



**Power of humanity**

Council of Delegates of the International  
Red Cross and Red Crescent Movement

10-11 November 2017, Turkey



**EN**

**CD/17/6DR**

**Original: English**

**For decision**

**COUNCIL OF DELEGATES  
OF THE INTERNATIONAL RED CROSS  
AND RED CRESCENT MOVEMENT**

Antalya, Turkey  
10–11 November 2017

**Movement-wide principles for resource mobilization**

**DRAFT RESOLUTION**

**Document prepared by the International Committee of the Red Cross  
and the International Federation of Red Cross and Red Crescent Societies  
in consultation with National Red Cross and Red Crescent Societies**

Geneva, September 2017

## DRAFT RESOLUTION

### Movement-wide principles for resource mobilization

The Council of Delegates,

*deeply concerned* by the growing humanitarian needs stemming from armed conflicts, natural disasters and other humanitarian crises, and *recognizing* the ever-widening gap between humanitarian needs and the resources available to reach the people and communities that the International Red Cross and Red Crescent Movement (Movement) serves,

*emphasizing* the Movement's mission, as set out in its Statutes, to "prevent and alleviate human suffering wherever it may be found, to protect life and health and ensure respect for the human being, in particular in times of armed conflict and other emergencies, to work for the prevention of disease and for the promotion of health and social welfare, to encourage voluntary service and a constant readiness to give help by the members of the Movement, and a universal sense of solidarity towards all those in need of its protection and assistance",

*welcoming* the consultations held throughout 2016 and 2017 on the Movement-wide principles for resource mobilization and associated actions and *taking note* of the results of the related survey of National Red Cross and Red Crescent Societies (National Societies) conducted by the International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC),

*expressing concern* that, although resource mobilization is a high priority amongst some Movement components, it is not sufficiently prioritized by others and that the Movement is not realizing its full potential in resource mobilization for its domestic and global work,

*reiterating* the importance of taking a coherent and effective approach to cooperation in fundraising and related communications within the Movement and of committing all Movement components to supporting National Societies in further strengthening their capacity to mobilize resources, in accordance with the aspirations of the vision for the Movement, which was adopted by the 2015 Council of Delegates,

*noting* the global benchmarking exercise on fundraising conducted with Movement components, *recognizing* the growing competition in local and global resource mobilization, and *acknowledging* that while other organizations are increasing their income and their market share across public- and private-sector fundraising, the data collected suggests that the Movement is not,

*noting also* that the challenges faced in mobilizing resources locally and globally have been highlighted in resolutions adopted by previous Councils of Delegates and that, as noted below, these challenges have become increasingly acute, to the point that practical action is required,

*taking note* of the interest expressed and of the commitments undertaken by the wider humanitarian community to provide increased support and funding to local and national responders and to deepen and broaden the resource base for humanitarian action,

*recalling* the goals of the Federation-wide resource mobilization strategy, which was approved by the IFRC General Assembly in 2011 – maintaining leadership in resource mobilization for emergencies, growing non-emergency income for international and domestic work, and increasing the resource-mobilization capacity of National Societies – through which, by

working together, National Societies around the world can maximize resource-mobilization opportunities to support the strategic aims of the IFRC Strategy 2020,

*recalling also* Resolution 1 of the 2015 Council of Delegates, “Strengthening Movement coordination and cooperation (SMCC): Optimizing the Movement’s humanitarian response” and its crucial recommendation that “[a] Movement-wide approach to resource mobilization should be built on complementarity and non-competitiveness, meaning intra-Movement competition is avoided”,

*emphasizing* the interest of Movement components in developing Movement-wide principles for resource mobilization and *recalling* Resolution 2 of the 2015 Council of Delegates and its operative paragraph 6, which “commits the Movement components to demonstrating their collective leadership with a view to maximizing the Movement’s fundraising potential in a spirit of collaboration and good partnership, and calls upon the ICRC and the International Federation to pursue an inclusive process with National Societies for the development of Movement-wide principles for resource mobilization, which are to be submitted for adoption at the Council of Delegates in 2017”,

*emphasizing also* the importance for the Movement and its components of further developing and strengthening their common vision on domestic and global resource mobilization so as to find models of cooperation through which intra-Movement competition can be avoided, and to ensure that the Movement and its components can increase their capacity to respond to growing humanitarian needs,

*reaffirming* the duty of all Movement components to abide by the Fundamental Principles and the Movement’s regulations, policies and rules at all times, in all of their activities – including fundraising, in their relationships with external partners, and in the use and display of the emblem,

*mindful of* the coordination frameworks, agreed upon by the Movement, and of the treaty-based and statutory mandates and core responsibilities of the Movement’s components, and *emphasizing* the collective ambition of the Movement and its components to maximize their resource-mobilization potential to the fullest for the benefit of the people and communities they serve,

*stressing* the importance for Movement components of taking responsibility for maximizing their fundraising potential and of supporting the capacity development of National Societies and *reaffirming* the Movement’s commitment to working together in order to increase its income sufficiently to meet growing humanitarian needs,

1. *adopts* the Movement-wide principles and deliverables for resource mobilization, as annexed to the present resolution, and *encourages* all Movement components to comply with these principles in their individual and collective resource-mobilization efforts;
2. *invites* National Societies, the IFRC, and the ICRC to state their individual and collective commitment to fundraising in a manner consistent with the Movement-wide principles for resource mobilization outlined in Annex 1;
3. *requests* that the National Societies, the IFRC and the ICRC work together to create a virtual fundraising hub, as outlined in Annex 2, whose activities include collecting and sharing fundraising data and best practice and learning in fundraising, and to create a fund to provide seed financing that supports Movement components in prioritizing strategic investment in fundraising based on robust market and data analysis;

4. *calls upon* the Movement components to report back to the Council of Delegates in 2019 on progress and achievements in fundraising in accordance with the Movement-wide principles for resource mobilization, on the creation and implementation of the virtual fundraising hub, and on strategic investment in National Society fundraising development.

