too apparent, as was the inability of the Societies and the IFRC to attend to this need. Identifying this gap led to the organization of a consultation on psychological (1991) support hosted by the Danish Red Cross and organized by the Secretariat. During the consultation the Psychological Support Programme was launched and a working group formed to draw up guidelines for programming. The guidelines recommended forming an expert body to help the IFRC and the societies develop their programming skills in this area.

In 1991 the International Federation of Red Cross and Red Crescent Societies (IFRC) launched the Psychological Support Programme (PSP) as a crosscutting programme under the Health & Care Division [of the Secretariat]. To assist the IFRC with the implementation of the programme, the Danish Red Cross and IFRC established the Reference Centre for Psychological Support as a centre of excellence in 1993.<sup>40</sup>

The center was established based on an agreement between the IFRC and the Danish Red Cross. The initial agreement ran through to 1998.

### **The Reference Center for Volunteering for Europe**

The Reference Center for Volunteering for Europe evolved as a logical extension of the Western Europe Network for the Development of Volunteering. This loose network recognized that volunteering was central to the mission of national societies and yet received little support from the Secretariat. As one interviewee put it:

The Network is a peer group regularly involving 16 European national Societies. It meets twice a year. We wanted to take this further but with the demise of the OD dept in Geneva, felt we couldn't look there for support. We also understood that a global center made no sense. Too much diversity! Therefore the British and Spanish Red Cross proposed setting up a Reference Center for Volunteering for Europe. Europe Department in Geneva backed the idea and the Brits got it endorsed at the last IFRC General Assembly. It is being expanded to include the new accession states to the EU.<sup>41</sup>

### **Commonalities**

There seem to be three factors common to the process of initiating the above centers. Clearly, they were all initiated when a particular area of service or expertise appeared more urgent, due to greater understanding of the issues involved, higher public profile, or a sense of urgency from the membership: climate change, technological accidents and volunteering today have all come under the public spotlight. Second, each initiative has at its heart a society, or small grouping of societies who feel committed to the issue and, importantly, feel they can leverage the resources

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<sup>40</sup> <http://www1.drk.dk/sw2955.asp>

<sup>41</sup> Interviewed by Peter Walker, June 21<sup>st</sup> 2004

to do something. Finally, behind each center is a dialogue between the Secretariat of the IFRC and the interested societies over how best to capture their concern and the needs of the IFRC.

## Decentralizing Secretariat functions

All the above centers were established in some sense in addition to the Secretariat. There is a parallel concern in the IFRC with taking work already done at the Secretariat and moving it out of Geneva. Decentralizing may lead to the establishment of additional centers of excellence, reference or service.

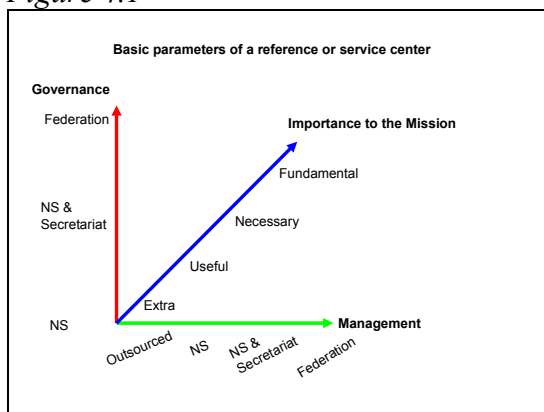
In business practice the more central to the mission of the business a function or service, the less amenable to outsourcing. Thus advisory services on the updating of Societies' Constitutions and Red Cross/Red Crescent Law, probably need to stay with the Secretariat as they are at the very heart of the mission of the IFRC and affect every member society. An advisory service on earthquake preparedness, although coming under the mandate of the secretariat, could well be considered for "outsourcing" as it is highly specialized and specific to a limited number of member societies. Also as mentioned in the previous section on federation models, the Secretariat may benefit from outsourcing to a national society with an established competency in a specific area or access to important resources, as we are increasing seeing in health areas.

The Secretariat may seek to "outsource" in one of two ways. *First*, to move a service out of the central offices in Geneva to the periphery of the Secretariat – the regional delegations or even down to a country delegation. Thus the Reporting Units now existing in four regions represent a decentralization of a service, within the Secretariat's structure. In these instances, issues of governance and management stay within the normal parameters of the Secretariat. *Second*, the Secretariat may choose (or have offered) to outsource away from the Secretariat - to a consortia of societies, to a member society or even to an outside agency.

## ***How should centers of reference and service be governed and managed. What is their legal status?***

Figure 4.1 attempts to capture the parameters which might define the governance and management world of a center of reference or service.

Figure 4.1



## Climate Change Center

The Climate Change Center in the Netherlands is governed by a joint IFRC/National Society Board. It has established a separate legal identity for itself as a Foundation under Dutch law.<sup>42</sup> The primary reason for this is because the Netherlands Red Cross did not want to take on the legal responsibility for an “inter-agency” project which it did not fully control itself.

The Center reports to the IFRC’s General Assembly through the IFRC secretariat, not via the Netherlands Red Cross. In the same spirit, the secretariat receives copies of all Center documents and in the event of the Netherlands Red Cross being no longer able to run the center, all center documentation will be sent too the secretariat.

## Reference Centre for Psychological Support

For the IFRC Reference Centre for Psychological Support, hosted by the Danish Red Cross, implements the Psychological Support Program (PSP) which is part of the IFRC Health and Care Division. The Center’s staff consists of 2 staff positions in Copenhagen, in addition to technical and administrative support from the Danish Red Cross, which also hosts the Reference Centre. The staff are employed by the Danish Red Cross. At present one staff member is non-Danish, but from a European Union country.

Both the governance and the management of the center are shared between the IFRC’s Secretariat and the Danish Red Cross.

The Center is governed by a joint IFRC/Danish Red Cross committee: “The Committee shall always be composed of equal representatives from the IFRC and the DRC. The members shall be deemed to represent their institutions and not serve in their personal capacity.”<sup>43</sup>

It is managed by the Danish Red Cross: “DRC in consultation with the steering committee shall designate and employ a Project Manager. The Project Manger shall be hired on a standard Danish Red Cross employment contract and be subject to all relevant DRC employment rules and regulations.”<sup>44</sup>

It has a legal status only as part of the Danish Red Cross. It does not have a separate legal status. “The DRC agrees to host the Centre as a project within the DRC international department. The Centre shall have no independent legal status of its own. It will be hosted in accordance with applicable Danish law and DRC rules and procedures, and be considered an integral part of Danish Red Cross.”<sup>45</sup>

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<sup>42</sup> Cooperation Agreement between the Netherlands Red Cross Society and the International IFRC of Red Cross and Red Crescent Societies concerning the Red Cross and Red Crescent Center of Climate Change and Disaster Preparedness. Geneva, December 2003.

<sup>43</sup> *ibid*

<sup>44</sup> *ibid*

<sup>45</sup> *ibid*

## Reference Centre on Volunteering for Europe

Agreement was reached at the IFRC General Assembly in November 2003 to go ahead and develop a Reference Centre for Volunteering on behalf of the IFRC. Initially, this project is to be resourced by the British Red Cross and the Spanish Red Cross.

The Reference Centre will report to a Steering Group which includes a representative from the European Liaison Bureau, The Secretariat, Organizational Development Team, WENDOV, Spanish Red Cross and British Red Cross.<sup>46</sup>

The Center will be run by a part time volunteer manager, who is also a trustee of the British Red Cross, assisted by a full time administrator. They will sit within the headquarters of the British Red Cross and the center will legally be part of the British Red Cross.

## Commonalities

All three centers involve a governance which, to varying degrees, involves the initiating national society and the Secretariat. Legally, only the climate center has chosen to establish itself outside of the host national society. In staffing and managerial terms all three centers rely heavily upon their host national society.

## How are the Centers Funded?

Centers of reference and service get funded in a variety of ways.

**Within the Secretariat**, most centers get funded as part of the Basic Infrastructure of the Secretariat (budgeted at CHF 52 million in 2003) and are thus funded from Statutory Contributions (23 million), direct funding from member societies (13 million), and a percentage charge on relief and development grants – Program Support Recovery – (16 million). **Within a national societies** centers are for the most part funded by those national societies, either fully or substantially.

## Climate Change Center

The agreement to establish the climate change center called for the Netherlands Red Cross to assume responsibility for funding the center and for the IFRC “where possible to assist the NLRCS in funding the center through contacts with its international funding sources.”<sup>47</sup> In addition the staff of the center are actively seeking international funding with a view towards becoming self sufficient. The present annual budget and income sources for the center are shown below in table 4.2

<i>Table 4.2 2004 draft budget and income<sup>48</sup></i>	Euro	US\$
<b>Budget</b>		
salaries	215,000	264,000
travel and accommodation costs	15,000	18,450

<sup>46</sup> Letter to all Secretaries General from the British Red Cross, March 2004.

<sup>47</sup> Cooperation agreement between the Netherlands Red Cross Society and the IFRC concerning the Red Cross and Red Crescent Center for Climate Change and Disaster Preparedness. December 2003.

<sup>48</sup> Email communication, Madeleen Helmer Head Red Cross/Red Crescent Climate Centre. July 2004.

## Feinstein International Famine Center

program costs	143,900	177,000
general costs	15,000	18,450
Costs Board and advisory council	5,000	6,150
<b>TOTAL BUDGET</b>	<b>393,000</b>	<b>483,390</b>
<i>Income</i>		
NL Ministry of international cooperation Communications program	140,000	172,200
NCDO (NL national education program)	70,000	86,100
Grant NL Foundation in Limburg	24,000	29,520
Grant NL foundation Limburg remaining	13,000	15,990
Grants Companies/private sector	36,900	45,387
Grants Individuals	10,000	12,300
Netherlands Red Cross Grant	100,000	123,000
<b>TOTAL INCOME</b>	<b>393,900</b>	<b>484,497</b>

### Reference Centre for Psychological Support

The IFRC Reference Centre for Psychological Support is primarily funded by the Danish RC (70%), mostly with government funds but also with public funding. Other national societies providing financial support for the Centre are the Norwegian, Finnish and Icelandic RC. The Centre presently receives no financial support from the IFRC Secretariat. The Centre intends to formalize funding commitments to ensure its longer-term sustainability and to diversify its donor base. The Danish RC intends to limit its funding to a maximum of 50% of the total costs, as opposed to the current 70%. Ironically, locating the Reference Centre in Denmark may be acting as a constraint to seeking direct funding from the Danish Government. One interviewee at the Center confirmed that there could be more government funding streams for the centre if it was located in a developing country.<sup>49</sup>

The 2003 budget for the Danish Reference Center is shown in table 4.3

<i>Table 4.3 2003 budget for Danish Reference Center</i>		
	DKK	\$ US
<i>Activities</i>	1,023,650	169,687
<i>Salaries</i>	853,364	141,449
<i>Overhead</i>	384,014	63,657
<b><i>Total running costs</i></b>	<b>2,261,028</b>	<b>374,794</b>

### Reference Centre on Volunteering for Europe

In its initial start-up phase the British Red Cross has been funding most of the project with some support from the Norwegian Red Cross and the Spanish Red Cross. As the project becomes established, funding is being sought from all the society members of the Western Europe Network for the Development of Volunteering. A budget for the center, as shown in table 4.4 has been proposed.

<sup>49</sup> Interviewed by Fernando Soares on 9<sup>th</sup> June 2004.

<i>Table 4.4 Volunteer center proposed budget<sup>50</sup></i>	€	US\$
Part Time staffing costs for Co-ordination and Admin	45,000	55,300
Travel costs for Steering Group, WENDOV, Geneva, Workshops	15,000	18,450
Stationery, office, computer, telephone charges	5,000	6,150
MIS Development Costs	15,000	18,450
Facilitation costs for new joiners	30,000	36,900
Annual Total	110,000	135,300
Total 3 year Project Costs including mid term and Summary Evaluation (110 x 3)	<b>€330,000</b>	<b>\$405,900</b>

## Commonalities

We have attempted to make a comparison between the costs of running such a center in a national society and in the IFRCs Secretariat. The task has proved impossible, largely because of the inability to quantify the value of all the support service and facilities that such a Center benefits from by being situated within a host organization (NS or Secretariat). For most Centers, staff salaries make up the vast majority of the recurrent costs and thus as a first estimation when seeking to make cost comparisons one can look at comparative salary levels between countries. The pattern is for centers that remain within the Secretariat's structure to be funded by the membership and those that are hosted by national societies to be funded by those societies.

## Flexible funding?

Interviews with staff in the hosting societies confirm that, in their view, the funds being put into the centers are not fungible. They believe that these funds would not be available if the same center was hosted outside of their national society, in the Secretariat or in a sister society. In their view these centers therefore represent additional resources which would not otherwise have been brought into the IFRC family, and for many people this is the primary reason at present for exploring these arrangements.

## Overview of center status

Table 4.5 gives an overview of these four critical parameters of the Centers: Legal status, governance, management and funding.

<i>Table 4.5 Overview of Centers</i>				
Name	Legal status	Governance	Management	Funding
<b>Climate Change Center</b>	Independent Dutch Foundation	Joint IFRC/NRC Board	Self managing	Initially funded by NRCS with a view to being self funding
<b>IFRC Reference Centre for Psychological Support</b>	Part of Danish Red Cross Established with Agreement of IFRC – to undertake tasks for the IFRC.	Joint IFRC/DRC Steering Committee (Decides annual Work Plan and the like)	Day to day Management by Danish RC Project Manager responsible to the Steering Committee.	Partly funded by Danish RC, but seeking additional funding through consultancies.

<sup>50</sup> Funding Request, Red Cross Reference Centre on Volunteering – 2005 to 2008. British Red Cross.

## Feinstein International Famine Center

Reference Center for Volunteering for Europe	Part of British Red Cross	Based on a GA Resolution. Joint IFRC / European Societies Board	Managed by British Red Cross	Funded by the member European Societies
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### ***Analysis of IFRC Centers***

In analyzing the above data we focused on four critical issues as discussion below.

#### **Will the proposed center provide a service that is needed?**

This is the most basic question. Expertise may exist, but if on the “importance to the mission” axis (see figure 4.1) that expertise ranks way down at the bottom of the axis, those proposing the center really do need to ask whether it represents a legitimate use of resources and whether, even if the resources are not an issue, its establishment may distract from the mission of the IFRC.

In our research we hear rumors of an offer in the past from one society to set up a center on the law surrounding the use of lotteries for fundraising. Yes, some societies do use such fundraising systems and their legal conduct is important, but surely this would have been too tangential to the IFRC’s Mission to warrant the creation of a center?

If one wants to achieve knowledge sharing between a group of distinct partners on a particular technical subject – this can be done with an informal network of technical experts who meet once or twice a year to brainstorm on particular subjects. (See for example European Legal Support Group or European Youth Networks). In this example there is probably little need for a “permanent Secretariat” or “centers” as each of the members could take turns organizing the next meeting and putting together an agenda. The network literally serves as a phone and email list for its membership as well as opportunity to routinely meet.

If conversely one wants a more active “knowledge sharing platform” or a secretariat or center which in between meetings facilitates and coordinates the members – then one may need a more organized center with one or two “permanent” volunteers or staff members. The question then becomes where should this be legally and managerially located – in the IFRC Secretariat, to benefit from the legal coverage, privileges and immunities, IFRC Management structure, and expertise or should it be housed in a national society, due to the locality of technical expertise or funding sources?

#### **Is the work of the Center additional to or fundamental to the Mission of the IFRC?**

The setting up of ad-hoc non-formal networks and consortia within federations is to be encouraged. One could imagine a center dedicated to advocacy for the societies of small island states, in the Caribbean and Micronesia, which given the projected rise in sea levels, could well be justified.

Of course regional groupings of the like-minded or like-interested should be encouraged and the “secretariat” needs of these could potentially be undertaken by the IFRC through its delegations but, again, the limits of what these groups do should be set.

Federal theory suggests that, the process of deciding upon the establishment of a center that is fundamental to the mission of the federation requires that it be established at the will of the membership. In terms of the IFRC, this suggests that ideally such a center should be established through the mechanism of the General Assembly, the Board of Governors or the Secretary General. What would appear to be unacceptable would be for a member society to set such a center up unilaterally, as this would fly in the face of the whole rationale for federalism.

For Centers which seek either to take over or extend present Secretariat services or to offer new services which should really be provided by the Secretariat, issues of legal status, governance and management, become critical as such centers are effectively providing a service which is fundamental to the mission of the IFRC. If it is a service for the IFRC, then it has to be accountable to the IFRC.

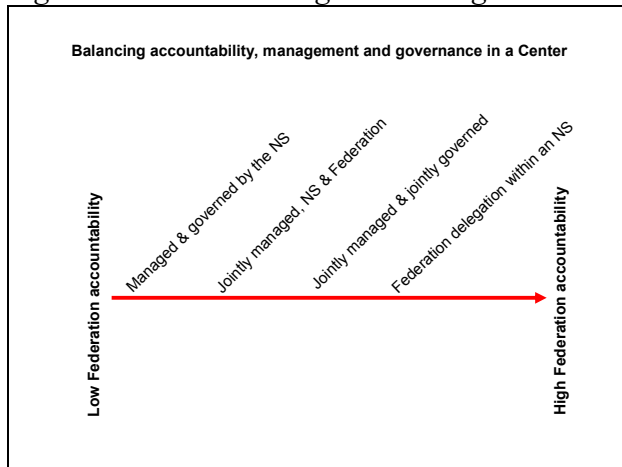
Generally the governance/management structure of federation centers of excellence is guided by the following principles. First, the IFRC, in order to safeguard the interests of all its members, remains responsible for the policies and strategies of the Center. Second, the national society on the other hand being the legal personae of the center and having the burden of the funding and donor responsibilities is responsible for the day to day management of the center.

