

**Power of humanity**

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

8 December 2019, Geneva



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

Geneva, Switzerland  
8 December 2019

**Movement approach to strengthening National Society statutory  
and constitutional base and complementary frameworks such  
as the Volunteer Charter**

**RESOLUTION**

**Document prepared by  
the Joint ICRC/International Federation Commission for National Society Statutes**

Geneva, December 2019

## RESOLUTION

### **Movement approach to strengthening National Society statutory and constitutional base and complementary frameworks such as the Volunteer Charter**

The Council of Delegates,

*acknowledging* the crucial contribution of sound and comprehensive statutory base and complementary legal, regulatory and policy frameworks (hereinafter referred to as “Statutes”) to preserving a National Red Cross or Red Crescent Society’s ability to deliver effective, relevant, sustainable and principled humanitarian services to vulnerable people and communities and to being accountable to its constituency at all times, and *recalling* the importance of National Societies periodically reviewing their Statutes so as to ensure and maintain their relevance in line with changing needs in the community,

*recalling* past resolutions adopted by the International Conference of the Red Cross and Red Crescent requesting National Societies to collaborate with the International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC) as well as with the ICRC/International Federation Commission for National Society Statutes (Joint Statutes Commission) in the strengthening of their Statutes, beginning with Resolution VI of the [22nd International Conference in 1973](#), and *welcoming* the continued commitment of National Societies to doing so,

*reaffirming* commitments undertaken by National Societies under past resolutions adopted by the Council of Delegates to work closely with the ICRC and the IFRC as well as with the Joint Statutes Commission on the revision of their Statutes, including the Strategy for the International Red Cross and Red Crescent Movement adopted by the 2001 Council of Delegates and Resolution 4 adopted by the 2011 Council of Delegates, which calls on National Societies to:

- periodically review their Statutes in line with evolving humanitarian needs in domestic contexts and to share their Statutes and any revisions thereto with the Joint Statutes Commission at the drafting stage
- take the latter’s recommendations into account,

*recalling* that strong and sound legal, statutory and policy base frameworks are key contributors to a National Society’s development and to its ability to act in accordance with the Fundamental Principles at all times,

*recalling* that it is crucially important for a National Society’s Statutes to define its commitment to a culture of inclusion and diversity, including through the promotion of gender equality and the representation of minorities at all levels,

*expressing* its appreciation of the work and consultations conducted under the auspices of the Core Group on the revision of the 1999 Guidance for National Societies Statutes, composed of National Societies, the ICRC and the IFRC,

*welcoming* the innovations of the new Guidance for National Society Statutes (Guidance document), including its more flexible approach and its attention to the wide variety of organizational models adopted by National Societies from different legal traditions and operational contexts, *welcoming* the Guidance document’s new or strengthened standards on *Members*, on *Volunteers*, on *Leadership* and on *Compliance, Integrity and Dispute Resolution*, including its standards on protection against sexual exploitation and abuse, and

*encouraging* National Societies to pay special attention to these innovations in the revision of their Statutes,

*welcoming* the adoption of the new Guidance document by the Governing Board of the IFRC at its 38th session held in October 2018, *recalling* the 2017 IFRC General Assembly decision relating to the Guidance document, recommending that the Joint Statutes Commission submit the new Guidance document to the 2019 Council of Delegates for adoption, and *expressing* its appreciation to those National Societies that have already revised their Statutes in line with the standards set out in the new Guidance document,

*welcoming* the adoption of the Volunteer Charter by the 21st session of the General Assembly of the IFRC (Antalya, Turkey, 6–8 November 2017) and *encouraging* National Societies to take inspiration from the Charter in developing their Statutes; the Volunteer Charter aims to clarify volunteers' rights and responsibilities, including the right to a safe working environment, the right to protection, the right to information about the risks they face, the right to participate, to be heard and to be recognized for their contribution and the right to insurance.

*welcoming* the steps undertaken by the IFRC and the ICRC as well as by the Joint Statutes Commission towards the effective promotion and implementation of the new Guidance document,

1. *adopts* the new Guidance document for National Society Statutes at the level of the Movement;
2. *calls upon* National Societies, in accordance with their past commitments, to conduct a regular and periodic review of their statutory base instruments and complementary frameworks and, in line with the decisions of the IFRC General Assembly (2017) and Governing Board (October 2018), to review their Statutes in accordance with the new Guidance document within the next five years from the time of adoption of the present resolution and to continue with regular reviews at least once every ten years;
3. *encourages* National Societies to include the review of their Statutes as a key commitment in their own development processes, plans and strategies;
4. *calls upon* the ICRC and the IFRC, at the level of their respective headquarters, regions and field representations at the request of National Societies, as well as the Joint Statutes Commission to:
  - continue their active support to strengthen National Societies' Statutes
  - engage, jointly with National Societies, in eliciting the support of relevant public authorities in strengthening National Society legal and, as appropriate, statutory base frameworks
  - formulate a specific and tailored National Society development offer to National Societies for the strengthening of their Statutes (e.g. in such areas as integrity risk prevention and management on the basis of Chapter 6 of the Guidance document)
  - monitor the progress of National Societies and assess the compliance of their Statutes with the new Guidance document;
5. *encourages* the development by the IFRC, the ICRC and the Joint Statutes Commission of new and strengthened approaches for effective and contextualized advice and recommendations to National Societies on their Statutes, taking into consideration:
  - the wide variety of approaches and different traditions and contexts, including through the development of concrete illustrations of the implementation of the various standards set out in the Guidance document
  - strengthened peer-to-peer approaches, including *inter alia* through relevant National

Society governance or technical networks established at regional or sub-regional levels

- the support provided by National Societies working internationally and, more generally,
  - a more direct, concrete and contextualized dialogue with National Societies on the basis of the new Guidance document;
6. *requests* the Joint Statutes Commission to report to the Council of Delegates in 2021 on the progress made by National Societies in revising and strengthening their Statutes in line with the new Guidance document and the other operative paragraphs of the present resolution;
7. *adopts* the Volunteer Charter at the level of the Movement and invites the Movement components to apply it at all times.

#### Annexes

- Guidance for National Society Statutes 2018
- Volunteer Charter

# **GUIDANCE FOR NATIONAL SOCIETY STATUTES 2018**

*Adopted by the IFRC Governing Board on 11 October 2018*

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## **The Fundamental Principles of the International Red Cross and Red Crescent Movement (from the Preamble to the Statutes 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 continue 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 one 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.*

## **Process of developing 2018 Guidance Document**

In 2016, a review of the *Guidance for National Society Statutes* (2000) was initiated, focusing on revising the Guidance Document.

The purpose of the review was to ensure a Guidance Document that is fit for purpose, user-friendly and accessible from a leadership perspective, which enables National Societies to make informed choices that are compatible with different contexts.

The review was led by a core group chaired by the Danish Red Cross and composed of: Argentine Red Cross, the Burundi Red Cross, Cook Islands Red Cross Society, Haiti Red Cross Society, Mongolian Red Cross Society, Palestine Red Crescent Society, Spanish Red Cross, Red Crescent Society of Turkmenistan and Uganda Red Cross Society, the IFRC, the ICRC and the Joint Statutes Commission. The core group held five meetings and consulted with the wider IFRC membership through an online consultation targeting all National Societies and the IFRC statutory organs (April–June 2017), and with workshops held at the 2017 IFRC General Assembly, in which almost all 190 National Societies.

Funding for the process was provided by the Argentine Red Cross, the British Red Cross, Danish Red Cross, Palestine Red Crescent Society, Spanish Red Cross, Red Crescent Society of Turkmenistan, the IFRC and the ICRC, in addition to in-kind contributions of people, expertise and time provided by all core group members.

The Guidance Document was approved by the IFRC Governing Board at its 38th session in October 2018 based on a mandate from the IFRC General Assembly (Antalya, Turkey, 6–8 November 2017). It is envisaged that the Guidance Document will be presented to the 2019 Council of Delegates for approval by the Movement.



## INTRODUCTION

Sound Statutes or constitution (hereinafter “Statutes”) are essential for a strong National Society. They describe the identity of the National Society, including what it intends to do to respond to humanitarian need, and explain its leadership and organizational model. They ensure transparency about how power is allocated within the organization and help safeguard a National Society’s integrity.

The *Guidance for National Society Statutes, 2018* (hereinafter “Guidance Document”) has been developed, based on a review of the previous version of 2000, to guide and inspire the leadership of National Red Cross and Red Crescent Societies (hereinafter “National Societies”) in their efforts to review, update and strengthen their Statutes. It replaces the previous version.

The Guidance Document is intended to support National Societies to develop Statutes that enable them to carry out their humanitarian mandates and roles effectively and in accordance with the mission and Fundamental Principles of the International Red Cross and Red Crescent Movement (hereinafter “the Movement”). It attempts to reflect the wide variety of organizational models and approaches adopted by National Societies from different legal traditions and operational contexts.

How a National Society structures itself depends on many internal and external factors, including the services it provides, how it engages volunteers and financial resources, the size and geography of the territory it covers, and the national political and legal structures.

The Guidance Document distinguishes between the standards that a National Society’s Statutes are expected to meet and introduces greater flexibility in how these standards can be achieved. For example, the Guidance Document does not make any judgement as to whether a National Society should adopt a centralized or decentralized organizational model, as long as the model chosen enables it to respond to humanitarian needs across its national territory and that the Fundamental Principle of unity is met. The document also makes suggestions that, while not mandatory, are worth considering as good practice in many contexts.

The document includes new content, including a chapter entitled “Volunteers”,

The Guidance Document builds on other initiatives, including, but not limited to, the following:

- [IFRC National Society Development Framework](#)
- [IFRC Organizational Capacity Assessment and Certification process \(OCAC\)](#)
- [ICRC Safer Access Framework \(SAF\)](#)
- [IFRC Volunteer Charter](#)
- [IFRC Integrity Policy](#)
- Dashboard of the IFRC [Compliance and Mediation Committee](#) (CMC)

and another chapter entitled “Compliance, Integrity and Dispute Resolution”.

## Layout and structure of the Guidance Document

The Guidance Document contains eight chapters.