## ANNEX 1

# Movement-wide principles for resource mobilization

## BACKGROUND

The International Red Cross and Red Crescent Movement (Movement) is committed to preventing and alleviating suffering wherever it may be found. Never has that collective work been so important. We live in a world where armed conflicts, natural disasters and other emergencies create an ever-widening gap between people's basic needs and available resources. We must therefore seize the opportunity as a Movement to increase our income sufficiently to meet growing needs.

## VISION

We work together to be leaders in local and global resource mobilization, which enables us to maximize our global reach and fulfil the humanitarian mission of the Movement, each according to our respective mandates.

We put humanity first: fundraising together helps ensure we can continue to respond to humanitarian needs, wherever they may be, now and in the future.

The relevance and quality of our humanitarian work, together with the provision of excellent donor care and stewardship, make us the partner of choice for our supporters.

## GOALS

We fundraise with the aim of:

- being leaders in local and global resource mobilization for humanitarian work;
- mobilizing the power of humanity, particularly during emergencies, enabling partners and supporters to provide help to those most in need; and
- ensuring individual and collective financial sustainability in a spirit of solidarity and good partnership, thus recognizing that the Movement is stronger together than the sum of its parts.

## PRINCIPLES

1. **Maximizing income:** take responsibility, individually and collectively, for proactively maximizing income for the domestic and global work of the Movement to prevent and alleviate human suffering wherever it may be found.

This principle commits the components of the Movement to collaborate to maximize their potential in resource mobilization for the sustainability and fulfilment of their respective mandates and that of the Movement as a whole, and to work together to reach further where joint action is an enabler to do more.

A lack of collective ambition limits the Movement's ability to take the local and global position of partners of choice. It is the deeply embedded local presence and global reach, combined with the public's awareness of the Red Cross and Red Crescent that provide unparalleled opportunities to maximize potential in fundraising. We prioritize fundraising for maximum

humanitarian impact. We must therefore support each other in fundraising and enable each other to fundraise in order to exercise our individual mandates, roles and core competencies.

We acknowledge that enhancing existing models of fundraising could help achieve our goals and that we may have to explore new and different approaches. Sustainability in fundraising will come from sharing experience and knowledge, establishing long-term partnerships and innovating.

2. **Fundraising driven by need:** fundraise in a way that puts the critical importance of meeting humanitarian needs at the core of decision-making.

The Movement is committed to fulfilling its humanitarian mission to prevent and alleviate human suffering wherever it may be found, including helping those affected by armed conflict and internal strife, natural disasters and health crises. This imperative must remain at the core of all our activities, including fundraising. This principle commits the components of the Movement to fundraising proactively in response to unmet domestic and international humanitarian needs and in support of the Movement's intended response thereto.

Fundraising communication, i.e. imagery and messages, must accurately represent the humanitarian needs the Movement is responding to. It must also portray the work of the Movement and its components in a manner that is reflective of the work being carried out in affected communities, and the overall situation. It should at all times preserve the dignity of and respect for those people and communities affected by crises or in vulnerable situations, and must give utmost attention to ensuring the security and protection of affected populations.

This principle also recognizes that where humanitarian needs are met by others, fundraising may not be necessary or appropriate. In such cases, our communication should clearly articulate the Movement's position in relation to the given crisis and any decision not to fundraise.

3. **Capacity development:** support National Red Cross and Red Crescent Societies (National Societies) in developing and diversifying their fundraising, and leverage the support of other Movement components to enhance National Societies' capacity in resource mobilization.

This principle reflects the collective commitment of the Movement to build a network of strong and sustainable National Societies that are capable of supporting themselves and of contributing to the overall work of the Movement. This principle recognizes that one model of resource mobilization is not appropriate for all and that together we must adopt a systematic approach to National Society fundraising development by: leveraging existing networks; mobilizing peer-to-peer support; building on our extensive internal knowledge, experience and expertise; and drawing on external resources and good practices.

In 2011, the General Assembly of the International Federation of Red Cross and Red Crescent Societies (IFRC) approved the first ever Federation-wide resource mobilization strategy. Its primary strategic goals remain relevant and valid, particularly its objectives to increase the resource-mobilization capacity of National Societies. It is with this in mind, and recognizing the good work done to achieve positive outcomes for National Society development in fundraising, that we commit to this principle.

In addition, this principle connects to a wider paradigm shift in humanitarian financing, which recognizes that financial resources must be more flexible, efficient, transparent and effective.

Humanitarian organizations should seek to support and strengthen local action and local actors. Strong National Societies with a sustainable domestic resource base will lead, in turn, to a stronger Movement and to a more effective humanitarian response.

Resource mobilization is an important function in organizational development for all Movement components. Specifically for National Societies, it contributes to sustainability and reduces dependency on a few partners or funders. Furthermore, it helps to create constituencies within communities that can support National Societies and enable them to expand and develop their humanitarian services.

4. **Investing to grow:** identify opportunities to achieve growth that support the financial sustainability of the individual Movement components and their ability to carry out their mission effectively. Strive to invest in ways that create growth in fundraising, making decisions based on data and evidence.

