

AGREEMENTS FOR DEVELOPMENT COOPERATION

Purpose

The reasons why each National Society, that seeks external development assistance, should compile an Agreement for Development Cooperation are several. They include:

- . To provide clear guidance to themselves, the League Secretariat and to potential participating National Societies of what their broad development goals, strategies and particular priorities are - especially for development assistance purposes;
- . To provide guidance to potential external funding agencies, particularly those responsible for allocating O.D.A. through multi-lateral and/or bilateral relationships;
- . To provide guidance to the Governments and other non-Red Cross/Red Crescent domestic institutions as to the needs, priorities and development strategies of their own Red Cross/Red Crescent Societies;
- . To provide a mechanism for the kind of analytical planning and coordination that is necessary for longer-term development cooperation of a sustainable nature.

Process

The compilation of a good Agreement for Development Cooperation is not a matter to treat lightly. While a good Agreement cannot guarantee miracles, it can be a mechanism for better programmes and projects. That is because a broader and more analytical approach can be facilitated through such agreements and would-be participating National Societies will have access to better guidance than has often been the situation in the past.

The major contributors to the design of Agreements must be the operating National Societies. They will know their own country best, their people's strengths, priorities and vulnerabilities. But quite often they may need technical support and that is to be available through assistance directly from participating National Societies; from the mechanism of the Development Fund, when they do not have access to adequate funds themselves to retain advisers; as well as on occasions through help from League personnel. As a general principle, emphasis should be placed on ways to help National Societies to draw upon people from their region to ensure the operational practicality

and cultural sensibility of their agreements. More emphasis, over time, must be placed on strengthening regional technical capacity available to Red Cross and Red Crescent requirements. The importance of Red Cross/Red Crescent training programmes and institutions will probably grow during the Nineties.

As a general principle, Agreements for Development Cooperation should be the work of people from a number of disciplines, as well as not just from one or two segments of society. So far as possible those who are to benefit (hopefully) from the process should be involved in all phases, including the planning stages, and not just seen as 'passive beneficiaries'. In accordance with the Strategic Work Plan goals for the 90's, women should be involved in all phases of the planning and implementation processes - as throughout Red Cross/Red Crescent work. The work should not be seen as independent entirely from any National Red Cross development plans, but as an important adjunct.

Normally it can be expected that an operating National Society might, in a complex economy, take up to six months in drawing up the first Agreement for Development Cooperation - not obviously intensively, but including a process of analysis, discussion and review. Thereafter annual revisions (normally with a five year or so time horizon) would be able to be undertaken routinely over a period of a week or so. In the case of a small National Society in a relatively less complicated setting, the process might well not take much more than a day or two - albeit care must always be taken that any such Agreements are carefully discussed and reviewed in a participatory manner. Once the first Agreement for Development Cooperation has been compiled, then there should always ideally be (as an outcome of annual review processes) a five year framework in place. Every three years or so a more careful and detailed re-assessment of the Agreement should be undertaken. Through a process of some trials and errors, the quality of the Agreements should improve over time. But it is important to make a start, and perfection should not be expected - certainly not from the start. Aim high - but be practical too.

Contents

While each National Society will impose its own 'style' on the Agreements, common sections might be found fairly routinely. A fourteen point format is suggested:

1. National Economic and Social Situation and Forecasts

Most countries will have national development plans (perhaps with five year horizons). These will have been compiled by governments or their national planning bodies.

Clear bridges should normally be made between these plan documents and Red Cross/Red Crescent Agreements for Development Cooperation - at least by the way of reference links. Red Cross/Red Crescent need not be tied, however, to the analysis - they might well also draw on other comparative documentation. But they should routinely include a section entitled National and Economic Situation and Forecasts. (Apart from a succinct few paragraphs, most of this material would appear in an Appendix).

2. Regional Economic and Social Situation and Forecasts within Country

Regional breakdowns should always be given - using maps as well as normal quantitative and qualitative information and analysis. Such maps would include a wide variety of information - from basic infrastructure such as the location of roads, schools, hospitals to environmental and social data of various kinds. Often national development plans are very weak when it comes to regional development. They frequently follow a sector by sector format, but do not include regional breakdowns. Other sources may frequently have to be sought. (Apart from a succinct few paragraphs, most of this would appear in an Appendix).