<b>Each chapter is structured as follows:</b>	
<b>Introduction and overview</b>	Brief text summarizing the scope of the chapter and the key questions that a National Society should ask itself when reviewing its Statutes in order to address the standards described.
<b>Standard</b>	Defines the requirement that must be met.
<b>Must</b>	Elaborates and details the standard, where required. Every “Must” element has to be met or safeguarded for the standard to be achieved. There are often different ways of meeting a “Must” element.
<b>Could</b>	Included as recommendations or inspiration in relation to some of the standards. “Could” elements are not considered a requirement to meet the standard, but are generally recommended as good practice.
<b>Illustrations</b>	<p>Examples intended to provide a fuller understanding of the standard, and potential approaches to meet its “Must” and/or “Could” elements. Two types of material are included:</p> <ul style="list-style-type: none"> <li>• <b>Sample texts:</b> Actual extracts from National Society Statutes to illustrate how National Societies have addressed or phrased particular issues in their Statutes. They are not “model clauses” and it is not recommended that National Societies copy them into their own Statutes.</li> <li>• <b>Examples:</b> Descriptions of how National Societies have organized themselves or thought about a particular issue. They provide insight into strategic decisions that have contributed to the formulation of statutory text, or, in some cases, how statutory text is turned into practical action. For some standards, the examples have been selected with a view to showcasing the diversity that can exist. Again, the examples are provided to promote analysis and reflection; the decisions made should be seen as unique to individual National Societies.</li> </ul> <p>Most illustrations are available in the electronic version of this Guidance Document. Illustrations reflect the practice of National Societies at the time of writing (October 2018), and</p>

	will be adapted and complimented over time. National Societies that wish to contribute further illustrations are invited to contact <a href="mailto:Guidance.Document@ifrc.org">Guidance.Document@ifrc.org</a> .
<b>Explanatory text</b>	Provides further explanation of standards and of how National Societies may reflect these in their Statutes or supplementary regulatory framework.

## Terminology

National Societies use different terminologies based on national practice. To ensure clarity, the Guidance Document consistently uses certain terms that may have different equivalents in National Societies around the world.

To assist the reader, the table below lists the terms used and gives common equivalent terms. This is followed by an explanation of more technical terms.

<b>In this Guidance Document</b>	<b>Equivalent terms that your National Society may use</b>
<b>Recognition Act</b>	Red Cross/Red Crescent law or decree, legal base, legal base instruments, the national act under which the National Society is recognized in national law, incorporation act, charter
<b>Statutes</b>	Constitution, articles of incorporation, rules, bylaws, statutory base, statutory base instruments
<b>General assembly</b>	Annual meeting, congress
<b>Governing board</b>	National council, governing council, council, committee, board of directors
<b>President</b>	chairperson, head of governance, chair of the board
<b>Board members</b>	Directors, trustees
<b>Secretary-general</b>	CEO, executive director
<b>Branches</b>	Chapters

## Other terms used

**Auxiliary** Refers to the specific and distinctive partnership between public authorities and National Societies, and the areas in which National Societies supplement or substitute public humanitarian services.

Compliance	Meeting the requirements of legislation, rules and regulations, specified standards, the terms of a contract and accepted practices, including a National Society's own Statutes and internal regulations.
Conflict of interest	A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the National Society. Personal interests include direct and indirect interests as well as those of family, friends or other organizations a person may be involved with or have an interest in (for example, as a shareholder). A conflict of interest may be actual, potential or perceived, and may be financial or non-financial. These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than the best interests of the National Society, and must be managed accordingly.
Good faith	Acting honestly and with sincere intentions.
Governance	The processes by which organizations set direction and priorities, are accountable to stakeholders, comply with external requirements and ensure compliance with internal rules and agreements. Responsibility for these functions typically sits with a governing board or similar (based on a mandate from the National Society's supreme governance body, the general assembly), which usually bears ultimate legal responsibility to ensure the National Society operates in line with national laws.
Incorporation	Refers to a group of people with a common goal formalizing their relationship according to the requirements set out in national legislation.
Integrity	The extent to which a National Society operates in pursuit of its respective declared objectives, policies and standards in full accordance with the Fundamental Principles.
Management	The processes of deploying resources and expertise to implement decisions and achieve National Society goals. Most National Societies employ people to carry out management functions. However, management tasks are also regularly carried out by volunteers, in particular at local organizational levels, where paid staff are not employed.

Member	Someone who has formally agreed to the conditions of membership as required under the National Society's Statutes.
Qualified majority	A requirement for a majority in a vote greater than 50% (simple majority). Often used for reaching a decision in particularly important matters such as modifying Statutes, or certain elements of Statutes.
Quorum	The number of officers or members of a body (such as the general assembly or governing board) that, when duly assembled, is legally competent to transact business. The requirement for a quorum provides protection against unrepresentative action in the name of the body by an unduly small number of persons.
Sexual abuse, exploitation and harassment	Respectively, actual or threatened physical or psychological intrusion of a sexual nature; abuse of a position of vulnerability, differential power or trust for sexual purposes; and any unwelcome sexual advance or unwanted verbal or physical conduct of a sexual nature.
Volunteer	A person who carries out volunteering activities for a National Society, occasionally or regularly. Volunteering with the Red Cross Red Crescent is organized by recognized representatives of National Societies and is aimed at promoting their services and activities, always working in accordance with the Fundamental Principles of the International Red Cross and Red Crescent Movement. It is carried out by people motivated by free will, and not by a desire for material or financial gain, or by external, social, economic or political pressure.
Whistle-blower	An individual who reports a serious incidence of misconduct, a violation of a National Society's internal rules, or a serious threat or harm to the interests of the National Society, based on a reasonably held suspicion that wrongdoing has occurred.

## **How to use the Guidance Document**

The Guidance Document has been developed to help the leadership of National Societies make informed choices when developing or reviewing their

Statutes so that their Statutes are compatible with their national legal and operational contexts, whilst also complying with the Fundamental Principles.

It is recognized that National Societies operate in diverse contexts, which have implications for their Statutes. For example, some National Societies face comprehensive and detailed regulations under national law, while others face little national regulation. These contexts may affect the amount of detail that a National Society includes in its Statutes.

Not all standards included in this guidance need to be incorporated into the Statutes. It is important, however, that the standards form part of the basic legal documents of the National Society. They may, therefore, be reflected in other documents, such as the Recognition Act or the National Society's internal rules, regulations, policies and procedures. What is important is that they are reflected in a document, which has had significant governance input and scrutiny, and which cannot be changed at short notice – a policy approved by the National Society general assembly, for instance. **For the sake of simplicity, the Guidance Document will refer to Statutes only.**

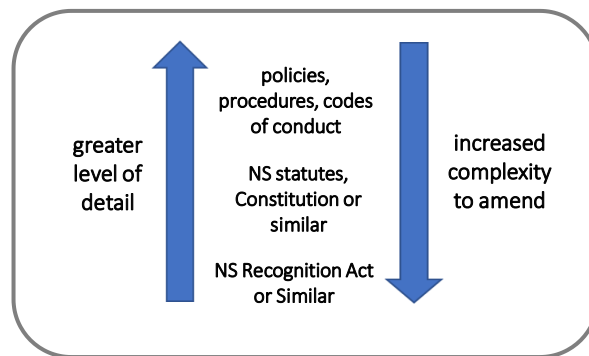
### Typical hierarchy of National Society governance documents

All National Societies have a basis in national law; usually a **Recognition Act** adopted by the parliament.

The National Society itself will have **Statutes** that set out the high-level purpose, roles, relationships, structures and processes of the organization. Their purpose is to shape the organization and provide a long-term framework that enables the organization to function and take decisions in a transparent and effective manner.

Statutes do not go into enough detail to deal with day-to-day issues; for this reason, National Societies develop further **rules, policies and procedures** at various levels, which are generally easier to amend than Statutes. While this document focuses on National Society Statutes, it recognizes that some of the standards may be addressed in National Society Recognition Acts, or in internal rules and policies.

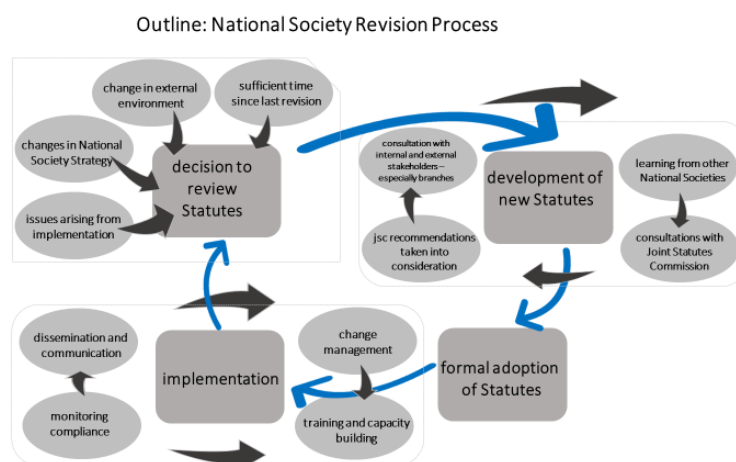
### Hierarchy of National Society governing documents



It is also recognized that national legislation has primacy for National Societies. If the requirements of national legislation are incompatible with the Fundamental Principles and with the mission and values of the Movement, the National Society should initiate a dialogue with the public authorities to recommend and achieve a change in the relevant legislation or to find other solutions. This would usually require some element of support from other Movement components, as appropriate.

The structure of National Society Statutes does not need to mirror the structure of this Guidance Document. Similarly, National Societies are not expected to replicate the formulations used in the Standards word for word, but to use the Standards to craft their own appropriate statutory texts.

## Process of developing or reviewing Statutes



The purpose of reviewing and revising Statutes is to ensure that the core structures and processes of a National Society enable the organization to effectively achieve its mission. At a minimum, a National Society should review its Statutes every ten years.

Key questions to consider in a Statutes review process include:

- **Suitable organization:** Do the National Society's objectives respond to humanitarian needs, and do the structures of the National Society enable it to meet these needs effectively and efficiently? Have there been any strategic changes in a National Society's activities or direction that have implications for its internal relationships and structuring?
- **Legally up to date:** Are the Statutes in compliance with national legislation? Several aspects addressed by this Guidance Document, such as membership, volunteering and financial matters, are likely to be regulated by national legislation, which may change over time.
- **Alignment with the Movement and the IFRC:** Do any of the policies and recommendations adopted within the Movement and the IFRC necessitate amendments to the Statutes? For example, it may be appropriate to reflect global initiatives and policies to secure more effective and accountable, or better representation of women and youth in senior positions in the Statutes.

Reviewing and revising Statutes should be seen as a regular change process that is well prepared and managed, directed by the National Society's leadership and integrated into governance cycles, including that of the general assembly. Accountability to key stakeholders, such as branches and membership, should be integrated into the process through regular dialogue, consultation, reporting and feedback. Establishing a reference group, or



similar, with participation from across the organization and key external stakeholders, can be a good way of achieving this.

The Guidance Document should be used to guide the review itself, the objective being to adopt Statutes the standards defined in the Guidance Document.

In some countries, the National Society is required to inform and obtain approval from the relevant authorities in respect of amendments to certain statutory provisions.

National Societies are required to consult with the Joint ICRC/International Federation Commission for National Society Statutes (Joint Statutes Commission – JSC) on the development of their Statutes and laws. The JSC has a mandate to make recommendations on the Statutes and laws of National Societies based on compliance with relevant standards. National Societies are required to take the recommendations of the JSC into account, as well as to keep the JSC duly informed of any progress or new developments.

The delegations and offices of the IFRC and the ICRC, as well as of other National Societies, can be a great source of inspiration, advice and knowledge in any such process.

