



Power of humanity

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

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Movement-wide Principles for Resource Mobilization (Resolution 2 of the 2017 Council of Delegates)

PROGRESS REPORT

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For information

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the International Federation of Red Cross and Red Crescent Societies
and the International Committee of the Red Cross,
in consultation with members of the Steering Committee for the Movement-wide
Principles for Resource Mobilization

EXECUTIVE SUMMARY

In 2017, the Council of Delegates adopted Resolution 2, “Movement-wide principles for resource mobilization” (CD/R2/17), with the aim of increasing the income of components of the International Red Cross and Red Crescent Movement (Movement) and meeting growing humanitarian needs by maximizing the Movement’s fundraising potential. One of the primary goals has been to work together to help develop the fundraising capacity of National Red Cross and Red Crescent Societies (National Societies). This report is an update on the progress and achievements in fundraising since December 2019, when the last progress report on the 2017 resolution was submitted.

In the previous report the Steering Committee of the Movement-wide Principles for Resource Mobilization (the Steering Committee) presented the Movement with key recommendations to ensure the continued development of the Virtual Fundraising Hub (Hub) and support the application of the principles. These recommendations included: strong involvement and engagement from National Societies, dedicating financial contributions and staff time to establishing global frameworks for furthering the Hub’s projects, and reconciling the ambition of transformational change in the Movement’s resource mobilization with the need to coordinate and support existing projects that had limited staff capacity.

1) INTRODUCTION

The past few years have again shown that the Movement has a unique and important role in supporting communities in advance of, during and after emergencies.

The COVID-19 pandemic challenged all components of the Movement to fundraise proactively for both domestic and international humanitarian needs. The Hub worked together with all components to coordinate the very first Movement-wide fundraising campaign, which played a key role in starting a shift in perspective and outlook. For the first time, the Movement as a whole leveraged its deeply embedded local presence and global reach – and the public’s awareness of the red cross and red crescent – to position itself as the partner of choice. This bold move provided unparalleled opportunities to mobilize resources around the pandemic response.

Despite this achievement, peer organizations grew at a faster rate over the past five years¹ and there are still significant gaps between what communities need (in terms of both humanitarian and development support), and the funds available to meet those needs. Those National Societies that had invested in their resource mobilization and digital capacities over an extended period were more likely to have been able to respond successfully to this global emergency. The continuous investment in their financial sustainability was clearly key.

The Movement-wide Principles for Resource Mobilization (the principles) adopted in 2017 therefore remain just as relevant today. There are still challenges in applying the principles, which should be addressed: (1) through a renewed commitment to and ambition for fundraising growth and (2) by starting to set out a strategy and roadmap for the Hub to deliver on the principles and agreeing on and monitoring the indicators of success for that strategy.

2) BACKGROUND

This is the second progress report on implementation of the deliverables and application of the resolution on Movement-wide Principles of Resource Mobilization (CD/17/R2).

The resolution promotes transformational change in the Movement’s collective resource mobilization efforts. The vision, goals, and principles for resource mobilization that it outlines were designed to help all components to raise the funds they need to fulfil their responsibilities under their individual

¹ Source: International Fundraising Leadership Forum, peer review, 2020.

mandates and the mission of the Movement as a whole. Overall, the goals stated in the resolution are as follows:

We fundraise with the aim of:

- being leaders in local and global resource mobilization for humanitarian work
- achieving leadership for resource mobilization in emergencies
- ensuring individual and collective financial sustainability in a spirit of solidarity and good partnership, thus recognizing that the Movement is stronger together than the sum of its parts.

The resolution outlines three deliverables for applying the principles, summarized as follows:

1. developing a virtual fundraising hub
2. creating a fund to provide seed financing to support growth and development in fundraising, according to the needs of each National Society
3. improving the Movement's access to, and analysis of, strong fundraising data.

In 2019, the Steering Committee submitted the first progress report focusing on these deliverables. In that report, it was recommended the Steering Committee "report back on the implementation of the principles to the Council of Delegates in 2021 via a second progress report." This report forms the overall update on progress since the 2019 Council of Delegates.

Now that the deliverables have been in progress for four years, it has become increasingly clear that achieving the goals of the principles is not only about implementing the deliverables of the resolution but also the Movement driving more individual and collective action.