This principle commits the leadership of the Movement components to prioritize fundraising as a means to achieve their humanitarian goals, locally and globally. To do so requires investment in fundraising.

Sound investment decisions must be based on understanding the current position in domestic resource mobilization and how that position contributes to the overall global situation. A sustainable, diverse and growing funding base is essential to the financial health of the Movement components and to their ability to respond to increasing humanitarian needs.

Understanding the markets in which we fundraise, the funding base we draw upon, and the opportunities to invest to grow individually and collectively requires comprehensive and reliable funding data to analyse and benchmark against. The Movement should also benchmark against other organizations in order to make informed decisions about where its components can invest.

Investing to grow is often a difficult strategic decision. Available funds are often directed towards the delivery of vital services, projects and programmes to help vulnerable people and communities. However, practice shows that Movement components with a clear investment strategy for fundraising growth are far more likely to become stronger and more sustainable organizations with more available resources to carry out their humanitarian work in the long term.

5. **Solidarity and good partnership:** adopt a collaborative and coordinated approach built on trust, mutual respect and solidarity amongst Movement components, avoiding all forms of competition and leveraging our respective mandates and core roles, as well as our strengths.

This principle recognizes that the potential of the Movement in resource mobilization depends on the ability of its components to work together in a spirit of good partnership, building upon their respective mandates, core roles and strengths. The Movement exists as one to prevent and alleviate human suffering wherever it may be found. It is with this express mission at the core that the approach to local and global resource mobilization must be built.

Movement components should use their unique and privileged position for resource mobilization, to drive progress in the realization of their mission, seeking opportunities to support and promote each other's success. By unlocking opportunities for donors to give, irrespective of where they are located, by enabling people to commit an act of humanity

through donating, and by coordinating to avoid competition, Movement components help to create a positive experience for donors and partners, whatever their relationship with the Movement.

6. **Funding our mission:** recognize the primacy of National Societies in fundraising for their activities in their respective markets while recalling that they have a responsibility to maximize income for the humanitarian mission of the Movement.

Each component of the Movement should be enabled to raise or receive adequate resources to fulfil its humanitarian mandates and core roles and responsibilities and should support the efforts of other components of the Movement to do so.

As auxiliaries to public authorities in the humanitarian field, National Societies have a distinct status and role. Furthermore, they must be prepared to respond to other humanitarian needs as necessary.

National Societies should take proactive steps to maximize their fundraising potential as opportunities arise. It is vital that they be strong fundraising organizations capable of and willing to raise resources in their own markets for their own activities and for those of other components of the Movement.

Taking account of humanitarian needs and donor intent, in situations where Movement components cannot fundraise for whatever reason, together we welcome the opportunity to explore alternative approaches or the development of donor relationships by other Movement components.

7. **Dialogue with States:** recognize the strategic importance, for all components of the Movement, of a coordinated dialogue with States to support and fund their specific humanitarian mandates, roles and core competencies; strongly encourage all National Societies to manage their relationship with their governments for the benefit of the entire Movement.

States are committed under the Statutes of the Movement to “support, whenever possible, the work of the components of the Movement”.<sup>1</sup>

One of the primary roles of National Societies is therefore to engage in and manage the relationship with their respective governments in order to secure long-term and regular resourcing for their humanitarian work, including, but not limited to, their activities carried out as part of their auxiliary role to the public authorities in the humanitarian field, as well as for the IFRC and the International Committee of the Red Cross (ICRC). Where there is an opportunity to work together with States, components of the Movement strive to coordinate their efforts to maximize funding for the benefit of all.

The commitments undertaken by States to support the Movement extend beyond the National Society in their country. States have, in particular, made commitments in specific resolutions adopted by the International Conference of the Red Cross and Red Crescent<sup>2</sup> to provide the ICRC, through regular and special contributions, with the means to fulfil its roles and mandates under the 1949 Geneva Conventions and the Statutes of the Movement. The ICRC is

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<sup>1</sup> Statutes of the International Red Cross and Red Crescent Movement, Article 2, paragraph 3.

<sup>2</sup> 25th International Conference of the Red Cross, Resolution 25, “Financing of the ICRC by governments”, Geneva, 1986.



responsible for making its appeals to governments and for negotiating the governments' contributions. The presence of the National Society in those negotiations depends on the agreement reached between the government, the ICRC and the National Society.

8. **Positioning our brand:** fundraise at all times in a way that contributes to building constituencies of support, thereby increasing the visibility and strengthening the individual brands of Movement components and of the Movement as a whole.

On issues of shared global interest and importance, the Movement is committed to exploring the connection between resource mobilization and public engagement, global messaging, advocacy and humanitarian diplomacy.

Each Movement component is committed to fundraising in a way which promotes a positive image and recognizes the impact of fundraising activities on its own brand and reputation, on those of other Movement components, and on the Movement as a whole. By committing to supporting each other in efforts to positively position themselves through fundraising, Movement components therefore help preserve their reputation and brand, enabling the Movement to carry out its humanitarian mission.

Where there is a requirement to speak with one voice, the Movement should coordinate to give supporters in local and global markets the option to donate effectively in response to the humanitarian situation.

9. **Principled approach:** take a principled and ethical approach to fundraising that complies at all times with applicable laws and exhibits a commitment to the Fundamental Principles and the agreed policy and regulatory framework of the Movement.