### **Key documents and resources**

- Joint Statutes Commission, Advisory Note no. 3: Recommendations to National Societies on their Statutes Revision Process, Joint ICRC/International Federation Commission for National Society Statutes

### **Illustrations**

#### **Designing Statutes for sustainability**

For a resource-constrained National Society in Africa, a key driver for Statutes revision has been cost: the Statutes, as originally drafted, included provision for a general assembly of 96 delegates to meet every four years, a governing council of 32 delegates to meet annually, and a national executive of 10 delegates to meet quarterly. At branch level, boards of 7–10 members in each of the 16 branches should meet quarterly.

A calculation by the National Society suggested that running the governance structure as set out in the Statutes would cost 350,000 US dollars in a year in which there was no general assembly, and significantly more in general assembly years – a very significant cost for a National Society operating in a highly resource-constrained environment.

The revision process addressed both the size of governance bodies and the frequency of meetings. The challenge was to find a balance between adequate representation of branches and their ownership of national decision-making and oversight, and the need to make timely and effective decisions on the one hand, and costs that could realistically be sustained by the National Society in the long term on the other.

### **Working with organizational politics**

Changing Statutes often means altering power balances within a National Society. Finding agreement between stakeholders to change can, therefore, be problematic, especially in decentralized structures where branches have high levels of autonomy.

One manager responsible for updating Statutes in a highly decentralized European National Society spoke of the importance of building relationships and trust with the branch leaders who would need to approve change. This involved visiting branches individually and investing time in ensuring that these individuals understood what was being proposed and why. This took time, at the beginning, but meant that by the time branches met, the key actors understood the various positions, and which proposals needed further discussion and negotiation.

Using external guidance and common Movement standards was crucial in demonstrating to branches that some changes were non-negotiable. At the same time, not every desired change could be achieved; consensus could not always be reached.

### **Statutes and organizational agility (Canadian Red Cross)**

The Canadian Red Cross needs to be able to adapt rapidly to changing circumstances, including a significant rise in the number of disasters. The National Society's ability to scale up to provide high-quality, innovative and consistent services to clients, to engage volunteers and to steward donors is critical. This means being prepared to re-evaluate and change long-established operating models when necessary. It also means having a statutory framework in place that enables the organization to be agile and adapt quickly.

Changing National Society Statutes requires time and significant organizational investment. The Canadian Red Cross has, therefore, aimed to keep its Statutes as simple as possible, creating the basic framework to allow the organization to function. This allows organizational governance and management to focus on more flexible tools such as strategic and operational plans, and organizational policies, which can be adapted more rapidly to changing circumstances, as needed.

### **Beyond Statutes: Youth in the Red Crescent Society of Kyrgyzstan**

At the time of writing, both the president and the secretary-general of the Red Crescent Society of Kyrgyzstan are aged under 40. Young people play a strong role in the National Society. Yet, the Statutes themselves say very little about youth involvement in the National Society, beyond that it is a goal of the National Society to develop a youth movement. There is, for example, no requirement to have youth members of the governing board.

The National Society does have a youth policy, which states that young people should have access to decision-making within the National Society. This mirrors wider government policy, which places strong emphasis on young people's engagement within the country.

A strong culture that has developed around youth engagement over a number of years, and the encouragement and example provided by having young people in senior leadership positions, have enabled the National Society to successfully engage young people within its decision-making.

In print + electronic version



## Chapter 1: National Society Identity

The standards in this chapter establish the “fundamentals” of being a National Society, including its core mission and objectives primarily as a humanitarian organization in its own country, but also as a component of the Movement. Therefore, the standards reflect the distinct features of being a National Society, namely the Fundamental Principles, the auxiliary role to public authorities and the entitlement to display the emblem.

### Key questions

- Are the National Society’s intended mission and roles well reflected in the existing Statutes?
- What values underpin the National Society’s work and are they sufficiently reflected and recognizable for all members, volunteers and staff?
- Is the legal form accorded to the National Society best suited to its distinct and privileged status?
- Does it meet its responsibilities as a component of the Movement, as well as its obligations surrounding the use of the emblem?

### **STANDARD 1.1**

**The Statutes are in compliance with the Fundamental Principles.**

#### **Must**

The Statutes must include the full text of the Fundamental Principles.

All aspects of the Statutes must demonstrate a commitment to act in accordance with, and be guided by, the Fundamental Principles at all times.

***TEXT BOX: Fundamental Principles from a Statutes Perspective***

- The National Society's objectives should describe what actions it will carry out to put the principle of **humanity** into practice.
- Its Statutes should reiterate that a National Society's services are delivered with **impartiality** and, consequently, without discrimination.
- In order to maintain its **neutrality**, a National Society must ensure that its objectives, constituencies, relationships, as well as its core tasks, are not perceived as taking sides, for instance, in situations of armed conflict or in political disputes. In order to maintain its **neutrality**.
- A National Society's relationship with the public authorities must be constructed in such a way for it to be able to maintain its **independence**.
- The National Society must have an organizational model that enables **voluntary service**.
- The National Society must be open to all. It must have a structure that allows it to operate with **unity** across the national territory.
- The National Society's objectives and core tasks must reflect the Movement's **universality**, including a commitment to help other components of the Movement.

### **Further explanatory text**

The text of the Fundamental Principles can appear in the Preamble to the Statutes or in the core text, as preferred by the National Society.

A National Society may be suspended from membership of the IFRC if it ceases to fulfil the conditions for admission provided for in the IFRC Constitution, in particular, if, "because of modification, its Statutes are no longer in conformity with the Fundamental Principles" (IFRC Constitution, Article 12.2.a).

### **Key documents and resources**

- The official text of the Fundamental Principles can be found in the Preamble to the Statutes of the International Red Cross and Red Crescent Movement
- The Fundamental Principles of the Red Cross, Commentary by Jean Pictet, Henry Dunant Institute, 1979

### **STANDARD 1.2**

**The Statutes make reference to the National Society's legal status under national law, as well as its auxiliary role to the public authorities in the humanitarian field.**

#### **Must**

The Statutes must state the legal status of the National Society under national law, as well as how it is recognized by the public authorities, and its auxiliary role

## **Illustrations**

In electronic version\_\_\_\_\_

### **Further explanatory text**

A National Society's status in the domestic legal order is, in principle, defined and accorded through its formal Recognition Act, as adopted by the parliament or through a decree or regulation adopted by the executive branch of government. This should recognize the National Society as a voluntary aid society, auxiliary to the public authorities in the humanitarian field.

#### ***TEXTBOX: What does "auxiliary role" mean in relation to Statutes?***

Many National Society Statutes refer to an auxiliary role when describing the National Society mission and objectives (refer to Standard 1.3). Where the word "auxiliary" does not exist in the national language, wording should be sought to convey the distinct and balanced relationship inherent in the auxiliary function. Beyond the National Society's Recognition Act and Statutes, the auxiliary role may be further detailed in other national legislation, national disaster response plans or similar.

Many National Societies have a regular dialogue with their public authorities, for instance, in connection with the International Conference, where they discuss this auxiliary role.

How a National Society is incorporated has implications for its Statutes, rules and procedures, internal structures, duties and liabilities under national law, tax status, reporting requirements, and relations with members, volunteers and other target groups. It is therefore recommended that National Societies continuously reflect on the best mode of incorporation, and aim for a legal form that is aligned with their humanitarian mandates and ambition. In many countries, the modalities of incorporation are not set in stone, but require a thorough legal, fiscal and risk analysis.

Some National Societies are incorporated and registered as private institutions, usually as humanitarian or voluntary aid organizations. Others are registered as public institutions, and some have found that registration under company law is more desirable.

National Societies may also set up subsidiary organizations to manage certain aspects of their operations. This could be to limit legal risk to the National Society in high-risk activities, such as blood or other biomedical services, or income-generating activities, or to conform to national legislation governing some of its activities, or purely for tax reasons. These may take non-profit, or for-profit legal forms, depending on the activity and the legal options available under national legislation.

### **Key documents and resources**

- Statutes of the Movement, Article 3

- “Specific nature of the International Red Cross and Red Crescent Movement in action and partnerships and the role of National Societies as auxiliaries to the public authorities in the humanitarian field”, Resolution 2, 30th International Conference of the Red Cross and Red Crescent, 2007
- “Furthering the auxiliary role: Partnership for stronger National Societies and volunteering development”, Resolution 4, 31st International Conference of the Red Cross and Red Crescent, 2011
- IFRC: Guide to the Auxiliary role of Red Cross and Red Crescent National Societies, 2015

### **STANDARD 1.3**

**The Statutes reflect the National Society’s mission and objectives.**

#### **Must**

The Statutes define the mission and objectives of the National Society with regard to a National Society’s agreed mandates and roles as defined in the following:

- 1949 Geneva Conventions and their Additional Protocols
- Statutes of the International Red Cross and Red Crescent Movement (particularly Articles 3 and 4 of the Statutes)
- Resolutions adopted by the statutory meetings of the Movement and the strategic framework of the IFRC
- Applicable national laws and agreements

#### **Illustrations**

Electronic version

#### **Further explanatory text**

The Statutes should be specific about what the National Society is set up to do, but not restrict its activities in meeting changing humanitarian needs. Statutes should avoid listing National Society activities in such detail that the possibility for operational change is limited, as well as remaining so general that the Statutes provide insufficient clarity and direction.

In rare cases, the Statutes may be used by some states to restrict or challenge a National Society’s operational space. In such situations, it may be better to describe broader objectives. In other cases, the opposite may apply, and including a more detailed description of a National Society’s activities in the Statutes may serve as leverage to remind governments of a National Society’s mandate and roles.

The objectives included in the Statutes will be further elaborated in a National Society's strategic and operational plans (or equivalent). See IFRC: Strategic Planning Guidelines for National Societies.

#### **STANDARD 1.4**

**The Statutes reflect the status of the National Society as a component of the Movement and as a member of the IFRC.**

##### **Must**

The Statutes must define the National Society as a component of the Movement and as a member of the IFRC.

##### **Further explanatory text**

The key documents of the Movement and the IFRC of relevance to National Society Statutes are as follows:

- Fundamental Principles and the Statutes of the International Red Cross and Red Crescent Movement
- Resolutions adopted by the Council of Delegates and the International Conference of the Red Cross and Red Crescent
- Constitution of the IFRC
- Decisions of the IFRC General Assembly and the IFRC Governing Board

A National Society may consider spelling out its obligations in greater or lesser detail in its Statutes, but, in many contexts, simply stating implies a duty to adhere to all membership duties and obligations.

##### **Illustrations**

Electronic version

#### **STANDARD 1.5**

**The Statutes commit the National Society to use the emblem in accordance with relevant rules and regulations.**

##### **Must**

The Statutes require the National Society to have internal regulations in place on the use of the emblem and the use of its own logo by its staff, members and volunteers.

A National Society's emblem regulations must be in accordance with the 1949 Geneva Conventions and their Additional Protocols, applicable Movement rules and regulations on the use of the emblem (see "Key documents and



resources” below), in addition to applicable national legislation defining the use and protection of the emblem (such as national legislation on the implementation of the Geneva Conventions and the National Society Recognition Act).