These responsibilities are safeguarded through the establishment of a steering or governance committee where the IFRC and the national society are equally and exclusively represented. The Steering Committee sets the annual work plan and budget, and oversees the project.

A center can have a consultation line into the Secretariat. This would be the least formal option. Moving up a notch, a center can have a governing structure which formally involves both the Secretariat (representing the IFRC) and the National Society, as is the model in Denmark and the Netherlands.

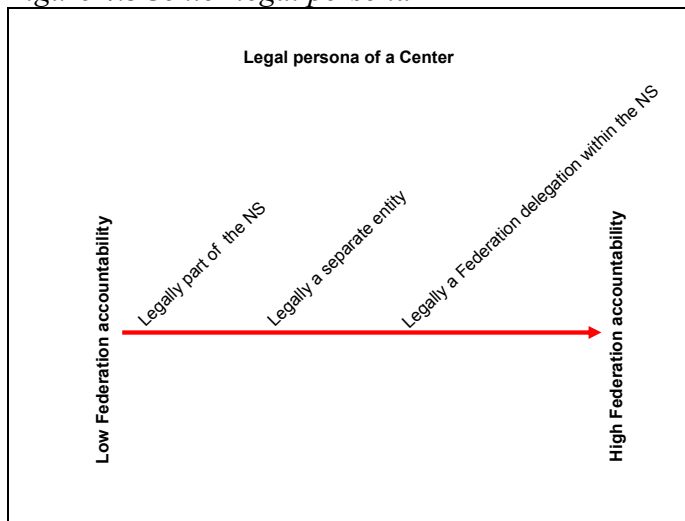
Finally a center could in effect be a delegation of the IFRC, supported by the local national society. This would formally and fully place its governance within the IFRC system. We are not aware of any centers operating like this at present. Figure 4.2 shows this range diagrammatically.

*Figure 4.2 Center management and governance*



A parallel set of arguments applies to the legal status of such centers. Centers presently have either no defined legal status, defined as a part of the host national society or defined as a separate legal entity (The Foundation setup of the Climate Center). To this we can add the as yet unused status as an IFRC delegation, under a Status Agreement conferring its privileges and immunities as an International Organization. This is shown diagrammatically in figure 4.3

*Figure 4.3 Center legal persona*



As one moves from left to right in both these diagrams the accountability to the IFRC goes up.

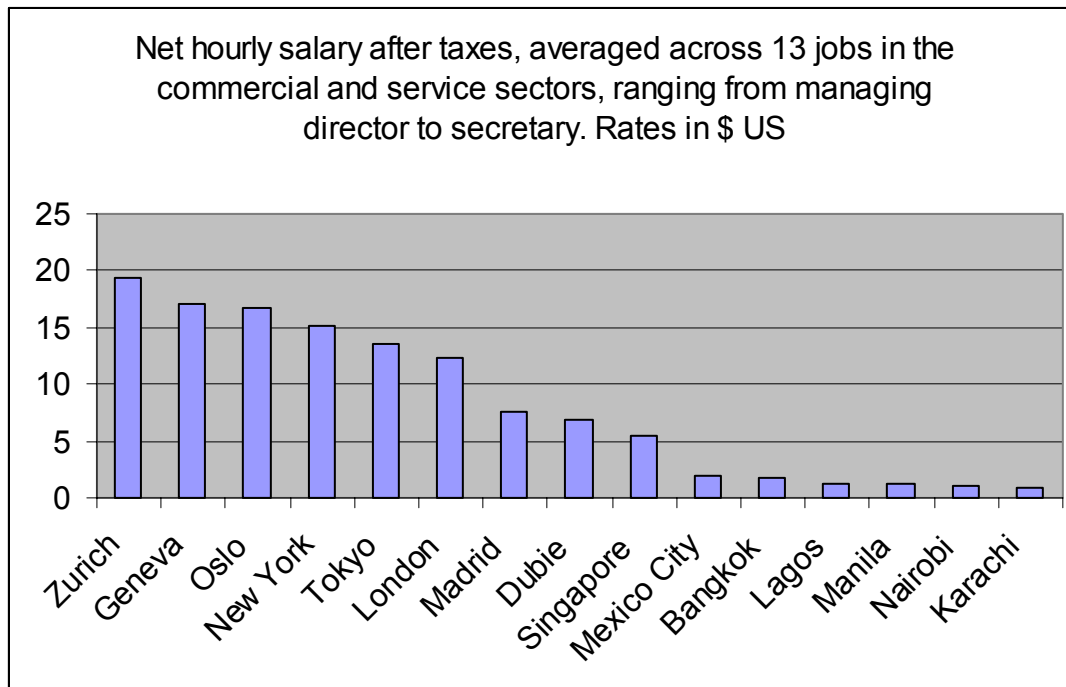
### **How will the Center be funded?**

The experience to date is that Centers in national societies are funded primarily by those national societies. In some cases this allows them to tap funding source which would not be available for such a center situated in Geneva. It also allows societies to class the staff at “their” center as national employees and thus allows them the option of taking the costs out of their national rather than international budget.

On a case by case basis the only real measurable difference in costs, between locating a Center with the Secretariat and with a national society relates to salary levels. Any salary levels vary far more between societies than between the present societies hosting centers and the Secretariat. So, if a Center had a choice between locating in Geneva, Oslo, Manila or Karachi and it was paying local salary levels, then Karachi is going to be the cheaper option.

Figure 4.4 shows comparative wage levels across 15 major cities as surveys by UBS in 2003. In their sample, Geneva is outranked on wage levels only by Zurich and Basel!

Figure 4.4 Comparative national salaries in \$US<sup>51</sup>



### Is the Center's modus operandi compatible with the principle of universality?

If a center is an IFRC Center, then it should reflect the attributes of the IFRC. As a body of the IFRC it should be open to employ qualified and appropriate staff from all member societies. It should seek to promote the spirit of internationalism and be free from the national and partisan constraints of the society hosting it. This calls into question the practice of centers being legally part of a society and thus subject to the employment laws of that country which will often restrict the ability of non-nationals to enter employment. Likewise, operating in a national, as opposed to an international environment increases the difficulty of thinking and acting internationally.

### Conclusions

The creation of centers of excellence, reference and service makes perfect sense in a federal system. They save costs, make expertise more available, and act as “glue” to help hold a federation together. Centers that provide expertise, reference and service which are fundamental to the mission of the IFRC, need to be accountable to the IFRC, regardless of their geographical location. This implies a degree of IFRC involvement in the management and governance of the center. The degree of involvement will vary according to the importance of the business of the center. Centers that are IFRC Centers and not just expertise spontaneously offered by individual societies need to reflect the principles and values of the IFRC. They must thus be capable of employing an international staff, using the official languages of the IFRC and reporting to the

<sup>51</sup> Prices Earnings: A comparison of purchasing power around the globe. 2003 edition UBS, Switzerland.

IFRC. If cost is really an issue in locating a center outside of the Secretariat, then the only real benefits to be had are when the center is located in a low cost country and able to employ its staff on local salaries.

#### **Conclusion 14**

Vibrant federations encourage networking and spontaneous grouping for common cause amongst their membership. The center (Secretariat) does not need to always be involved! The IFRC has many such networks and regional groupings, but appears to have difficulty in tracking them all and in facilitating the sharing of experience between networks.

#### **Recommendation 14**

Facilitating and servicing ad-hoc networks should become a recognized function within the Secretariat. Encouraging national societies to group, providing them with tools and advise to help the process, helping service fledgling networks and keeping a watchful eye open to help them close down when the job is done are all legitimate and much need activities.

#### **Conclusion 15**

For issues that are “central” to the IFRC, the process of forming, governing and managing a center of excellence needs to be a federal one. At present this system within the IFRC appears rather ad hoc. Given the small number of such centers and their relative newness this is not surprising.

#### **Recommendation 15**

Centers of reference, service and excellence are likely to become more popular in the future as they provide for a way of exploiting the resources and interests of the diverse membership with the need to concentrate everything in Geneva. To facilitate this process, the IFRC needs to develop a simple procedure for deciding how fundamental to the working of the IFRC a center is and thus how tied in to the IFRC its governance and management needs to be. This can perhaps be aided by the *Federation of the Future* process in articulating the role and central functions of the IFRC and its Secretariat.

#### **Conclusion 16**

At present there is no openly expressed option on the most desirable legal status for IFRC centers of excellence. At present, staff in such centers, who wish to speak on behalf of the IFRC in international meetings etc, should technically get permission to do so before each event. This seems cumbersome.

#### **Recommendation 16**

The legal status of centers not housed in the Geneva Secretariat needs to be clear and in line with their governance and management. Where a center is, to all intents and purposes, an outsourced component of the Secretariat, then the IFRC should seek to make more use of its status agreements and international organization status, seeking to constitute the outsource center as a IFRC delegation, albeit staffed by staff on loan from the hosting society. Bilateral reference or technical centers operating outside the Secretariat should not be discouraged, but rather promoted and appropriately supported by the IFRC to facilitate their contributions to the organization’s strategy and mandates.

**Conclusion 17**

Centers have brought in additional funding, but at a price of reduced equity in the IFRC. The evidence to date says little about whether outsourced centers are cheaper to run than a similar service in Geneva or within an IFRC delegation. The evidence does suggest that societies hosting such centers (almost exclusively European and North American at present), are doing so by tapping funds and human resources which would not normally be available for international programs. Clearly this adds value, but it comes at a price. Centers seem to be financially tied to the “donor” society. Under these funding scenarios there would be little prospect of a Southern society hosting a center of excellence. Likewise, these funding mechanisms coupled with the present legal status of most centers of excellence as national entities, makes it difficult for them to offer equal opportunity employment across the IFRC for appropriately qualified staff. If allowed to develop exclusively in this fashion the IFRC could end up with a great deal of its accessible expertise being concentrated in a relatively few rich Northern societies.

**Recommendation 17**

Whilst welcoming the additionality that the present centers bring, including the extra financial resources they tap, the IFRC needs to explore alternative models for such centers which would allow for them to be set-up in Southern societies who are not able to self finance such a center.

## Chapter 5 - In-country support: the role and rationale of delegations & delegates

*This chapter examines the role of bilateral and federation delegations. It attempts to analyze their legal standing and comparative costs, and explores the rationale proposed by bilateral delegates for the presence in-country. The perceptions of the PNS, ONS and IFRC are explored. The chapter also examines other channels of assistance and the possibility of bilateral delegations acting on behalf of the IFRC.*

### Introduction

For this study we looked specifically at the delegations in Vietnam, Cambodia and Nairobi (a city of regional delegations). In addition, interviews were done with delegates in Nicaragua and the regional delegation in Amman. Table 5.1 lists the delegations in the three main countries sampled. Bilateral delegations range from separate fully functional offices to an individual bilateral delegate placed within the national society. The geographical location of each delegation is also shown in the table.

Table 5.1

Cambodia		Vietnam		Kenya	
IFRC	<b>Separate office in CRCS compound</b>	IFRC	<b>Separate office outside of VNRC</b>	IFRC	<b>Separate office outside of VNRC</b>
Danish RC	<b>Separate office in CRCS compound</b>	American RC	<b>Shared office space in IFRC delegation</b>	American RC	<b>Shared office space in IFRC delegation</b>
French RC	<b>Office separate from CRCS &amp; IFRC</b>	Netherlands / Belgium RC	<b>Shared office space in IFRC delegation</b>	French RC	<b>Office space in KRCS</b>
American RC	<b>Office separate from CRCS &amp; IFRC</b>	Danish RC	<b>Shared office space in IFRC delegation</b>	Norwegian RC	<b>Shared office space in IFRC delegation</b>
Swiss RC	<b>Office separate from CRCS &amp; IFRC (Unilateral program)</b>	French RC	<b>Shared office space in IFRC delegation</b>	German RC	<b>Shared office space in IFRC delegation</b>
Australian RC	<b>Office in CRS</b>	Norwegian RC	<b>Presently office space outside IFRC delegation</b>	Spanish RC	<b>Office space in KRCS</b>
Korean RC	<b>Office in CRS</b>	Spanish RC	<b>Shared office space in IFRC delegation</b>	Netherlands RC	<b>Shared office space in IFRC delegation</b>
		Australian RC	<b>Shared office space in IFRC delegation</b>		
		Swiss RC	<b>Rep' in Swiss Consulate</b>		

The essential difference between an IFRC delegation and PNS delegation involves legal status and lines of management. An IFRC delegation is part of the IFRC's Secretariat structure. The

head of delegation reports to the head of regional delegation who reports into the regional department in Geneva. In a PNS delegation the head of delegation reports to a manager within the international department of the national society back in that nation's capital.

Many present IFRC delegates have been PNS delegates in the past and visa versa. In many countries, at present, the nature of the work undertaken is not vastly different. Likewise the original sources of funding for the two ways of working are not that different. Both rely for the most part on government back-donors. The two ways of working essentially highlight the two different personas that all federation members have: a national persona and an international persona.

### Costs

Initially there were expectations that this study would be able to show a coherent and data derived picture of the relative cost effectiveness of doing programming via a bilateral as contrasted with a Federal delegation. These hopes have proved unfounded. Box 5.1 gives an analysis of why, in the long run, such a comparison may not actually be that useful. This view is broadly in line with that found during the 2001 investigation of the IFRC "value chain".<sup>52</sup> Despite these difficulties we can say a few things about relative costs.

#### **Box 5.1 Pick a number!**

##### **A salutary lesson on why quantitative data does not mean accurate data**

##### **Cost analysis of IFRC country delegations**

The core costs analysis of IFRC delegations is based on the actual costs of 2003 National Co-ordination projects. Even when core costs are initially allocated to the relevant core cost project, they are often reallocated to other projects to avoid project deficits. This happens very often and therefore the reallocations had to be deducted from the totals of each group of expenditures accordingly.

In many delegations in the Asia/Pacific region, core costs are often directly allocated to programs based on donor agreements. According to heads of finance units in Africa, Americas and Europe & MENA, this is also the case in their regions. Income for Service Agreements, credited to core cost projects, may "blur" the view and hide the actual balance of core cost expenses at project level. Currency exchange gain and losses may contribute to the blurred picture.

##### **Secretariat Geneva Costs**

The same difficulty occurs when some Geneva costs, including staff costs, are directly charged to Global Appeals. However, for this study, core costs were defined as costs covered by either statutory contributions, costs recovery/PSR, direct income to the core budget and investment income. This basically means that, for the Secretariat, the definition of core costs is mainly based on the funding streams and their origin rather than on the actual nature of the so-called "core" functions they cover.

##### **PNS delegation costs**

Despite the intention of all PNS contacted to contribute to the study, it has been difficult for most of them to respond timely and provide the figures required. This was mainly due to the differences between the Secretariat's and PNS accounting and reporting systems, resulting in a manual and time-consuming exercise for PNS to be able to present their costs in a format that enables the comparison with Secretariat costs. In order to enable comparison, all costs must be presented in a similar format. For this study, a simplified format based on the IFRC chart of accounts has been adopted. However, despite its simplicity, this format proved to be inadequate for the PNS as it did not relate to their own internal chart of accounts. This resulted in PNS having to manipulate their data manually to fit it into the

<sup>52</sup> The IFRC Value chain, Discussion Document. 9th September 2001. Secretariat, Geneva.

required format. Therefore, the accuracy of the results obtained is questionable, as the information provided could not be subject to further verification. In addition, the lack of a common definition of core costs as opposed to direct program costs (as in the case of the Secretariat) makes the exercise of identifying and splitting these costs almost literally impossible.

For the IFRC delegations, there are two cost areas which are fairly constant, regardless of program volume. These are the basic core-costs of the delegation, including the head of delegation's salary, and the costs of the national co-ordination area. (This is a project designed for the allocation of the core costs of a delegation. (The "project" is more as an accounting element in this case, rather than as a program in itself.) The costs covered include office administration, salaries and benefits of core staff (local and delegates), representation costs, office rent and, of course, day-to-day liaison and support to the host ONS (but should not include direct program costs). Table 5.2 shows these costs for Cambodia, Vietnam, and Nairobi.

**Table 5.2 IFRC delegation costs**

Figures in CHF for 2003	Cambodia	Vietnam	Nairobi (regional)
Delegation Core Costs - actuals	241,106	294,847	635,458
Delegation Core Costs - Budgeted	289,000	312,300	812,796

Note that these costs include the *full salary costs* of the expatriate delegates.

For Nairobi, some of the PNS delegations were able to give approximate figures in answer to the question "how much does it cost annually to run your office?". See Table 5.3. For Vietnam we have been able to extract possibly comparable figures but these need to be treated with great caution as the way "core cost" are reported and calculated varies so much from society to society (see table 5.4).