The International Federation of Red Cross and Red Crescent Societies (IFRC), the International Committee of the Red Cross (ICRC) and 102 National Societies were consulted on different aspects of the deliverables through the:

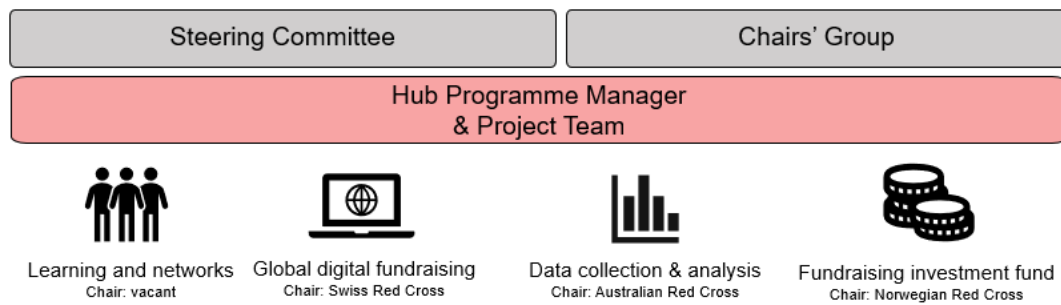
- Steering Committee
- Virtual Fundraising Skillshare 2021
- European Public Support Group (EPSG)
- Asia-Pacific Fundraising Network (APFN)

3) PROGRESS

A) GOVERNANCE

The Steering Committee continues to oversee the application of the principles and the deliverables of the Hub, providing operational, tactical and strategic guidance. It is currently composed of 17 National Societies from all regions, with four new members added in 2019 to scale up representation from Asia-Pacific, the Americas and the Middle East and North Africa. Further engagement is needed from the Africa region and will be a priority for the Hub. The Steering Committee is chaired by the Chairs' Group comprising the Norwegian Red Cross (Steering Committee chair), the IFRC and the ICRC (co-vice-chairs).

A programme manager continues to lead the coordination of the four Hub workstreams, including communications and additional resources. Chairs were designated from among the National Societies to strategically lead each workstream. Additional working groups were established on an ad hoc basis, e.g. to coordinate Movement fundraising campaigns for COVID-19. A new project manager was recruited to manage the digital fundraising platform. This person joined the Hub project team, made up of the IFRC and ICRC technical leads who support or lead the coordination of the workstreams. Additional staff were assigned to the Hub from supporting National Societies to contribute their knowledge and expertise to short-term projects.



B) COVID-19 IMPACT

The COVID-19 crisis has impacted all National Societies and the Movement as a whole, both operationally and financially, and consequently influenced the trajectory and priorities of the Hub.

A survey of National Societies carried out in 2020 in response to the COVID-19 emergency showed that only 47 National Societies (out of 156 respondents) had reserve funds for the following three months, pointing to a need to invest in National Societies' resource mobilization capacities to ensure National Societies are financially sustainable. This must come in conjunction with support in other crucial areas, such as accountable and transparent financial management, communications, strategic positioning, and organizational design, and of course support for the core services that help them fulfil their mission. None of this is possible, however, without meaningful engagement from leaders at all levels.

The private sector has stepped up, providing unprecedented levels of support to National Societies, the IFRC and the ICRC. Coordination in resource mobilization must therefore remain a priority for the Movement and the Hub.

In response to COVID-19, the Movement was, for the first time, able to launch a Movement-wide global campaign under the Movement logo. Despite modest financial returns due to a range of internal and external factors, fundraising teams found this test of the Movement's ability to coordinate the 110 National Societies that opted into the campaign highly motivating, and National Society leaders warmly supported it, implying there is potential to grow in this direction. The coordinated COVID-19 appeals between the IFRC and ICRC also facilitated the testing of other coordinated fundraising initiatives, including a regional public campaign in Latin America and a coordinated proposal to a major foundation. Furthermore, some National Societies, the IFRC and the ICRC benefited from collaborative action and referrals between them.

The pandemic also led to a stronger focus on digital fundraising approaches by National Societies and the Hub. The Movement's new digital fundraising platform also helped shift the focus. In addition, the Hub developed and promoted new tools to guide National Societies in their emergency fundraising.

It is important to note that the workplan for implementing the deliverables of the resolution had to be adjusted because of a shift in priorities owing to the response to COVID-19 in 2020 and 2021.

C) DELIVERABLE 1: DEVELOP A VIRTUAL FUNDRAISING HUB

The overarching objectives of the Hub are to:

- provide a platform to share fundraising best practice and access fundraising tools and expertise
- coordinate global fundraising learning and development via a globally accessible IT platform, and support the regional and global workshops and skillshares
- oversee data and investment projects.

To meet the fundraising learning and development objective, a learning and networks workstream and a global digital fundraising workstream were set up.

Learning and networks

Progress on this workstream has been limited, without a chair to strategically lead the workstream and given the shift in priorities due to the pandemic response. Two initiatives were put on hold: the development of a strategy for the Centre Driving Fundraising Excellence and developing a platform for storing and sharing tools and resources. Moreover, regional skillsharing events in 2020 were postponed. The team was nonetheless able to make some progress.

