



Department
for International
Development



Performance Agreement

Between the United Kingdom of Great Britain and Northern Ireland and the International Federation of Red Cross and Red Crescent Societies



Credit: IFRC, Nina Svahn

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 International Federation of the Red Cross and Red Crescent Societies (IFRC)

6. The IFRC is part of the International Red Cross and Red Crescent Movement (RCM). The IFRC has a global reach through its 190 member National Societies giving it strong potential to strengthen disaster resilience, preparedness and response at national and local levels. IFRC's ability to coordinate global surge capability allows it to respond to large-scale, as well as less, visible disasters.

7. The humanitarian principles of humanity, neutrality, impartiality and independence, widely recognised as the core principles governing international humanitarian action, emanate from the seven Fundamental Principles of the International Red Cross and Red Crescent Movement. In addition to the four core principles, unity, voluntary service and universality are three fundamental principles specific to the Movement.

UK support and engagement with the International Federation of Red Cross and Red Crescent Societies

8. UK support and engagement with the IFRC 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 government funder of IFRC averaging £22.5 million per annum in support.

The UK's Multilateral Development Review showed the IFRC to be a well performing organisation with a strong alignment with DFID priorities. It highlighted that:

- The IFRC has made important contributions to large-scale emergency responses. It also plays an essential role in numerous smaller emergencies.
 - It performs well in respect of working with others, reaching the most vulnerable, and allocating resources to those most in need.
 - There are a few areas where the IFRC could improve. These are:
 - being more transparent in evaluations, reporting performance against targets, and fraud prevention and detection;
 - strengthening the field-level implementation of its global policies, including accountability to affected populations;
 - targeting the most vulnerable systematically, including women and girls;
 - strengthening its leadership and coordination capacity in major crises;
 - prioritising its investment in preparedness and its placement of personnel on the basis of risk;
 - strengthening its and the Red Cross and Red Crescent National Societies' financial risk management and assurance, including fraud prevention.
9. 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.
 10. The UK will look to work with the **IFRC** from 2017 specifically on:
 - a) **Leadership and Collaboration.** The IFRC has a global reach through the 190 member National Societies, giving it strong potential to play a leadership role in strengthening disaster resilience, preparedness and response at national and local levels across the developing world. The IFRC also collaborates closely with the International Committee of the Red Cross (ICRC) and British Red Cross. This is important because the ICRC has a unique mandate for upholding legal norms and the British Red Cross has important expertise in cash and building the capacity of other, less developed, National Societies.

- b) **Effectiveness.** Well before 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 risk 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. The IFRC will also work with National Societies to introduce a global policy on identifying and reducing fraud and corruption.
- d) **Protection of Vulnerable People** is at the very centre of everything the Red Cross Red Crescent Movement does. DFID will continue to support the Red Cross and Red Crescent in its unique role in conflicts and disasters around the world.

Performance agreement criteria

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

Leadership and Collaboration

The IFRC, based on its mandate, will continue to play a leading role in crises around the world through its network of 190 member National Societies, collaborating with the ICRC as well as coordinating with the broader humanitarian system in following up on the Grand Bargain Commitments. .

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 IFRC to work with the ICRC and British Red Cross 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. We are also asking the IFRC to support Red Cross and Red Crescent National Societies to improve their capacity to assess, prioritise and plan for disasters using risk analysis tools, which will support even more effective responses.

Transparency, Accountability and Efficiency

Recognising that the International Aid Transparency Initiative (IATI) needs to adapt its systems to be suitable for humanitarian agencies, the IFRC will complete a feasibility report on using the International Aid Transparency Initiative (IATI) to publish timely, transparent, harmonized and open high-quality data.

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 IFRC will systematically demonstrate value for money by developing and implementing a results-based budgeting and financial reporting system. It will also improve the efficiency and accountability of its resources by basing the modality of IFRC financial support to the National Societies on capacity review and fiduciary risk assessment. IFRC will also work with National Societies to introduce a global policy on identifying and reducing fraud and corruption.

Protection of Vulnerable People

IFRC will develop and adopt a Protection from Sexual Exploitation and Abuse policy, and will support National Societies to develop their own. Additionally, IFRC will help National Societies implement activities to mitigate or prevent sexual and gender based violence and will help to embed gender sensitivity throughout the Red Cross Red Crescent Movement by supporting National Societies to consistently disaggregate their data on people reached by gender.

Assessment

12. The IFRC's 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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