**Table 5.3 PNS and IFRC delegation costs in Nairobi**

Delegation	Core costs* CHF (2003 expenditures)	Notes
Spanish RC	Does not have a budget for the office	Delegate Salary paid in Spain, not costed to program
German RC	120,664	Delegate Salary paid in Germany, not costed to program
Norwegian RC	187,695	Delegate Salary paid in Norway, not costed to program
Netherlands RC	211,162	Delegate Salary paid in Netherlands, not costed to program
French RC	?	
American RC	?	
IFRC Delegation	635,458**	

\* Original figures given in Euro or Dollars. Converted to CHF at interbank exchange rate on 18<sup>th</sup> June 2004

\*\* the IFRC delegation contains many more staff and administers a much larger grant program than the PNS delegations

**Table 5.4 PNS and IFRC delegation costs in Hanoi**

Delegation	CHF (2003 expenditures)	Notes*
Australian RC	197,561	This is a TOTAL cost for programming NOT including delegate costs which are covered under an HQ budget
Belgian RC	130,191	This is a TOTAL cost for programming and includes 13,335 for the cost of a shared delegate
Danish RC	1,129,311	This is a TOTAL cost for programming and includes 82,197 for the cost of their delegate
French RC	514,972	This is a TOTAL cost for programming and includes 119,781 "expatriate costs", 41,781 "delegation" costs and 62,448 "HQ overhead" costs, suggesting a total core cost of 223,506
Netherlands RC	270,975	This is a TOTAL cost for programming and includes 63,873 "Personnel" costs and 26,138 "General & Admin" costs, which suggests a "core cost" of 90,011
Spanish RC	488,837	This is a TOTAL cost for programming and includes 27,884 for "Personnel" costs and 96,292 for "General & Admin" costs, which suggests a "core cost" of 122,176
IFRC Delegation	294,847	This is core cost only and does not include program expenditures

\* Note that these figures are derived from the data provided by each NS. The exact definitions they use for each category of expenses are not always clear so much caution needs to be exercised in making comparisons.

If we take the PNS core costs, as they provide them at face value and add in the likely annual salary cost of a Head of delegation then we can make some comparison as to the relative costs of the two set ups. To factor in salaries we have taken the IFRC "Geneva" delegate budgeting figure of CHF 140,000 pa and divided it by the relative salary rate in the relevant PNS capital using the UBS figures referred to earlier. Table 5.5 shows the comparisons.

<b>Table 5.5 Comparative costs</b>			
Delegate Origin	Reference hourly rate	Conversion factor	Assumed Relative Salary (CHF)
Geneva (IFRC)	17.1	1.00	140,000
Madrid (Spain)	7.5	0.44	61,404
Berlin (Germany)	10.5	0.61	85,965

## Feinstein International Famine Center

Oslo (Norway)	16.8	0.98	137,544
Amsterdam (Netherlands)	11	0.64	90,058
Paris (France)	10.1	0.59	82,690
New York (America)	15.2	0.89	124,444

If these salary costs are added into the PNS core costs then there really is very little difference between the basic cost of an IFRC delegation and PNS delegation on an annual basis in the field. Of course this says nothing about the costs back in the HQ for support.

### **Pooling of resources**

Whilst there is little apparent difference in core costs, delegation for delegation, there does seem to be a serious issue of economies of scale.

- In Vietnam the PNS program around 3.7 million CHF /year with seven expatriate delegates and 33 local staff (not host NS employees).
- In Nairobi there are six PNS delegations averaging around CHF 278,000 pa core costs (including salaries), so a possible total of CHF 1.7 million pa on core costs. They manage program funding ranging from under CHF 300,000 pa to over CHF 2 million pa.

Does this volume of programming really warrant this volume of representation? At the end of the day the question is really one of what value a society puts upon its individual national identity overseas as opposed to its international identity as a supportive member of the IFRC.

### ***Rationale for Bilateralism***

The 2001 *Value Chain* report cited earlier, surveyed a wide range of PNS and came up with a listing of the main reasons given for working bilaterally. The relevant table from this report is reproduced in box 5.2. Its findings are still broadly relevant today.

Box 5.2 Why Bilateralism (from Value Chain Report)

**Table 6 - Summary of Factors Influencing Choice of Delivery Approaches**

**Factors Favouring Multilateralism**

- 1 The uniqueness of the Movement and the Federation lies in its global and universal nature.
- 2 To support some minimal basic machinery necessary to sustain the Federation's global and universal nature.
- 3 To execute certain activities which require a central operational capacity, in particular, first response to emergencies and small activities of low interest to PNS.
- 4 To support ONS that are "off the screen" for the PNS.
- 5 To access the various centres of expertise and comparative advantage within the Federation.
- 6 No desire in some PNS to assume operational responsibilities with their inherent management problems.
- 7 Serious legal issues for PNS operating in some countries outside of Federation's international organization status.

**Factors Favouring Bilateralism**

- 1 The desire to maintain strong direct links with certain ONS for historical, cultural & other reasons.
- 2 Bilateral projects are fully consistent with and help strengthen the "global" Federation.
- 3 The need for the PNS to demonstrate its field operational competence to access government resources.
- 4 For political reasons, some government agencies and the public want national NGOs to be visible at the field level.
- 5 NS does not achieve visibility when working multilaterally.
- 6 Individual PNS have little policy or operational influence on Federation Secretariat's directions and operations.
- 7 Secretariat too thinly spread, so PNS specialize in order to demonstrate competence to their donors.
- 8 Predictable ongoing relations can be developed with selected ONS that are not guaranteed multilaterally.
- 9 The larger the project in a single sector, the greater the desire to go bilateral. Small interventions not worth it.
- 10 Government agency NGO overhead recovery policies that mitigate against multilateral delivery.
- 11 Donor financial control requirements that cannot be met through the multilateral channel.
- 12 Appeal documents + Federation website does not provide enough detail to raise funds from some donors.
- 13 Major problems with the Secretariat's project management, particularly timeliness and quality of reporting.
- 14 Not enough monitoring, evaluation & impact assessment being done on multilateral activities.
- 15 The more onerous the donor's accountability requirements, the greater the need to go bilateral.
- 16 Many ONS want to develop the bilateral relationships - and PNS want to sustain them once developed.
- 17 Multilateral machinery seen as cumbersome and too big the level of programme delivered.

**Still a Role for the Secretariat in Bilateral Activities**

- 1 To coordinate bilateral operations when bilateral is the best way to go or the desired way to go by PNS..
- 2 To support development of Federation-wide policies and practical tools - to provide intellectual leadership.
- 3 To maintain local administrative capacities that can be used by PNS for a fee.

Interviews with PNS delegates suggest further rationales which seem to be more prevalent amongst field staff. These seem to apply to the role of bilateral delegates, not necessarily bilateral delegations.

1. Want to program primarily to alleviate suffering and secondarily to build the capacity of the NS
2. Project success is both demand (NS needs) and supply (back-donor agenda) driven. PNS see themselves having a key negotiating role.
3. National donors are decentralizing their funding allocation to their country offices
4. PNS can be less diplomatic with ONS than can the IFRC

Let us examine these in more detail.

## **Program to alleviate suffering or to strengthen a national society?**

As we noted in chapter three, when one society seeks to assist another, outside of emergencies, and places delegates in that country, the rationale, if IFRC policy is followed is to be there at the invitation of the host national society. The delegates are to support the development and programming of the host society and to have either no separate presence or a very time limited separate presence.

PNS delegates, when asked to justify their program, pointed first to the alleviation of suffering in the country in question and secondarily to the building of the capacity of the host national society. The extreme position was well articulated by one senior IFRC delegate: “They (PNS) run their programs first, and then sometimes these coincide with the programming of the ONS. Directly building the capacity of the ONS always takes a poor second place.”

One PNS representative stated bluntly: “For [us], we are clear that our first aim is to alleviate suffering in [this country], then if possible, but not as a necessity, build the capacity of the national society.”

A more frequently encountered and less extreme rational was typified by the following comments from PNS representatives in SE Asia and Nairobi: “We see alleviating suffering in country as the prime objective but with capacity building of the national society as a necessary condition.” “We see our role as supporting the [national society] programs and capacity development” “I see [our] programming as being about 50% on alleviating suffering, 50% on national society capacity building.”

The skew towards emphasizing the direct alleviation of suffering seems to be a product of two things. *First* the nature of the government-derived funding the PNS is using. All PNS delegates questioned agreed that it was especially difficult to get funding for capacity building of a society and much more normal to be able to win funding for programs that directly alleviated suffering. Many delegates pointed to the increasing accountability and reporting ties that come with government funds. As one senior PNS delegate from a European country put it: “For [us], [our government] funds can only be implemented bilaterally. We have no choice in this matter.”

*Second*, a sense that many PNS delegates see themselves as emissaries of their national societies implementing the programs of that society. As one host national society leader put it: “We do not really have a good overview of what each PNS is doing in country. We do not want to control these programs... But, would at least like to be able to paint an overall picture of what goes to in country.” Almost all the PNS delegates we interviewed spoke of *their* programs, not of the programs of the host national society whom they were supporting.

## **Brokering supply and demand**

Most PNS delegates were refreshingly realistic about the challenges of matching funding to programs: “Programs really tend to be a compromise between what a national society wants and proposes and what donors are looking to fund. We try to make this compromise work.”

The reality today is that most governmental funds come as contracts rather than grants. The contractor receiving the funding (the PNS) is under very explicit reporting and accountability restrictions. The contract is given to the PNS which is legally responsible for implementing the program within the constraints of the contract. Failure to keep to the contract may result in having to hand back funding and/or jeopardizing future funding. In this “commercialized” climate, PNS basically have to do a risk analysis. Can they “risk” handing over implementation and/or management of the grant-contract to the ONS when they still carry the legal responsibility for the contract?

PNS react to this pressure differently. Many, to their credit, seek to have the best of both worlds, accepting the constrained funding and looking to use it to support the development of and programs of the local national society. From a PNS representative: “The real issue for [us] is that PNS in country should be partnering the ONS. This is a very difficult thing to do, it requires mutual respect. It takes advantage of their shared NS backgrounds. It looks for trust – like marriage.” But we also came across examples of PNS representatives who were more accepting of their government’s restrictions and less willing to challenge them or seek to find creative ways to make them work within a Red Cross/Crescent context.

If one accepts the status quo, that nationality *should* make a difference when seeking funds from government donors, then there is some logic in having PNS delegates in the field to negotiate and service such agreements. But this is a big “if” for an international organization like the IFRC which espouses the equality of all persons and the right of each Society to determine Red Cross/Crescent programming in its country. A more principled approach for the IFRC would be to start to challenge the status quo, seeking to reduce the national element in funding decisions whilst moving the Operating National Society into the forefront of negotiations. Whilst there is no guarantee that change can be affected, it would seem appropriate for the IFRC to explore these options.

## ***Perceptions***

### **IFRC Delegations**

#### **How do IFRC delegations see themselves?**

IFRC delegates suggest see themselves as having three personas.

*Program manager:* Some delegations have a hand in the management of programs, almost always implemented through the national society. Often these are extensions of major relief operations. Management may be reduced to financial and reporting management.

*Champion of the national society:* Many delegates recognize the implicit power imbalance between a national society and its country’s government, and between a national society and the PNS partners. IFRC delegates see themselves as having a role in balancing these power relations. Discussions around developing the CAS and the delegation’s roles as coordinators of/for PNS activities were often expressed in these terms.

*Field representation of the secretariat services and authority:* Under this guise most delegates saw their role with the national society towards its organizational development, to act as the

official representative of the IFRC and to help PNS delegations understand their legitimate role with the IFRC.

**How do host national societies see the IFRC delegations?**

Host national societies tended to focus on roles two and three. In one SE Asia country the host national society was very specific. “The IFRC delegation should help [us] with developing [our] 2010 strategy and Cooperation Agreement Strategy (CAS), help [us] with international relations and PNS relations, transfer technical skills, particularly in community based organizational development and fundraising, help [us] develop new resource sources outside of the present PNSs and be effective coordinators of the PNS in county.” No host national society saw a program managerial or implementation role for the IFRC delegation outside of major disaster relief.

**How do the PNS delegations see the IFRC delegation?**

PNS delegates universally emphasize three expectations from the IFRC delegations.

First, taking on the responsibility to assist the host national society with its organizational development, in particular “deep structure” issue such as the society’s constitution, Red Cross law in country, governance, management systems, finance and accountability systems, branch origination and volunteer management. Second, providing PNS with technical advice, the tools, systems and standards which allow them to do good programming with the national society. Third, acting as impartial facilitator of the coordination needed between the host national society, the PNS, often UN agencies, and government ministries.

**PNS Delegations**

**How do PNS delegations see themselves?**

Most PNS delegations see themselves as focusing on the direct support of programs which alleviate suffering and vulnerability. Most, but not all, describe their work in project terms, with projects often equating to funding sources and grants/contracts. They are less consistent than the IFRC delegations in seeing the national society in the driving seat on programming, believing that at times it is justified to carry out projects beyond the capacity of the host society.

Where PNS delegations have flagged their role in capacity building it is, for the most part, where capacity building has a direct effect upon the program for which they have acquired funding. Branch development, building up a society’s logistics capacity or the strength of its health programming would be common capacity building tasks.

**How do IFRC delegations see PNS delegations?**

As employees of the Secretariat and thus in effect the international civil servants of the IFRC, IFRC delegates see the PNS as a sub-set of the membership to whom the IFRC delegation is accountable and to whom it has an obligation to provide service (along with service to the host society). Through this lens the IFRC delegates see the PNS delegations as needing assistance to ensure their enthusiasm and national flavors do not overwhelm the host society or misrepresent the IFRC in the public arena.

IFRC delegations felt little sense of competition with the NS delegations but at times were saddened by their apparent waste of resources and commitment to their own, rather than the host national societies', agenda.

### **How do host national societies see the PNS delegations?**

Host national societies have quite a complicated view of PNS delegations. So much depends of course on the qualities of the delegates. Some themes to emerge from the interviews are:

First, PNS delegations are sometimes seen as the necessary burden to be accepted in order to secure funding from their particular back-donor. As more than one host national society put it, they feel they have no right to refuse funding which their country desperately needs, even if the strings attached are onerous.

Second, where PNS delegations are unavoidable, host societies look to a partnership arrangement. "From PNS I look for partnership where programs can be planned together. I want PNS to program across the country, not just in one region. PNS need to think more fully about the quality of their in-country offices. Big offices, many cars, lots of computers and lots of Ex-pats means lots of resources not going to the neediest. Offices should be small but high on skills and effectiveness."

This view was mirrored by a number of PNS delegates: "[We] believe it is building a *partnership* with [the host society] where there is a great deal of mutual respect and understanding, but it has taken time. Time to understand each other and get past misconceptions."

What a host society dislikes most is being left with a feeling that it is being bullied, ignored and ridden roughshod over in its own country. As one senior IFRC delegate put it: "You sometimes get a feeling that the reality is that the ONS have provided the PNS a pitch to play on rather than inviting the PNS into their (ONS) programming."

A senior host national society official gave the following examples: "Because we are so reliant on funding from PNS, even in an individual dept, people are paid according to what the project they are funded from can do. Thus a project officer can be paid more than the Secretary General!" "We have one PNS here with a local representative. They fund a hospital program but do nothing with our society or the IFRC. They act in total isolation!"

Third, PNS-host society relations are not all about funds. Host societies see PNS delegations as playing a valuable role of negotiation with the embassies of their countries and with their government aid programs. The PNS are seen as valuable partners in championing the development needs of the country.

In addition, host societies explicitly value the "sister society" aspects of a good PNS delegation. They welcome delegates who have considerable experience in their own home national society, running branches, organizing volunteers, negotiating with their government. Delegates need to be more than technical experts!

## ***Legal Status of delegations***

As discussed earlier, the IFRC has a particular and well defined legal status which is further defined, country by country, in Status Agreements to cover its delegations. Likewise national societies have clear legal status, defined in local Red Cross Law and obligating them to provide service to the entire population of their country and to be the sole Red Cross/Red Crescent society in that country.

PNS delegations have a range of legal status. In Vietnam, where there is no Status Agreement in place for the IFRC, PNS have signed a variety of NGO-like agreements with the Government of Vietnam to give them a legal status in country. Such status, though, as separate legal entities in Vietnam, pushes at the boundaries of what is acceptable under the principal of unity.

In most locations where the IFRC has negotiated a status agreement, an attempt is made to bring the PNS delegations under the legal shield of the agreement. This extends to those delegates the privileges and immunities of the IFRC delegation, but also obligates them to act in conformity with the principles of the agreement.

Use of the status agreement is often offered as part of a service package, provided by the IFRC to a PNS delegation, for a fee. One senior PNS manager who has negotiated a number of such service agreements expressed broad support for the arrangements.

This PNS is generally satisfied with the quality of the services provided by the IFRC delegations working under their current service agreements. Many of the services were very straightforward and therefore performed efficiently. However, two types of services that must be improved are the performance management of local staff contracted by the IFRC on behalf of the PNS and the quality of financial reporting on program expenses incurred by the IFRC as part of PNS-funded bilateral activities.

## ***And what about the ICRC?***

In the view of one senior ICRC manager, the work of any one National Society working bilaterally (or unilaterally) present physically in a given country is clearly associated with its nationality. A National Society's identity is always linked with its country of origin. This is much less apparent when the national identity of National Societies gets "diluted" into the ICRC or the IFRC approach, because of their international status.

In conflict situations, one of the first analyses that are made by ICRC is around which nationalities are acceptable in a given context. They routinely makes this analysis for staff deployment in situations of conflict or internal strife and decide which nationalities would be accepted in a given context, in the light of the risks for the security of individuals, for the security of the operation and for the perception of the action of the Movement. However, there may be several degrees of sensitivity to such issues: for instance in a conflict where NATO or any other coalition of countries are an active party, it may be acceptable to have Movement personnel from (NATO member) these countries in an IFRC or ICRC delegation, while it can be too dangerous to have National Societies from a member of the coalition countries acting with a clear national identity and visible profile.