3. Priorities for Red Cross/Red Crescent Development

National Societies will normally already be drawing up Red Cross/Red Crescent Development Plans. When this is done and the priorities are spelled out, then this section will be easy to insert into the Agreement for Development Cooperation. But sometimes such a document may not exist and / or sometimes the priorities may not have been specified in a clear or thoughtful way. In such cases they will need to be done - and never, regardless of whether National Society plans exist or not, should this section be treated lightly. Emphasis should be given that these are the development priorities for the Red Cross/Red Crescent National Society as a whole, not just those relating to Development Cooperation. Furthermore, if there are priorities that are not viewed as 'development priorities', then they should also be spelled out clearly. It is important to be sure that priorities for development cooperation clearly relate to the genuine goals and priorities of the operating national Society.

The section on priorities should contain two main parts:

- (1) Priorities for the development of the National Society as a whole; (for more details, see item 9 following);
- (2) Development programme priorities, with brief summaries

only (e.g. from the Bangladesh Agreement, a priority reads : "dissemination of warnings to the vulnerable coastal people about the occurrence of tropical cyclones and provision of safe shelters with the help of a well-trained corps of volunteers throughout the coastal belt").

4. Summary of Strategic Red Cross/Red Crescent National Society Plan, with Regional Dimensions (within the country)

If a National Red Cross/Red Crescent Development Plan exists, then a summary of its main strategies should be provided. This may simply require the photo-copying of a page or two from the National Society's plan. But quite often the plan may not even have a section on this subject, in which case some serious effort should be made to draw it together. Regional dimensions should always be included. The concept of 'strategic', in this context, is defined to mean 'main directions'. For example, a National Society may have identified two strategic directions:

- a) The provision of basic services to the poorest communities in Regions A and D, with emphasis being placed on rural clinics, the provision of clean water, basic training for women in child care and family nutrition;
- b) The provision of basic needs help to those living in slum conditions in towns A and B.

5. Summary of Red Cross/Red Crescent Main Programmes and Key Projects

National Society development plans should normally also include a summary of main programmes and key projects. A programme is defined, in this instance, as more specific than a strategy but less narrowly focused than a project. For example:

Strategy: The provision of basic services to the poorest communities in Regions A and D, with emphasis being placed on rural clinics...

Programme: The provision and operation of up to ten rural clinics in Region A over a planned period of four years....

Project: The construction and management of one clinic in Region D. (Some projects obviously might be more critical than others for the success of a programme. These can be defined as 'key projects'. It is useful to identify key projects and even can be helpful to rank them in importance for planning and management purposes).

6. Priorities for Assistance and Scale of Resources required from other Red Cross/Red Crescent National Societies

The operating National Society will identify its view of just where external support would be most useful. In identifying where help is required - some clear order of priorities must be attempted and the framework should be clearly related to the overall goals and priorities of the National Society.

The scale of resources required, in broad terms by programme and major projects, should be identified - with a breakdown showing the anticipated time duration of the external resources needed. An indication of the scale and sources of local resources that can be made available - in broad terms - should also be given, as well as a review of the 'sustainable' character of the proposed activities; e.g. where is financing going to come from once the overseas contribution has been made? How will maintenance and operations be funded? Will the projects/programmes be income generating and, if so, how?

The priorities might be broken into two parts :

- (1) on-going programmes;
- (2) proposed new programmes.

7. Sources for External Assistance and Explanations

Past experiences may have resulted in good bilateral, multilateral or League relationships and the National Society may wish to continue seeking support through familiar channels. (Most of this may be placed in an appendix).

8. Strategic Work Plan of the League for the Nineties and Principles and Rules for Development Cooperation.

There are a number of Mission priorities identified in those two documents, such as a concern for the poorest members of society, a concern to integrate women more effectively into the development process, a concern to focus on the more vulnerable and to build up capacities better to respond to difficult circumstances, a concern for the environment. How are these concerns expressed in the priorities for development cooperation agreement? A clear listing and brief explanations should be given.

9. The Strengthening of National Societies

Each Agreement for Development Cooperation should include a section that clearly states the manner National Societies (including regional offices, volunteer workers etc.) are being strengthened (regardless of

anticipated external support) and also how the overseas development assistance sought will, for every programme, in some way demonstrably have a 'strengthening the National Society component' to it. A brief profile on the National Society structure and brief history should be supplied at the start.

10. Training

A section on training (including institutions being used for Red Cross training) and the building up of the National Society's "institutional memory" should always be included within the framework of each Agreement for Development Cooperation.

