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# To earmark or not to earmark?

A case study on the importance of unearmarked funding for emergency operations



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## Executive Summary

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Experience from emergency operations of the International Federation of Red Cross and Red Crescent Societies (IFRC) and the Netherlands Red Cross (NLRC) show the importance of unearmarked funding. The case study on Bangladesh makes it evident that it has contributed to more efficient operations, swift decision-making and that it enhances holistic approaches. Unearmarked funding for emergency operations allows addressing real-time needs, in line with the humanitarian principles and working in a swifter and less costly manner. Supported by examples from emergency operations, there are seven strengths of unearmarked funding:

1. Adherence to humanitarian principles and needs
2. Allows program adaptability in changing environments and contexts.
3. Ensures timeliness and efficiency, saves time on negotiations and saves administration costs
4. Encourages holistic and inclusive programming and approaches
5. Allows for financial and system tracking
6. Prevents overlap and contributes to more relevant assistance
7. Supports Grand Bargain commitments

## Introduction

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*“In these operations, the context has been evolving and needs changing. Unearmarked funds, not only create flexibility, but allow for continuous assessments and adaptation of the response based on the changing scenarios. Unearmarked funds can be considered as an ‘enabler’ of holistic aid delivery.”*

Azmat Ulla – IFRC Head of Country, Bangladesh

An increasingly common phenomenon in the humanitarian sector is for donors to earmark the funding they make available to aid organizations. Currently in the IFRC, unearmarked funding represents only 17% of the total funding. Donors frequently believe that earmarked contributions provide a means to achieve better oversight and harmonization and it allows aligning a donor's agenda to their own priorities. In 2017 alone, 48% of the funding received by the IFRC for global emergencies for which IFRC launched appeals throughout the year, was earmarked and so far, in 2018, 47% of the funds received for these global emergencies are earmarked. Focusing on emergency operations, the ratio looks more favourable though the funds are not fully unearmarked. For emergency appeals, funding is considered unearmarked when it is not linked to any specific sector or timeframe, but is still bound to the specific response and timeline of the emergency appeal. Even with this level of earmarking, there could be serious hindrances to our emergency operations in terms of speed of aid delivery, flexibility and relevance. The case study focuses on the concerns regarding earmarking. More importantly, it illustrates how unearmarked contributions help us rapidly reach the people who need us the most. The approach of the Dutch Government enabled the Netherlands Red Cross (NLRC) to contribute 85% unearmarked funds to IFRC emergency appeals in 2017, and 100% in 2018.

This case study provides examples of how unearmarked funding has contributed to more efficient operations, has influenced swift decision making, and has enhanced holistic emergency operations. It focuses on the NLRC unearmarked contributions towards the three ongoing Emergency Appeals in Bangladesh – Population Movement from Myanmar, Cyclone Mora and the Flood Appeals. The study tracks the funding and expenditure of these funds during the operation and documents the justification for relevant financial and operational decisions.

The case study builds on primary data (interviews) and secondary data (IFRC financial reports, Emergency Appeal documents). In total seven interviews were held with Red Cross and Red Crescent (RCRC) colleagues in Bangladesh with the management and operational focal points, two interviews with finance and partnerships focal points in the IFRC Asia Pacific Regional office in Kuala Lumpur, five interviews at IFRC headquarters in Geneva with operational, partnerships and finance focal points, and two interviews at NLRC headquarters in the Hague, with management and operational focal points. Additionally, semi-structured interviews were held to further explore the strengths and challenges of unearmarked funding. In Bangladesh, the interviews predominantly focused on the operational aspects following unearmarked and earmarked funding.

The case study first briefly sets the context of the recent emergency appeals in Bangladesh and subsequently explains how the funding of IFRC emergency appeals works. Building on examples from emergency operations in Bangladesh, it then presents the seven advantages of unearmarked funding. It concludes with some final recommendations.

## 1. Setting the context

### 1.1. Emergency appeals in Bangladesh

Bangladesh is a disaster-prone country and over the past five years, the IFRC in support of the Bangladesh Red Crescent (BDRCS) has launched eight emergency appeals for cyclones and floods in the country and one for the Population Movement from Myanmar. For this study, the focus is on the 2017 Floods Operation, Cyclone Mora Operation and the Population Movement Operation.