In all resource-mobilization activities, the Movement components reiterate their commitment to complying with the Fundamental Principles of the Movement and with the Movement's agreed policy and regulatory framework. This should protect the emblems and the reputation and brands of the Movement and its components. In particular, Movement components have a duty to abide at all times by:

- the Fundamental Principles;
- agreed norms and standards on the display of the emblems and their designations, as well as of our logos, resulting from the 1949 Geneva Conventions and their Additional Protocols, the 1991 Regulations on the Use of the Emblem of the Red Cross or the Red Crescent by the National Societies, and applicable domestic laws;
- applicable national, supranational and international laws;
- other relevant Movement rules and policies, including the 2005 International Red Cross and Red Crescent Movement Policy for Corporate Sector Partnerships,<sup>3</sup> to ensure that Movement components do not enter into partnerships with and do not accept contributions from corporations or organizations whose activities do not comply with the Movement's Fundamental Principles, mission and/or objectives;
- recognized standards on data protection.

Movement components should also ensure that they do not engage in resource-mobilization activities or solicit or receive funds that are liable to expose them to a significant financial or reputational risk. Lastly, and in light of the above, all components should give due consideration

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<sup>3</sup> Council of Delegates, Resolution 10, "Movement policy for corporate sector partnerships", Seoul, 2005.

to putting in place the rules and procedures necessary, including appropriate oversight mechanisms, to ensuring that fundraising activities are conducted in a principled and ethical manner at all times.

10. **Accountability:** raise and utilize donated resources in a manner that honours donor intent and is transparent and accountable to the people and communities we serve, to our donors and to the Movement as a whole.

In order to remain donors' partner of choice and sustain their loyalty, it is essential that Movement components demonstrate value for money, transparency and accountability to donors and the communities they serve, in compliance with applicable national, supranational and international laws and regulatory requirements. This is of utmost importance in an increasingly competitive domestic and global fundraising environment.

Irrespective of the type of partnership, whether with a member of the public or with a donor government, a partner's decision to support the Movement or any one of its components should be considered a sign of their trust in our ability to fulfil our mission.

The interests of donors are central in this context. Contributions may therefore only be spent in accordance with the terms under which the donors gave their contributions. Movement components must be able to report on the use of funds received. Furthermore, in many countries funds raised for a specific purpose are legally required to be spent for that purpose. Clear communication on the purpose(s) of fundraising activities can help Movement components to ensure transparency and accountability to donors, to the communities served and to the Movement as a whole.

**ANNEX 2**

**Deliverables – Transforming fundraising**

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## BACKGROUND

The objective of this paper is to propose initiatives that, over a three-year period, will set out the framework for a transformational change in how the International Red Cross and Red Crescent Movement (Movement) understands fundraising, invests in fundraising and coordinates its fundraising, and in the fundraising performance it achieves. The initiatives are intended to complement the ongoing work of Movement components in capacity and fundraising development.

On 7 December 2015, the Council of Delegates adopted the Movement logo (CD/15/R2). The same resolution gave the International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC) the mandate and the responsibility to carry out an inclusive process with National Red Cross and Red Crescent Societies (National Societies) to develop Movement-wide principles for resource mobilization and to present them to the Council of Delegates in 2017:

The Council of Delegates (...) *commits* the Movement components to demonstrating their collective leadership with a view to maximizing the Movement's fundraising potential in a spirit of collaboration and good partnership, and *calls upon* the ICRC and the International Federation to pursue an inclusive process with National Societies for the development of Movement-wide principles for resource mobilization, which are to be submitted for adoption at the Council of Delegates in 2017.

A reference group of National Society leaders, chaired by the ICRC and IFRC, agreed that, in addition to Movement-wide principles for resource mobilization, several key deliverables were needed to support the Movement in realizing its mission, support the implementation of the principles and truly “[maximize] the Movement's fundraising potential in a spirit of collaboration and good partnership”. These deliverables include:

- developing a virtual fundraising hub with the purpose of coordinating subsequent initiatives and Movement fundraising generally, sharing best practice in fundraising, and facilitating and coordinating the learning and development of fundraising staff within the Movement;
- creating a fund to provide seed financing to support growth and development in fundraising according to the needs of the National Society;
- improving the Movement's access to and analysis of strong fundraising data to underpin strategic decision-making in resource mobilization.

This paper sets out the business case for dedicating the requisite funds and resources to a framework that will implement the vision and principles for resource mobilization in practice.

The Movement is **seeking an investment of 8.3 million Swiss francs over three years** for the proposed programme of work; this figure includes start-up, staffing and initial investment costs for creating the framework. The aim is for the Movement components to achieve greater sustainability together by investing – sustainability both for National Societies in their fundraising and for the Movement as a whole through growth in its resource-mobilization portfolio.

## STRATEGIC ALIGNMENT

As mandated by the Council of Delegates in 2015, a reference group comprising leaders from 34 National Societies, the ICRC and the IFRC has created a Movement vision and principles for resource mobilization. The vision galvanizes the Movement to: work together to be leaders

in local and global resource mobilization, which enables the Movement to maximize its global reach; fulfil its humanitarian mission; and be the partner of choice for its supporters, providing excellent donor care and stewardship. The aim of this programme of work is to:

- make the Movement a leader in local and global resource mobilization for humanitarian work;
- mobilize the power of humanity, particularly during emergencies, enabling partners and supporters to provide help to those most in need;
- ensure the individual and collective financial sustainability of the Movement components in a spirit of solidarity and good partnership, recognizing that the Movement is stronger together than the sum of its parts.

The Movement-wide principles for resource mobilization call for a framework centred on supporting National Societies with fundraising development, coordinating in order to avoid competition, working together to maximize opportunities in a spirit of solidarity and good partnership, and investing in fundraising based on robust data and market knowledge, while taking a principled and ethical approach to fundraising.

