

## Response to the MAR Update Assessment of International Federation of Red Cross and Red Crescent Societies (IFRC)

The 2011 Multilateral Aid Review (MAR) concluded that IFRC offered the British taxpayer good value for money and highlighted several IFRC strengths:

1. Scale and reach of the organization
2. Clear mandate, strategy and effective Governing Board
3. Cost effectiveness
4. Clear gender policy and promotion of gender policies within National Societies.

The key areas of improvement identified in 2011 were:

1. Leadership and capacity of National Societies and performance and financial management on country level
2. Partnerships outside the International Red Cross and Red Crescent Movement
3. Accountability through, for example, establishing a donor support mechanism.

IFRC is pleased that there is recognition by the 2013 MAR Update that:

1. Steps have been taken to improve the performance of National Societies by developing strategic plans and increased resources focusing on planning, monitoring and evaluation
2. Reasonable progress was found on establishing partnerships
3. Accountability to donors is improved by establishment of the Donor Advisory Group bringing together six top donors to the IFRC.

In the section below, the IFRC is taking the opportunity to provide some factual corrections on statements made in the MAR update but also to provide some additional information on the various points that have been raised.

### Strategic and Performance Management

*Does it have a clear mandate? Is there a clear line of sight from the mandate to strategy and implementation plans?*

**IFRC factual correction:** Since the MAR, 88 National Societies have reported completion of strategic plans (as of July 2013). This means 31 more than the baseline provided in 2010 (47 per cent of the membership). According to the log-frame agreed with DfID, by end of 2013 IFRC aims at having at least 95 National Societies with completed strategic plans (approx. 50 per cent of our membership). The development of IFRC's global Strategy 2020 was indeed instrumental in this success.

*How effective is its leadership? Is it using results and evaluation evidence to drive improvements in performance and strategic decision making?*

**IFRC factual correction:** So far, 43 National Societies (out of 187) have undertaken the Organizational Capacity Accreditation and Certification (OCAC) assessment. (MAR stated only 23). In 2010, the baseline was zero since OCAC had just been launched. In 2011, 14 National Societies participated in the OCAC self-assessment phase. This figure increased to 36 in 2012 and is expected to reach in total 86 National Societies by end of 2014.

**IFRC comments:** All National Societies are independent entities, subject to national laws, irrespective of their financial capacity. The IFRC sets and agrees on global standards with its membership. Financial sustainability and independence is one of the desired standards for members but does not equate to lack of compliance with agreed standards. For example, the Red Cross Society of China has recently undertaken and completed the OCAC process, which has contributed to organizational reforms not just at HQ level but also down to the provincial level. The Japanese Red Cross has decided to go through the OCAC process at the end of 2013.



**Are systems in place to effectively measure results? Does it have a comprehensive results framework that cover the whole of the organisation's activities and the whole of the results chain from inputs through to impact?**

**IFRC comments:** Progress on development and rolling out the Federation-wide Databank and Reporting System (FDRS)<sup>i</sup> to National Societies was assessed and indeed found limited due to a combination of staff and technical challenges. Recognizing these challenges, senior management has taken necessary steps to revitalise and accelerate the process.

As of June 2013, 126 National Societies had provided data on one or more FDRS key performance indicators since the start of the year, This figure represents 67 per cent of IFRC membership.

While figures for National Societies providing data on all seven FDRS key performance indicators have similarly increased to 35 National Societies (19 per cent of IFRC membership), this is still regarded as insufficient.

Plans have been adjusted to ensure that by the end of 2014 40 per cent of our membership will provide data on all seven key performance indicators and 75 per cent will provide data on one or more of these key performance indicators.

**Does it have an effective evaluation function? Are evaluations acted upon?**

**IFRC comments:** IFRC considers the institutional learning from evaluations as essential to adapting strategies and enhancing impact, and welcomes the suggestion to formalise further our practice of recording how recommendations are followed up. Real-Time Evaluations are one area where there has been a systematic process involving a formal management response with clear actions and responsibilities; these responses are also publicly available on the online evaluation database. For more institutional matters, management action points are recorded in the decision sheets of the Global Senior Management Team, as well as in Governing Board meetings minutes for the more organization-wide recommendations.

Evaluations have also led to lengthy but essential processes of policy changes involving the breadth of the membership. An example of this is the current process of reviewing the Principles and Rules for Disaster Relief which is linked to several recommendations made in a number of real-time evaluations such as the Tsunami and China Earthquake evaluations and the management responses made to those evaluations. In addition, IFRC is organising the second Haiti learning conference whose aim is to gather participants from across the International Red Cross and Red Crescent Movement to collectively define the way the lessons learned from the Haiti operation will contribute to organizational learning and change.

## Partnership Behaviour

No specific comments from IFRC. Reasonable progress was found.

## Financial Resources Management

**Do its financial systems allow and encourage predictable (i.e. Long-term) commitments?**

**MAR update states:** IFRC's systems allow predictable, long-term planning, but the organization often finds it difficult to attract long-term, predictable and un-earmarked funding from donors. Since the MAR no evidence has been found that this situation has changed but it is a problem shared by many multilateral organizations.

**IFRC comments:** IFRC agrees with DfID's statement that "the organization often finds it difficult to attract long-term, predictable and un-earmarked funding from donors" and is reaching out to governments to build more long-term partnerships in collaborations with its National Societies. IFRC's mission, at the heart of the resilience agenda, is straddling humanitarian and development budget lines and suffering from the silos between donor institutions. This places further demands on the lean organization to strengthen its engagement with donors and potential donors, a priority agenda for the IFRC.