The Floods Operation was launched in August 2017 to respond to intense flooding flowing heavy Monsoon rains. The floods affected over 8 million people and the IFRC released

CHF 439,670 in DREF funding to respond to immediate relief needs and an emergency appeal seeking CHF 4.8M for 12 months was launched simultaneously. The focus of the operation is Health, Shelter, Water Sanitation and Hygiene (WASH), food security and livelihoods and Disaster risk reduction (DRR).

The Cyclone Mora operation was launched in June 2017 following Tropical Cyclone Mora that made landfall on 30th May 2017 affecting 3.3 million people. The IFRC allocated CHF 110,111 from the DREF funds on the 31st of May to address the immediate needs of the people, and launched an emergency appeal two weeks later. The initial appeal was seeking CHF 1.29M and later revised to CHF 1.67 M to support 80,000 people (revised from 50,000). The focus of the operation is Health, Shelter, Water Sanitation and Hygiene (WASH), food security and livelihoods, Disaster risk reduction (DRR) and National society capacity Building.

The Bangladesh Population Movement appeal was launched on the 18th March 2017 to respond to the initial influx of people from Rakhine State in Myanmar to Cox's Bazaar in Bangladesh. The appeal was seeking CHF 3.27M to deliver assistance to 25,000 people. Prior to the appeal launch, the IFRC allocated CHF 273,151 from DREF funds to kick start the response. Following Cyclone Mora in May 2017, the IFRC revised the population movement appeal on the 15th of August to incorporate the new needs as some areas were affected by the cyclone. The revised operation was seeking 4M. On the 25th of August, violence in Rakhine broke out prompting new influx into Bangladesh and the IFRC, once again, revised the emergency appeal to CHF 12.76M to accommodate the needs of the new influx of people. To date, the total number of arrivals is over 600,000 people and has been increasing. As the needs are still prevalent, the IFRC revised the emergency appeal again to CHF 33.5M to deliver assistance to 200,000 people. The focus of the operation was Health, Shelter, Water Sanitation and Hygiene (WASH), food security and livelihoods, restoring family links (RFL) Disaster risk reduction (DRR), protection, gender and inclusion (PGI) and National society capacity Building. In preparation for the monsoon season, the IFRC made a 4th revision to the emergency appeal and increased the budget slightly, to CHF 36.4M. In addition to the ongoing activities, there is an increased focus in strengthening existing shelters, support to health centers including the emergency field hospital, expansion of Water, Sanitation and Hygiene (WASH) activities and an increase in Disaster Risk Reduction (DRR) activities in host communities.

**Table: 1 Funding coverage and earmarking of the three Bangladesh Appeals as of 13/08/2018**

Appeal Name	Appeal Budget (CHF)	Appeal Coverage	Earmarked	Unearmarked	Netherlands Government contribution (CHF)	Main earmarked sectors
Bangladesh Floods (MDRBD020)	4,813,498	79%	28%	72%	459,176 (10%) 13% overall contribution from NLRC	Shelter and shelter cluster, NFIs,
Bangladesh Cyclone Mora (MDRBD019)	1,149,014	78%	63%	37%	131,802 (8%) 12% overall contribution from NLRC	Shelter and CTP
Bangladesh Population Movement (MDRBD018)	36,455,381	79%	56%	44%	2,020,552 (6%)	NFIs, Relief, Construction,

## 1.2. How it works: funding of IFRC Emergency Operations and unearmarked contributions

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*“Unearmarked funding allows the Red Cross and Red Crescent Movement to rapidly respond to emergencies without delay. It no doubt needs to be balanced by vigilant monitoring and accountability. With unearmarked funding, rapid deployment of risk and compliance personnel to support this will be possible. It is a win-win solution in all situations, and fulfills the Movement’s and Donors commitments to the Grand Bargain.”*

Jemilah Mahmoud – IFRC USG Partnerships

When an emergency appeal is launched by the IFRC, donors and partner national societies (PNS) are invited to provide a so called ‘multilateral’ contribution to the appeal. Funding is recognized as income to an appeal, when the pledge is signed, by both the donor and the IFRC, and recorded in the IFRC system. Income is then allocated to a project or distributed across projects within the appeals, based on donor earmarking and appeal needs.