### **Could**

The Statutes could describe the design of the National Society’s logo.

### **Further explanatory text**

Responsibility for authorizing the use of the emblem by the National Society rests with the state and is usually recognized in the Recognition Act.

A National Society has a duty to cooperate with its public authorities to ensure respect for the emblem, including through information and dissemination activities and campaigns.

A National Society is also committed to adopting internal regulations on its use of the emblem, to inform its members, staff and volunteers of these, and to ensure they comply with them.

### **Key documents and resources**

Various documents of relevance to emblem regulation can be accessed below:

- <https://www.icrc.org/en/war-and-law/emblem>
- <http://www.ifrc.org/en/who-we-are/the-movement/emblems/>



## Chapter 2: Members

Most National Societies are membership-based organizations, embedded within their communities. A key rationale for operating as a membership-based organization is that it gives supporters formal influence on the direction, performance and operations of the organization.

This chapter describes the aspects of individual membership that should be regulated in National Societies, bearing in mind that membership usually implies a formal legal status. National Society membership is voluntary, which implies that it originates in individual, informed consent.

The chapter does not apply to the few National Societies that do not have individual members. The issue of National Societies whose members are themselves collective entities, such as branches, is addressed in Chapter 5, “Organizational Structure and Territorial Coverage”.

### Key questions

- Who can become a member of the National Society?
- How can the National Society involve people from across the community as members?
- What rights and responsibilities should members have?
- What mechanisms exist to ensure that members know their rights and their responsibilities, and are they adequate? What is the procedure for suspending or expelling members, on what grounds and under what circumstances?

### STANDARD 2.1

**The National Society must be open to all who want to be a member.**

#### Must

The Statutes must stipulate that the National Society’s membership is open to all without any form of discrimination based on gender, ethnic origin, nationality or citizenship, age, disability, language, political opinions, religious beliefs, social background, or any other similar grounds.

#### Illustrations

##### **Timor-Leste Red Cross Society: Extract from Statutes**

Membership of the Timor-Leste Red Cross Society is open to anyone regardless of age, race, sex, religious beliefs, language, class, political opinions, nationality or any other similar criteria.

**Article 15: Gender Equality**

The Timor-Leste Red Cross Society promotes gender equality in its membership.

**Recognizing that people want to contribute to the organization in different ways (Spanish Red Cross)**

The Spanish Red Cross recognizes various types of individual engagement with the organization. There are 1.3 million members who pay a membership fee and have a formal member agreement with the Spanish Red Cross.

Volunteers who carry out regular volunteering activity and have signed an agreement are considered as members of the National Society, and have the right to vote and be elected once they have volunteered for 12 months. This applies to up to 200,000 volunteers.

In addition, the Spanish Red Cross recognizes that some people want to contribute time to the National Society without having a formal agreement. For example, an academic may offer occasional pro bono courses for Red Cross volunteers. Such people are described as “assimilated members” in the Statutes, giving them a formal status that is distinct from that of member or volunteer.

**Further explanatory text**

In the event that national legislation prevents a National Society from being open to all (for example, by restricting or prohibiting non-nationals from becoming members), the National Society should engage in dialogue with the relevant authorities and, in the meantime, do whatever is possible to accommodate the standard through other means (for example, by giving non-nationals the possibility to support the National Society as volunteers or as donors).

It is important that the National Society attracts members from the widest possible cross-section of the community. If some sections of the community are under-represented, the National Society should consider new ways of engaging them. Being “open to all” is more than a statement in the Statutes, and a National Society should continuously assess its practices, procedures and organizational culture to ensure that its membership is fully representative of the national population at large (including minority groups), and take action to become more representative, wherever necessary.

Any membership fee should be set at a level that does not exclude any section of the population from becoming members.

**Key documents and resources**

- [IFRC Strategic Framework on Gender and Diversity Issues, 2013–2020](#)

- IFRC: Gender and Diversity Organisational Assessment Toolkit (2016)

## **STANDARD 2.2**

**The Statutes define membership and the rights and responsibilities of members.**

### **Must**

The Statutes must define membership in a way that distinguishes members from staff and volunteers. This does not imply that members cannot be volunteers or staff, but that these roles are distinct.

Where the National Society has different categories of membership (for example, ordinary members, life members, honorary members, corporate members), this must be reflected in the Statutes.

The Statutes must, if applicable, describe the procedure for setting the membership fee (often determined by the general assembly) and collecting the membership fee (for example, collected by the local branch).

The rights and responsibilities of membership, and, where applicable, different categories of membership, must be described in the Statutes.

At a minimum, membership rights must include:

- the right to present proposals and raise issues with relevant authorities in the National Society
- the right to receive notice of and attend relevant meetings.

At a minimum, membership responsibilities must include:

- adhering to the Fundamental Principles
- respecting National Society regulations regarding the use of the emblem (see Standard 1.3)
- paying a membership fee, if applicable
- abiding by the National Society's rules, policies and procedures of relevance to members.

For National Societies in which the membership takes part in the election of the National Society leadership at different organizational levels, the rights of members must include:

- standing for election, if the eligibility criteria are met
- participating and voting in meetings of the local assembly and, if elected, in the assemblies of the higher levels of the organization (how this is done is closely related to the structure of the National Society).

This is further elaborated in Chapter 4, “Leadership (Governance and Management)”.

### **Could**

The membership fee could be set at different levels to encourage under-represented groups to participate in the National Society, for instance, different age groups.

The National Society could decide to waive the membership fee for certain groups, such as volunteers (see Standard 3.2).

To protect a National Society’s independence and neutrality, it could be decided that patrons, honorary members or similar do not automatically enjoy the right to participate in National Society decision-making processes.

The National Society should ensure that member rights and responsibilities are disseminated to all members, and could decide to reference this in the Statutes.

## **STANDARD 2.3**

**The Statutes define the process of becoming a member and how membership ends.**

### **Must**

The Statutes must describe how and where to apply for membership and how membership ends.

The Statutes must reflect the requirement to keep an up-to-date register of members (or equivalent), and define where, in the organization, this responsibility lies.

The conditions under which membership automatically ends must be listed (for instance, death or non-payment of membership fees).

The Statutes must define the circumstances in which a member can be suspended or expelled, and the procedure involved. Disciplinary processes must ensure procedural fairness and due process guarantees, and be initiated in response to serious cause (see Chapter 6, “Compliance, Integrity and Dispute Resolution”, for more details).

National Society Statutes or internal regulations must set out procedures for dealing with grievances or disputes involving members. In some countries, this is required by law. Chapter 6, “Compliance, Integrity and Dispute Resolution”, includes more details about dispute resolution procedures.

**Illustrations**

In electronic version only



## Chapter 3: Volunteers

This chapter covers those aspects of volunteering that need to be regulated in a National Society's Statutes. Recognizing that National Societies depend on volunteers to deliver their humanitarian services, and in order to contribute to the promotion of volunteering, the chapter also suggests ways in which National Society Statutes may protect volunteers' rights and engage volunteers in leadership and decision-making processes within a National Society.

In regulating volunteering in its Statutes, a National Society should strive to create an environment in which volunteers may engage in the work of the National Society and are given opportunities to participate in the institutional life of the organization. In general, procedures for acting as a volunteer should be simple and flexible, while also reflecting the need to establish appropriate rules and safeguards to ensure volunteers adhere to the Fundamental Principles and to the National Society's policy and regulatory frameworks. All forms of volunteer engagement with the National Society should originate in individual, informed consent.

### Key questions

- Is the National Society's statutory and regulatory framework conducive to the engagement of volunteers from all parts of the community?
- What rights and responsibilities do volunteers have? Do they allow volunteers to participate effectively in the life and processes of the National Society at all levels?
- Is it clear for which reasons and how volunteers can be suspended or excluded?

### STANDARD 3.1

**The National Society must be open to all who want to volunteer.**

#### Must

The Statutes must stipulate that the National Society is open to all who want to volunteer without any form of discrimination based on gender, ethnic origin, nationality or citizenship, age, disability, language, political opinions, religious beliefs, social background, or any other similar grounds.

#### Illustrations

In electronic version only

#### Further explanatory text

As with Standard 2.1, a National Society that is not open to all potential volunteers because of national legislation must engage in dialogue with the

relevant authorities to try to change this restriction, and, in the meantime, to do whatever is possible to accommodate the standard through other means (for example, linking non-nationals as online volunteers with other National Societies).

As with members, a National Society should aim for a diversity of volunteers that reflects that of the communities it serves. Diversity is closely linked to a National Society's image, relevance and access, and it is something that should be proactively and continuously pursued. National Societies should work to involve vulnerable groups – including target groups – as volunteers.

Being open to all does not imply that the National Society cannot define prerequisites for specific volunteer roles. On the contrary, some volunteer roles may require a National Society to seek appropriate skills and conduct background checks. For example, the National Society should check for previous offences for roles that involve contact with children and youth.

### **Key documents and resources**

- [IFRC Strategic Framework on Gender and Diversity Issues, 2013–2020](#)
- [IFRC: Gender and Diversity Organisational Assessment Toolkit \(2016\)](#)
- [IFRC Youth Policy, 2017](#)
- [IFRC Youth Engagement Strategy \(YES\), 2013](#)

## **STANDARD 3.2**

**The Statutes define volunteers and the rights and responsibilities of volunteers.**

### **Must**

The Statutes must define volunteers in a way that distinguishes them from other types of individual engagement with the National Society. This does not imply that volunteers cannot be members, or that staff cannot volunteer for the National Society, but that these roles are distinct.

The rights and responsibilities of volunteers must be clearly described.

Volunteer rights must include:

- receiving appropriate support, for example, in the form of an induction and sufficient training to carry out volunteer tasks
- participating in designing and improving the activities in which they are involved
- being protected whilst engaged with the National Society (including safety and security, protection from abuse, bullying and sexual harassment, and psychosocial support)
- being reimbursed for reasonable costs incurred whilst volunteering.



At a minimum, volunteer responsibilities must include:

- adhering to the Fundamental Principles
- respecting National Society regulations regarding the use of the emblem (see Standard 1.3)
- abiding by the National Society's volunteer regulations, including a code of conduct.

The National Society must ensure that its disciplinary and dispute resolution procedures (described in Chapter 6) also apply to volunteers.

### **Could**

To promote the involvement of volunteers in decision-making processes, National Societies could give volunteers the right to attend general assemblies at local or central level.

The National Society could also give volunteers the right to vote in governance elections based on established criteria (for example, length of engagement as a volunteer).

The National Society could decide to give volunteers (who are not already members) the right to be elected to governance positions.

One way of giving volunteers the right to vote and/or be elected is to grant them membership status, whilst waiving the membership fee. This will require the informed consent of volunteers.

The National Society should ensure that volunteer rights and duties are disseminated to volunteers, and could decide to make reference to this in the Statutes.