While having many PNS offices in situations described in last paragraph can be problematic for coordination and security reasons, the existence of many PNS programs (and offices) in a given country is not necessarily a problem in itself for the ICRC. The real issue is over coordination of activities and managing the political sensitivity of the different national affiliations which result from PNS presence. There is a very real problem of potential multiple lines of decision making, and in conflict situations, this often translates into security issues.

The funding constraints for National Societies are also an important factor in conflict situations. In many instances, PNS have little influence on where the funding from their national authorities goes - to country, program or even project. For many PNS, this decision is not taken by them, but by their state donor, as part of the states foreign policy and strategy. This reality is commonly known in the country of operation by the authorities and the beneficiaries alike and this can have a direct effect upon the perceived independence and neutrality of the Movement.

It is thus an illusion to believe that the Movement and the action of its specific components are beyond attempts of political instrumentalisation. In this knowledge, the Movement needs to manage its operations in such a way that the inevitable political interference has the smallest bearing on the humanitarian operation, on the operational choices and on the perception of our action by various stakeholders.

Dealing with this reality needs both principle and pragmatism to prevent falling into traps that would compromise the respect of our Fundamental Principles and the spirit of our humanitarian action. Each new situation requires a new analysis of the political implications for the positioning of the action of the Movement. Following this analysis, a consultation needs to take place among the concerned actors to jointly find suitable solutions that do not hinder or compromise a correct positioning and perception of the action of the Movement as a whole in a given context. This needs to be done in a constructive dialogue where real issues and concerns are addressed. And of course, because the political considerations are often particularly present and acute in situations of conflict and internal strife, the ICRC has often to assume the responsibility of addressing such issues with other components of the Movement.

### ***Is there more to life than PNS and IFRC delegations?***

Up to now we have discussed the cases of delegations. The IFRC uses at least four other forms of in-country support.

1. Society and other donor funding via the IFRC: Many smaller donor national societies neither wish to, nor have a need to, nor have a motivation to set up their own overseas offices. They believe it is more effective to pass their funding through the IFRC where it can be fed into society programming and reported on via the IFRC delegation. Larger PNSs may also program funding through the IFRC, especially in countries where it might not have a presence or feels that, for a variety of other reasons, the IFRC is better positioned to effectively program and adequately manage the funds. The need for the IFRC to provide this service for its members will not go away in the near future and should remain a key service of the IFRC delegations. Many of the major UN agencies and other multilateral organizations prefer the IFRC, rather than a national society as a partner. As one seasoned UN observer put it: "The big players - UN, major UN agencies and many Governments - are not interested in dealing with individual [societies], no matter how big they are. Kofi

Annan, the chiefs of OCHA, UNHCR, WHO, WFP and UNICEF prefer to deal with the IFRC as an international body, led by its President and Secretary General. They expect the IFRC to lead, coordinate and discipline its ranks.”

2. Some PNS are able and willing to provide funding direct to an ONS without needing representation or staff on the ground. In this case a great deal of the burden of accountability is transferred to the shoulders of the ONS, with the responsibility often continuing to rest with the PNS.
3. Local sister societies who have expertise to share may often arrange exchange visits and training as for example the Thai Red Cross does for other societies in SE Asia working in blood services.
4. Some PNS, notably the Danish Red Cross, have decentralized their international departments and work through a regional representative who manages funding for the Danish government flowing via the Danish Red Cross into the societies of a number of countries.

### ***Can PNS delegations act as/on behalf of the IFRC?***

If a PNS delegation wanted to perform the duties of the IFRC, it would need to be legally part of the IFRC, i.e. operate under an IFRC Status Agreement. Second, its staff would need to be managed by the Secretariat. Such a delegation would in effect have morphed into an IFRC delegation, staffed by staff-on-loan from a particular PNS. So, from a governance and managerial point of view such an arrangement is a non-starter.

One needs to look further though, at the persona of the delegation. IFRC delegates are like international civil servants: they have to shed their national agendas and prejudices to service their individual and collective membership and to act as guardians and champions of the core values of the IFRC. This culture of the IFRC is critically important. It is what really makes the IFRC an international organization in its daily dealings. This is not to say that the IFRC has presently managed to develop a consistent and robust culture across its delegations. There are still many gaps. As one senior ICRC delegate (from a PNS) put it: “IFRC delegates often lack a clear vision of what they are doing of what it is to be “IFRC.” They find it all too easy to keep their national society vision. ICRC’s clear mandate and organizational culture means that PNS staff are quickly assimilated. The challenge for the IFRC is to develop a similar clear and quickly communicated culture. ICRC would see substituting PNS for IFRC delegations as a real problem as the PNS bring a national agenda with them which will act to the detriment of ICRC.”

## ***Conclusions***

### **Independence**

At present, there is a case to be made for the utility of donor country national societies forming a bridge between donor and operating societies. As major western donors decentralize their grant making structures, shift from grants to contracts and focus more on performance measures, the

business of negotiating and servicing a funding agreement becomes more onerous and may well be facilitated by the use of a bilateral delegate in the receiving country or region.

Such a relationship however needs to be guarded. It flies in the face of the ethos of the IFRC. It reinforces inequitable power relationships and effectively keeps the Operating Society in the role of beneficiary.

Further, it is common practice for delegates to have relations with the embassy of their country. Indeed they could not perform the positive functions above without such relations. However, it is also a sad fact that, with the advent of the so called *Global War on Terror*, it is becoming harder and harder for aid agencies to maintain perceived independence from Western foreign policy. This means that delegates need to go to even greater lengths than in the past to demonstrate their personal independence from the policies of their governments.

It may be that the only reasonable answer is to expect this international responsibility to fall to the IFRC head of delegation or representative, as the representative of the entire membership since issues of independence and neutrality reflect upon the entire IFRC. Where the Seville Agreement is applicable this role would rest with the designated Lead Agency.

## Unity

We believe the concept of PNS offices in a host country, which have their own legal persona separate from the host society or the IFRC, seriously call into question the Movement's fundamental principle of unity. While we can see a present role for PNS delegates in negotiating and servicing funding arrangements from "their" governments, this practice flies in the face of many IFRC values and should therefore be systematically challenged by the IFRC. The Principle states: "There can be only one Red Cross or one Red Crescent Society in any one country. It must be open to all. It must carry its humanitarian work throughout its territory."

International Conference Resolutions from before the Second World War allow for and circumscribe the existence of a temporary office of another national society on the territory of a sister society. Though these resolutions assume that the invited society is there to provide service to its own nationals in-country and with the explicit permission and agreement of the host society.

No Red Cross society shall set up a section, delegation, committee or organization or have any activity in a foreign country without the consent of the Central Committee of the National Society of that country and of its own Central Committee, especially as far as the use of the name and emblem of the Red Cross is concerned ....<sup>53</sup>

recommends to National Societies,

a) that no Red Cross delegation, Section of Committee shall be established in foreign territory without the consent of the Central Committee of the National Society of the country concerned,

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<sup>53</sup> Resolution XI of the Xth International Red Cross Conference, held in Geneva in 1921.

- b) that this consent should only be asked for in exceptional circumstances, for purposes definitely determined in advance, and for a limited period of time.<sup>54</sup>

Our sense therefore is that it is only in *exceptional circumstances* that a PNS should establish a separate office in another Society's country. Maybe, *where* the local Society is unable to host PNS staff (as for instance is the case in Hanoi where local legislation precludes expatriates working in the same office as Vietnamese), *and* there is no IFRC delegation that PNS could work under (more on this later) *and* the PNS assistance to the host society is sufficiently large *and* is circumscribed by onerous donor reporting and performance requirements, *then* a separate delegation can be justified. As we say, in *exceptional* circumstances.

There must be a real concern within the IFRC where multiple PNS delegations exist in one country, all incurring core costs including expatriate delegate costs. This appears to be the case in Nairobi. Whilst one may argue the case for separate PNS representatives (particularly in a regional setting) as being the most advantageous way for the IFRC to leverage donor government funding, the case for separate offices or parallel and accumulative core costs cannot be made compelling. It is financially wasteful.

Where PNS can truly justify having their own representatives in country (at the request of and supported by the host national society), the delegates should seek to pool common resources and operate out of the host society or, if there are genuine reasons why that cannot happen, then out of the IFRC delegation and not run separate infrastructure budgets.

## Universality

An international assistance program dominated by bilateral arrangements would inevitably lead to the polarization and politicization of the IFRC. It plays straight into the hands of unequal power relations and effectively excludes many members from participating in aid relations. Bilateralism therefore needs to be complemented by programming methodologies which allow for smaller donor societies to contribute directly to a host society without the need for an in-country presence. Equally there must be mechanisms which allow for large multilateral donors to provide funding, and these for the most part want to work via the IFRC's Secretariat.

We believe it is the job of the Secretariat to seek this balance, but it is implicit that all members will examine their international assistance to see if it is inadvertently doing harm to the universality of the IFRC.

## Power relations

In this study we are looking at cooperation structures in the IFRC outside of disaster and emergency situations.

Development cooperation and assistance in the IFRC is governed by a policy recently approved by the IFRC's General Assembly. The language in that resolution firmly places the ONS in the

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<sup>54</sup> Resolution VII of the XVIth International Conference (London, 1938)

driving seat and the PNS in the more passive assistance seat. The ONS has the responsibility for planning and managing all aspects of its own development... Assistance offered by a PNS will always be in line with the priorities and objectives of the ONS as described in its strategic development plan... Each PNS should formulate a clear strategy for international cooperation in consultation with the IFRC Secretariat and its regional priorities...<sup>55</sup>

This is the theory. The reality is that between the typical PNS contemplating or having an in-country delegation and the host society, there is a very unequal power relationship, with most of the power being on the side of the PNS. Our sense is that this relationship is very rarely directly discussed and addressed. Too often in our interviews we heard PNS delegates bemoaning the delivery capacity of the host society and justifying therefore their need to be more assertive. Too often we heard host societies justifying allowing PNS to play a more leading role than they should because the host society, or the country, or both, needed the funding and was willing to pay the price.

Of course there are exceptions to this. In Cambodia and Vietnam the American Red Cross and the host societies are more seriously facing up to this power relationship, and their nations' shared tragic histories, to develop a partnership which is gradually building mutual trust. In East Africa the regional societies are being more assertive than in the past over inappropriate PNS programming and behavior and is seeking to balance the power relations through a more unified regional position.

The onus is on the PNS to demonstrate that its proposed assistance is truly in line with the priorities of the host society and is being received as a welcome and best option, not as the least bad option in a poor selection. In this context we are also struck by how little capacity building seems to feature in the rationale for assistance.

Host society programs need to address suffering and vulnerability; this is what external donors give funds for. But PNS are under a clearly defined obligation to ensure that this assistance is added to and carried out in such a manner as to capacity-build the host society. This is not optional but mandatory.

IFRC delegations have a critical role to play in this power dynamic. They have an obligation to serve all the IFRC's membership, PNS and ONS, and to monitor and facilitate the observance of the IFRC's policy body. It is not sufficient that a host society is willing to accept PNS assistance or allow its active involvement in programming, the IFRC delegation also has to ensure that such a local arrangement is not to the detriment of the greater IFRC.

IFRC delegations have a critical and mandatory role to monitor and facilitate the development of PNS/host society relations. Their role is not to "even up the odds" on behalf of the ONS and thus leave the underlying power relationship unaddressed. Rather their role is to facilitate a dialogue between the host society and its potential supporters where the harmful effects of the unequal power relationships are acknowledged and addressed, and where the local arrangements and programming that is being considered are constantly tested against the IFRC's agreed policy body.

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<sup>55</sup> Development Cooperation Policy of the International IFRC, adopted by its membership at the 1997 General Assembly.

## National verses international persona

Because the IFRC is *International* there is an onus on all delegates to think and act within that international context when outside of their national programs. *Delegates must leave nationality at the door*. For PNS delegates this requires them to do a delicate balancing act, as part of their value internationally is to act as a link with their government's aid agency.

IFRC delegates represent the collective of the membership and must always act on its collective behalf as well as acting in support of the national societies they are having direct dealings with. Most IFRC delegates we met, particularly those who had worked in the Secretariat in Geneva, manifest such a persona, but we were struck by how ad-hoc the establishment and encouragement of this persona was. Neither in Geneva nor in the delegations visited did we get a sense that the IFRC, unlike the ICRC, had systematically defined and built an IFRC culture and doctrine which all IFRC delegates would be expected to abide by and demonstrate.

We understand that the IFRC's performance appraisal system for staff speaks to the demonstration of core values, but that is to do with monitoring, not building, a culture. As the IFRC embarks on a period of revitalization we believe it is vital that its staff, in Geneva and the delegations, have a clear sense of their identity, their culture and the norms by which they are expected to behave. Without this it is difficult to see how the Secretariat can play its necessary strong facilitating role in revitalizing the IFRC.

To further allow societies to build on the IFRC's international persona, the present reliance on government donor funding needs to be challenged. Many NGO aid organizations are now also recognizing the distorting effect of over reliance on government funding. World Vision International, now the world largest humanitarian NGO, has kept its government funding down to under 30%. CARE international has recently taken a policy decision, particularly applicable to its USA member, to actively build up its non government funding sources so as to restore its actual and perceived independence.

We believe the IFRC and each of its major donor societies must also urgently seek to widen their funding support base in order to increase their independence from government policy and their freedom to program as the national societies need rather than as the donors want.

Finally although few and far between, we did come across two cases of assistance programming which was, to all intents and purposes, unilateral – the ultimate expression of national rather than international identity. One of these cases is being actively addressed at present but the other, that of a PNS medical program in Cambodia, would seem to be total at odds with the policies and ethos of the IFRC. It should be clear that there is no place for this sort of programming in the IFRC of the future.

## **Role for IFRC delegations**

We see future IFRC delegations having the following key functions.

1. Working with the host national society to enhance its governance, management, resource base, strategy and planning in line with the Strategy 2010. The balance of sovereign rights and international common good is shifting. Individual societies who do not make the most of what is possible in their national environment to follow the Fundamental Principles and IFRC's policies jeopardize the credibility of all their sister societies. This should not be acceptable. IFRC delegations have an international responsibility towards the collective membership to develop an honest yet supportive relationship with the national society they work with.

The IFRC should not be providing direct consultancy-like services in for instance management systems or financial reform. This sort of skill can be contracted locally and is usually more appropriate and of better quality than that provided by expatriates. The role of IFRC delegates is to facilitate this process, to work with the society leadership to help them drive the necessary reforms.

2. Act as the Secretariat's extension in the field. This role involves both an advocacy role with other international bodies, Missions and Embassies, for the IFRC's views, work and publications, and a service role towards the host national society, enabling them to access secretariat services and to understand the collected policy body of the IFRC.
3. Actively facilitate the negotiation between bilateral funding and the host national society to ensure programming that is in line with IFRC policies and exemplifies the principles of the Movement. In many countries helping formulate a CAS will be at the heart of this process.
4. Through its status agreements, offices and service agreements, provide structure and support arrangements which allow necessary bilateral delegates to work fully within the framework of the IFRC delegation. While bilateral delegates may add value to the IFRC in specific circumstances, no such case can be made for separate bilateral offices. In the future bilateral delegates should be working under an IFRC umbrella, getting the best of both worlds, the bilateral and the Federal.
5. Particularly in its regional delegations, providing specific technical assistance in core IFRC programming areas as defined in Strategy 2010 for both societies of the region and the PNS programming partners. This service should increasingly be provided through regionally or locally hired expertise. In most technical fields such as primary health, HIV/AIDS, disaster preparedness, first aid, the true value of outside expertise lies in knowing how to adapt present day technical knowledge to the local operating environment, and that skill is most present in people who understand the local culture and speak the local language. The days of the Western expatriate technical advisor are, in effect, over.

From the above analysis and discussion can be draw the following conclusions and associated recommendations.

### **Conclusion 18**

When examining the work of the PNS on the ground, one needs to distinguish between bilateral delegations, bilateral programs, bilateral delegates and bilateral financing. Permanent bilateral delegations seem to fly in the face of the principle of Unity and of a number of IFRC GA resolutions. The issue is both one of principle and of policy and so, we are sure, will cause much debate! We came across no evidence to support the value added by separate PNS *office* in someone else's country. Indeed some ONS feel somewhat hurt and at times insulted by this throwback to a bygone age of colonialism.

### **Recommendation 18**

No new PNS offices should be opened. Existing PNS offices should seek to be incorporated either into the host national society or, at second best, into the IFRC delegation. For Regional offices of the NS, incorporation into the IFRC regional delegation would be the preferred option. At the same time the Secretariat needs to accelerate the development and implementation of Service Agreements and other such support structures which remove the more practical perceived benefits of a separate office.

### **Conclusion 19**

Multiple bilateral delegations waste funds as do multiple bilateral delegates. In the three locations looked at (Vietnam, Cambodia and Nairobi), cost savings would be possible by pooling resources. This has already started and the trend should be encouraged.

### **Recommendation 19**

Where a multiplicity of bilateral delegates is justified, as part of their incorporation under the national society or IFRC delegation, they should be explicitly looking to pool resources.

### **Conclusion 20**

The existence of multiple PNS delegations and operations in situations which may transform into conflict environments, seriously complicates the work of the ICRC and may jeopardize the perceived independence and neutrality of the Movement.

### **Recommendation 20**

In conflict situations where, under the Seville Agreement ICRC has the lead role, PNS should be fully prepared to take ICRC's lead and curtail national based delegations and programs.