Over the past years, there was an increase in the number of small tightly earmarked contributions with heavy reporting requirements. This was an administrative burden to the organization as it was costly and time consuming to register, monitor and report on each specific contribution. **Tightly earmarked and restricted funds limit the IFRC Secretariat’s ability to effectively manage and allocate funding based on the need to respond in a timely manner to changing humanitarian contexts.** The IFRC endorsed the Grand Bargain, and the global aim is to progressively reduce earmarking of humanitarian contributions. The global target is 30 per cent of humanitarian contributions to be non-earmarked or softly earmarked by 2020. The nature of the unearmarked funds to IFRC operations allows humanitarian donors to realize this global goal. As mention as earlier only 17% of IFRC’s total funding is completely unearmarked.

Analysis suggests that, between 2010 and 2015, prior to the earmarking cap, the number of pledge earmarking requests received by the IFRC, was increasing. More than 50% of pledges received were earmarked below project level and pledge-based financial reporting was required. As this is very costly and time consuming, especially during emergency operations, several changes were made to minimize earmarking and increase efficiency. Therefore, in November 2017, the IFRC General Assembly approved the increase of the minimum value of earmarked contributions from CHF 50,000 to CHF 100,000.

Worth mentioning is the Programs and Services Support Recovery (PSSR). This is a mechanism by the IFRC to recover the indirect costs from programs and services to the



IFRC secretariat's unrestricted budget. PSSR is charged on all contributions at a standard indirect cost recovery rate of 6.5%. It however, does not cover the direct implementation costs of an operation including procurement and shipping costs, distribution, monitoring, and volunteer per diem costs. These costs are often overlooked by partners who choose to earmark contributions to specific operational and thematic areas, and it becomes challenging to cover these essential costs when a significant portion of the funds are earmarked. As additional earmarking requires specific costs to be attributed to the pledge, an additional earmarking fee of 1% of direct costs is attributed to the pledge. This allows for recovery of the additional costs associated with project management and accounting, but not for the direct implementation costs.

For emergency appeals, financial tracking and monitoring is done on global, regional and country levels. On the global level, this is done every three months through a monitoring sheet shared with the stakeholders – NLRC, and the IFRC regional finance and operational teams. Regionally, financial tracking is done monthly by the operations, finance, partnerships and the planning, monitoring evaluation and reporting (PMER) teams to ensure timely expenditure of funds and to flag any potential issues.

Operational planning takes place with donor compliance in mind, and this is key when negotiating and accepting contributions. Monitoring at a regional level is led by the partnerships team who notify all respective project managers, finance focal points and operational colleagues on conditions that may be tied to contributions and they also notify on the 'first in first out rule' for unearmarked pledges. The monitoring sheet developed on a global level is also used for monitoring on a regional level. At a country level, the operational managers receive a weekly report from finance on the expenditure versus budget and the income, and they also get a comprehensive monthly report. In Bangladesh, operational planning is done together with BDRCS based on the income, including both hard and soft pledges (envisioned funding that hasn't yet been confirmed). The inclusion of soft pledges in the operational planning process helps in determining the overall gap and can inform further negotiation with donors to fill the gaps. **The advantage of having unearmarked funds at initial stages of the operation is to allow the team to plan on the priority needs** and at the same time have an allowance for additional funding. However, the actual implementation by the BDRCS is based on the agreed budget, hard pledges once available, and disaster preparedness stock which could then be reimbursed once the soft pledges are confirmed. Spending and prioritization is done based on the hard pledges.

## 2. To earmark or not to earmark?

To earmark or not to earmark? That is the question. The following section presents seven reasons why humanitarian contributions should be unearmarked.

### 2.1. Adherence to humanitarian principles and needs

The work of the Red Cross and Red Crescent movement is guided by humanitarian principles – humanity, impartiality neutrality, independence, voluntary service, unity and universality, which provide the foundations for humanitarian action. They are central to establishing and maintaining access and providing the needed services to affected people, whether in a natural disaster or a complex emergency, such as armed conflict. The principle of independence emphasizes that humanitarian action must be autonomous from the political, economic, military or other objectives that any actor may hold with regards to areas where humanitarian action is being implemented.