### **Illustrations**

In electronic version only

#### **Further explanatory text**

Most National Societies have both members and volunteers, and there is often an overlap between the two categories. Leadership volunteers, in particular, are often also members. For individuals with multiple engagements in the National Society, it is important to be clear about when they are acting in which role, as this has legal implications in many countries, for example:

- Certain laws may apply to volunteers, but not to members.
- Insurance may apply to volunteers and members in different ways.
- If a volunteer carries out paid work as casual or contracted labour, this may require an employment contract, in compliance with national labour law.

The rights and duties of volunteers are often disseminated to them through a volunteer agreement or code of conduct that sets out the rights and responsibilities of both the National Society and the volunteer.

**Key documents and resources**

- IFRC Volunteering Policy, adopted at the IFRC General Assembly (2011)
- IFRC Volunteer Charter, adopted at the IFRC General Assembly (2017)
- IFRC Volunteer Legal Toolkit (2011)



## Chapter 4: LEADERSHIP (GOVERNANCE AND MANAGEMENT)

This Chapter addresses the theme of National Society leadership. The standards focus on ensuring leadership that is capable of delivering timely, effective and transparent decisions that have received adequate scrutiny and oversight to ensure that they are seen as legitimate by all stakeholders.

Governance and management functions can be organized in various ways. What is important is that leadership functions are allocated to specific leadership bodies or positions, and that effective checks and balances ensure that decisions receive adequate scrutiny, and that no individual or body accrues disproportionate power over the direction and decisions of the National Society.

### Key questions

- Do decisions involve adequate scrutiny and are sufficient mechanisms in place to ensure that governance positions or bodies do not accrue disproportionate power?
- Are the National Society's key constituencies adequately represented in decision-making?
- Are leadership responsibilities clear and comprehensive, and can decisions be made in a timely and transparent manner?
- How does the National Society ensure that its leaders are able, and that they are seen as legitimate?
- Does the National Society have mechanisms in place to ensure that its leaders adhere, at all times, to the highest standards of integrity and ethics?

### STANDARD 4.1

**The Statutes ensure that there are effective checks and balances in leadership decision-making.**

#### Must

The National Society must ensure that all key leadership functions and responsibilities have been defined and fall under the responsibility of a position or body within the National Society or are shared amongst them.

The Statutes must ensure that there are sufficient checks and balances among the various leadership positions and bodies. This means that no single leadership position and/or body may have unchecked power and authority.

#### Illustrations

**Checks and balances with an executive president (Spanish Red Cross)**

The president of the Spanish Red Cross is both the highest governance representative of the organization and its leading manager.

The president's functions are detailed in the Statutes, and include being the highest representative of the Spanish Red Cross, managing, promoting and coordinating the activities of the Spanish Red Cross, determining the organizational management structure, and being the highest authorizing officer of the organization.

The president is elected by the general assembly, which also elects a national committee of 43 representatives, chaired by the president, which meets at least three times a year, and ensures there are checks and balances to the president's significant powers and responsibilities.

While the president can bring items for debate and decision to the National Committee, so too can a quorum of one third of the Committee's members.

The committee can also propose to the general assembly that the president be fired, and can require the president to convene a general assembly.

The Spanish Red Cross also appoints various commissions to advise and support the president in supervising management activities, including budgetary control, hiring and investment commissions.

### **Checks and balances through a separation of governance and management (Canadian Red Cross)**

Canadian Red Cross provides checks and balances in decision-making through separating the governance and management functions of the organisation. The Board, which consists of 16 members, is responsible for overseeing the organization and hiring/managing the Secretary General/CEO. The day to day operational power of the organization lies with the Secretary General, who is accountable to the Board for the management of all activities and affairs of the Society, including to:

- (i) Implement at all levels of the Society the mission, strategic goals and priorities formulated by the Board; and
- (ii) organize and manage the activities of the Society in order to deliver services in the most effective and efficient manner possible through the collaborative efforts of staff and Volunteers.

The Board of Directors meets at least four times per year to:

- (a) exercise an oversight role and monitor the Society's performance;

- (b) ensure adequate governance policies are in place for sustainable, cost effective, legal, and ethical organizational performance and actions;
- (c) approve the Society's operational plan and budget;
- (d) approve the annual audited financial statements of the Society and present them to the Members;
- (e) hire and set the terms of employment of the Secretary General

### **Further explanatory text**

It is important for the health of a National Society that checks and balances are in place to prevent any one person or body from having the authority to alienate the organization from its principles, values and mission.

Key checks and balances are provided through:

- rotation and election processes, as described under Standard 4.4
- reporting and scrutiny lines: an individual or body prepares or proposes a decision, while another individual or body approves or confirms it.

Reporting and scrutiny lines can exist between governance bodies (for instance, between a governing board and the general assembly), between governance and management functions, and between different levels of governance, for example, between branch and national governance bodies.

One approach to creating checks and balances within a National Society is to fully separate the individuals carrying out governance and management functions. Those involved in governance functions set direction and strategy, and monitor management implementation and compliance; the management function implements strategy and reports to governance. The governance function can fire the senior management if dissatisfied with performance, while the governance function is usually accountable to the National Society membership.

This approach can function well at national level where, typically, there are paid staff to carry out management functions; the boundary between governance and management functions can, however, break down at local level, where individual volunteers may, in practice, carry out both governance and management roles. In such cases, central governance bodies usually have a key role to play in ensuring checks and balances at local level.

Some National Societies are organized in such a way that governance and management roles overlap. One example is the practice of an executive president, i.e. an elected president, which is also the most senior management position. The role of an executive president is usually full-time. This means that the same individual is both responsible for management activities and for

overseeing management performance. In this situation, it is particularly important that other checks and balances are in place, for instance:

- frequent general assembly, or governing board meetings, to which the executive president must report
- provision to call an extraordinary board meeting, if requested by a certain number of board members
- the right of board members to place items on the agenda of board meetings
- the use of standing subcommittees with a clear role, scope and oversight function, reporting to the whole board or to the general assembly
- regular internal audits with direct access to the board
- independent mechanisms to deal with allegations involving the executive president.

## **STANDARD 4.2**

**The Statutes define the governance bodies and positions at all levels and their respective functions.**

### **Must**

The Statutes must define, for all National Society governance bodies:

- the length of their term and their composition, and how members are selected
- their powers
- their relationship to other governance bodies (for example, who they report to)
- who is responsible for convening meetings and what notice is required, how often they meet, and provisions for calling extraordinary meetings
- who takes decisions between meetings
- procedures for decision-making, including quorum and majority voting rules, and what happens if a quorum is not present
- rules and proceedings, which could include provision for using technology to convene meetings.

The Statutes must further define, for all individual governance positions at all organizational levels:

- who can be elected to these positions, and how they are chosen
- any minimum qualifications individuals must have to stand for these positions
- how long they can be in position (i.e. rotation requirements)
- their powers and responsibilities
- how they can be removed from their position, and on what grounds
- what happens if the individual in post steps down or is removed before the end of their term.

These requirements are discussed further under Standard 4.3, “The Statutes ensure the legitimacy and capacity of the National Society’s governance bodies and positions”.

### **Could**

It could be decided to establish subsidiary bodies of the general assembly, governing board or other assemblies. Such bodies may have a different composition and competences: committees are typically made up of board members and possibly also co-opted members, and carry out specific tasks with powers delegated by the “parent” body. Advisory bodies (including external experts) may be set up to provide advice to inform decisions made by other bodies.

Committees and advisory bodies can be permanent (standing) or ad hoc. Permanent committees should be formed only when there is a need for a role or function to be performed by board members on an ongoing basis. In the event that standing committees or advisory bodies are formed, their composition, powers, procedures and decision-making processes should be formalized.

Typical examples of standing committees include Finance, Election/Nominations, Audit and Risk, Ethics and Integrity, Governance (looking at board performance), Diversity and Gender, and Youth.

### **Further explanatory text**

Most National Society governance bodies include:

- **General assembly** and subsidiary commissions and committees. This is likely to be the highest authority within the National Society, which approves all major strategic decisions and is likely to decide or strongly influence the composition of the governing board and hold it to account.
- **Governing board** and subsidiary commissions and committees. This is likely to be the body that governs and oversees the organization between general assemblies, holding the management function to account and making ongoing strategic decisions.
- **Assemblies and boards** at other levels of the organization and subsidiary commissions and committees are likely to oversee branches and sub-branches.

Most National Society governance positions include:

- president
- vice-president(s)
- treasurer

Common governance functions include:

*Strategic direction and long-term planning*

- setting vision and strategic direction, and defining overarching goals
- making decisions about planning and resources
- developing an organizational culture to achieve goals.

*Branch structure/members/volunteers*

- ensuring appropriate branch structure
- monitoring membership and volunteering
- reporting to members and other stakeholders
- setting the membership fee.

*Supervising management and ensuring compliance*

- appointing, monitoring performance and termination of the top management (secretary-general and, possibly, her/his deputies, based on the secretary-general's recommendations. The rest of the management team/staff should be hired through regular HR procedures, overseen by the secretary-general)
- monitoring the performance of the organization
- ensuring organizational sustainability and monitoring finances, including ensuring that the National Society has diverse and sustainable sources of income, primarily raised domestically
- ensuring compliance with relevant legislation
- ensuring appropriate financial controls, including audit, and appointing auditors
- overseeing risk management
- setting relevant organizational policies and ensuring they are enforced
- ensuring mechanisms are in place to hear, investigate and respond to feedback received from key stakeholders and constituents.

*Additional constitutional tasks*

- ensuring that Statutes and internal regulations are up to date.

There is no universal formula regarding the size of a governance body. As a general rule, local committees are usually effective with 7–10 members, while a national governing board may be effective with 10–20 members, depending on the size of the National Society. Any subsidiary committees should generally be small (3–5 members).

Factors to be considered when deciding the size of a governance body:

- the efficiency and effectiveness of decision-making and action
- diversity and representation
- the expertise required for good decisions to be made (for instance, legal expertise, financial knowledge)



- the cost of meetings, especially if people are to meet face-to-face regularly
- the number of people willing and able to serve in the function, in particular, at local level, where there may only be a few volunteers.

### **STANDARD 4.3**

#### **The Statutes ensure the legitimacy and capacity of the National Society's governance bodies and positions.**

#### **Must**

The Statutes describe the rules and procedures of the election and/or appointment of governance positions and members of governance bodies at all levels. These must be fair and transparent and promote diversity within governance. They must cover the following points:

#### *Who elects/appoints*

- which body/bodies elect(s) or appoint(s) the members of the different governance bodies
- how National Society stakeholders, such as members and/or volunteers, are included in the governance selection process at different levels of the National Society
- who can vote and under what procedures.