11. Human Resources

This section can usefully be divided into two parts:

- (1) Local people and how these might be more effectively trained, recruited and harnessed;
- (2) Expatriate delegates and consultants: if expatriates are to be requested, then a careful discussion on how they are to be used, how they will serve to strengthen the National Society in the process, how local counterpart people are to be harnessed, and how (from the process) the Operating National Society proposes to 'sensitise' the delegate to his or her situation is to be described. The Agreement should explain how the National Society is using the development assistance to strengthen regional capacities, as well as national capacity. (Details belong in an Appendix).

12. Management and Administration

The manner in which the Operating Society proposes to manage the development assistance will be clearly spelled out - not just the financial resources, but of great importance also the human resources. Several items should be given particular attention:

- . How management is being strengthened;
- . How management proposes to implement the programmes to be assisted by foreign support; a general plan of implementation should be included to show the approach, time schedule etc. to be preferred;
- . Co-ordination. The approach to be used to ensure the effective coordination of overseas development support will be identified. When several aid donors may be involved from several countries, then the preferred role for the League will be identified and the frequency of advisory council

meetings to review progress (at least twice annually, in accordance with the Principles and Rules for Development Cooperation) will be outlined as well as basic reporting arrangements.

Evaluation. A clear description of how the programmes are to be evaluated, by whom, when, using what main indicators of performance etc. shall be included.

Regional cooperation (between National Societies in relatively close proximity to each other) is to be encouraged - each helping to strengthen the other. A clear description of how the development programmes will be used to foster regional cooperation will be included.

13. Financial Management and Fund Raising

A separate section on financial planning, fund raising, financial management and regular financial reporting should be compiled - specific to the proposed programmes.

14. Audit Procedures

These should be specified in accordance with the PRDC. It is essential that efficient, regular and transparent audit standards be achieved. Furthermore, they should include any special audit requirements from the donors, for both cash and kind.

SUMMARY: Agreements for Development Cooperation

Each national Society, seeking external support, should routinely draw up an Agreement for Development Cooperation, in consultation with the League secretariat. These might respond to the following fourteen points and provide the framework for the compilation and coordination of specific Development Programme Contracts. The fourteen points are:

1. National Economic and Social Situation and Forecasts;
2. Regional Economic and Social Situation and Forecasts;
3. Priorities for Red Cross/Red Crescent Development;
4. Summary of Strategic Red Cross/Red Crescent National Society Plan, with Regional Dimensions(within the country);
5. Summary of Red Cross/Red Crescent Main Programmes and Key Projects;
6. Priorities for Assistance and Scale of Resources required from other Red Cross/Red Crescent National Societies;
7. Sources for External Assistance; (e.g. building on past relationships;
8. Strategic Work Plan for the Nineties, and Provisional Principles and Rules for Development Cooperation;
9. The Strengthening of National Societies;
10. Training;
11. Human Resources;
12. Management and Administration .
13. Financial Management and Fund Raising
14. Audit Procedures;

CONTRACTS FOR DEVELOPMENT PROGRAMMES

Purpose

The reasons why each National Society should compile Contracts for Development Programmes, when it is being assisted by other (participating) National Societies and/or the League, are several. They include:

- . To ensure the goals and main details of the assistance for cooperation are clearly understood both by the operating National Society and by the participating National Society / League;
- . To make it easier for all involved to coordinate their efforts and not to waste scarce Red Cross/Red Crescent resources;
- . To facilitate relationships between Participating National Societies and their funding sources;
- . To ensure practical management procedures are followed and thereby to safeguard the quality of the programme;
- . To make it easier to learn from past experiences for future programme planning within the Red Cross/Red Crescent Movement, as well as within the National Society's own area.

Process

Whereas Agreements for Development Cooperation are broad statements of proposed direction over a period of at least five years, Red Cross/Red Crescent Development Programme Contracts are very specific 'Action Commitments' - by both the operating National Society and the particular participating National Society and/or League.

The major contributors to the design of Development Programme Contracts will normally be the operating National Societies. They will know their country best and the nature of the programmes they are wanting assistance for. When they do find themselves requiring technical support, they may call upon the services of other National Societies, the League Secretariat and/or consultants. They must obviously recognize and respect the constraints that Participating National Societies will have re. their funding sources e.g. for financial reporting purposes, and so on. As a general principle, emphasis should be placed on ways to help National Societies to draw upon people from their region to ensure the operational practicality and cultural sensibility of their contracts.

