



Department
for International
Development



Performance Agreement

Between the United Kingdom of Great
Britain and Northern Ireland and the
British Red Cross

June 2017

Why providing humanitarian assistance is important

1. The world is faced with a growing number of humanitarian crises, lasting longer and affecting a growing number of countries and individuals. In February 2017, 20 million people stand on the brink of famine across Nigeria, Yemen, South Sudan and Somalia. The 2017 global UN appeal of \$23 billion is the largest ever and aims to reach 93 million people in need. Reducing humanitarian need over the coming years will be key to achieving the global goals and ensuring no one is left behind.
2. As an outward facing and generous nation, Britain will play a leading role in responding to humanitarian need and building a global crisis response system which is fit for purpose. By doing so, HMG helps to build a safer, more stable and prosperous world which benefits all.
3. The UK has more than doubled its humanitarian funding in the last five years, reaching £1.4 billion in 2015/16. We have responded to 32 crises including providing clean water for over 3.2 million people affected by war in Syria; shelter for 200,000 people in the aftermath of the earthquake in Nepal; 2,800 tonnes of aid to make Sierra Leone Ebola-free; clean water, hygiene and sanitation to 430,000 displaced Iraqis; and emergency support for the victims of war in Somalia, South Sudan and the Lake Chad region.
4. The UK's Multilateral and Bilateral Development Reviews made clear the UK's intention to use UK aid to make a transformational change to the humanitarian system and wellbeing of the poorest people around the world. DFID has a responsibility to ensure that UK assistance is used to maximum impact in order to do the most possible good for the largest number of people.
5. The UK was a driving force behind the first ever World Humanitarian Summit where reforms were agreed to tackle the global humanitarian challenge. The UK reaffirms its role as a global leader in responding to emergencies and reforming the international humanitarian system, and the Secretary of State has committed to the following reform priority areas which include the following five key outcomes:
 - Better protecting people in crises
 - Bigger, better, faster UK response to disasters
 - Managing risk better
 - Longer-term solutions to protracted crises
 - An improved humanitarian system through the implementation of the reforms agreed as part of the Grand Bargain for more effective and efficient humanitarian assistance

The importance of the British Red Cross

6. The British Red Cross (BRC) is the National Red Cross Society of the United Kingdom and is part of the International Red Cross and Red Crescent Movement (the Movement). It has a special status and role as an auxiliary to the public authorities in the humanitarian field and provides humanitarian services across the UK. As a well-established and respected National Society it is operational in many other countries, and helps build the capacity of other, less well developed, National Societies. The BRC is a member of the Governing Board of the International Federation of Red

Cross and Red Crescent Societies (IFRC) and is active on UK policy priorities including local response capacity, cash transfers, Value for Money, and Accountability to Affected Populations. It is a strategic partner of the ICRC and is an important donor to the Movement, providing funding, personnel and in-kind goods including in high-risk countries and Fragile and Conflict Affected States.

7. The Movement is seen as a 'role model' by many other humanitarian organisations, in particular for its principled humanitarian action. This involves working in accordance with its Fundamental Principles, including neutrality, impartiality and independence, which enable the Movement to reach those most in need, especially in situations of armed conflict and other emergencies.

UK support and engagement with the British Red Cross

8. UK support and engagement with the British Red Cross is considerable; reflecting our shared commitment to international humanitarian law and ensuring that UK humanitarian aid reaches the most marginalised. The UK is the largest funder of the British Red Cross averaging £26.9m per annum in funding.
9. The British Red Cross was not assessed in the UK's Multilateral Development Review. However, the UK's Programme Partnership Agreement with the British Red Cross showed it to be a high performing organisation and a strong fit with UK objectives.
10. There is currently unprecedented humanitarian need including four potential famine situations in the media spotlight. The World Humanitarian Summit, particularly the Grand Bargain, recognised the need to do more to tackle humanitarian crises, and that the international system as a whole needs to do better. The IFRC and ICRC have made joint Movement commitments as well as individual commitments as part of the Grand Bargain, and based on those we have agreed a number of priority areas to further improve their already strong performance across the world.
11. The UK will look to work with the **British Red Cross** from 2017 specifically on:
 - a) **Leadership and Collaboration.** The British Red Cross is a well-regarded member of the IFRC and shares its extensive expertise with other Red Cross and Red Crescent National Societies all over the world. The British Red Cross also collaborates closely with the ICRC. This is important because the ICRC has a unique mandate for upholding legal norms.
 - b) **Effectiveness.** Well before conflict or disaster strikes, the Red Cross and Red Crescent agencies need to support countries at risk to cope with and prepare for emergencies. Strengthened risk management systems globally and at country level can help mitigate risks and improve preparedness in high risk countries. Effectiveness is also about ensuring the best means of response, including cash based programming where appropriate.
 - c) **Transparency, Accountability and Efficiency.** The Grand Bargain for efficiency identifies improving transparency as vital to increase the effectiveness and efficiency of the international humanitarian system. Transparency can also help tackle public concerns about aid by supporting more and better information about what our

partners do how they are funded and where they spend their money, with a strong focus on the results they achieve. This includes clear processes aimed at reducing the risk of fraud and corruption.

d) The Protection of Vulnerable People. This is a core Red Cross role both in natural disaster and conflict

Performance agreement criteria

12. These are the **four overarching areas** where the British Red Cross will demonstrate improvement. These priority areas are underpinned by specific quantitative targets that the British Red Cross must meet for performance-conditional funding to be released. These are set out in the programme's results framework.

Leadership and Collaboration

The British Red Cross will continue to play a leading role as part of the IFRC in crises around the world, coordinating with the broader humanitarian system in following up on World Humanitarian and Grand Bargain commitments.

The British Red Cross has acknowledged expertise on international humanitarian law. It will continue its excellent work to hold and regularly update the online database of State practice, including ensuring the database is increasingly used as a reference point for international humanitarian law practitioners and academia.

Effectiveness

The Grand Bargain identifies improving and increasing the use of cash transfers as vital to improve the effectiveness and efficiency of the international humanitarian system. The UK will, where appropriate, support the increased use and coordination of cash to offer more choices to people in need, contribute to economic recovery, and ensure a more transparent and efficient response. As part of this, we are asking the British Red Cross to work with the IFRC and ICRC to actively increase the number of targeted National Societies operationally ready to deliver quality, timely and scalable cash transfer programming through ongoing institutional/cash preparedness.

Transparency, Accountability and Efficiency

The UK is determined that taxpayers' money is spent to maximum effect, realising the greatest possible benefits for vulnerable populations. Improved value for money and cost effectiveness is an absolute must for the UK. The British Red Cross will increase the percentage of annual recurring savings from its corporate strategic change programme, resulting in improved organisational effectiveness and efficiency.

Protection of Vulnerable People

With cash programming the British Red Cross will be able to restore dignity to those who have relied on emergency assistance and with the maintenance of the International Humanitarian Law database the British Red Cross plays a key role in facilitating understanding of responsibilities by those fighting in conflict situations.

Assessment

13. The British Red Cross' performance against this agreement and the criteria within it will be assessed during the Annual Reviews of this programme and will be subject to rigorous verification. A decision will be made thereafter on the release of performance-conditional funding.

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leading the UK government's fight against world poverty.

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