#### *Who can be elected/appointed*

- Eligibility criteria for elected and appointed positions should ensure competent leadership for the National Society. They must also consider the independence and reputation of the National Society. Eligibility criteria for governance positions must exclude staff from running for elected office. If a governance member is recruited as a staff member, he/she must resign from elected office. However, in some contexts, national law requires staff representation on the governing board. In such cases, the procedure for the election of staff representative(s) must be described.
- How candidates are screened against eligibility criteria. This will often be regulated through the terms of reference of an election committee.
- Grounds for non-eligibility, and grounds and procedures for removing elected individuals from office. (Link to Chapter 6, "Compliance, Integrity and Dispute Resolution").
- In the case of government-appointed governance positions, the Statutes must ensure that:
  - government-appointed members never constitute a majority nor a blocking minority, and that

- government-appointed members, like other board members, sign and are bound by a code of conduct or other similar behaviour framework.

#### *How elections take place*

- For governance positions filled by election, elections must be free and fair, and conducted by secret ballot.
- There must be a definition of voting rules, quorum and required majorities.

#### *Provision for governance positions falling vacant*

- There must be provision for positions falling vacant between elections, typically, the election of a replacement.
- There must be specific provision for the position of president falling vacant for whatever reason. Often, a vice-president will act as president, or the governing board will appoint an acting president until elections are held.

#### *Code of conduct*

Governance members must sign up to a code of conduct that sets basic expectations for how they perform their roles. The code of conduct must spell out the following commitments:

- to act, at all times, in accordance with the Fundamental Principles
- to demonstrate the highest standards of personal integrity
- to act in good faith and in the best interests of the National Society
- to act with reasonable care and due diligence
- not to misuse information or their position, and to respect the confidentiality of sensitive information
- to disclose and manage conflicts of interest
- not to abuse their power or authority, for example, by using National Society assets for personal purposes, or by undermining the secretary-general's authority with staff
- not to breach the policies of the National Society
- to abstain from all forms of fraud and corruption
- to abstain from all forms of harassment, including sexual harassment
- to promote collaboration, cooperation and partnership among governance members.

#### *Conflicts of interest*

The Statutes must require individuals in governance positions to declare all potential or actual conflicts of interest, or issues that could be perceived as a

conflict of interest. It is usually part of the code of conduct. (Link to Chapter 6, “Compliance, Integrity and Dispute Resolution”.)

If anyone discloses a potential or actual conflict of interest, then the disclosing member must abstain from debates and voting on matters that concern him/her.

If the conflict of interest is of a serious and permanent nature, he/she must resign from his/her functions with the National Society and, in the interim, abstain from voting.

### **Could**

Statutes could make provision for election to governance bodies and positions through electronic voting, including remote voting.

The National Society could define specific profiles or eligibility criteria for certain governance roles, for example, president, vice-president(s), treasurer and youth representative(s). For instance, it is reasonable to require a treasurer to have financial experience and skills.

Statutes could make provision for co-opting members of governing bodies to ensure the necessary competences to carry out their functions. This could include the requirement to co-opt certain defined skill sets if these are not represented among elected members, or a general requirement to co-opt individuals with experience from outside the National Society. For example, if a National Society had minimum requirements for a treasurer position, but no qualified person stood for election, the National Society may, therefore, be required to identify and co-opt someone with the necessary skills.

Appointment and/or co-option could also be used in advisory committees, such as a finance committee.

Any co-option should be based on established and transparent procedures and be within the control of elected governance members, meaning that the number of elected members should exceed the number of co-opted members.

Provision could be made for replacing governance members who are not fulfilling their commitments, for instance, by not attending a certain number of meetings (for example, missing three meetings without justification).

### **Illustrations**

**Increasing the diversity of participation in governance structures (Uganda Red Cross Society)**

The Uganda Red Cross Society Statutes ensure both minimum gender ratios and youth participation in National Society governance structures.

At board level, 2 of the 13 voting board positions are reserved for women's representatives. In addition, the vice-chair and chair must be of a different gender, as must the two youth representatives.

Within youth structures, at least one-third of youth council members must be of either gender, and any representations of youth councils to higher bodies in the National Society must be balanced between men and women. This last measure is mirrored across the organization: branches send one male and one female volunteer to the general assembly.

### **Defining and co-opting adequate skills at board level (Uganda Red Cross Society)**

Following a major crisis, the Uganda Red Cross Society has adjusted its Statutes to ensure that the governing board co-opts external experts to join the board as full voting members. This is in response to an analysis that previous governing boards drawn from National Society branch representatives did not necessarily have the skills required to oversee and shape the development of a complex organization or hold the executive to account.

The 13-person board should now include 4 co-opted members with competences in the areas of business development and resource mobilization, risk management and finance, media and public relations, and project/programme management – all critical skill sets not easily resourced from within the membership. The criteria that the National Society has identified for the position of risk management and finance include:

- membership of a relevant professional body
- demonstrable experience of financial management or audit over at least five years, preferably including experience in a senior management position in a reputable national or international organization
- demonstrable experience in applying the practices, procedures and systems of financial management in a reputable organization.

Guided by approved guidelines defining the requisite skills and competences, the chair and the secretary-general have been tasked by the board to propose a shortlist of potential candidates for each of these four roles, which will, in turn, be to the general assembly for approval.

### **Ensuring political neutrality among board members: Extract from Statutes (Red Cross Society of Georgia)**

In the event that a member of the presidium obtains a post in a political party, he/she will automatically loses his/her membership in the presidium.

### **Further explanatory text**

Depending on the exact legal structure of the National Society (refer to Standard 1.4), being a board member may imply a financial and legal responsibility to ensure that the organization complies with applicable national law and adheres to its mission, as follows:

- **Financial liability** – Individual board members can be financially liable should the organization incur debts.
- **Legal liability** – Board members may also be legally liable for decisions made by the governing board.

While boards may take out insurance to protect individual members in case they are sued for alleged wrongful acts, insurance is unlikely to protect board members against any reckless decisions that are made.

To ensure legitimacy and effectiveness, governance bodies should possess a diverse mix of competences and experience. The National Society should, therefore, proactively pursue diversity of perspective and experience in its governing bodies. This could include, but is not limited to, encouraging gender balance, representation of youth, and of ethnic minorities and/or people with disabilities. Attention should also be given to ensuring the representation of affected populations.

Free and fair elections, through a secret ballot, are important because they provide constituents with the opportunity to change the leadership, if they are dissatisfied.

The co-option of a certain number of governance members can be an effective way of ensuring the diversity, competencies and experience necessary for an efficient decision-making and oversight. The same can be said of appointments to advisory committees.

The issue of government-appointed board members (not to be equated with elected persons who are employed in the public sector) relates to the Fundamental Principle of independence. In some contexts, it is considered a way of facilitating strategic discussions with key authorities and a natural expression of the balanced relationship between the National Society and its government. In other contexts, the issue may be out of the direct control of the National Society. Whatever the situation, everything possible should be done to avoid political or other interference in the affairs of the National Society, but also to avoid any perception of such interference. The most important safeguarding tools are mentioned in the “Must” section above.

Managing potential conflicts of interest is important for the National Society’s image and for upholding the Fundamental Principles. Generally, the Statutes should ensure that the National Society is able to maintain autonomy of action

and decision-making towards public authorities, as well as towards other key stakeholders, such as private sector corporations.

#### **STANDARD 4.4**

##### **The Statutes ensure a regular rotation of governance positions.**

###### **Must**

The Statutes must specify the duration of the term of office for all governance positions at all levels (i.e. central and local level) to ensure that rotation occurs regularly.

There must be a limitation on the number of consecutive terms that an individual can serve in the same governance position at central level (for instance, a maximum of two consecutive terms of four or five years in the same position, with the option of standing for the position again after the duration of one term).

The Statutes must ensure that election/selection takes place no later than at the end of each term.

###### **Could**

The Statutes could include a limitation on the number of consecutive terms of office that individuals can serve at branch or local governance level.

The Statutes could include provisions to ensure a level of continuity and institutional memory within boards, for example, by ensuring that only a proportion of board members come up for re-election at any one time.

###### **Further explanatory text**

Limiting the number of terms contributes to ensuring that new perspectives and ideas come into the governance of the National Society. It also provides an important check and balance.

At branch level, where there may be fewer potential candidates, it may be appropriate to extend the number of terms that governance members may serve.

###### **Illustrations**

###### **Red Cross Society of Georgia: Extract from Statutes**

The president of the Red Cross Society of Georgia is elected by the general assembly for four years. The same person can only be elected for two consecutive terms, according to Article 27 of the current Statutes. [...]

The members of the presidium are elected by the general assembly for four years. The same person can only be elected for two consecutive terms. The members of the presidium are accountable to the general assembly. [...]

The members of the local presidium are elected by the local conference for four years. They are accountable to the local conference. The same person can only be elected for two consecutive terms.

#### **STANDARD 4.5**

**The Statutes define the roles, authority and responsibilities of the top management positions and the procedures related to their appointment and termination.**

##### **Must**

The Statutes must define the core functions of the top management position(s) and its/their reporting lines. These functions ensure that decision-making authority is clearly defined in relation to other leadership position(s) and that lines of accountability are clearly defined.

The Statutes must describe procedures for the appointment and termination of the top management position(s). In many National Societies, the secretary-general will be appointed, supervised and their term of office will be terminated by the governing board. The governing board will usually define the profile and the performance standards of top management to ensure accountability and to monitor performance. In other National Societies, the governing board also approves the appointment of the secretary-general's closest deputies, based on the secretary-general's recommendations.

There must be provisions in place to dismiss top management promptly if necessary. In National Societies with an executive president, who is not appointed, but elected, refer to Standard 4.1.

The Statutes must include eligibility criteria for the top management position(s), for example, proscribing involvement in activities that could be considered as compromising their ability to carry out their management roles in accordance with the Fundamental Principles, or that could place the image and reputation of the National Society at risk.

#### **Further explanatory text**

The Statutes should not provide for the detailed management structure, but only describe the functions of the head of management.

The role of the head of management is to execute governance decisions and to be responsible for day-to-day operations. The senior management takes direction from the board and is responsible for day-to-day operations. Senior management is responsible for:

- communicating expectations (purpose, objectives, strategy and policy) to the entire staff
- implementing and following up on governance decisions
- managing day-to-day operations and programme implementation to meet expectations
- drafting budgets and financial reports
- reporting results to governance
- working with governance to ensure the consistent and effective external representation of the National Society.

In National Societies with a separation of governance and management, the secretary-general usually attends the meetings of the governing board in an advisory capacity. S/he does not have the right to vote.

### **Illustrations**

Electronic version





## Chapter 5: Organizational Structure and Territorial Coverage

The focus of this chapter is National Society cohesion, in line with the Fundamental Principle of unity and the National Society's duty to carry out its humanitarian work throughout the national territory. The chapter addresses the key issues that National Society Statutes must cover to ensure that – whatever its structure – a National Society can meet its humanitarian commitments effectively and sustainably.

National Society structures often reflect the territorial organization of the state. Some have federated structures, while others are based on a centralized organizational model. Some National Societies may have two or more organizational levels, while others do not have branches or local structures at all. Many National Societies have created separate legal entities to manage aspects of their operations, whether for legal reasons, or to protect the National Society from risk.