The vision, goals and principles were all designed to complement the Federation-wide resource mobilization strategy, which was approved by the General Assembly in 2011. That strategy also focuses on maintaining fundraising leadership in emergencies, growing non-emergency income for domestic and international work and building the capacity of National Societies in fundraising.

The deliverables, particularly the virtual fundraising hub and fundraising investment initiatives, are intended to complement the collaboration between the IFRC, the ICRC and National Societies to develop a concept for the forthcoming Red Cross and Red Crescent investment fund. It aims to strengthen local action in the event that a global response to crisis is needed. The creation of this fund is an acknowledgement that, while many National Societies are strong and stable, others are far from reaching their potential. Further investment and support are needed to ensure that National Societies become and remain sustainable, independent humanitarian actors that are recognized and trusted in their communities and seen as reliable partners for the delivery of principled and effective humanitarian action. It is important that initiatives presented to support investment in fundraising be aligned with the wider aims of the forthcoming Red Cross and Red Crescent investment fund, given that development of and investment in resource-mobilization capacity is an important part of ensuring the financial sustainability of National Societies in the context of their overall organizational development.

## **BUSINESS NEED AND CURRENT SITUATION**

The Movement is committed to preventing and alleviating suffering wherever it may be found and to helping people facing disaster, armed conflict and health and social problems. Never has that collective work been so important. We live in a world where armed conflicts, natural disasters and other emergencies create an ever-widening gap between people's basic needs and available resources.<sup>4</sup> We have a moral imperative to maximize our fundraising potential,

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<sup>4</sup> The High-Level Panel on Humanitarian Financing's report to the Secretary-General of the UN, *Too Important to Fail: Addressing the Humanitarian Financing Gap*, estimates this gap to be 15 billion US dollars.

individually and collectively, in order to meet those needs. And yet we are under-delivering as a Movement, struggling to increase our income sufficiently.

We are also “leaving money on the table” and losing market share to other national and international organizations because we do not have a shared vision for our resource-mobilization ambitions. We are often not investing where there are opportunities for growth, be they in specific markets, technologies or products. We must therefore seize the opportunity as a Movement to increase our income.

Movement fundraising data are collected and analysed annually from only the ICRC, the IFRC and 16 National Societies via the global international non-governmental organization (INGO) benchmarking exercise. While the data may not be representative of the Movement’s overall resource-mobilization capacity, analysis of even this limited data highlights several basic issues:

- the Movement does not fully understand its fundraising position due to a lack of data;
- Movement fundraising growth is stagnant – 2% compound annual growth between 2011 and 2015;
- when compared with INGOs, the Movement is losing market share, down from 22% in 2011 to 18% in 2015.

Many National Societies are strong and financially secure, and others have taken and continue to take important steps to develop their own strategic funding capabilities. But a significant number of National Societies face serious difficulties in meeting humanitarian needs due to their low capacity to mobilize resources sustainably. Systemic weakness in resource mobilization is common among most of the 90 National Societies that have carried out the IFRC’s Organizational Capacity Self-Assessment and Certification (OCAC).

An online survey conducted as part of the research for developing the Movement-wide principles and deliverables was completed by 93 National Societies (49% of the network). The National Societies were asked to choose, among eight possible explanations, which they thought could be responsible for the trend of declining funding in their country. The most commonly chosen explanation was a lack of investment in fundraising (53% – 49 National Societies), followed by declining financial support from partners (49% – 46 National Societies) and limited resources for, or access to, professional fundraisers (47% – 44 National Societies).

National Societies were also asked whether they routinely collect and analyse fundraising performance data to understand the potential for growth and/or to inform investment decisions. Of the respondents, 53 National Societies said they do, suggesting that as many as 37 more National Societies could be taking part in the Movement’s annual data-collection and benchmarking initiatives. The 40 National Societies that reported they do not collect and analyse fundraising performance data gave several reasons and ideas for what would help or enable them to do so, and many gave multiple responses. The most common was a lack of capacity or resources, cited by 26 National Societies: “We have limited capacity to do so. We may need support in this area (capacity-building in fundraising)” and “weak database and management information system”. National Societies were also asked if they would be interested in receiving a financial investment to develop their fundraising activities, to which 81% of respondents responded they would. Furthermore, 65% of respondents suggested that they would be willing to contribute staff time to a virtual fundraising hub and 18% would be willing to provide funding.

## **EXTERNAL ANALYSIS**

It is widely recognized within the professional fundraising sector that strategic investment in fundraising can drive sustainable revenue growth. A comparative study, conducted by the International Fundraising Leadership Forum, representing 15 global INGOs and UN agencies (e.g. Amnesty International, Save the Children, Oxfam, UNICEF, the UNHCR) shows that organizations that make coordinated long-term investments in strategic markets show healthy income growth. Those that do not find achieving growth more challenging.

International governmental organizations (IGOs) and INGOs that have established a successful global income-growth culture recognize the importance of investment funds in driving income growth. Organizations on a growth path are taking the strategic decision to invest in income growth in countries with opportunities both for absolute growth and for cost-effective growth of sustainable long-term income.

The focus of investments for most organizations is building the base of individual regular private donors who support the organization with an automatic monthly or regular donation. The organizations use a range of different types of investment mechanisms or funds, such as allocating part of their central budget to investment or – for those organizations in a strong financial position – supporting other organizations in their country with growth potential, either via a central body or bilaterally.