Promoting and ensuring compliance to the principles are essential elements of effective humanitarian coordination. The unrestricting nature of unearmarked funding allows an impartial response to disasters, it promotes inclusion of all beneficiaries, allows priority needs to be addressed and facilitates reaching the most vulnerable with the required support. With this flexibility, quick decisions can be made at the local level by the National Society based on the most pressing needs. For example, during the floods operation in August 2017, real-time monitoring showed that the priority thematic and geographical needs were mainly in ten identified districts and could be addressed with cash transfer (CTP) support.<sup>1</sup> However, despite funds being available, cash distributions could only occur in five districts, due to heavy earmarking on the funds received on other themes and areas.

## 2.2. Program adaptability in changing environments and contexts

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*“Unearmarked contributions to emergency operations allow our local colleagues to provide people in need with the most rapid, relevant and flexible assistance.”*

Juriaan Lahr – NLRC Head of International Assistance Department

Due to the changing context of emergency situations following disasters, responses need to be flexible and adaptable. **Unearmarked funding enables this operational adaptability and continuity.** Funds are spent based on the priorities and can be reallocated when specific earmarked funds are received. This allows for smooth continuation of the operations. Within the first three weeks of an operation, there is a general sense of the funding landscape. This was the case with the Cyclone Mora operation in June 2017, where a landslide occurred right after the initial response for the cyclone started.<sup>2</sup> Unearmarked funds facilitated faster operational decision-making and intervention on the field level, shifting funds to the emerged needs. Before the occurrence of the landslide, the initial plan included distributing multipurpose cash grants to the affected communities. As the landslide occurred in the same geographical area, there was an immediate need for ready-to-eat food. People were taking refuge in schools having lost their houses and they had no food. The team on the ground made the decision to then utilize the unearmarked funds, including the NL MoFA/NLRC contribution, to provide food assistance to these affected families as that was the most immediate need and priority at that time. The flexibility from unearmarked funding enabled for a timely response to support the newly emerged needs. The unearmarked funding in this case also allowed operational continuity. If all the funds would have been earmarked, then it would have required another level of coordination with partners, which would have taken time and therefore resulting in a delayed response.

1. Emergency Appeal Bangladesh – Floods (MDRBD020); <http://www.ifrc.org/en/publications-and-reports/appeals/?ac=MDRBD020&at=0&c=&co=SP3BDBD&dt=1&f=&re=&t=&ti=&zo>
2. Emergency Appeal Bangladesh – Cyclone Mora (MDRBD019); <http://www.ifrc.org/en/publications-and-reports/appeals/?ac=MDRBD019&at=0&c=&co=SP3BDBD&dt=1&f=&re=&t=&ti=&zo>

## 2.3. Timeliness, saving administration costs

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When earmarked contributions are made, negotiation and coordination needs to occur between the contributing partners, the IFRC at both country and regional level and the National Society leading the response to ensure a coordinated and holistic response. Discussing and negotiating earmarking can be a lengthy process and take up to several weeks, particularly when donor priorities are not flexible or not fully aligned with current operational needs. Moreover, when situations change and earmarking makes implementation less relevant, IFRC needs to re-negotiate, which is again time-consuming and delays delivery of aid. In addition, the amount of resources spent on grant-specific administration, notably procurement and reporting, increases when funds are earmarked. This means less funds can be spent on supporting those in need.

**For the three emergency appeals in Bangladesh, a total number of 100 pledges were received and 46 (46%) of them were earmarked. This accounts for 49% of the value of the contributions. On average, it takes approximately 8 hours to negotiate and renegotiate (as the operational situation changes) one earmarked contribution. Approximately 50% of earmarked contributions will require renegotiation during the implementing period. Therefore, for these three appeals, approximately 368 hours were spent on negotiations on the nature of earmarking. In terms of man hours this is approximately 9 weeks (approx. 2 months) and if this was to be monetized, negotiations cost the organization approximately CHF 24,000 annually.**

## 2.4. Holistic and inclusive programming

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Inclusive programming, community engagement and quality control are crucial elements of successful emergency operations as they ensure that the assistance provided is relevant and reflects the actual need. Bangladesh Red Crescent Society (BRDRC) values community accountability and engagement with affected populations and considers them essential to all operations. For the floods operation, BRDRC was able to use unearmarked funding to fully support the community engagement element of the response and set up a complaint mechanism with a hotline, helpdesks, and radio shows that have continued to be conducted throughout the entire response.