### Key questions

- Is the National Society organized in a way that allows it to extend its activities to the entire territory of the state?
- Do the structure and organization of the National Society ensure its cohesion and unity?
- Are decisions in the National Society taken at the most appropriate level?
- Has the National Society ensured a good balance between accountability to central structures and local initiative and authority? How does the National Society enable local structures to participate effectively in centralized decision-making processes?
- How does the National Society manage any separate legal entities?

### STANDARD 5.1

**The Statutes must define the National Society's organizational structure.**

#### Must

The Statutes must describe the structure, which allows the National Society to respond to humanitarian needs across the whole territory, including central and local bodies.

The Statutes must define the procedures for the establishment and dissolution of branches and other entities. The establishment of branches and any separate legal entities must include approval at the central level (for example, by the governing board or the general assembly).

The Statutes must ensure that provision is made for needs to be met across the territory in the event that a branch is dissolved or is not functioning.

### **Further explanatory text**

As humanitarian needs change over time, it is advised that the organizational structure is continuously assessed and adapted, if necessary. Consequently, statutory provisions related to organizational structure should not be so rigid that they cannot be amended if need be. It is also advised that the Statutes define the organizational structure in a way that promotes innovation and collaboration across the organization.

## **STANDARD 5.2**

**The Statutes must ensure that the National Society decides, acts and speaks as one.**

### **Must**

The Statutes must describe a clear delineation of roles between the different layers of the National Society.

The National Society must be governed by a central body. Centralized functions must include, but not necessarily be limited to:

- protecting the integrity of the National Society, including maintaining the Fundamental Principles and ensuring respect for the emblem
- contacts with central authorities
- international relations, including contacts and agreements with other components of the Movement
- overall policy frameworks (in areas such as finance, human resources, volunteering, and compliance and integrity) and risk management
- coordinating national programmes to ensure that resources are used according to humanitarian needs and that there is consistency in service delivery
- overall financial coordination, oversight and accountability, including consolidated budgeting, financial accounts and audit
- disciplinary procedures and dispute resolution (in the event that disputes cannot be solved locally).

The Statutes must ensure that rules and procedures are in place to define local authority as well as accountability to the central level, and to enable branches to participate effectively in National Society decision-making processes. At a minimum, this implies the following:

- For National Societies with branches and/or other entities that have independent legal status or enjoy a high level of autonomy, the Statutes of these structures must comply with, and not contradict, the National Society Statutes.
- Branch leadership must be represented at the National Society's general assembly.
- Branches must be empowered to execute their activities effectively while abiding by decisions, policies and regulations adopted at the central level. This also applies to National Societies with legally separate or very autonomous entities (such as legally independent branches, separate commercial enterprises, separate youth organizations or similar).
- The Statutes must specify high-level reporting and communication lines between the different levels of the National Society.

Statutes must state the consequences of branches or other entities failing to comply with decisions or policies adopted at the central level, the ultimate example of which could be expulsion and/or revocation of the right to use the name and emblem of the National Society. This is also addressed in Chapter 6, "Compliance, Integrity and Dispute Resolution".

## Illustrations

**Standard 5.2: The Statutes must ensure that the National Society decides, acts and speaks as one.**

### Introduction

How a National Society structures itself in order to work effectively across the national territory will depend on a range of factors, including internal factors, such as the services it provides and how it mobilizes volunteer and financial resources, and external factors, such as the size, geography and political structure of its national environment.

This illustration draws on four National Societies:

- the British Red Cross, which is one legal entity, and managed and led centrally
- the Burundi Red Cross, which is one legal entity, but in which community-level branches have significant autonomy, and there are two levels of intermediary branch
- the Danish Red Cross, which is also one legal entity, but where branches have significant powers, and there are no intermediary branches in place
- the Austrian Red Cross, which is a federal structure in which regional branches are legally independent, and have their own individual governing boards and Statutes.

In all four cases, National Society Statutes describe the different components of the organization and how these fit together. In the Austrian Red Cross, this includes providing a framework that shapes how the separate legal entities work together.

This diversity is summarized in the following table:

<b>National Society</b>	<b>Legal entities<sup>1</sup></b>	<b>Organizational levels</b>
British Red Cross	1	Different for each service area
Burundi Red Cross	1	4 (1 national, 18 provincial, 119 communal, 2,918 local units)
Danish Red Cross	1	2 (1 national, 200+ branches)
Austrian Red Cross	Over 20	4 (1 national, 9 legally independent regional branches, with 2 further organizational levels, including further legal entities in 1 region)

Print + electronic version

### **Further explanatory text**

Every National Society needs to find the right balance between the authority of local entities and their accountability to the central level.

Local authority is about promoting initiative, speed and effective humanitarian action. It is also about giving scope for leaders and volunteers to have meaningful roles within the organization.

Accountability to the central level is about unity, but also about risk management, image and reputation. While a strong branch reflects positively on the whole National Society, an inactive branch, or a branch that makes poor decisions, can have reputational risks for the National Society as a whole.

The handling of disputes and conflicts between different entities of the National Society is dealt with in Chapter 6, “Compliance, Integrity and Dispute Resolution”.

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<sup>1</sup> Not including spin-off enterprises and similar structures



## Chapter 6: Compliance, Integrity and Dispute Resolution

Compliance and integrity are critical to the perception and image of a National Society. Breaches may impact negatively on the reputation of a National Society, and on the Movement as a whole.

Acting with integrity helps to ensure that a National Society is accountable to its stakeholders for the quality of services and the use of resources in exercising its mandate and performing its role. To systematically address alleged problematic behaviour within the National Society, including its leadership, members, staff and volunteers, a National Society should establish an integrity framework that defines the integrity and ethical standards to be upheld and sets out rules and procedures to effectively address breaches.

To avoid conflicts turning into public crises, it is also important to establish dispute resolution procedures. While disciplinary procedures involve steps to sanction, dispute resolution procedures aim to resolve conflicts for which other procedures, for example, human resource procedures, do not exist, such as disputes between National Society members.

Most elements of this chapter are cross-cutting and should be read in conjunction with other chapters. Therefore, National Societies are not expected to have a separate chapter on compliance and integrity in their Statutes, but to address compliance and integrity in all relevant places across their Statutes, and to have mechanisms, policies and procedures in place that prevent and address potential compliance and integrity breaches.

### Key questions

- Does the National Society live up to the highest standards of integrity?
- Has the National Society defined organizational integrity and ethical standards, as well as standards for individual leaders, members, staff and volunteers? Can it demonstrate these if called upon?
- Does the National Society have procedures and mechanisms in place to ensure compliance, prevent abuse of power and address possible integrity breaches while guaranteeing procedural fairness?
- Does the National Society have adequate procedures and mechanisms to ensure effective internal dispute resolution?

### STANDARD 6.1

**The Statutes state the integrity and ethical standards to be upheld.**

## **Must**

### *In relation to individuals*

The Statutes define or reference the integrity and ethical standards that must be upheld at all levels of the National Society, including zero tolerance for violations of these standards. The integrity and ethical standards include, as a minimum:

- adhering to the Fundamental Principles, and to the policies and regulations of the National Society
- protecting confidentiality and maintaining the trust of those that the National Society serves
- acting and making decisions in the interests of the National Society when acting on its behalf
- treating everyone with dignity and respect and, therefore, abstaining from:
  - discrimination based on gender, ethnic origin, nationality or citizenship, age, disability, language, political opinions, religious belief, social background, or any other similar grounds
  - xenophobia and other forms of racism
  - bullying and harassment, including sexual harassment
  - sexual exploitation and abuse
- acting honestly and with integrity in all transactions and dealings, which includes abstaining from fraud and corruption, abuse of power and nepotism
- avoiding conflicts of interest and handling actual or possible conflicts of interest appropriately. What constitutes a conflict of interest will often be defined through a policy (see also Chapter 4, “Leadership (Governance and Management)”, and its Standard 4.3 regarding individuals and conflicts of interest in governance positions).

The Statutes commit the National Society to adopt relevant policies and a code of conduct (or a similar ethics and behaviour framework) for individuals in governance positions, staff and volunteers. Standard 4.3 describes more specific requirements for a code of conduct for governance bodies and positions.

### *In relation to branches and other entities*

The Statutes must commit branches and any other entities within the National Society to ensure that individuals uphold the integrity and ethical standards described above.

## **Key documents and resources**

## IFRC Policy on the Protection of Integrity of National Societies and Bodies of the IFRC

### **STANDARD 6.2**

**The Statutes define the procedures that ensure compliance with integrity and ethical standards and how breaches are addressed.**

#### **Must**

The Statutes must describe, or make reference to, regulations that describe the mechanisms, processes and procedures to investigate and – in the event of non-compliance with defined integrity and ethical standards – sanction individuals as well as collective entities, including branches.

The Statutes must describe which bodies can sanction non-compliance, on what basis, and the applicable sanctions. Disciplinary procedures must be characterized by procedural fairness and due process guarantees.

The Statutes must commit the National Society to adopt staff regulations in accordance with national labour law, defining processes and procedures relating to potential contractual breaches.

The National Society must have a procedure to receive, investigate and respond to complaints and allegations against anyone associated with the National Society, including a whistle-blower protection policy that specifies that the National Society will not retaliate against, and will protect the confidentiality of, anyone making complaints in good faith, in particular, beneficiaries, staff, volunteers and members.

#### **Could**

The National Society could establish an internal governance body with a mandate to oversee compliance and integrity within the National Society, possibly co-opting external members (refer to Standard 4.2), or an external body such as an ombudsman, or an independent ethics committee.

#### **Further explanatory text**

##### *Handling complaints and whistle-blowing*

A complaints procedure is essential as it gives everyone, including less senior staff, volunteers and those whom the National Society serves, an opportunity to report serious wrongdoing without fear of retaliation. A deliberate failure to adhere to these standards and protections is a serious matter and should subject the perpetrator to disciplinary action. Such procedures serve as a deterrent and help to right any wrongs committed in the name of the National

Society, but they do require a National Society to be able to investigate complaints transparently. For this reason, many organizations engage an external organization or body to guarantee procedural fairness during investigations.

To come under whistle-blowing protection, complaints must be of a serious nature, including:

- a criminal offence, such as fraud
- actions that endanger people's health and safety
- a miscarriage of justice
- law-breaking by the National Society
- covering up wrongdoing
- abuse of power, including sexual abuse and exploitation
- any other serious violation of integrity and ethical standards as mentioned under Standard 6.1.

An effective whistle-blowing procedure must be disseminated to all National Society stakeholders. It ensures that people coming forward with allegations in good faith are protected from retaliation or disadvantage; this often involves protecting the anonymity of the whistle-blower. It also provides protection for senior staff and leaders, who can be the target of malicious accusations, by ensuring that accusations are dealt with rapidly and fairly, and that appropriate sanctions are taken against people making malicious accusations.