Managing the fundraising portfolio and coordinating international decision-making on investing in fundraising lead to more strategic and targeted growth. The organizations achieving good returns and growth are typically those that focus their investments in countries with high-growth and high-value potential. Return on investment is lower when investing in countries that are relatively underdeveloped or when building organizational capacity.

The study also noted that some IGOs and INGOs underwent cost cutting in parts of their operations while protecting the investments in income growth to ensure the future financial health of their organization.

The following IGOs and INGOs are known to use market-targeted investment for fundraising growth: the UNHCR, UNICEF and Save the Children. Save the Children also operates a fundraising hub, while Amnesty International, MSF and UNICEF each have dedicated global-fundraising-development support staff.

## **PROGRAMME OVERVIEW, OBJECTIVES AND BENEFITS**

Anticipating the adoption of the Movement-wide principles for resource mobilization, the ICRC, the IFRC and the reference group of National Societies propose three initiatives that should be made priorities immediately: creating a virtual fundraising hub, collecting and analysing fundraising data and setting up a fund to provide seed financing to drive performance in local and global resource mobilization.

The objective of the programme is to carry out initiatives that, over a three-year period, will set out the framework for transformational change in how the Movement understands fundraising, invests in fundraising and coordinates its fundraising, and in the fundraising performance it achieves. The programme consists of three distinct projects:

## 1. VIRTUAL FUNDRAISING HUB

The scope, design and operating model of the virtual fundraising hub will be established following the anticipated adoption of the resolution on Movement-wide principles for resource mobilization at the 2017 Council of Delegates, based on broad consultations with Movement components. The proposed virtual fundraising hub will be a base for driving fundraising excellence, accessing market intelligence, collectively exploring global partnerships and supporting the development of strategies for sharing best practice and organizational learning. It will also be a resource into which Movement components can contribute and from which they can get support for achieving their organizational goals under individual and collective resource-mobilization strategies. The virtual fundraising hub is not designed to fundraise as a separate entity.

The virtual fundraising hub will be designed in two phases. Phase one will see the basic architecture for the virtual hub put in place. This phase can begin in January 2018 following the adoption by the Council of Delegates of the resolution on resource mobilization. A small, virtual Resource-Mobilization Coordination and Support team will be formed to set up and manage the three key components of phase one: determining the process for collecting and analysing fundraising data, setting up the systems and processes required to invest in fundraising, and coordinating capacity development, including collecting best practice.

In phase two a central repository will be established for global products, fundraising programmes and content (e.g. budgets, case studies, proposals, images) from around the Movement. Phase two can begin in early 2020, or earlier if phase one is implemented more rapidly. It is worth noting that the budgets for start-up and early development of these initiatives are low in comparison to those allocated by other humanitarian networks. These budgets should be reviewed annually to ensure delivery is on track and facilitate scaling of successful programmes. The plan is to secure external investment during years two and three to move towards making this programme, which includes the hub and the fundraising investment fund, largely self-financing (i.e. donor-financed) in the longer term.

National Societies can contribute to the sustainability of the hub by donating funds and/or “expert volunteers” to work with a small staff team; these are “donor National Societies”. Other National Societies will draw upon the three components of the hub, on the understanding that they will share anything they learn; these are “recipient National Societies”. In some cases the contribution is one way (e.g. developing the capacity of a partner National Society). But donor National Societies can also be recipients (e.g. when a European National Society attends the International Fundraising Skillshare). A technological solution will be developed to ensure that, where possible, the hub’s activities can be virtual rather than face-to-face, but that may not always be feasible. Donor National Societies will be expected to budget for their contribution to the global hub either in addition to, or as a substitute for, any planned capacity-building that they would ordinarily have delivered as part of their support for the Movement objectives.

The Resource-Mobilization Coordination and Support team can draw on the best talent in fundraising. Initially, six to seven staff will be necessary, including a head of team. The hub should have professional expertise in corporate fundraising, individual giving, trusts, foundations, government fundraising, and data and support. At the end of year two, a review of the team will be conducted.

The overarching objectives of the hub are to:

- oversee data and investment projects;



- provide a platform for sharing fundraising best practice and accessing fundraising tools and expertise;
- coordinate global fundraising learning and development via a globally accessible IT platform, and support the regional and global workshops and skillshare events.

The benefits of investing in this project are:

- a hub that is a one-stop shop dedicated to driving the Movement's fundraising performance, while at the same time enabling the collective power and expertise within the Movement to lead the programmes of work (by having a small core team, not a big one);
- visibility on fundraising expertise within the Movement, which encourages the transfer of skills and the personal development of top fundraisers within the Movement;
- a small team of fundraising experts dedicated to achieving and promoting a Movement-wide view of fundraising in order to support all Movement components in seizing opportunities and overcoming challenges in their own external environment and to provide a better and more collective global response to funding trends.

## **2. DATA COLLECTION AND ANALYSIS**

The virtual fundraising hub will also serve as a central repository for fundraising data from across the Movement. This data will provide the foundation for evidence- and insight-based Movement-wide strategic decision-making in fundraising. Through data, the Movement will understand relative strengths and weaknesses and find opportunities in both domestic and global markets.

By gathering and analysing comprehensive data, the central repository will ensure that the Movement can confidently assess what its key financial metrics are in fundraising, including the overall income and expenditure for each National Society. The data will be broken down into: public, private, government, other Movement components, sales (goods/commercial), sales (services/charitable). It must be tracked for at least three years to be used effectively in analysis. In addition to collecting the minimum data on income and expenditure, there will be a tiered system for collecting and analysing other data. For example: "A" for Advanced; "B" for Intermediate and "C" for Entry.