### **Conclusion 21**

The issue of bilateral offices aside, there is no unanimity in the IFRC over the value of bilateral delegates. Most ONS interviewees we talked to saw their prime value being back to the PNS – as the custodians of accountability and performance on government grants. Whilst most accept this as a valid function under the present funding regime, many questioned whether the societies and the IFRC, are doing enough to challenge this patronage system. Further, in programs where the funding brought in to the ONS is not orders of magnitude greater than the costs of the bilateral delegates, many ONS and Secretariat interviewees seriously question the validity of the presence of such a person.

### **Recommendation 21**

Bilateral delegates as facilitators and support mechanisms to substantial back-donor funding, are justified under the present funding regime, but the societies and the IFRC have an obligation to more seriously question this system, seeking to increase the proportion of funding accessible directly by an ONS or multilaterally via the IFRC.

### **Conclusion 22**

Not all, but many bilateral programs seem to be primarily shaped by the wishes and constraints of their back-donors. “At times we feel PNS are more implementers of back-donor programs who invite ONS in at the last minute.”<sup>56</sup> Most bilateral delegates interviewed were clear that their primary objective was the alleviation of suffering in country and that helping build the capacity of the host national society came a poor second.

The overall impression one gets is of a disconnect between the programming motivation of the PNS and the programming needs of the ONS. Given the present critical role institutional back-donors play in this funding flow, such a tension is to be expected. What seems less acceptable is the apparent ease with which the constraints it imposes are accepted.

### **Recommendation 22**

PSN programming and funding should primarily exist to support the strategy and programs of the host ONS. Our sense is that too often power relations are allowed to dictate that the reality is otherwise. Capacity building of the ONS – not just to support the needs of the PNS programming – should be an explicit part of all PNS support programs. ONS should be under an obligation to accept funding only when in line with their strategy and supportive of their programming. PNS should be under an obligation to clearly demonstrate the primary capacity building objectives of their programming.

The IFRC delegation should be empowered to hold both sides accountable to this ideal and to initiate the frank discussion alluded to earlier which will allow for the power relations around funding flows to be more openly addressed.

### **Conclusion 23**

Most government and multilateral agency funders have specific mechanism for funding multilateral organization like the IFRC. Often national entities do a poor job in exploring and helping the IFRC access these funding lines.

### **Recommendation 23**

PNS should be rigorous in exploring potential multilateral, as well as bilateral funding lines from their governments and the intergovernmental organizations they have access to.

### **Conclusion 24**

IFRC delegations are first and foremost extensions of the Secretariat, not managers of programs. The Strategy for change is already moving the delegation in this direction and our interviews suggest this is a welcome change to both ONS and PNS.

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<sup>56</sup> Interview with ONS Secretary General. June 2004. (Back –donors being those who give funds to a PNS to be passed on to an ONS)

**Recommendation 24**

PNS and ONS should actively support the evolution of the IFRC's delegation system as outlined in the Strategy for Change.

**Conclusion 25**

The corporate culture of the IFRC is a critical but under-developed tool in its armory. The quality of support and advice from the IFRC delegation varies tremendously depending on the particular delegate. This is not just a matter of quality, but often involved radical reversals of advice and attitude. Many ONS interviewees point out that in general the situation was even worse with PNS delegates, but they felt that the IFRC, as the international persona of the membership, had an absolute obligation to get it right.

**Recommendation 25**

As part of the Strategy for Change the Secretariat needs to develop and promote a strong and easily identifiable organizational culture. This culture needs to stem from the fundamental Red Cross/Crescent values but also needs to reflect the service and guardianship functions of a modern secretariat.

**Conclusion 26**

IFRC regional delegations have a growing reputation for good technical advice and providing the tools and standards needed for programming. This function needs to be enhanced and embedded into every regional delegation

**Recommendation 26**

Each regional delegation should be able to offer services of competent technical advice, standard setting, assessment, monitoring and evolution in the four core areas of the S2010. Increasingly this should be achieved through a combination of a few highly skilled and experienced international delegates and a cadre of regionally hired expertise, both on a full time and consultancy basis. Long term relationships with local universities other centers of excellence should be explored as additional relevant and affordable sources of competence.

**Conclusion 27**

There was almost unanimity across the PNS, ONS and IFRC interviews that IFRC delegations, particularly at the sub-regional and country level should play a critical support role in the fundamental aspects of organization development. For most interviewees this meant issues of governance, law, integrity, strategy and planning. With a particular understanding of the Red Cross/Crescent dimensions and volunteer dimensions of these areas. More technical expertise on management and finance systems and the like seems to be readily available in almost all countries now, at a more affordable price than via delegates. Such technical capacity building should make use of these local resources rather than expatriate delegates.

**Recommendation 27**

Facilitating the organizational development of a national society is a core function of an IFRC delegation. This mentoring and advisory role requires delegates with an up to date knowledge of Organizational Development theory and practice, an empathy with national societies – often born out of having worked themselves for a national society – and, critically, skills in mentoring. This

role of coaching and advising should not just rest with an OD delegate, but be a chief responsibility of the IFRC's HoD who is more of a peer to an ONS secretary general thus should be better positioned to support a change process. The IFRC should also urgently review the professional profile of its existing OD delegate with a view towards ascertaining additional training and skills they may need. Such training is now available at many universities around the world. The use of local change management agents, including private consultants, with an understanding of the national environment and a track-record of success should also be explored.

**Conclusion 28**

Unilateral PNS programs have no place in a federation and should become a thing of the past.

**Recommendation 28**

Societies which operate unilateral programs need to enter into urgent discussion with the affected host society and the IFRC to rapidly wind down or transform such programs into a format more acceptable to the modern IFRC.

## Chapter 6 - Creating networks and external partnerships

*This chapter examines the myriad of networks, ad-hoc groupings and representational functions involving the IFRC. We explore the role of the secretariat in stimulating and guiding the development of networks and its role in representing the IFRC internationally. We conclude with an examination of the urgent need for the IFRC to capitalize upon the many agreements that have already been negotiated to support the membership.*

### Mapping the partnerships

As we pursued this investigation we were amazed at the number and diversity of networks and external partnerships that emerged. Table 6.1 below captures many, but in no way all of these. The IFRC's website also lists many of the external relationships and partnerships (<http://www.ifrc.org/who/partners.asp>).

Table 6.1 Networking and external partners

#### I. Service Provision

Initiative	Type of Relationship	Partners Involved	Structure	Scope
Cisco Partnership Agreement	External Partners	Secretariat - Cisco	MOU -	global
Ericsson Partnership Agreement	External Partners	Secretariat - Erickson	MOU -	global
Reuters Partnership	External Partners	Secretariat - Reuters	Agreement - Access to Reuters archive - and picture sharing partnership	Global
Fritz Foundation	External Partners	Secretariat - Fritz	Agreement to develop logistics software	Global

#### II. Program Delivery

Initiative	Type of Relationship	Partners Involved	Structure	Scope
MENA Consortium	Internal Partnership	Societies of the region	Loose coalition	MENA
Ghana Consortium	Country specific consortia	ONS & PNS	MOU	Ghana
Arab Secretariat	Internal partnership	Arab Societies	Membership	Arab Societies
Southern African Partnership of Red Cross Societies	Internal Partnership	Regions Societies	Membership	Southern Africa
Gabon Consortium	Country specific consortia	ONS & PNS	MOU	Gabon
Pan-American Health Organization (PAHO)	External Partner	PAHO - Secretariat	MOU	Americas
Organization of American States (OAS)	External Partner	OAS - Secretariat	MOU	Americas

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United Nations Environment Programme (UNEP)	External Partner	UNEP - Secretariat	MOU	Global
United Nations Children's Fund (UNICEF)	External Partner	UNICEF - Secretariat	MOU	Global
United Nations Population Fund (UNFPA)	External Partner	UNFPA - Secretariat	MOU	Global

### III. Advocacy/Representation

Initiative	Type of Relationship	Partners Involved	Structure	Scope
Representation to the Arctic Council	IFRC Partnership (Delegation)	Secretariat/ Icelandic Red Cross	ToR granting....	Nordic Regional
Representation to UN in Vienna	IFRC Partnership (Delegation)	Secretariat – Austrian RC		Global
Representation Metropolis International				Global
UNAIDS/GNP+ Partnership Initiative				Global
Reach Out	External (Hosted Project)	Secretariat...	Governed by consortia of agencies - through a Board. Non-legal entity "hosted" out of Secretariat as per a "Hosting Agreement"	Global
Sphere	External (Hosted Project)	Secretariat	Governed by consortia of agencies - through a Board. Non-legal entity "hosted" out of Secretariat as per a "Hosting Agreement"	Global
SCHR	External (Hosted Project)	Secretariat	Governed by consortia of agencies - through a Board. Non-legal entity "hosted" out of Secretariat as per a "Hosting Agreement"	Global

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Provention	External (Hosted Project)	Secretariat	IFRC- World Bank initiative. IFRC runs the Provention Secretariat as a "project" as per an agreement with the World Bank.	Global
Global Road Safety	External (Hosted Project)	Secretariat	Governed by consortia of agencies - through a Board. Non-legal entity "hosted" out of Secretariat as per a "Hosting Agreement"	Global
Humanitarian Accountability Project	External (British Red Cross)	British RC	Agreed that British Red Cross would participate in its own capacity - but keep the IFRC updated on progression of HAP initiative	Global
EU Office	IFRC Partnership	Secretariat – European NS	Governed by EUNS and Secretariat Currently "hosted" out of Belgium Red Cross Will be hosted out of IFRC office in Belgium	European
MoU / International Olympic Committee		Secretariat		
MoU / United Nations Volunteers		Secretariat		
MoU / League of Arab States		Secretariat		
Membership in ICVA		Secretariat		Global
Membership in ECRE		Secretariat		Global
Membership in IASC		Secretariat		Global
MoU / African Union (ex OAU)		Secretariat		

### IV. Fundraising

Initiative	Type of Relationship	Partners Involved	Structure	Scope
Representation to General Electric		Secretariat American Red Cross	Draft ToR being negotiated - mandate granted with terms and conditions	Global
UNILEVER				Global
Shell				Global
British Petroleum				Global
DFID				Global
ECHO Framework Agreement				Global
Nestlé				Global

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ACROFA				
CORI				
ERNA				
PERCO				Global
Membership in "Big Seven" Youth organization alliance				Global

There is no standard methodology with the IFRC that we have found for categorizing the myriad of relations that exist. Table 6.2 below is our attempt to provide some structure to this.

<b>Table 6.2 Network relations</b>	
Type of relationship	Explanation
IFRC membership	<b>The Secretariat, usually supported by a General Assembly Resolution, negotiates IFRC membership in another body and thenceforth represents the IFRC in that body.</b>
Permanent Observer Status	<b>Since 1994, the IFRC has had permanent observer status at the UN General Assembly, giving it an opportunity to express its views and hear those of member states.</b>
Memorandum of Understanding	<b>Often signed between the Secretary General (on behalf of the IFRC) and an international body, such as a UN agency or a multi-national NGO to guide cooperation between the two bodies at the international, and national level</b>
Agreements	<b>More contractual like agreements signed between the Secretary General (on behalf of the IFRC) and an external body to govern a relationship with has formal obligations. Often used in funding relationships and for partnership relations with multi-national corporations.</b>
Consortia	<b>An association of entities formalized in some manner, set up to achieve a certain number of specific objectives or goals</b>
Cost Sharing Arrangements	<b>National Societies/Secretariat agreeing to share costs for a specific item or service.</b>
Delegation of Representative Functions	<b>The Secretariat delegation of its international representative functions to a person or a National Society for an institution or a meeting.</b>
Delegation of Private Sector Management Functions	<b>Secretariat appointing a NS as the IFRC representative towards a private sector partner.</b>
Hosted Projects	<b>Interagency initiatives, governed by a board or council of agencies, not having a legal identity of its own but hosted at the IFRC and assuming the legal identity of the IFRC for administrative, financial and legal purposes. Hosting arrangement governed by a Hosting Agreement with the IFRC.</b>
Networks	<b>A more or less loose association of entities with an interest in systemized interaction with each other.</b>

Clearly these relationships are not exclusive. A hosted project may be governed by an MOU; an MOU may be serviced by a delegation of representation functions.

Table 6.1 lists those internal and external partnerships we have been made aware of. They represent everything from formal global agreements with UN and corporate bodies to loose local coalitions of societies. They show the vibrancy and flexibility of the IFRC, a key “value added”

of modern federal structures. The table may also show the difficulty this federation has in tracking and channeling this valued added.

### ***What should the Secretariat's role be in choosing and implementing partnerships?***

The Secretary General is the Chief Executive Officer of the IFRC and the Secretariat supports the Secretary General. Where a partnership impacts upon an activity that is central to the mission of the IFRC, or involves a number of national societies it is legitimate for the Secretariat to play a role in its negotiation and service.

### **Negotiation**

The Secretariat may take one of several approaches to negotiating a partnership

1. No role at all; deeming it a local issue not an IFRC one.
2. An advisory and facilitator role where a partnership has the potential to have IFRC implications or where member societies request the Secretariat's assistance. This often happens at the regional level where societies are negotiating partnerships for cooperation around disaster mitigation.
3. A representation role where the Secretariat represents the IFRC with a view to being a signatory to the partnership agreement. This has been the case with MOUs signed with UN agencies and other intergovernmental bodies, or with regional internal partnerships which require the active involvement of the Secretariat.

In both the latter two active roles the Secretariat's job is to represent the best present and future interests of the entire membership. This is not always easy. In one negotiation over potential international corporate sponsorship, the secretariat had to balance the deal already struck with the corporation by a branch of a national society that societies wish to play a major role in international negotiation and the corporation's wish to get maximum branding benefit out of its association with the IFRC. Happily this exchange ended with a better understanding of the role of the Secretariat and some movement forward on negotiating with the corporation in question.

This negotiating role is often carried out by staff in the Secretariat in Geneva, but it can also be done by Secretariat staff in delegations. Many of the regional HIV/AIDS consortia involve national society partnership with WHO or UNICEF and have successfully used the facilities of the delegations to help negotiate the necessary partnership.

There have also been occasions where negotiations may start with a national society and then be handed over to the Secretariat. For instance the partnership between the Unilever Corporation and the IFRC was initiated by the Belgian Red Cross in 1998 before being handed over to the IFRC (and subsequently terminated in 2003).

In a vibrant federation with transparent relationships members should be encouraged to seek out and initiate such partnerships. Yet in such relationships the member needs to exercise both their national and international persona, knowing when it is in the best interests of the IFRC

membership to involve the Secretariat. Likewise, in this time of transnational corporations, the Secretariat has to be mindful of national sensitivities when negotiating with a transnational corporation (or global centers of learning and research, for that matter), in the knowledge that every transnational cooperation and academy has its headquarters in some nation state.

### ***International Representation***

The IFRC cannot absolve itself of its constitutional responsibility “To be the official representative of the member Societies in the international field...”<sup>57</sup> In most instances the act of representing the IFRC stays with either the President or the Secretary General, as Statutory Bodies of the IFRC.<sup>58</sup> The President may choose to delegate the responsibility to one of the Vice Presidents, members of the Governing Board or indeed any member of the IFRC. Likewise the Secretary General as the “Chief Executive Officer responsible for the management of the IFRC,”<sup>59</sup> can devolve this responsibility to a member society.

During the late 90’s the Norwegian Red Cross was delegated, at times, to represent the IFRC in the land Mines Treaty meetings, held in Oslo.

The Austrian Red Cross performs a similar but more formal role in Vienna. Vienna hosts a number of institutions of importance to the IFRC – as potential partners, fora for debate and positioning of National Societies and their IFRC, sources of funding, and otherwise. The most important of these institutions are the UN, OSCE and the OPEC Fund.

The Austrian Red Cross has made available resources – chiefly some of the time of one staff members – to enable the IFRC to be more systematically represented – particularly at the UN. As a practical matter, Terms of Reference have been agreed, and letters of accreditation provided to the Austrian Red Cross, whose staff member presented these to the UN in a formal manner. This establishes the IFRC in Vienna in a formal capacity not unlike that of the Permanent Observer Office at the UN in New York.<sup>60</sup>

Likewise, the Icelandic Red Cross agreed to be the representative of the IFRC vis-vis the Arctic Council during the period of the Icelandic Government chairmanship of that organization, and to undertake some co-ordination functions in relation to the other National Societies of States Members. As this chairmanship is rotating, a similar arrangement will be made through the Russian Red Cross as and when the Government of Russia takes over the Chairmanship.

In such a delegated relationship (and no less when the delegation is to an IFRC delegation), the onus is on the delegate to faithfully represent the interests of the IFRC, and not just her or his national society. Once again the importance of understanding and being able to act upon the dual persona of an IFRC member is thrown to the forefront.

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<sup>57</sup> Article 3.1.J of the IFRC’s Constitution.

<sup>58</sup> See Section V of the IFRC’s Constitution.

<sup>59</sup> See Section V Article 18 f the IFRC’s Constitution.

<sup>60</sup> This allows for instance for a Terms of Reference for the Representative of the International IFRC of Red Cross and Red Crescent Societies to the United Nations Office for Drugs and Crime (UNODC), which was negotiated in November 2003.

## **Action**

It is one thing to sign an agreement or MOU. It is a little bit more to sit in meetings and walk the corridors representing the IFRC. And it is orders of magnitude more to act upon such agreements.

All partnerships and agreements confer obligations upon the IFRC, its Governance, Secretariat or membership. Using these agreements to provided added value to the IFRC entails the investment of human resources, sometimes capital resources, and always intellectual resources. The use of the IFRC's Permanent Observer Status to the UN, has allowed for the IFRC to open a representative office in New York.