Earmarked funds also somewhat restrict the delivery of services and encourage a siloed approach rather than a holistic one. For example, during a disaster when houses are damaged, latrines would also be damaged. Ideally, a response should be able to cover all these related needs. For the Cyclone Mora operation, responding to these needs holistically has not been possible due to the level and nature of earmarked conditions of the available funding. For this operation, 700 households received shelter support. Out of these, 100 households received latrines and 500 households receive livelihood support. Ideally, all 700 households that received shelter support should also receive latrines and livelihood support, but unfortunately this was not possible due to the earmarked nature of the contributions. Without the flexibility of unearmarked funding, only a fraction of the beneficiaries receives both livelihoods and shelter support, while others receive only shelter support. With more unearmarked funding, BRDRC would have decided that all the selected beneficiaries would have their needs met, and RCRC could have provided the needed support in a holistic manner.

It is important to note that one earmarked pledge does not necessarily hinder the operation in terms of having a holistic response, but this becomes of concern and has an impact on the operation when earmarked contributions reach a critical mass, which can vary for each operation.

Within the Population Movement operation, BDRCS received a donation of goods from the Bangladesh Foreign Ministry. However, they were not provided with the necessary funds to facilitate the distribution. Unearmarked funding by other donors, including NL MoFA/NLRC, ensured the goods reached those in need. The unearmarked funding in this case could then be used to cover overhead and program support costs including distribution, monitoring costs and volunteers per diem. In short, NL MoFa/NLRC funds which contributed to these costs could be counted as the enabler in reaching hundred percent of the beneficiaries and maintaining the quality of the aid.

## 2.5. Financial and system tracking

To ensure accountability and solid management of the unearmarked funds, the IFRC performs continuous financial tracking and monitoring on a global, regional and country level. On a monthly and quarterly basis, per emergency appeal, project financial monitoring reports are produced, specifying the total costs per outcome area and activity group.

The table below is an example of how the different contributions are allocated and monitored on a country level per sector and per pledge. This monitoring is done for every Emergency Operation and updated with every new contribution or reallocation. The table below represents the funding in September 2017. It also demonstrates how the unearmarked funds from The Netherlands government through NLRC helped the operation to utilize the money in different sectors as per the need per sector.

**Table: 2 Financial monitoring sheet**  
BUDGET DETAILS – Cyclone Mora and Landslide 2017 (Updated 30.10.17)

Sector	Activity Description	Total Appeal	Income	GAP	Japanese RC
<b>WASH</b>	Outcome 1: The risks of water and sanitation related issues	94,775	63,456	31,319	30,500
<b>SHELTER</b>	Outcome 2: Immediate and mid-term shelter and settlements	606,700	238,310	368,390	
<b>FSL</b>	Outcome 4: Immediate food needs of affected people	130,000	129,936	64	
<b>FSL</b>	Outcome 5: Affected livelihood will be restored	385,000	97,400	287,600	
<b>DRR</b>	Outcome 6: Community resilience to disaster is enhanced	37,250	34,500	2,750	
<b>DRR</b>	Outcome 7: The NS early warning systems in place	13,000	13,000	0	
<b>NS CAPACITY</b>	Outcome 8: NS capacity to respond to disaster	15,250	15,250	0	
<b>QUALITY</b>	Outcome 9: Continuous assessments and situation analysis	31,158	31,273	-115	
<b>HEALTH</b>	Outcome 10: The medium-term risks to health reviewed	16,800	11,800	5000	
<b>NS SUPPORT</b>	NS operational support costs	70,100	70,097	3	3,424
<b>IFRC SUPPORT</b>	IFRC operational support costs	111,625	106,468	5,157	6,000
	SUB TOTAL BUDGET	1,511,658	811,490	700,168	39,924
	Programme Support	98,258	53,242	45,016	2,595
	TOTAL BUDGET	1,609,916	864,732	745,184	42,519