Key achievements

- Early in the response to the pandemic, English and Spanish versions of the emergency fundraising guidance tool were created and shared with National Societies via the Hub and the IFRC National Society Financial Sustainability Toolkit.
- A fundraising strategy template and a market study template have been developed and are being tested with a few National Societies in various regions for relevance and shareability.
- The International Virtual Fundraising Skillshare took place in September 2021, taking the Skillshare event online for the first time. Over 750 fundraisers participated, representing 102 National Societies, and 50 National Societies shared or presented their fundraising practices and innovations.

Key next steps

- Organize a workshop with Movement fundraising learning champions to develop a roadmap for the Centre Driving Fundraising Excellence
- Identify a chair to strategically lead further development of this workstream
- Evaluate the existing learning platform as a potential virtual home of the Hub, identify key uses for the Hub's long-term platform, and procure a new platform (whether one already existing within the Movement or a new one)
- Begin the planning process for the 2023 International Fundraising Skillshare
- Create French and Arabic versions of the emergency fundraising guidance tool
- Develop a roster of fundraising experts to support the building of National Societies' fundraising capacities

Digital fundraising

In 2018, the Hub started a selection process on behalf of the Movement to identify a digital fundraising provider to replace the one previously used by National Societies, the ICRC and the IFRC secretariat. The Hub also agreed to help National Societies develop digital fundraising capacities and to take a Movement-wide approach to digital fundraising.

The Movement now has a new digital fundraising platform to support Movement components in their individual and collective online fundraising. It can be used for individual and corporate employee giving, in just one country or for multi-country digital fundraising campaigns.

Key achievements

- After a thorough selection and procurement process, a global framework agreement was signed in June 2020 between the IFRC secretariat (on behalf of the Hub) and the platform provider, iRaiser.
- A pilot phase was launched, and the Hub is now coordinating the rollout of the platform to all National Societies.
- A full-time project manager has been appointed (from the Swiss Red Cross) who is responsible for the rollout, promotion, coordination with platform provider, and providing technical support to National Societies.

- An ongoing promotion and reporting process has been established, mainly through regional offices of the IFRC secretariat and Movement-internal fundraising events, such as the EPSG and APFN.
- The platform has been used for several corporate employee giving campaigns.
- 16 National Societies have now fully onboarded to the platform.
- So far 3,725,795 US dollars have been raised through the platform.

Challenges

- Countries with restricted or no access to existing payment gateways – up to 90 National Societies – need a payment solution.
- The setup fee of 1,000 euros for Movement components wishing to onboard the platform is prohibitive for many National Societies.
- A process is needed for launching multi-country campaigns, which will be possible once the IFRC, ICRC, and a critical number of National Societies have been onboarded.

Key next steps

- Evaluate potential solutions for National Societies without compatible payment gateways, in particular for emergency scenarios
- Onboard an additional 20 National Societies
- Pilot first multi-country campaign
- Establish a strategy to support National Societies with the overall development of their digital fundraising capacities

D) DELIVERABLE 2: INVEST IN FUNDRAISING

The objectives of the fundraising investment fund workstream are to:

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

The existing Movement projects to invest in fundraising or build fundraising capacity were mapped in 2019. Three market-study pilot projects were also conducted over the past two years, representing three geographical regions (the Americas, Europe, Middle East and North Africa). The map of existing projects and the pilots helped further develop a fundraising investment fund model. The next step is to test a repayable investment mechanism. Discussions are continuing on how to avoid duplication with existing Movement funds, such as the National Society Investment Alliance and the IFRC's Capacity Building Fund.

Key next steps

- Explore further pilot projects focusing on direct investments
- Further design and establish a fundraising investment fund model, in which resource mobilization is the sole priority.

E) DELIVERABLE 3: DATA COLLECTION AND ANALYSIS

The objectives for this deliverable are:

- establishing a baseline of the Movement's performance in fundraising by increasing participation in the peer review of the International Fundraising Leadership Forum (IFLF)
- using the external benchmark data to report annually on the comparative progress of Movement-wide fundraising

- identifying opportunities for strategic investment to increase fundraising or defend the Movement's market share, both locally and globally.

The IFLF's peer review offers two levels of analysis:

1. global trends in fundraising (by market, type of channel, organization)
2. national level data and comparison among peers (by type of channel).

At the global level, the peer review offers a data-backed picture of the Movement's standing compared to other international charities and helps identify macro-trends in fundraising. At the national level, it gives National Societies additional market intelligence and peer-to-peer information.