The office represents the IFRC with the UN's General Assembly and its subsidiary bodies, its Secretariat and the numerous commissions and agencies of the UN in New York and well as the national Permanent Mission to the UN. In the last 5 year leaders from 42 national societies have worked with the office to represent the IFRC in UN meetings and thus had a chance to talk direct to the UN. Staff from the national societies of UAE, Netherlands, Norway, Denmark, Germany, United Kingdom, United States Slovenia, Slovakia, Hungary, Tanzania, Ethiopia and Iran have all been seconded at one time or another to assist the office. The office costs around CHF 600,000/year.<sup>61</sup>

Many of the agreements however that the IFRC negotiates are more opportunities for national society action than for collective IFRC action. The Global Road Safety Agreement or the ProVention agreement would typify such arrangements. Although the specific agreements are around the hosting of offices and secretariats, these arrangements create an opportunity for the membership to benefit from partnerships, information and possible resource flows which it might otherwise miss.

In our discussions with both national societies and delegations however we got the distinct impression that many Societies are poorly informed about what exists, how they might benefit from it and how they can access that benefit. This is not surprising given the range of agreements that exist, the relative youth of most of them and their genesis in the "rarified atmosphere" of Geneva or New York. This is a serious shortcoming as these arrangements represent one of the specific added values of the IFRC's unique status.

Clearly there is a critical role here for the Secretariat and its delegations. As part of their evolving role as extensions of the Secretariat, we would hope that IFRC delegations will increasingly be aware of all the partnerships the IFRC has and able to help the national societies they work with access and benefit from these partnerships.

## ***Ad-hoc networks and regional groupings***

The IFRC boasts a plethora of ad hoc and regional groupings. They tend to fall into one of two categories: those that are to do with society representation and dialogue and those that seek to support specific actions, expertise of programs.

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<sup>61</sup> IFRC Representative in New York interviewed by Peter Walker. May 2004.

In the former category one can look to the Inter-American Regional Committee, (CORI) grouping of societies in the Americas, or the informal networking of societies at the sub-regional level, often supported by the local IFRC regional delegation. In the latter category would come the regional HIV/AIDS and disaster response networks and the initiatives around measles and malaria.

The **Measles Initiative** is managed by a national society (American Red Cross) and is governed (loosely) by a combination of the IFRC, American Red Cross and external involved partners (including a number of UN agencies).

The Measles Initiative is a very loosely organized but highly effective center of reference. The American Red Cross employees in Washington within the initiative do not purport to represent or “be” the IFRC. Questions therefore of the initiatives legal identity do not arise.

The Norwegian Red Cross **Vaccination and Malaria Initiative**, like the Measles initiative, comes out of field experience. It seeks to build a partnership amongst a selected group of societies which will allow them to ratchet up their expertise and effectiveness in reducing Malaria related morbidity and mortality.

Two host national societies, based upon identified needs and local capacities, will be selected to pilot test the program nation wide for the first three years. The PNSs and the IFRC will work in close cooperation with the ONS, securing necessary long term funding and necessary technical advice in developing and implementing the immunisation and malaria prevention program. The roles and responsibilities of the parties will be put forth in a MoU.<sup>62</sup>

Such impromptu and objective-specific networks and groups are a good thing. They add depth to the members’ relationships and the IFRC’s ability. They are part of the glue that holds the IFRC together. This does not mean they are without their problems.

Ad hoc groupings usually have a limited life and often closing them down appears to be harder than starting them up. One wonders at the real added value of the CORI grouping today with the parallel existence of NS groups serviced by the regional delegations and the statutory Americas Conference.

In many of these ad hoc groupings the IFRC’s Secretariat is playing an increasingly useful role, bringing in parallel experience from other regions or sectors, providing best practice in the formulation of agreements and seeking to provide local secretariat like services for groupings of national societies who seek to work together.

This is a fundamentally important role for the Secretariat and its delegations to play. It is a vital part of the way modern federations work, and it requires that the Secretariat and its delegations have the skills and knowledge to provide such a facilitating service.

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<sup>62</sup> Concept paper: Norwegian Red Cross – Vaccination and Malaria Initiative. Norwegian Red Cross, 1<sup>st</sup> December.

## Conclusions

Table 6.3 below sums up the various roles and responsibilities the IFRC and its members take on when entering into partnerships

**Table 6.3 Roles and responsibilities**

	Secretariat	Member Societies
<b>Negotiation</b>	Lead role in negotiating where it is an “international” negotiation or a key IFRC issue. Supportive role in Negotiation when called upon but its membership or when a negotiation is likely to lead to an international arrangement.	Often lead role in initiating a negotiation, but always mindful of the possible need to call in the IFRC where the issue goes beyond national interest
<b>Representation</b>	Statutory responsibility in all international fora	May be delegated to represent the IFRC, but then has to act for the IFRC, not just in the national interest
<b>Action</b>	Usually to communicate possibilities, flowing from the agreement, to the membership and subsequently to help them access them	To avail themselves of the benefits and responsibilities of any agreed partnership, in a responsible manner.

## International Agreements

We believe the unique position of the IFRC confers upon it a tremendous advantage when seeking to provide global leadership or benefit from relations with other global players in the humanitarian world. The data suggests that the Secretariat has done a good job in the past few years of positioning the IFRC with other organization. The data also suggests that use of this positioning by the membership has been less obvious. There are tremendous opportunities here, already negotiated, waiting to be unlocked. Here is a critical future role for the Secretariat and its delegations empowering the membership to make the most of these agreements.

From the above analysis we draw the following conclusions and suggested recommendations.

### Conclusion 29

We believe the unique position of the IFRC confers upon it a tremendous advantage when seeking to provide global leadership or relate to other global players in the humanitarian world. The data suggests that the Secretariat has done a good job in the past few years of positioning the IFRC with other organization. The data also suggests that use of this positioning by the membership has been less obvious. There are tremendous opportunities here, already negotiated, waiting to be unlocked.

### Recommendation 29

The Membership and the Secretariat need to make much more of what they presently have by way of international agreements. There is a critical future role for the Secretariat and its delegations empowering the membership to make the most of these agreements.

**Conclusion 30**

The IFRC has a vibrant community of regional groupings, some statutory, some ad-hoc. Often these groupings are not making the best possible use of the helpful technology presently available, or of linkages and experiences of other regional groupings within the IFRC.

**Recommendation 30**

Collective debate and action by societies in a region is to be encouraged. The developing use of the IFRC's Regional Delegations to facilitate (not lead) such groupings is a welcome sign and should be supported.

**Conclusion 31**

Ad-hoc groupings tend to be action and content oriented. The IFRC has, to its credit, many such groupings, often involving non-IFRC partners.

**Recommendation 31**

Such groupings are to be encouraged. In many of them the Secretariat can play a crucial supporting role, bringing together outside expertise with the member societies and representing the IFRC's policies and practices to outside bodies.

## Chapter 7 - Conclusions

*In this chapter we summarize the key conclusions from each chapter of this study. For each conclusion we have provided a recommendation. The chapter also seeks to situate these conclusions within the present rapidly changing political environment of global assistance.*

The world is not the world of ten years ago, or even five years ago. Of course some things stay the same, but so much is changing rapidly, particularly the shape of international relations and norms. Globalization and the “triumph” of the free market economy may lead to increased global prosperity, but at least in the short term they are leading to increased inequities between the rich-powerful and the poor-disenfranchised. The growth in international terrorism, and some of the consequences of counter terrorism, promote a “them and us” “with us or against us” mentality – the antithesis of the Red Cross and Red Crescent Movement values. Environmental change, particularly climate change, is leading to more extreme weather events and shifts in the resource base many marginalized communities rely upon. Finally the dizzying pace of technological change opens up the real possibility of transparent, accountable real-time communication across the globe.

All around us is change, and as one Bhutanese Lama described the advent of television in the kingdom five years ago. “Change brings choice and choice is good. Without it, how can you make the *right* choice?” In such a world leadership and commitment are fundamental to making and following through on those right choices.

Leadership in any organization must understand the landscape in which the institution exists, find its bearings to set the right course forward, and steer to keep efforts on track. All of these tasks are complicated by a fundamental shift in landscape. Globalization has forced the leaders of civil society organizations to explain the new circumstances in which they operate and to devise a new strategy for moving forward.<sup>63</sup>

This chapter reaches a number of specific conclusions and recommendations, but at the end of the day it has one message: The global changing environment characterized above is presently talking its toll on the IFRC. If the IFRC (that means all the membership and the leadership) does nothing, entropy will prevail and the IFRC of the future will be a pale reflection of what it could be. The IFRC is at a fork in the road. It needs to make a collective choice about its future.

The IFRC of the future must be one in which members value their international duties and responsibilities as much as they do their national. In which members expect their IFRC to hold them to account and in which the mechanisms of the IFRC, so many of which flow through the Secretariat, seek to invigorate the membership, provide international leadership and constantly work to guard the vibrancy and integrity of the IFRC.

The IFRC’s mission is not to itself or its members, it is to the poor and dispossessed of this world. It is to the national states which have brought the members into legal being and it is to the

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<sup>63</sup> Raymond C. Offenheiser and Susan H. Holcombe, “Challenges and Opportunities in Implementing a Rights-Based Approach to Development: An Oxfam America Perspective,” in *Nonprofit and Voluntary Sector Quarterly*, Volume 32, Number 2 (June 2003), 295.

Movement, (for in those moments when war victims have few to stand by them the ICRC requires and can only function with the support of national societies).

In a very real sense the integrity of the national societies and the IFRC are not theirs to do with as they want. Many people, in government ministries, UN agencies and international NGOs, urged us to help the IFRC find a solution for its present problems. As one exasperated government official put it. “Don’t they realize they simply do not have the right to get it wrong?”

In the eyes of many, the global network of Red Cross and Red Crescent is a global public good,<sup>64</sup> which is entrusted to the societies’ and IFRC’s leadership. The vulnerable and those who stand with them look to that leadership to do the right thing.

In order to build this vibrant leadership and supporting structures we make the following recommendations.

## **The rise of federations**

### **Conclusion 1**

In all federations members balance their national persona against their international persona. The more explicit they are about this and the more there is common guidance to do it, the more functional the federation. At present many national societies, their delegates and staff, have a hard time conceptualizing and practicing their “international persona”. Too often what is projected is the international perspective of the national society, not the international perspective of the IFRC.

### **Recommendation 1**

All national society staff who work internationally: whether in PNS, a receiving ONS or seconded to the IFRC, should undergo a short induction course into the duties, responsibilities and opportunities of IFRC international work. They need to have a true and common understanding of the values, persona and working methodologies of the IFRC. The curriculum for this course should be developed by the IFRC and approved by its governance. In addition the Secretariat needs to find ways of allowing all national societies to feel that they are contributing more to the international persona – that it is relevant and applicable to them and they feel that they have some stake or role in developing that persona as well as in thinking about how to operationalise it in their context.

### **Conclusion 2**

To remain a nimble federation into the future, the IFRC needs to pay more attention to the principle of *subsidiarity* and truly value the additional benefits the legal status of the IFRC brings to its secretariat. Only put in the center that which needs to go in the center. IFRC centers (Secretariat) tend naturally to accumulate functions, services and attributes over time. They are not so good at shedding them!

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<sup>64</sup> Defining International Public Goods: Conceptual Issues. Oliver Morrissey, Dirk Willem te Velde and Adrian Hewitt. Overseas Development Institute, London 2003.

### **Recommendation 2**

The IFRC – which means its governance in some form - needs to systematically review all functions and services presently incorporated into the Secretariat and its delegations through the lens of first shedding all those which are not central to the mission of the IFRC or which do not provided added value through cost savings of quality enhancement by being at the center. Second, the governance and the membership need to defend and support the unique roles and advantage their secretariat brings them. Unsupported, the secretariat, and then the IFRC, will wither. It is our sense that this process has already started, albeit prompted by financial constraints rather than efficiency concerns. The *Change strategy for the Secretariat* speaks of many of the same concerns as does the *Federation of the Future* process currently underway.

### **Conclusion 3**

All federations are vulnerable to the disease of “might is right” practiced benignly or less so. The IFRC has a particularly asymmetric membership in which unequal power relations are the norm. In the past these relations appear to have been viewed as an embarrassment – Red Cross and Red Crescent people don’t think like that - and thus ignored or wished away. Down this road leads suspicion, mistrust and fractionation.

### **Recommendation 3**

Inequitable power relations are the norm not the exception in the IFRC, particularly in its internal international work. IFRC staff and delegates need to take the lead in recognizing this reality and helping national societies to openly address it in their dealings. In facilitating the negotiation of a CAS, for instance, it should become standard practice for the IFRC delegate to facilitate an open discussion of power relations between the ONS, the PNSs, the Secretariat, and their respective governments and back-donors. This is no easy thing to do and may imply the need for specific training for senior delegates.

### **Conclusion 4**

IFRC’s, unlike corporations, thrive on influence, trust and empathy not formal power and explicit controls. But this means they are inherently unstable and the federal structures – secretariat and governance - have to do work, just to keep the federation together. Open relationships, conversations and chatter are the oil in the federal machine. And this IFRC, with its multiplicity of languages, cultures and geography, needs to be constantly encouraging and inventing new ways to talk.

### **Recommendation 4**

Create the opportunities for dialog within the framework of regional meetings, chat rooms on websites, phone-ins streamed live on fednet. Even with in the General Assembly and its Commissions there is scope for more enlivened conversation, as has been demonstrated in the past with the Youth Commission.

### **Conclusion 5**

Many other NGOs are going federal, as are some major corporations. IFRC has lessons to pass on, and much to learn.

### **Recommendation 5**

The Secretariat, and the membership, should invest time in understanding how other federal organizations work. SOS Children Villages, Caritas, and the YMCA have country-member federations. The IFRC Secretariat could invest time in dialogue with World Vision International, Amnesty International or Rotary International about how they make their federations vibrant.

### **Conclusion 6**

This study does not attempt to identify where the IFRC currently is on the NGO Family Network Continuum or where it should be, but expects that there would be very different options on this among some national societies and Secretariat staff.

### **Recommendation 6**

It would be healthy for the IFRC, and perhaps as part of the *Federation of the Future* process, to question its membership and Secretariat leadership as to where on the NGO Family Network Continuum they see the IFRC today, where they would like to see it in the future, and explore if these are sustainable and fundable models. This process could identify important gaps in perception and visions needed to evolve the organization.

### **Conclusion 7**

There is an increasing trend of large NGO family networks to have a non-operational secretariat that facilitates much of its actions through the leadership and existing expertise of its members. In this way the organization as a whole fully embraces and benefits from the core competencies and comparative advantages of its individual members. Almost all organizations reviewed have evolved and benefited from a *lead member system* where one or two members are delegated the authority and responsibility for representing the wider organizations' membership in areas such as a response to an emergency, the country lead for all development programming, and as a lead in a thematic area such as HIV/AIDS. While none of the organizations would claim their lead member systems to be without issues, they generally agree that it fulfils the concept of a federated movement by greatly streamlining and maximizing an agency response by taking advantage of the existing competencies and resources of its membership and providing an acceptable and effective alternative to funding multiple and often duplicative efforts.

### **Recommendation 7**

The IFRC has some, although limited, experience with its own version of a lead member system – the Emergency Response Units as well as some IFRC-delegated centers of excellence would qualify. But this area is deserving of further review and is explored further in the centers of reference and support section of this report.

### **Conclusion 8**

Other NGO federated organizations have developed commonly accepted systems for facilitating activities such as planning and monitoring and evaluation. These organizations have benefited from not only capable members leading the effort to develop and manage these processes, but also from effectively facilitating strategic and resource planning among members and collecting comparable project data globally as required to evaluate the organizations' progress and market its achievements. In the absence of these standard systems, national societies and the Secretariat are either forced to develop separate and often conflicting system, or go without.

### **Recommendation 8**

The IFRC can benefit greatly from developing and enhancing commonly accepted planning and evaluation systems. While the CAS processes remains a viable concept to facilitate cooperation and maximize members' contributions and participation, it must be revitalized using the findings from the recent CAS review. This effort could further be supported through establishing an ad hoc group of national society representatives working closely with the Secretariat. The CAS process must also link together various IFRC planning and project design elements which are currently at varying levels of development and acceptance, and often uncoordinated (IFRC planning, CAS, PPP, monitoring and evaluation). With the IFRC's recent push to associate itself closer with the MDGs, it would also benefit from a standardized project reporting system (perhaps similar to CARE's) so it can fully represent the program outputs and impact of its membership collectively.

### **Systems, relations and trust**

Three key sets of issues emerge, the IFRC's ability to effectively use its governance and policy body, the growth of international assistance and those societies that seem to be left behind.

### **Conclusion 10**

Vibrant federations today need engaged governance that works day-to-day to keep the federation alive. Does the IFRC have this? National society staff, delegates and Secretariat staff often saw the IFRC's governance as a distant or disconnected thing, at best represented by three days of global formal meetings in Geneva every two years (the General Assembly). Many paid staff felt the governance, in their national society, and in the IFRC was out of touch with the daily work of the membership. As one national society person put it. "Its no wonder societies only take the resolutions of the General Assembly seriously when it suits them. Most staff, who end up having to implement these resolutions, feel they have had little say in their choice and drafting."