38% Unearmarked

62% Earmarked

## 2.6. Prevention of overlap and contributing to more relevant assistance

One key advantage the flexibility of unearmarked funding brings, is the prevention of overlap of interventions. Emergency situations can be complex with many actors and agencies to be considered in the response. The coordination mechanisms put in place between different actors help inform the response plan of the National Societies and the IFRC. At the onset of the Population Movement emergency operation in Bangladesh<sup>3</sup>, there was an urgent need for food and RCRC thus decided to distribute food to 5000 families. However, a few weeks later World Food Program (WFP) announced it would address the basic food needs in the camps. Consequently, the interventions set by WFP meant a review of the RCRC strategy. BDRCS and IFRC subsequently decided to distribute supplementary food to compliment WFP's efforts. WFP distributed rice and the RCRC decided to distribute sugar, salt, pulses and baby food. This rapid shift and avoidance of duplication of assistance by different humanitarian actors was only possible in a timely manner, due to the availability of unearmarked funding. Unearmarked funds thus not only create flexibility, but allow for continuous assessments and adaptation of the response based on the changing scenarios therefore resulting in the provision of needed and relevant assistance. **In addition, a positive consequence of people affected receiving better support which better fits their nutritional needs through a better-balanced diet thus improves the relevance of the humanitarian assistance we deliver.**

Hong Kong RC	Monaco RC	Canadian RC	Iran RC	American RC	Netherlands RC	Swedish RC	American RC	British RC
18,000					9,000			5,956
				46,000		137,000	29,500	25,810
					65,000		42,600	22,336
							97,400	
	10,000		6,000		18,500			
					13,000			
		3,000			12,250			
		10,000		7,273		14,000		
		4,000			7,800			
2,000		6,600		7,273	19,700	23,100	8,000	
3,001		9,000	13,000	7,273	39,400	23,100	5,000	694
23,001	10,000	32,600	19,000	67,818	184,650	197,200	182,500	54,796
1,495	650	2,119	1,235	4,408	12,002	12,818	11,863	4,057
24,496	10,650	34,719	20,235	196,652	196,652	210,018	194,363	58,853

3. Emergency Appeal Bangladesh – Population Movement (MDRBD018); <http://www.ifrc.org/en/publications-and-reports/appeals/?ac=MDRBD018&at=0&c=&co=SP3BDBD&dt=1&f=&re=&t=&ti=&zo>

## 2.7. Supporting the Grand Bargain commitments

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Promoting unearmarked funding supports the commitments of the Grand Bargain. This emphasizes that flexible funding facilitates swifter response to urgent needs and investment in fragile, potentially volatile situations, emergencies and disaster preparedness. It also enables a response to needs in situations of protracted and neglected conflicts.<sup>4</sup> Unearmarked funding is also an important tool for meeting other Grand Bargain commitments such as localization, where signatories committed to increasing and supporting multi-year investment in the institutional capacities of local and national responders. Local and national actors, particularly National Societies, have emphasized the importance of institutional capacity building to develop sustainable, accountable, principled and effective local actors. Provision of unearmarked funding that can meet institutional core costs is a crucial component in enabling the development of these capacities.

## Conclusion

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Summing up, **unearmarked funding** for emergency operations allows addressing real-time needs impartially and holistically in a swifter and less costly manner.

The IFRC commends partners for their continued support to the Red Cross and Red Crescent Movement in disaster response and the commitment to uphold the Grand Bargain commitments including reducing earmarking of contributions.

The IFRC and its membership urge government partners and other back donors to advocate for the same commitment to reduce earmarking of humanitarian contributions.

4. World Humanitarian Summit. 23 May 2016. 'The Grand Bargain – A Shared Commitment to Better Serve People in Need', Istanbul, Turkey. <http://www.agendaforhumanity.org/initiatives/3861>



# The Fundamental Principles of the International Red Cross and Red Crescent Movement

**Humanity** The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

**Impartiality** It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

**Neutrality** In order to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

**Independence** The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

**Voluntary service** It is a voluntary relief movement not prompted in any manner by desire for gain.

**Unity** There can be only one Red Cross or Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

**Universality** The International Red Cross and Red Crescent Movement, in which all societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.