#### *Disciplinary procedures and procedural fairness*

Disciplinary procedures in case of breaches of integrity and ethical standards need to be well thought through and documented. If not handled in a principled and transparent manner, a National Society risks exacerbating any internal tensions and leaving itself open to external legal challenge. A key concept underpinning any disciplinary procedure is procedural fairness, i.e. the capacity to demonstrably deal with any disciplinary issue on its merits, in a structured and transparent manner, in line with existing rules and regulations.

Procedural fairness and due process guarantees involve, at a minimum:

- informing any party involved promptly and in writing of the nature of the complaint
- testing the complaint on its merits by a non-partisan body that takes into account whether an act has been committed in good faith or in bad faith
- providing any party concerned with the opportunity to comment and be heard
- issuing warnings, where possible, depending on the gravity of the case
- the proportionality of sanctions, which means that the suspension and expulsion of volunteers and members (including governance members) can only take place for serious cause, namely the display of character incompatible with the Fundamental Principles, serious violations of the



National Society's internal regulations and policies, or engagement in activities that are detrimental to the reputation, image or activities of the National Society

- a system for hearing appeals at another organizational level, or an external arbitration procedure.

Possible sanctions could include suspension and expulsion (members and volunteers), removal from office (members of governance or an entire board), intervention in a branch, or withdrawal of the right to use the name and the emblem of the National Society from a branch or other entity.

If a National Society is faced by a complaint that it cannot properly deal with, and if all other means have been considered and attempted, a National Society can submit allegations of breaches of integrity to the IFRC Compliance and Mediation Committee. This will require its full cooperation with the committee.

### **Key documents and resources**

Federation-wide fraud and corruption prevention policy, IFRC, 2019 (Anticipated)

## **STANDARD 6.3**

**The Statutes provide for mechanisms and procedures for dispute resolution.**

### **Must**

The Statutes must provide for dispute resolution mechanisms and procedures to resolve conflicts arising within the National Society, especially for disputes concerning branches, volunteers and members that are not covered by existing procedures, such as human resource policies.

### **Could**

The Statutes could commit members, volunteers, branches and other entities of the National Society to utilize whatever dispute resolution mechanism the National Society has to settle disputes, and to notify the governing board in a timely manner in the event that a dispute remains unresolved.

### **Further explanatory text**

All National Societies will experience disputes and conflict from time to time. Disputes can lead to healthy discussion, but they can also escalate to a level where they place the National Society's functioning and reputation at risk. Avoiding this situation is the key rationale for a dispute resolution mechanism. Typical mechanisms include the following:

### *Conciliation and mediation*

Conciliation and mediation processes involve a third party external to the dispute supporting the disputing parties to reach agreement. The third party could come from within the National Society: a senior board member or manager, for instance, or from outside, including professionals skilled in such processes. It is critical that both parties to the dispute agree on who will provide this service: if one of the disputants does not accept the third party, then any outcome is unlikely to be seen as fair and valid.

### *Arbitration*

In arbitration, the dispute is referred to a third, independent person. The arbitration process is private, the arbitrator decides the outcome, and the decision is binding. The advantage of arbitration compared to involving the national courts is that the arbitrator's decision is usually reached more quickly.

If it is revealed that a dispute relates to non-compliance with integrity and ethical standards, as defined under Standard 6.1, then it should be dealt with according to the disciplinary procedures described under Standard 6.2.



## Chapter 7: Financial Matters

The purpose of this chapter is to ensure that principled and accountable financial management and resource mobilization practices are in place to protect the National Society's image and reputation.

### Key questions

- Are sufficient safeguards in place to ensure that the National Society accepts resources in accordance with the Fundamental Principles and the Movement's regulatory frameworks?
- Has the National Society assigned clear responsibility for all aspects of financial management?
- Does the National Society have sufficient accountability measures in place, including an external audit of its consolidated accounts?

### STANDARD 7.1

**The Statutes define how resources are mobilized and managed in a transparent, accountable, efficient and principled way.**

#### Must

The Statutes must include a definition of the financial year of the National Society.

The Statutes must stipulate the main categories of income for the National Society, such as membership fees, funds raised for programmes and projects, donations and income-generation activities.

The Statutes must commit the National Society to mobilize resources in a transparent, principled and accountable way.

The Statutes must clarify responsibilities relating to the management of financial resources – refer also to Chapter 4, “Leadership (Governance and Management)” – in particular:

- the drafting of the budget and financial reports
- advice on the budget and financial reports
- approval of the budget and financial reports
- auditing accounts
- determining the acceptability of funds and donations.

The Statutes must define the financial relationships between the central and branch levels, and between the central level and other subsidiary entities, in particular, in relation to:

- the mobilization, attribution and spending of resources
- any financial obligations between the branches or other subsidiary entities and the central level and/or vice versa
- the obligation of all branches and any subsidiary legal entities to submit annual accounts to the central level for consolidation and supplementary auditing (see Standard 7.2 for more detail).

### **Could**

The Statutes could commit the National Society to establish an independent and effective internal audit function that gives management reasonable assurance on the effectiveness of the National Society's internal control environment and to acts as an agent for change by making recommendations for continual improvement.

More details could be found using this link.

The Statutes could commit the National Society to establish an independent and professional investigation function to examine and determine the veracity of allegations of corrupt or fraudulent practices and misconduct on the part of its members, staff and volunteers.

More details could be found using the following links:

Uniform Guidelines for Investigations,

CFE Code of Professional Standards Interpretation and Guidance

### **Key documents and resources**

- National Society Development Framework, IFRC, 2013, which focuses on the sustainability of National Societies through domestic fundraising initiatives and diversification of funds
- Movement Policy for Corporate Sector Partnerships and annex, Resolution 10 (Council of Delegates, Seoul 2005)
- Movement Wide Resource Mobilisation Principles, Resolution 2 (Council of Delegates, 2017)
- Regulations on the use of the emblem of the red cross or the red crescent by the National Societies adopted by the 20<sup>th</sup> International Red Cross and Red Crescent Conference (Vienna, 1965) and revised by the Council of Delegates (Budapest, 1991).

## **STANDARD 7.2**

**The Statutes commit the National Society to conduct an independent, professional and external audit of its consolidated accounts annually.**

### **Must**

The manner of appointment, the qualifications and the format of reporting by an external audit must be defined by the Statutes.

The audit must be conducted by an external, qualified and independent auditor at the end of each financial year.

Financial statements must be consolidated, i.e. combining the financial statements of headquarters, branches and all related entities including service enterprises (such as blood banks, hospitals, ambulances) bearing or benefiting from the use of the emblem.

### **Further explanatory text**

Consolidated financial statements are the combined financial statements of the headquarters, branches and all other entities.

An annual external audit of consolidated financial statements is one of a National Society's duties, as defined in the IFRC constitution.

An external audit is an independent examination of the financial statements prepared by the organization. It results in an audit opinion about whether the financial statements give a "true and fair" view of the organization's finances, and whether funds are used in accordance with the objectives as outlined in the Statutes.

As the manner of appointment and the qualifications of an external auditor, as well as the format of reporting may vary in different jurisdictions, a National Society should, before including or revising such provisions in its Statutes, check national regulations to ensure compliance.

Depending on the size and complexity of National Society finances, the following audit options could be considered:

- government audit agency
- audit firm
- single auditor (retired or active, certified).

Auditing consolidated financial statements does not imply that auditors will check every branch and entity of the National Society. Instead, auditors test the validity of the accounts through a sample of transactions.

As described in Chapter 4, "Leadership (Governance and Management)", auditors are appointed by governing bodies (governing board or the general assembly). Being independent means that the auditor has not been involved in keeping the accounting records, and is not personally connected in any way with the organization being audited. It is good practice to change auditor on a regular basis.



## Chapter 8: Final Provisions

### Key questions

- Are provisions for revising the Statutes clear and do they ensure a transparent and participatory process?
- Under what circumstances can the National Society be dissolved?
- Are processes in place to ensure that the Statutes (and any revisions) are disseminated within the National Society?

### STANDARD 8.1

**The Statutes define the procedures and rules for their revision.**

#### Must

The responsibility to adopt revisions to a National Society's Statutes rests with the general assembly or its equivalent.

The Statutes must state the required quorum and majority to revise the Statutes.

Draft amendments to a National Society's Statutes must be submitted to the Joint ICRC/International Federation Commission for National Society Statutes (JSC), whose recommendations must be taken into account.

The Statutes must stipulate the required notice period for the submission of draft amendments to the general assembly.

The Statutes must describe which body decides how the Statutes are to be interpreted in the event of uncertainty or dispute.

#### Further explanatory text

In some National Societies, amending the Statutes requires prior consultation with the relevant authorities.

Most National Societies require a qualified quorum and/or majority for changes to Statutes to be passed (for example, two-thirds of members have to be present and two-thirds of those present and voting must be in favour of the proposed amendment). While such requirements aid organizational stability, they may also reduce a National Society's capacity to adapt rapidly.

**STANDARD 8.2****The Statutes contain provisions for the dissolution and liquidation of the National Society.****Must**

The Statutes must describe under what conditions the National Society can be dissolved. In contexts where the establishment of a National Society is regulated by law, the dissolution of the National Society must be in accordance with the applicable provisions.

The National Society can only be dissolved by a decision of the society's highest governance body, normally the general assembly. The decision to dissolve the National Society must be made with a qualified quorum and majority.

The Statutes must define, subject to the requirements of national law, the disposal of the National Society's remaining assets.

**STANDARD 8.3****The Statutes are disseminated to all stakeholders in the National Society at all levels.****Must**

The Statutes must be translated into the official languages of the state in which the National Society is established.

If the Statutes exist in several official languages, they must define which language takes precedence in the case of conflict of interpretation between different versions.

The Statutes must be disseminated throughout the National Society, and made available to any National Society member or volunteer upon request.

**Could**

The National Society could decide to translate the Statutes into other languages or dialects in use across the national territory.

The Statutes could be made available through the National Society website and other relevant communications channels.

## **Volunteer Charter**

### **We the Volunteers of the Red Cross and Red Crescent**

**United in our mission to prevent and alleviate human suffering wherever it may be found,  
will uphold and abide by the Fundamental Principles of  
Humanity, Impartiality, Neutrality, Independence, Voluntary service, Unity and  
Universality.**

**We protect life and health and we ensure respect for human beings. We promote  
human dignity, mutual understanding, solidarity, cooperation  
and lasting peace.**

**We accomplish our mission in total independence,  
free from any political, ideological or economic interference that could divert us from  
helping people in need.**

**We endeavour to relieve the suffering of people, guided solely by their needs, giving  
priority to the most urgent cases of distress.**

**Never do we discriminate against  
nationality, gender, race, religious beliefs, class, political opinion or any other  
grounds.**

**We do not take sides in hostilities, nor do we engage in controversies of a political,  
racial, religious, ideological or similar nature.**

**We are not prompted by any desire to gain.**

**We know that our emblems should protect us from harm, nevertheless our lives are  
sometimes put at risk.**

**We call upon our National Society to ensure our participation, protection, respect,  
and to provide the means and support we need to accomplish our humanitarian  
commitment.**

**We are the Red Cross and the Red Crescent**