### **Recommendation 10**

The IFRC is a complex, global body in need of reinvigorating. Senior governance needs to provide and be seen to provide strong, transparent, public and global leadership. The job of senior governance, certainly the President and the Vice Presidents should be considered as full time functions, leaving little to no room for previous national functions. At the same time there is an opportunity for the IFRC's governing board to play a greater leadership role in reaching out to the entire membership to get behind the choices and changes so desperately needed within the IFRC.

### **Conclusion 11**

The policy body of the IFRC is enormous, yet these are not known or used consistently by the membership or the Secretariat. This allows for much entrepreneurship (or anarchy?) often to the detriment of the common good.

### **Recommendation 11**

As a matter of priority the policy body needs to be catalogued, made readily available, searchable and explainable to the membership. This is a classic function for a secretariat,

requiring both the creation of a managed and globally accessible database and the training of secretariat staff, particularly delegates, in the policy body of the IFRC.

### **Conclusion 12**

Over the past 20 years a virtual shadow system has grown up in the IFRC around international assistance. Driven primarily by back-donor funding this has seen the rise in PNS international departments, often very divorced from their national society work, special “receiving” staff and units in ONS and in the 1990s the growth of the DROC division in the Secretariat. The non-management of this Cuckoo has catalyzed many of the practices that the IFRC is now trying to change.

### **Recommendation 12**

This operational growth needs now to be managed differently and evolved so as not to swamp or sidelined the other core functions of the IFRC. PNS Societies need to more firmly build linkages between their international departments and the rest of their Society, whilst encouraging best professional practice in the humanitarian field so as to ensure that their international professionalism reflect a “Red Cross & Red Crescent” way of doing things. ONS, need to resist and be supported by the Secretariat (and PNS) in resisting the distorting effect of international assistance. A society’s staff member’s salary should not depend on which donor funds “her” project. The Secretariat should embrace the present trend which sees fewer development funds flowing through the Secretariat and more flowing bilaterally. This trend is good for the Secretariat as it helps it keep its focus firmly on providing service to *all* the membership.

### **Conclusion 13**

The IFRC has 181 members. Do they all get quality service? Has the Secretariat been able to manage the IFRC’s growth? In the 90s the IFRC added more members than in any previous decade. It also managed more international assistance. Most international work and effort in the IFRC involves the rich top 30 and poorest bottom 70 societies. What about the 81 in the middle? Have they really got the service they deserve?

### **Recommendation 13**

In an effort to build trust, equality and transparency, the Secretariat should commit, publicly to the membership, to a minimum package of service it is able to guarantee to deliver to *all* members.

## **Centers of Reference and Service**

### **Conclusion 14**

Vibrant federations encourage networking and spontaneous grouping for common cause amongst their membership. The center (Secretariat) does not need to always be involved! The IFRC has many such networks and regional groupings, but appears to have difficulty in tracking them all and in facilitating the sharing of experience between networks.

### **Recommendation 14**

Facilitating and servicing ad-hoc networks should become a recognized function within the Secretariat. Encouraging national societies to group, providing them with tools and advise to

help the process, helping service fledgling networks and keeping a watchful eye open to help them close down when the job is done are all legitimate and much need activities.

### **Conclusion 15**

For issues that are “central” to the IFRC, the process of forming, governing and managing a center of excellence needs to be a federal one. At present this system within the IFRC appears rather ad hoc. Given the small number of such centers and their relative newness this is not surprising.

### **Recommendation 15**

Centers of reference, service and excellence are likely to become more popular in the future as they provide for a way of exploiting the resources and interests of the diverse membership with the need to concentrate everything in Geneva. To facilitate this process, the IFRC needs to develop a simple procedure for deciding how fundamental to the working of the IFRC a center is and thus how tied in to the IFRC its governance and management needs to be. This can perhaps be aided by the *Federation of the Future* process in articulating the role and central functions of the IFRC and its Secretariat.

### **Conclusion 16**

At present there is no openly expressed option on the most desirable legal status for IFRC centers of excellence. At present, staff in such centers, who wish to speak on behalf of the IFRC in international meetings etc, should technically get permission to do so before each event. This seems cumbersome.

### **Recommendation 16**

The legal status of centers not housed in the Geneva Secretariat needs to be clear and in line with their governance and management. Where a center is, to all intents and purposes, an outsourced component of the Secretariat, then the IFRC should seek to make more use of its status agreements and international organization status, seeking to constitute the outsource center as a IFRC delegation, albeit staffed by staff on loan from the hosting society. Bilateral reference or technical centers operating outside the Secretariat should not be discouraged, but rather promoted and appropriately supported by the IFRC to facilitate their contributions to the organization’s strategy and mandates.

### **Conclusion 17**

Centers have brought in additional funding, but at a price of reduced equity in the IFRC. The evidence to date says little about whether outsourced centers are cheaper to run than a similar service in Geneva or within an IFRC delegation. The evidence does suggest that societies hosting such centers (almost exclusively European and North American at present), are doing so by tapping funds and human resources which would not normally be available for international programs. Clearly this adds value, but it comes at a price. Centers seem to be financially tied to the “donor” society. Under these funding scenarios there would be little prospect of a Southern society hosting a center of excellence. Likewise, these funding mechanisms coupled with the present legal status of most centers of excellence as national entities, makes it difficult for them to offer equal opportunity employment across the IFRC for appropriately qualified staff. If allowed to develop exclusively in this fashion the IFRC could end up with a great deal of its accessible expertise being concentrated in a relatively few rich Northern societies.

### **Recommendation 17**

Whilst welcoming the additionality that the present centers bring, including the extra financial resources they tap, the IFRC needs to explore alternative models for such centers which would allow for them to be set-up in Southern societies who are not able to self finance such a center.

## **In-country support: the role and rational of delegations /delegates**

### **Conclusion 18**

When examining the work of the PNS on the ground, one needs to distinguish between bilateral delegations, bilateral programs, bilateral delegates and bilateral financing. Permanent bilateral delegations seem to fly in the face of the principle of Unity and of a number of IFRC GA resolutions. The issue is both one of principle and of policy and so, we are sure, will cause much debate! We came across no evidence to support the value added by separate PNS *office* in someone else's country. Indeed some ONS feel somewhat hurt and at times insulted by this throwback to a bygone age of colonialism.

### **Recommendation 18**

No new PNS offices should be opened. Existing PNS offices should seek to be incorporated either into the host national society or, at second best, into the IFRC delegation. For Regional offices of the NS, incorporation into the IFRC regional delegation would be the preferred option. At the same time the Secretariat needs to accelerate the development and implementation of Service Agreements and other such support structures which remove the more practical perceived benefits of a separate office.

### **Conclusion 19**

Multiple bilateral delegations waste funds as do multiple bilateral delegates. In the three locations looked at (Vietnam, Cambodia and Nairobi), cost savings would be possible by pooling resources. This has already started and the trend should be encouraged.

### **Recommendation 19**

Where a multiplicity of bilateral delegates is justified, as part of their incorporation under the national society or IFRC delegation, they should be explicitly looking to pool resources.

### **Conclusion 20**

The existence of multiple PNS delegations and operations in situations which may transform into conflict environments, seriously complicates the work of the ICRC and may jeopardize the perceived independence and neutrality of the Movement.

### **Recommendation 20**

In conflict situations where, under the Seville Agreement ICRC has the lead role, PNS should be fully prepared to take ICRC's lead and curtail national based delegations and programs.

### **Conclusion 21**

The issue of bilateral offices aside, there is no unanimity in the IFRC over the value of bilateral delegates. Most ONS interviewees we talked to saw their prime value being back to the PNS – as the custodians of accountability and performance on government grants. Whilst most accept

this as a valid function under the present funding regime, many questioned whether the societies and the IFRC, are doing enough to challenge this patronage system. Further, in programs where the funding brought in to the ONS is not orders of magnitude greater than the costs of the bilateral delegates, many ONS and Secretariat interviewees seriously question the validity of the presence of such a person.

### **Recommendation 21**

Bilateral delegates as facilitators and support mechanisms to substantial back-donor funding, are justified under the present funding regime, but the societies and the IFRC have an obligation to more seriously question this system, seeking to increase the proportion of funding accessible directly by an ONS or multilaterally via the IFRC.

### **Conclusion 22**

Not all, but many bilateral programs seem to be primarily shaped by the wishes and constraints of their back-donors. “At times we feel PNS are more implementers of back-donor programs who invite ONS in at the last minute.”<sup>65</sup> Most bilateral delegates interviewed were clear that their primary objective was the alleviation of suffering in country and that helping build the capacity of the host national society came a poor second.

The overall impression one gets is of a disconnect between the programming motivation of the PNS and the programming needs of the ONS. Given the present critical role institutional back-donors play in this funding flow, such a tension is to be expected. What seems less acceptable is the apparent ease with which the constraints it imposes are accepted.

### **Recommendation 22**

PSN programming and funding should primarily exist to support the strategy and programs of the host ONS. Our sense is that too often power relations are allowed to dictate that the reality is otherwise. Capacity building of the ONS – not just to support the needs of the PNS programming – should be an explicit part of all PNS support programs. ONS should be under an obligation to accept funding only when in line with their strategy and supportive of their programming. PNS should be under an obligation to clearly demonstrate the primary capacity building objectives of their programming.

The IFRC delegation should be empowered to hold both sides accountable to this ideal and to initiate the frank discussion alluded to earlier which will allow for the power relations around funding flows to be more openly addressed.

### **Conclusion 23**

Most government and multilateral agency funders have specific mechanism for funding multilateral organization like the IFRC. Often national entities do a poor job in exploring and helping the IFRC access these funding lines.

### **Recommendation 23**

PNS should be rigorous in exploring potential multilateral, as well as bilateral funding lines from their governments and the intergovernmental organizations they have access to.

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<sup>65</sup> Interview with ONS Secretary General. June 2004. (Back –donors being those who give funds to a PNS to be passed on to an ONS)

#### **Conclusion 24**

IFRC delegations are first and foremost extensions of the Secretariat, not managers of programs. The Strategy for change is already moving the delegation in this direction and our interviews suggest this is a welcome change to both ONS and PNS.

#### **Recommendation 24**

PNS and ONS should actively support the evolution of the IFRC's delegation system as outlined in the Strategy for Change.

#### **Conclusion 25**

The corporate culture of the IFRC is a critical but under-developed tool in its armory. The quality of support and advice from the IFRC delegation varies tremendously depending on the particular delegate. This is not just a matter of quality, but often involved radical reversals of advice and attitude. Many ONS interviewees point out that in general the situation was even worse with PNS delegates, but they felt that the IFRC, as the international persona of the membership, had an absolute obligation to get it right.

#### **Recommendation 25**

As part of the Strategy for Change the Secretariat needs to develop and promote a strong and easily identifiable organizational culture. This culture needs to stem from the fundamental Red Cross/Crescent values but also needs to reflect the service and guardianship functions of a modern secretariat.

#### **Conclusion 26**

IFRC regional delegations have a growing reputation for good technical advice and providing the tools and standards needed for programming. This function needs to be enhanced and embedded into every regional delegation

#### **Recommendation 26**

Each regional delegation should be able to offer services of competent technical advice, standard setting, assessment, monitoring and evolution in the four core areas of the S2010. Increasingly this should be achieved through a combination of a few highly skilled and experienced international delegates and a cadre of regionally hired expertise, both on a full time and consultancy basis. Long term relationships with local universities other centers of excellence should be explored as additional relevant and affordable sources of competence.

#### **Conclusion 27**

There was almost unanimity across the PNS, ONS and IFRC interviews that IFRC delegations, particularly at the sub-regional and country level should play a critical support role in the fundamental aspects of organization development. For most interviewees this meant issues of governance, law, integrity, strategy and planning. With a particular understanding of the Red Cross/Crescent dimensions and volunteer dimensions of these areas. More technical expertise on management and finance systems and the like seems to be readily available in almost all

countries now, at a more affordable price than via delegates. Such technical capacity building should make use of these local resources rather than expatriate delegates.

**Recommendation 27**

Facilitating the organizational development of a national society is a core function of an IFRC delegation. This mentoring and advisory role requires delegates with an up to date knowledge of Organizational Development theory and practice, an empathy with national societies – often born out of having worked themselves for a national society – and, critically, skills in mentoring. This role of coaching and advising should not just rest with an OD delegate, but be a chief responsibility of the IFRC's HoD who is more of a peer to an ONS secretary general thus should be better positioned to support a change process. The IFRC should also urgently review the professional profile of its existing OD delegate with a view towards ascertaining additional training and skills they may need. Such training is now available at many universities around the world. The use of local change management agents, including private consultants, with an understanding of the national environment and a track-record of success should also be explored.

**Conclusion 28**

Unilateral PNS programs have no place in a federation and should become a thing of the past.

**Recommendation 28**

Societies which operate unilateral programs need to enter into urgent discussion with the affected host society and the IFRC to rapidly wind down or transform such programs into a format more acceptable to the modern IFRC.

**Creating networks and external partnerships**

**Conclusion 29**

The unique position of the IFRC confers upon it a tremendous advantage when seeking to provide global leadership or relate to other global players in the humanitarian world. The data suggests that the Secretariat has done a good job in the past few years of positioning the IFRC vis-a-vis other organizations. The data also suggests that use of this positioning by the membership has been less obvious. There are tremendous opportunities here, already negotiated, waiting to be unlocked.

**Recommendation 29**

The Membership and the Secretariat need to make much more of what they presently have by way of international agreements. There is a critical future role for the Secretariat and its delegations empowering the membership to make the most of these agreements.

**Conclusion 30**

The IFRC has a vibrant community of regional groupings, some statutory, some ad-hoc. Often these groupings are not making the best possible use of the helpful technology presently available, or of linkages and experiences of other regional groupings within the IFRC.

**Recommendation 30**

Collective debate and action by societies in a region is to be encouraged. The developing use of the IFRC's regional divisions to facilitate (not lead) such groupings is a welcome sign and should be supported.

**Conclusion 31**

Ad-hoc groupings tend to be action and content oriented. The IFRC has, to its credit, many such groupings, often involving non-IFRC partners.

**Recommendation 31**

Such groupings are to be encouraged. In many of them the Secretariat can play a crucial supporting role, bringing together outside expertise with the member societies and representing the IFRC's policies and practices to outside bodies.

## Annex I – People interviewed in the Study

*This annex lists all the people who were formally interviewed or consulted for this study. It does not list all those who sat in ion group meetings or provided ad-hoc yet helpful advice.*

Person Interviewed	Designation
Abdullah Al Hazzaa	Secretary General, Organization of Arab Red Crescent and Red Cross
Agnes Lesage	Chef de Mission Cambodia, French Red Cross, in Cambodia
Alastair Burnett	East and Southeast Asia Desk, British Red Cross
Amelia Marzal	Head, Spanish Red Cross Bilateral Office, Nairobi
Anders Ladekarl	Head of International, Danish Red Cross
Anette Cramer	Representative, Danish Red Cross, in Vietnam
Anne Kirsti Vartdal;	Regional Representative, Norwegian Red Cross Nairobi
Maria Dos Anjos	Head of Movement cooperation, ICRC
Gussing-Sapina	
Antoine Weber	International Department, Swiss Red Cross
Antony Spalton	Head of Delegation IFRC Cambodia
Britta Minker	Liaison Representative East Africa. German Red Cross
Bryant Myers	Vice President, Development and Food Resources, World Vision
Clare Murphy	Technical Advisor, HIV/AIDS program, Australian Red Cross,
Dang Minh Chau	Vice-Director, International Relations & Development, VNRC
Dennis Frado	Lutheran World Federation
Encho Gospodinov	Head of Delegation, to the UN, New York
Françoise Le Goff	Head of Regional Delegation (IFRC) Nairobi
Frank Dewez	Regional Representative, Netherlands red Cross; Nairobi;
Fred Grimm,	Head of delegation, ICRC regional delegation, Bangkok
George Gawlinski	Consultant and facilitator, Planning Associates
Gerard Lautredou	Head of Delegation, French Red Cross, in Vietnam
Gideon Tesfai	International Department, Norwegian Red Cross
Hans Roseboom	Financial Controller, Netherlands Red Cross
Hellmut Giebel	Desk Officer, International, German Red Cross
Ian Briggs	Head RFU, Europe & MENA
Ibrahim Osman	Director of Policy & Communications, IFRC, Geneva
Janet Rodenburg	IFRC Reference Centre for Psychological Support
Janet Rodenburg	IFRC Reference Centre for Psychological Support
Jesper G. Jensen	Deputy Head of International, Danish Red Cross
Jeurgens Weyand	Head of Regional Delegation IFRC, Bangkok
Jonathan Moore	Ambassador (USA)
Jorgen Kristensen	Regional Representative for Asia, Danish Red Cross