Larger and more complex Development Programme Contracts, in particular, should normally be the work of people from a number of disciplines, as well as of those who are intended to be assisted by the programme (i.e. a participatory approach is to be encouraged). When bi-lateral or multi-lateral contracts are being designed, then the operating and the participating National Societies shall be concerned to work together in the planning processes with a true spirit of partnership. Each party to a contract must respect the concerns and constraints of the other. There is no place for petty political intrigues.

The Development Programme Contracts will frequently represent commitments of a long-term nature by all parties involved: a five year period should not be viewed to be too long for such commitments, indeed frequently it will be the minimal time required for a genuinely helpful, sustainable development programme. Through a process of trials and errors, the quality of Development Programme Contracts should improve over time. A counsel of perfection is inappropriate in the earlier years of this new approach to development programming within the Red Cross/Red Crescent; sensible recognition has to be given to operational and resource practicalities. This is not a process of building castles in the air. But nor should Development Programme Contracts be carelessly embarked upon - the requirements of the vulnerable and those in need of support must always be in the minds of those designing and implementing contracts. In accordance with the Strategic Work Programme for the 90's, and of the Provisional Principles and Rules for Development Cooperation, Development Programme Contracts should seek to involve women in all phases of the planning and management process.

In the case of Agreements for Development Cooperation, which are not contracts but rather broad planning frameworks, the signatures of the responsible officials of the Operating National Society and the League are required. In the case of Development Programme Contracts, which are formal commitments to undertake specific activities in partnership, the signatures of the responsible officials of the Operating National Society and the Participating National Society are required. When more than one National Society are contributing to a programme, then the signature of the major donor is adequate; they in turn might have letters of commitment from the other parties. However, the other National Societies that are contracting to commit resources may also wish to sign the Contract, which is most acceptable. When the League is making a commitment, as the responsible contributor / fund raiser, then the League will sign as a co-partner with the Operating National Society (in the same way as would a Participating National Society). When, as will be far more frequently the case, the League is not playing any direct financial or implementing role, then the value of requiring the League

Secretary General to sign the contract is open to question. Since the endorsement of the PRDC by the General Assembly (October, 1989), there has been some discussion about the practicality and desirability of the League needing to sign all contracts. The purpose was to have been to ensure the document was lodged with the League and that it could be readily available for comparative review purposes, as background for appeals and so on. The importance of the League receiving all contracts still remains, as to whether a League signature is also needed on all Development Programme Contracts will probably be resolved by the Executive Council in October.

Contents

While each National Society will and should inject its own 'style' into the Development Programme Contracts, a routinely disciplined format and process should also be pursued. Common sections should desirably be found in all contract documents. These might comprise the following eight points:

1. Development Programme Goals

The goals of all Development Programme Contracts shall always be specified clearly. These should be spelled out in a manner that is precise and easily understood, often (when reasonable) in a quantitative as well as a qualitative way. Normally goals should be specified at two levels of detail: -

- (a) a fairly general manner. Development Programme Contracts shall always clearly demonstrate how they relate to the priorities identified by the Agreements for Development Cooperation.
- (b) an increasingly specific manner, with clear 'target groups' and time frames. It should be clear who is supposed to benefit from the programme e.g. children under 5 years of age in area A, and so on.

2. Development Programme History

A brief description of how, why, when, and through what process the programme idea became a Development Programme Contract. This is important both for a rounded understanding of the programme and for the purpose of building up routine Red Cross/Red Crescent institutional memory records. For large and complex programmes, references should be included to the lessons of similar programmes, relevant research reference material, etc.

3. Development Programme Profile

Normally a development programme will comprise a number of projects or somewhat distinct pieces. It is important to identify those that are the most 'critical' for key results from those that are a bit less 'critical'. The programme should therefore be broken into components, with a time schedule for each part, and a distinction being drawn between the more critical and the less critical parts. Planned results should be specified in quantitative terms.

4. Development Programme Budget

The cost estimates should be detailed, on a year by year basis by main expense categories, for the duration of the programme (e.g. 3 years). (See I below). Inflation should not be estimated in the tables, but only in a footnote entitled "Inflation Rate Estimates".

For all purchases of local products and services the domestic currency of the home (Operating National Society) country should be used. These amounts should then be translated into Swiss francs based on the current rate of exchange and added to projected expenditure in currencies other than the local currency. (see II below). The exchange rate used should always be shown in a footnote.