In response to increasing demands from members for predictable financing, the IFRC commissioned an external study to examine feasibility of setting up a community resilience trust fund, which would allow partners to be part of governance and financial decisions. IFRC will progress to further develop the modality during 2013.

***Does it pro-actively manage poorly performing projects and programmes, curtailing them where necessary and recycling savings into better performing parts of the portfolio?***

**IFRC comments:** This is a priority agenda for the IFRC and a dual agenda. On one hand, the IFRC secretariat, as an institution, has aimed to adopt best practices in project management. It does actively manage the performance of projects for which the funding flows through IFRC and is able to take corrective action when poor performance occurs in this context. On the other hand, IFRC is also seeking to strengthen the capacity of sovereign National Societies, for instance in financial management, by providing training, tools and staffing. These efforts, and further implementation of the evolving Accountability Framework, are essential in raising the collective performance in project management across the IFRC.

**IFRC concern:** We are concerned that a statement is included in the MAR update that in one instance IFRC did not follow its own country-specific shelter cluster guidelines. This issue had not previously been brought to the attention of IFRC as Global Shelter Cluster<sup>ii</sup> Coordinator and specific information on the case has not been provided to IFRC to allow course correction, as this is neither our policy nor in line with our demonstrated practice.

***Does it have strong policies and processes for financial accountability (risk management, anti-corruption, quality of external audits, fiduciary risk)?***

**IFRC comments:** With regard to financial accountability, we are pleased to note that DfID recognizes the existence of strong financial reporting systems at Secretariat level. The same systems apply in all parts of the IFRC secretariat (Geneva offices, Zone, region and country delegations). The same systems extend to funds disbursed through National Societies in donor-funded projects for which the funding flows through IFRC. Equally important work is carried out in strengthening National Societies' own capacities in financial management. Progress is already illustrated by the increasing number of National Societies who regularly conduct external audits and make them public on their web sites, but disparities remain and this work will be vigorously pursued.

***Are partner, recipient countries well represented (e.g. through seats, votes, etc.) in the governing mechanisms of the MO, such as that they have an impact on decision making?***

**IFRC comments:** The MAR stated that recipient countries are well represented through the IFRC General Assembly, but signalled the need for a donor support group. IFRC is committed to building a strong Donor Advisory Group (DAG) that would allow for strategic exchanges between the donors and the senior management of the IFRC. It demonstrated this commitment by organizing the first DAG meeting in May 2012 with representatives from six key donors. Consultations are under way for a 2013 meeting in the lead-up to our Statutory Meetings.

**IFRC factual correction:** The meeting agreed that IFRC will promote its standard reporting to donors rather than develop and additional *single reporting template*. The commitment at the DAG was that donors would discuss this with their peers and get support for this approach in line with Aid Effectiveness Principles.

***Do stakeholders (Government, civil society, and other key groups) from partner/recipient countries have a mechanism through which they have the right to redress or complain about the MO's policies and programmes?***

**IFRC comments:** Stakeholders to whom the IFRC is accountable is defined in Strategy 2020 as "the people we serve, those who entrust us with resources for action, people who work within the IFRC, governments and the external partners who collaborate with us." In speaking of approaches to beneficiary accountability, IFRC distinguishes between at least three distinct forms of interaction: providing information, consulting with beneficiaries to solicit information or agreement from them, and participation, in which beneficiaries participate in implementing a project or evaluation. In the past few years the IFRC has put a lot of emphasis on "Beneficiary Communications"<sup>iii</sup> with significant results achieved. We see a more systematic recognition of improved engagement, inclusion, and participation of our beneficiaries within our programmes and believe that the organization is moving in the right direction. We recognize the importance of Beneficiary Communications during

large scale emergency settings (ex. Haiti operation) and acknowledge the importance of this approach being deployed in all our programmes from development to emergency response. We also pride ourselves in the community ownership of our programmes, and the dialogue facilitated by 13 million volunteers.

Accountability to our partners is provided through regular reporting and transparently shared online. In addition, as the MAR update stated, IFRC established a Donor Advisory Group that provides a mechanism for strategic discussions with key partners. We will continue to strengthen our accountability mechanisms and will strive to remain at the forefront of best practices in this area.

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Endnotes:

<sup>i</sup> The objectives of the [FDRS](#) are:

- To promote greater self and partner awareness of the capacities, services and potential of National Societies, so as to boost their self-development, and their external profile
- To facilitate monitoring and reporting of performance in a consistent and transparent manner, thereby enabling individual National Societies and the collective Federation in promoting accountability and positioning for greater influence and growth

<sup>ii</sup> The International Federation is co-chair of the global interagency Shelter Cluster with UNHCR. The Shelter Cluster works collaboratively on activities to address preparedness issues as prioritized by the country level clusters. The International Federation has made a commitment to:

- supporting enhanced preparedness in emergency shelter at a global level;
- scaling up the operational capacity of the International Federation in emergency shelter;
- and coordinating the provision of emergency shelter assistance at country level after natural disasters.

<sup>iii</sup> IFRC's "Beneficiary communications" give people a voice and empower them to participate in their own recovery. It connects humanitarian programming with vulnerable people through active community engagement with a mix of new and old technologies to make communicating with beneficiaries more effective and efficient. Beneficiary communications should provide two-way dialogue with communities, offer timely information through all stages of a disaster, and methods for communities to have an input into the work of the Red Cross Red Crescent.