Since the adoption of the principles, the objective has been to increase the number of National Societies participating in the peer review. In December 2020, however, the Steering Committee decided to focus on achieving maximum participation in the top 30 markets – which represent 95% of all income reported by the peer group – to ensure a more realistic and comparable baseline for other peers. In addition, the Hub will continue to encourage as many National Societies as possible to participate in the project, with priority given to those National Societies who show interest in the project, and/or benefit the most from participating, and/or are engaging with the Hub on other projects (e.g. on fundraising investment).

Key achievements

2020	<ul style="list-style-type: none"> • 43 National Societies participated (despite the challenges of COVID-19) • Participating National Societies received a country analysis, and a report and data via a Microsoft Power BI link in October 2020 • Regional webinars were held to present peer review data to IFRC country offices, country clusters, ICRC regional representatives and National Societies • Conducted surveys and considered scope for potentially launching a light version of the INDIGO study with five Movement members
2021	<ul style="list-style-type: none"> • 32 National Societies participated, representing 81% of the global market • For the first time, Red Cross and Red Crescent data were included in the CUT1 database and in the preliminary analysis done in July 2021 • Thanks to better data collection and report-building, participating National Societies received a country analysis and a report and data via a Microsoft Power BI link in September 2021, a month earlier than in 2020, two months earlier than in 2019 and nine months earlier than in 2018 • Seven National Societies participated in the INDIGO study, including the pilot digital study, thus giving the Movement access to the global analysis on individual giving

Key next steps

- Increase participation by focusing on large markets that do not yet consistently contribute their data
- Collaborate with the Federation-wide databank and reporting system (FDRS) team and the National Society Development Financial Sustainability team to leverage synergies and streamline requests to National Societies for data
- Keep improving analysis and provide additional (e.g. peer-to-peer technical) support on how to use the data to ensure that it is useful for participants in their strategic decision-making

4) REINVIGORATING THE HUB AND DELIVERING ON THE PRINCIPLES

Since the adoption of the principles, the Hub has successfully taken over the coordination of pre-existing Movement initiatives, has started several pilot projects, and is making good progress. Moreover, new Movement fundraising opportunities have been pursued as a result of the Hub's efforts and those of its contributors, showing the potential for fundraising success through solid collaboration. However, the past couple years have also brought several changes for Movement resource mobilization: for example, the global COVID-19 outbreak emphasized the need to explore more digital-based ways of attracting funds. Moreover, although the Movement has managed to attract income to support its response to the pandemic, peer organizations have grown faster over the past five years.

In 2020, an evaluation of the Hub was conducted by an external consultant which stated that the overall sentiment of the Steering Committee was that progress towards the goals of the Hub has been slower than intended and that there was a need for clearer priorities and targets. Four years into the creation of the Hub, the Steering Committee seeks to restate the Movement's shared ambitions, bolster growth for Movement fundraising, and endeavour to renew the individual and collective commitments of National Societies, the IFRC and the ICRC to continue investing in this collaboration to achieve our goals. To accelerate this work, it is important that there is full commitment from all Movement components to implementing the principles and supporting the Hub as the enabling vehicle to achieving our Movement fundraising ambitions.

Conclusion

As the Hub enters its fourth year since inception, significant progress has been made on implementing the deliverables, despite the challenges of limited resourcing. The vision of bringing together fundraising expertise from across the Movement to maximize fundraising, coordinate fundraising capacity support to National Societies, and position the Movement as a partner of choice for donors drives its work onward.

The estimated running cost for 2022 remains at one million Swiss francs, which covers the ongoing implementation of projects and staff, but does not include staff time committed by the IFRC and ICRC or the financing of the investment fund, which is in development. Thus, while the Hub's positioning and visibility have increased within the Movement, it still strives for adequate resourcing. Key challenges faced thus far include:

- maintaining enough engagement and support from a numerous and diverse group of National Societies, both in general and on specific projects (such as onboarding to the global fundraising platform, which could delay our ability to launch Movement campaigns)
- dedicating enough support and staff time to establish practical global frameworks for promoting investment in fundraising and capacity development for a large number of National Societies
- annual financial contributions from Movement partners to ensure the ongoing development of workstreams and implementation of activities
- reconciling the ambition of transformational change in the Movement's resource mobilization with the need to coordinate and support existing projects (such as the International Fundraising Skillshare and the development of the Centre Driving Fundraising Excellence) with limited staff capacity

The Movement's ability to respond to humanitarian needs depends on continued engagement and support from all components on working towards the application of the principles and making progress on the deliverables. The Hub looks forward to increased collaboration and engagement with Movement partners to drive transformational change in fundraising.