The following budget formats illustrate the process described above:

I. By main expense category (for 3 years in this example)

	Year 1	Year 2	Year 3	Programme/ Project Total
	_____	_____	_____	_____
A. Buildings, Machinery, Capital Equipment (83)	-----	-----	-----	-----
B. Operating & Maintenance Costs				
- Supplies (81)				
- Vehicle & Transportation (82)				
- Personnel (84)				
- Information (86)				
Sub total	-----	-----	-----	-----
	-----	-----	-----	-----
C. Administration Costs				
- Travel, Communications (85)				
- Administrative, Office, & General (87)				
Sub total	-----	-----	-----	-----
	-----	-----	-----	-----
Total Expenditures (in Sfr. or equivalent)	=====	=====	=====	=====

II. By Currency

A. In local currency

Current Exchange rate to Sfr.

Total Sfr. equivalent

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-----	-----	-----	-----

B. In other currencies -

Amount/Currency

Current Exchange rate to Sfr.

Total Sfr. equivalent

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-----	-----	-----	-----

C. Expenditures in Sfr.

Total Expenditures
(in Sfr. or equivalent)

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=====	=====	=====	=====

It is anticipated that the above summaries would be accompanied by supporting detail where appropriate. The numbers shown in brackets above (i.e. (81), (83), etc.) correspond to the League's account categories which are used for reporting from the field. A full chart of accounts may be obtained from the League.

5. Management Plan for Development Programme

A management plan should be included as part of each Development Programme Contract. For small programmes (e.g. less than CHF 100,000) this can be a simple outline. For larger contracts more detail should be included. All management plans should at least include the following headings:

- a) Goals, targets and key strategy;
- b) Step by step breakdown of activities;
- c) Step by step breakdown of resources required; (material, human and annual overall financial estimates);
- d) Simple time and activity bar chart;
- e) Simple critical path management (CPM) schedule (especially for larger projects);
- f) Identification of key human resource inputs;
- g) Simple organisational map, showing responsibility points for key activities;
- h) Simple summary of how it will be managed, controlled and monitored; include brief outline of League, Operating and Participating National Societies roles and responsibilities;
- i) Schedule and description about how it will be co-ordinated with other Development Programme Contracts and the Agreement for Development Cooperation. Normally this will be through the mechanism of an Advisory Development Council or some such body, which will meet at least annually.
- j) Simple summary of how the programme will be strengthening the capacity of the National Society.

6. Financial Management, Reporting and Audit Procedures

6.1 Financial Management and Reporting

The procedures to be followed both for financial management and financial reporting should be spelled out. They shall be in accordance with the financial rules and regulations of the League. To reduce the burden of requirements on operating National Societies, participating National Societies should do their utmost to minimize

differences from standard procedures - although it is recognized that different O.D.A. funding agencies do have sometimes different requirements.

6.2 Audit Procedures

The audit procedures to be followed should be in line with article 8(f) of the PRDC.

Being long term programmes and projects, they should be audited as well for Economy, Efficiency and Effectiveness following international audit standards.

Special audit requirements from different donors should be included when requested. To reduce the burden of requirements on operating National Societies, Participating National Societies should do their utmost to minimize differences between procedures (as also for financial reporting above) - although it is recognized that different O.D.A. funding agencies will insist on different procedures in some cases.

7. Programme Impact Assessment

Key Red Cross/Red Crescent concerns will be itemised and a summary of how these concerns will be responded to by the particular programme should be provided. These include : -

- . Women and Development;
- . Children and Development;
- . The Vulnerable (handicapped etc.) and Development;
- . Disaster Preparedness;
- . The Environment and Development;
- . The strengthening of the National Society and Branch Offices;

8. Programme Evaluation Procedures

Operating national Societies are responsible to ensure that progress reports are written on all small programmes (up to CHF one million) and duly forwarded to participating National Societies and to the League, on an annual basis. They can be relatively simple and need not be longer than two or three pages.

All larger programmes (in excess of CHF one million) shall be routinely evaluated (by the Operating and Participating National Societies, in coordination with the League for items (c) and (d) especially) at appropriate time intervals - normally these shall be as follows:

- a) Simple quarterly progress reports;
- b) Annual progress reports and basic evaluation assessments;
- c) Alternate year independent evaluation assessments (for programmes in excess of CHF one million per annum these should be reasonably comprehensive);
- d) End - of - Programme evaluation reports. These reports should be written in a manner that allows them readily to be used for case studies for Red Cross/Red Crescent training purposes.