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Kanna Baran	OD Delegate, IFRC Cambodia
Karl O'Flaherty	Head RFU, Asia & Pacific
Laurent Dufour	Delegate, ICRC regional delegation, Bangkok
Liz Franklin	Officer, Field HR, Secretariat
Lois Graessle	Consultant and facilitator, Planning Associates
Luc Humble	International Department, Belgian Red Cross (Flanders)
Luc Voeltzel	Senior Officer, Operations Statistics, Secretariat
Marcie Friedman	Country Representative, American Red Cross, Vietnam
Markku Niskala	Secretary General IFRC, Geneva
Mary Kuria	Secretary General Kenya Red Cross
Mary McWeeney	Head RFU, Africa
Men Near Sopheak	Director of communications, Cambodia Red cross
Mohamed Al Ali	Secretary General, Qatar Red Crescent, Doha- Qatar
Nabil Al Kahtani	Health Advisor, Organization of Arab Red Crescent and Red Cross,
Nguyen Hai Duong	Vice-President VNRC
Nicholas Edwards	Head of Delegation, American Red Cross in Cambodia
Olivier Van Bunnan	Manager, Budget and Analysis Unit, Secretariat
Ouk Damry	Vice President Cambodia Red Cross
Peter Hoff	Representative Norwegian Red Cross, in Vietnam
Peter Rees	Head Operations Support Department, Secretariat
Philip Tammalinga	Senior Governance Officer, Governance Support Unit, IFRC, Geneva
Pierre de Rochefort	Senior Officer, Appeal & Reports, Secretariat
Pilar G. Laso	International Department, Asia and Middle East, Spanish Red Cross
Raba'a Al-Atoum	Program Assistant Regional Delegation-Amman- Jordan
Ric Martin	Manager, Field Finance Unit, Secretariat
Robyn Baendale	cooperation delegate, ICRC regional delegation, Bangkok
Stephen Davey	Former Director, IFRC, Geneva
Stephen Ingles	Head Finance Department, Secretariat
Susan Johnson	Director, Movement Cooperation, IFRC, Geneva
Tenna Mengistu	Acting Head of Delegation, Regional Delegation-Amman- Jordan
Tim McCully	Deputy Senior Director, American Red Cross
Wouter Doevenspeck	Representative, Netherlands Red Cross, in Vietnam

## Annex II – Documents consulted in the study

*This annex lists the easily available documents consulted by the team in their work. We do not include here the many emails and records of interviews and phone conversations which make up a great part of the data gathered, nor the numerous hits of sections of the IFRC's web site and databases used to get context specific information.*

### Chapter 1 Introduction & Methodology

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*The IFRC Value Chain (Discussion Document), 9th September 2001, the IFRC Secretariat*

*Summary of relevant policies, rule sand regulations in regards to cooperation and partnerships in development cooperation. Internal working paper of the IFRC Secretariat, May 2004*

*Constitution of the International IFRC of Red Cross and Red Crescent Societies.*

<http://www.ifrc.org/who/constit/contents.asp>

*The legal status of National Red Cross and Red Crescent Societies. Christophe Lanord. 31-12-2000. International Review of the Red Cross No. 840, p. 1053-1077*

### Chapter 2 The Rise of Federations

*Transformations and legitimacy in non profit organizations - the case of Amnesty International and the Brutalisation thesis. Candler, G. G. (2001). Public Organisation Review 1: 355-370.*

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*Going Global: Transforming Relief and Development NGOs, Marc Lindenberg and Coralie Bryant, Kumarian Press (2001)*

*Models of Inter-organisational Collaboration in Development, Mark Leach (1997)*

*Organisational Forms of Global Civil Society, Helment Anherier and Nuno Themudo*

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*World Vision International website*. <http://www.wvi.org>

*Oxfam International website*. <http://oxfam.org>

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### **Chapter 3 Systems, relationships and trust in the IFRC**

*Beyond conflict: the International IFRC of Red Cross and Red Crescent Societies, 1919-1994*  
Daphne Reid; Patrick F. Gilbo. IFRC Geneva 1997

*Strengthening National Societies and Delivering a more Effective Service: A change Strategy for the Secretariat*. The International IFRC, Geneva 2002

*A one-page primer on federalism*. World Vision International (undated)

*National Red Cross and Red Crescent Societies as auxiliaries to the public authorities in the humanitarian field*. IFRC Secretariat, March 2003

*Guidelines for facilitating a Cooperation Agreement Strategy*. IFRC, Geneva, Revised May 2003

*Qualitative Survey of Perceptions of Cooperation Agreement Strategy (CAS)*. IFRC, Geneva, 2004

## **Chapter 4 Centers of Reference & Service**

*Red Cross/Red Crescent Climate Centre Mission Statement.* <http://www.climatecentre.org/>

*Cooperation Agreement between the Netherlands Red Cross Society and the International IFRC of Red Cross and Red Crescent Societies concerning the Red Cross and Red Crescent Center of Climate Change and Disaster Preparedness.* Geneva, December 2003

*Agreement between The International IFRC of Red Cross and Red Crescent Societies and the Danish Red Cross concerning the revised structure, funding and management of the “IFRC Reference Centre for Psychological Support” Draft.* International IFRC. May 2004

*Memorandum of Understanding on the Organisation and Management of the European Reference Centre for First Aid Education of the International IFRC of Red Cross and Red Crescent Societies between the International IFRC of Red Cross and Red Crescent Societies and the French Red Cross.* IFRC Secretariat, undated

*Project Plan: Reference Centre on Volunteering.* British Red Cross. Date 3.2.04 /Version 2

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## **Chapter 5 In-country support: the role and rational of delegations/delegates**

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## **Chapter 6 Creating networks and external partnerships**

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*Minutes of Meeting between Unilever – HPC and the International IFRC of the Red Cross and Red Crescent*, 10th August 1999 Waterloo Belgium

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*Co-operation between IFRC and UNICEF*. IFRC Secretariat 2001

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*Terms of Reference Representative of the International IFRC of Red Cross and Red Crescent Societies to the United Nations Office for Drugs and Crime (UNODC)*. IFRC Secretariat. November 2003

## **Chapter 7 Conclusion**

*Challenges and Opportunities in Implementing a Rights-Based Approach to Development: An Oxfam America Perspective*. Raymond C. Offenheiser and Susan H. Holcombe. Nonprofit and Voluntary Sector Quarterly, Volume 32, Number 2 (June 2003), 295.

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*The 21<sup>st</sup> NGO. In the market for change*. SustainAbility. 2004

## Annex III - Research Team Members and Advisory Board Members

### Research Team Members

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## Annex IV – Comparative Review of NGO Family Network Classifications

	Separate independent organizations and coalitions	Independent organizations with weak umbrella coordination	Confederations	Federations	Unitary corporations
<b>Brief description</b>	Fully autonomous organizations sharing common purpose and cooperating on an ad hoc, pragmatic basis but without a formal central coordinating mechanism; often established to strengthen advocacy	Affiliates maintain virtual autonomy but establish a weak coordinating mechanism to share information and facilitate cooperation	Strong affiliates delegate limited coordination, standard setting, and resource allocation duties to an international headquarters; decisions from the central office need virtual unanimity with most power remaining with the affiliates	International headquarters has strong powers for standard setting and resource acquisition but affiliates have separate boards and implementation capacity	Only one global organization with a single board and central headquarters which makes resource acquisition, allocation, and program decisions. Branch offices around the world are staffed by the central body and implemented centrally taken decisions
<b>Comparable corporate structure</b>	Collaboration	Partnerships	Membership & trade associations	Franchise	Corporate subsidiary structure
<b>Location of decision-making</b>	Individual members	Individual members	Center has weak coordinating capacity with strong individual members	Center has stronger authority over system-wide decisions than members	Central
<b>Enforcement of standards</b>	None	Weak moral persuasion	Moral persuasion and limited sanctions for extreme violations	Strong sanctions by peers through central body	Strong central enforcement
<b>Common name</b>	No	Yes	Yes	Yes	Yes
<b>Common logo</b>	No	Sometimes	Sometimes	Often	Often
<b>NGO example organizations</b>	The International Campaign to Ban Landmines (1,400 NGOs from 90 countries)  The "Big Seven" - Alliance of Youth CEOs (including the IFRC)	Medecins Sans Frontieres  Project Hope	CARE International  Oxfam International  World Vision  International Save the Children Alliance  Caritas International	PLAN International  Habitat for Humanity  Mercy Corps  Heifer International	Africare  Family Health International
<b>Efficiency &amp; effectiveness service delivery</b>	<ul style="list-style-type: none"> <li>Benefit from flexibility and speed, especially in emergency response, as independent organizations do not have to negotiate with others in an alliance</li> <li>Flexibility in defining individual organization's own program approach based on their interests, resources and capacities</li> </ul>	<ul style="list-style-type: none"> <li>Can benefit from flexibility and speed, especially in emergency response, as members are not obligated to negotiate with others affiliates</li> <li>Allows members to define their own program strategies, although it offers no coordinated program approach</li> <li>Weak coordination of scarce resources</li> </ul>	<ul style="list-style-type: none"> <li>A "lead-member" system can effectively coordinate activities of other members in a particular country to eliminate duplication of support systems, staff and processes</li> <li>Members can access established in-country delivery systems with greater decentralized decision making</li> <li>Can scale-up programs and</li> </ul>	<ul style="list-style-type: none"> <li>Benefits from established global delivery system with a rapidly and coordinated response to emergencies</li> <li>Realize economies of scale and efficiency (finance, procurement, HR) through leveraging the resources of the members</li> <li>Headquarters makes many key decision and has strong control over resource allocations</li> </ul>	<ul style="list-style-type: none"> <li>Full power is maintained at central level which enables executing a single approach and maintaining consistent quality</li> <li>Does not encourage local adaptation or customization of delivery systems required to ensure program relevance</li> </ul>

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	Separate independent organizations and coalitions	Independent organizations with weak umbrella coordination	Confederations	Federations	Unitary corporations
	<ul style="list-style-type: none"> <li>• Fails to benefit from common logistics and delivery system</li> <li>• High potential for duplicated and uncoordinated programming</li> <li>• Limited impact through uncoordinated programs</li> </ul>	<ul style="list-style-type: none"> <li>• High potential for duplicate programming with multiple agencies of the same name delivering similar programs but with separate support and logistics functions</li> </ul>	<p>impact through access to greater pool of resources – but this demands effective coordination</p> <ul style="list-style-type: none"> <li>• Tensions between members' needs to project their national identity for fundraising purposes and to show operation independence, and the need for the confederation to project on image and provide a system of oversight and cooperation at the field level</li> </ul>	<ul style="list-style-type: none"> <li>• Can be overly rigid and stifle the creativity of national affiliates and block their adaptations to national identity</li> <li>• Few NGOs with fiercely independent donors and stakeholders can successfully find unifying principles other than religion that can bring members to surrender their authority to a central secretariat</li> </ul>	
<b>Enhance members' capacity</b>	<ul style="list-style-type: none"> <li>• Coordination is not focused on building capacities</li> </ul>	<ul style="list-style-type: none"> <li>• Limited to sharing information among members</li> <li>• May occur informally among members</li> </ul>	<ul style="list-style-type: none"> <li>• Building members' capacity is one of the main purposes of the coordinating body</li> <li>• Capacity building is coordinated and often lead by the central body, but can be carried out by stronger affiliates</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinating body has significant responsibility for building members' capacity and generally promotes a standard approach</li> <li>• Relevance of capacity building lead by an international headquarters (in the North) verse local capacity building agents (in the South) is debatable</li> </ul>	<ul style="list-style-type: none"> <li>• Central body responsible for guaranteeing capacity to ensure consistent quality in local programs and operations</li> <li>• The lack of a local affiliate requires the organization to either establish its own office or identify a strong local sub-contractor (partner)</li> </ul>
<b>Resource acquisition</b>	<ul style="list-style-type: none"> <li>• Occurs at member level with full autonomy to go after any donor worldwide</li> <li>• Fails to realize fundraising benefits of a global brand or coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Occurs at member level with affiliates benefit from common name</li> <li>• Stronger national identity, but weak global fundraising coordination with many multilateral donors preferring only one agency to negotiate with</li> </ul>	<ul style="list-style-type: none"> <li>• Occurs primarily at member level with limited common acquisition</li> <li>• Strong global identity and scale of the resources can amass</li> <li>• Member fundraising restricted to their national jurisdiction becomes more difficult as donors become multi-national</li> <li>• Often member from the North are established solely to support resource acquisition (non-operational)</li> </ul>	<ul style="list-style-type: none"> <li>• Occurs primarily at member level but some common acquisition</li> <li>• Benefits from global brand awareness</li> <li>• Member fundraising restricted to their national jurisdiction becomes more difficult as donors become multi-national</li> <li>• As they are often faith-based, they have a special ability to collect funds through a global church infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Centrally and globally fundraising eliminates coordination or internal 'competition' challenges</li> <li>• Global-level fundraising can miss establishing local funding channels</li> </ul>
<b>Accountability/ quality control</b>	<ul style="list-style-type: none"> <li>• No mechanism for maintaining accountability among independent organizations</li> <li>• Quality can vary greatly between independent organization</li> </ul>	<ul style="list-style-type: none"> <li>• No formal mechanism for maintaining accountability among independent organizations</li> <li>• With little standardization of services or approach, impossible</li> </ul>	<ul style="list-style-type: none"> <li>• As most power rests with the independent members, moral persuasion is a weak tool to assure quality and compliance of basic rules and performance standards</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for strong quality control systems and gathering and using the same data globally due to the standardized systems and allocation procedures</li> <li>• The performance and mistakes</li> </ul>	<ul style="list-style-type: none"> <li>• Strong, centralized enforcement of quality from headquarters</li> <li>• Centralized monitoring and evaluation system with standard indicators</li> </ul>

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	Separate independent organizations and coalitions	Independent organizations with weak umbrella coordination	Confederations	Federations	Unitary corporations
		to establish a global monitoring and evaluation system • Affiliates with the same name often provide very different levels of quality, thus weakening the brand	• Difficult to agree globally on a set of common program indicators to effectively measure impact of the organization • The performance and mistakes of the weakest member can determine the overall image of the organization	of the weakest member can still determine the overall image of the organization	
<b>Coordination costs</b>	• Minimal • Support for each activity from participating organizations	• Support for a small secretariat • Typically funded through annual dues from members	• Support for a secretariat plus limited coordination activities • Typically funded through annual dues from members and/or joint fundraising	• Can be significant to maintain a strong and large secretariat • Typically funded through annual dues from members and joint fundraising	• All costs assumed by headquarters

## Annex V – Comparative Review of Leading NGO Family Network

	CARE INTERNATIONAL	HEIFER INTERNATIONAL	INTERNATIONAL SAVE THE CHILDREN ALLIANCE	CARITAS INTERNATIONAL	INTERNATIONAL FEDERATION OF RC/RC SOCIETIES
<b>Year founded</b>	1945	1944	1919	1897	1919
<b>NGO family network classification</b>	Confederation	Unitary corporation transition a federation	Confederation	Confederation	Confederation or Federation?
<b>Members/affiliates</b>	12 Northern national CARE members active in over 70 countries worldwide  All members are involved in fundraising, with the largest also the major members involved in operations	4 Northern fundraising country offices plus 30 program country offices transitioning into a network of quasi-independent affiliates	27 members primarily from the North but with a few from the South with programs in over 115 countries  All members are involved in fundraising, with the largest also the major members involved in operations	162 full members in 200 countries and territories from the North and South (all Catholic organizations)	181 member from the North and South
<b>Secretariat</b>	The confederation is dominated by CARE USA Based in Brussels with 16 secretariat staff	Based in Little Rock (U.S.) with 115 secretariat staff	The confederation is dominated by Save UK and Save US Based in London with 25 secretariat staff	Base in the Vatican City State with 24 full-time staff	Geneva with many secretariat staff
	Main focus is on supporting governance; coordination of membership capacity building and organizational development; coordinating emergency response; limited coordination of policy advocacy; and representation to multilateral institutions	Main focus is on fundraising, marketing, and strategy development	Main focus is on building strategic members, brand protection and facilitating communications and fundraising	Main focus is on mobilizing and coordinating member's response to major emergencies	
<b>Consolidated annual budget (2003)</b>	Over US\$750 million	US\$56 million	Over US\$570 million	NA (Caritas member Catholic Relief Services is over US\$484 million alone)	??
<b>Efficiency &amp; effectiveness service delivery</b>	Fairly effective operational coordination conducted through lead member system and standard planning and reporting systems	Varies by country and their local partners	Failed attempts to pool resources due to concerns in guaranteeing quality of implementation and reporting; operational coordination only exists in major emergencies  Believes that implementation and capacity at member level is more sustainable than centralized	Quality of services varies among members	

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	CARE INTERNATIONAL	HEIFER INTERNATIONAL	INTERNATIONAL SAVE THE CHILDREN ALLIANCE	CARITAS INTERNATIONAL	INTERNATIONAL FEDERATION OF RC/RC SOCIETIES
<b>Enhance members' capacity</b>	Secretariat helps developing fundraising, marketing and communications capacity of its members; this maybe led by the Secretariat (or a strong member) although financed by larger members	Organizational Development department established to support building affiliates' capacity	Secretariat not focused on building members' capacity except for the special program to develop the fundraising programs of strategic members  Little member-to-member exchanges	Secretariat focus on building members capacity in fundraising for major emergencies	
<b>Resource acquisition</b>	At member level	Mostly in U.S., but with some activity from quasi-independent fundraising offices in Europe and Hong Kong	At member level, but with a special project to help develop fundraising capacity of four strategic members	At member level with effective outreach through Church network to raise funds	
<b>Accountability/ quality control</b>	With individual members, but they follow a standardized system	At HQ level, but will increasingly decentralize this to the national offices	With individual members; No accepted or standardized system	With individual members; No accepted or standardized system	
<b>Coordination costs</b>	Minimum costs due to relatively small secretariat and individual members assuming significant responsible through lead member system  Secretariat supported by the annual contributions of the member organizations based on their total revenues from the preceding financial year	Significant costs during transition period to a more federated structure (lots of planning and coordination meetings with national members)	Minimum costs due to relatively small and non-operational secretariat  Secretariat supported a 0.4% contribution of previous year's income (but capped at a certain level)	Minimum costs due to relatively small secretariat  Secretariat supported by the annual contributions of the member organizations and charitable gifts	

Adapted from Lidenberg & Bryant, *Going Global*