The Movement currently only collects fundraising data on an annual basis from the ICRC, the IFRC and 16 National Societies. They reported aggregate income of 5 billion US dollars in 2015. Analysis suggests that the compound annual growth rate for the Movement was 2% and its market share had decreased from 22% in 2011 to 18% in 2015. This limited evidence suggests that the Movement is relatively uncompetitive compared with some of the IGOs, INGOs and the UN's fundraising programmes.

The peer-review benchmarking exercise for IGOs and INGOs illustrates that several IGOs and INGOs are achieving overall growth in voluntary contributions by making strategic investments in fundraising "markets". For example, in South Korea, the UNHCR has invested in face-to-face fundraising and grown its income from this source by 100% in five years. Face-to-face fundraising is now worth more to the UNHCR in South Korea than funding from the government.

The objectives of the data collection and analysis project are to:

- establish a baseline of the Movement's performance in fundraising by increasing participation in the global benchmarking exercise from 16 National Societies to 40 in year one and to increase steadily from there to more than 50% of the network (e.g. 95 National Societies) by 2020;
- use the data to report annually on the comparative progress of Movement-wide fundraising based on external benchmarking;
- identify opportunities for strategic investments to increase fundraising or defend the Movement's market share both locally and globally.

The benefits of investing in this project are:

- visibility across the Movement (i.e. leaders of all Movement components) on Movement fundraising statistics and comparative annual performance;
- easier evidence-based investment in fundraising in order to focus on specific market-development, growth and competition-mitigation strategies;
- an emphasis on internal data transparency and strategic development. This, in turn, will make it easier to foster a culture of collaboration in fundraising within the Movement and unlock funding opportunities from donors who currently opt against working with the Movement because of its cross-border "complexity".

### **3. INVESTMENT IN FUNDRAISING**

The scope, design and operating model of the fundraising investment fund will, as with the virtual fundraising hub, be established following the anticipated adoption of the resolution on Movement-wide principles for resource mobilization at the 2017 Council of Delegates, based on broad consultations with Movement components. The expectation is that the virtual fundraising hub will coordinate overall investment in fundraising and will work with selected National Societies to identify their fundraising potential. The hub will conduct feasibility studies to assess and prioritize investments. It will provide support for piloting, testing and rolling out initiatives that have been shown to have the ability to create multiple, multimillion-dollar sustainable income streams. The activities in connection with the fundraising investment fund are intended to complement the ongoing valuable contributions of Movement components to National Society fundraising capacity development. Furthermore, the methods for investing in fundraising are expected to be clearly aligned with those being developed in support of wider organizational development (e.g. the forthcoming Red Cross and Red Crescent investment fund).

The primary purpose will be to help National Societies develop their capacity and become self-sufficient in resource mobilization. The fund will follow a rigorous set of specific, measurable, objective and time-related criteria, and terms of reference that will include a firm commitment to partnership from both investors and recipients. It will enable the Movement to make the most of fundraising opportunities, and to articulate a clear strategy for income growth for the next three to five years. The oversight mechanisms for the fund should be determined in the first half of 2018 – it is a key performance indicator of the project for that period. The project manager dedicated to the fund will serve as a central resource for identifying, qualifying, prioritizing and testing investment opportunities with National Societies. Opportunities will be identified both proactively and reactively through research and insight, and by soliciting engagement from National Societies.

The viability of proposals will be assessed against robust monitoring criteria, including: the scale of the opportunity, the complexity, timeliness, funding/personnel required, evidence of success elsewhere and the support structure in the National Society. The terms of reference will be agreed upon and funding will be sought and found.

Where appropriate, a pilot, prototype or test will be carried out or made, and the budget, project plan, timelines, personnel and key performance indicators will be agreed on. The processes for monitoring and evaluating, proposing or terminating will be established, and the funding and personnel will be committed – this can be pro bono from the hub. Rolling out the initiatives will require sign-off as they will involve investing a significant amount of funding, based on proven financial success. After the initial period in which financing comes from National Societies, the ICRC and the IFRC, the plan is to secure funding from external donors to finance most of the investments, either as grants revolving within the investment fund or as soft loans.

The objectives of the fundraising investment fund are to:

- invest in developing National Societies' fundraising capacity, for example by supporting National Societies that are operating in emerging fundraising markets and just starting to fundraise or funding those in mature markets to help them develop new income sources;
- achieve domestic and international growth in fundraising;
- fund initiatives that have the potential to raise additional income for the work of the Movement by launching international appeals and promoting donor relationships that transcend borders.

The benefits of investing in this project are:

- more funds for National Societies;
- targeted investment in National Societies' fundraising, improving their long-term financial sustainability, independence and growth;
- a Movement-wide mechanism that helps National Societies and the Movement as a whole to realize their potential in specific markets and with specific donor segments;
- fundraising initiatives that transcend borders, and more global donor relationships.

## **GOVERNANCE AND MANAGEMENT STRUCTURE**

The governance and operating model for the virtual fundraising hub will be designed and agreed upon following the anticipated adoption of the resolution on Movement-wide principles for resource mobilization, based on broad consultations with Movement components. In the short term, the scoping and consultations for the virtual fundraising hub and fundraising investment fund will be led by an experienced Red Cross fundraising director and a team of fundraising consultants. It is expected that these technical professionals will report to a committee of ICRC, IFRC and National Society leaders. The governance and management of the investment fund will also have to align with existing National Society investment initiatives i.e. the Red Cross and Red Crescent investment fund.

## **ESTIMATED BUDGET**

The budget in the table below is speculative and based on conservative estimates about the models created and levels of investment made by other INGOs and international organizations. Precise operating models, budgets and costs will be established following the anticipated

adoption of the resolution on Movement-wide principles for resource mobilization at the 2017 Council of Delegates. The estimated total investment over three years could be 8.3 million Swiss francs, with an initial start-up investment of 1.7 million Swiss francs in year one. The increasing staffing costs in the virtual fundraising hub and data functions in 2019 and 2020 are for positions in analysis, individual giving, corporate fundraising and legacy fundraising to bolster Movement expertise in these areas. The virtual fundraising hub will not mobilize resources. The proposed fundraising experts would provide knowledge and coordination to support Movement components, specifically to support the development of National Societies' fundraising capacity.

At this stage, it is difficult to project what the financial return may be, as not all investments can be associated with direct fundraising activities. However, fundraising return on investment is 3:1 on average. So a conservative estimate would be 24 million additional Swiss francs for the Movement over three years. Reference group members indicate that the scale could be much more ambitious. The anticipated growth would be higher depending on the markets and development opportunities in which investments are made.

		2018	2019	2020	Three-year total
Fundraising hub	Chief development officer/project manag	CHF 160,000	CHF 240,000	CHF 400,000	CHF 800,000
	Online hosting system	CHF 50,000	CHF 100,000	CHF 200,000	CHF 350,000
	Design and specification consultancy	CHF 50,000	CHF 50,000	CHF 50,000	CHF 150,000
	Travel	CHF 25,000	CHF 25,000	CHF 25,000	CHF 75,000
	Events (e.g. skillshares)	CHF 100,000	CHF 100,000	CHF 100,000	CHF 300,000
	Training	CHF 0	CHF 50,000	CHF 75,000	CHF 125,000
	<b>Subtotal</b>	<b>CHF 385,000</b>	<b>CHF 565,000</b>	<b>CHF 850,000</b>	<b>CHF 1,800,000</b>
		2018	2019	2020	Three-year total
Data systems management	Chief development officer/project manag	CHF 160,000	CHF 240,000	CHF 400,000	CHF 800,000
	Data system e.g. global CRM	CHF 50,000	CHF 100,000	CHF 200,000	CHF 350,000
	Consultancies	CHF 50,000	CHF 50,000	CHF 50,000	CHF 150,000
	Travel	CHF 25,000	CHF 25,000	CHF 25,000	CHF 75,000
	<b>Subtotal</b>	<b>CHF 285,000</b>	<b>CHF 415,000</b>	<b>CHF 675,000</b>	<b>CHF 1,375,000</b>
		2018	2019	2020	Three-year total
Fundraising investment	Chief development officer/project manag	CHF 160,000	CHF 160,000	CHF 160,000	CHF 480,000
	Design and governance consultancy	CHF 50,000	CHF 25,000	CHF 25,000	CHF 100,000
	Travel	CHF 25,000	CHF 25,000	CHF 25,000	CHF 75,000
	Investment funding	CHF 500,000	CHF 1,000,000	CHF 2,000,000	CHF 3,500,000
	<b>Subtotal</b>	<b>CHF 735,000</b>	<b>CHF 1,210,000</b>	<b>CHF 2,210,000</b>	<b>CHF 4,155,000</b>
		2018	2019	2020	Three-year total
Programme director	Salary and costs	CHF 180,000	CHF 180,000	CHF 180,000	CHF 540,000
	Travel	CHF 25,000	CHF 25,000	CHF 25,000	CHF 75,000
	Risk and contingency	CHF 100,000	CHF 100,000	CHF 100,000	CHF 300,000
	<b>Subtotal</b>	<b>CHF 305,000</b>	<b>CHF 305,000</b>	<b>CHF 305,000</b>	<b>CHF 915,000</b>
<b>Total investment</b>		<b>CHF 1,710,000</b>	<b>CHF 2,495,000</b>	<b>CHF 4,040,000</b>	<b>CHF 8,245,000</b>

## OVERVIEW AND TIMELINE

### 2017

1. Council of Delegates approves principles and deliverables
2. Financing for the first three years is secured via internal pledges of financial support
3. Programme director and members of the programme board are recruited

### 2018

4. Hub is set up; programme director starts work
5. Scoping of core programmes begins, overseen by the programme steering committee
6. Process begins to recruit key hub and programme staff
7. Participation in the International Fundraising Leadership peer review is increased to 40
8. Key staff start work on data collection and analysis, the fund, best practice and learning, in line with the key performance indicators set by the programme board
9. Programme board meets in late 2018 to review programme and report to Movement "investors"

### 2019

10. Work on data collection and analysis, the fund, best practice and learning is scaled up in line with the key performance indicators
11. Donors are secured to underwrite the fundraising investment fund in the medium to long term
12. Feedback is given to internal investors on their initial investment; the investment approach is recalibrated as required
13. Progress report is submitted to the Council of Delegates assessing whether the objectives of the programme have been met
14. The programme board meets to review progress and then reports to internal and external investors

### 2020

15. Data collection and analysis is scaled up to include 95 National Societies
16. Fundraising investment fund disperses at least 2 million Swiss francs per year; large-scale external funding is sought to make the fund self-financing. Innovative and soft-loan finance mechanisms are explored. Target bilateral and multilateral funding is 50 million Swiss francs or more.
17. Hub is recognized as a central component of the Movement's fundraising development (particularly for contract services, individual giving, innovation, the content of global appeals)
18. A network approach is taken (rather than continuing to scale up); the talent pool, interest groups and shared learning continue to develop