

"What have you done with our money?"

Providing value for donor money

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CIGAR Conference
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Content

- ▶ ICRC: a few facts & figures
- ▶ Accountability for donor money
- ▶ Notion of «value for money»
- ▶ What does the donor want?
 - ▶▶ e.g.1 Good Humanitarian Donorship
 - ▶▶ e.g.2 DfID Multilateral Aid Review 2011
- ▶ 2011 CIGAR conference theme



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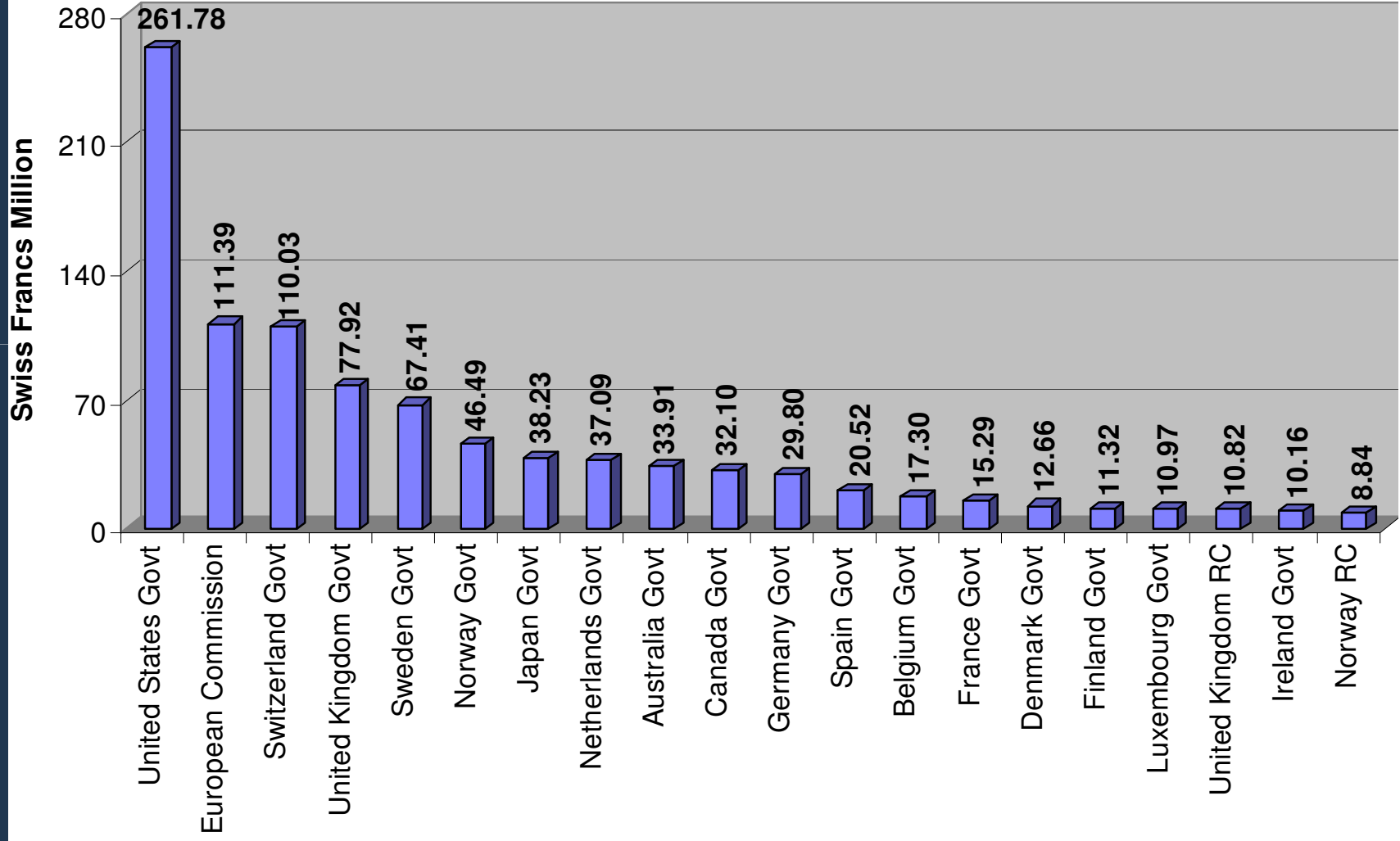
ICRC : a few facts and figures

- ▶ Established in 1863, the ICRC is at the origin of the Geneva Conventions and the International Red Cross and Red Crescent Movement
- ▶ The ICRC ensures protection and assistance for victims of war and armed violence
- ▶ 2011 budget: CHF 1.2 billion
- ▶ 13,000 staff
- ▶ Presence in 80 countries around the world
- ▶ CHF 330 million worth of goods purchased annually & shipped around the world



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ICRC's main donors (2010)



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Accountability for donor money

From The Sunday Times

April 25, 2010

Easy money: the great aid scam

Foreign aid is big business and much of it simply vanishes. In a devastating new book, we reveal how millions are lost to waste, corrupt local officials and warlords who realise more blood means more money



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Accounting for donor money: standards and certification



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How have you spent **your** money vs how have you spent **our** money

Your (NPO) money



Our (donor) money

- ▶ ECHO contract audits
- ▶ Government ad hoc audits
- ▶ Project reports
- ▶ Differentiated logframes
- ▶ etc., etc.



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Multiple donors potentially = multiple reporting : is this value for money?



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Value for money

A graphic advertisement for Pampers. It features the Pampers logo at the top left, which includes a stylized yellow heart above the brand name. Below the logo, the text reads "I support the 1 pack = 1 vaccine* Program. You can too!". To the right of the text is a heart-shaped cutout showing a woman kissing a baby. At the bottom of the graphic is an orange button that says "Learn How". The UNICEF logo is also present in a blue oval on the right side of the graphic.

Pampers®

I support the
1 pack = 1 vaccine*
Program.
You can too!

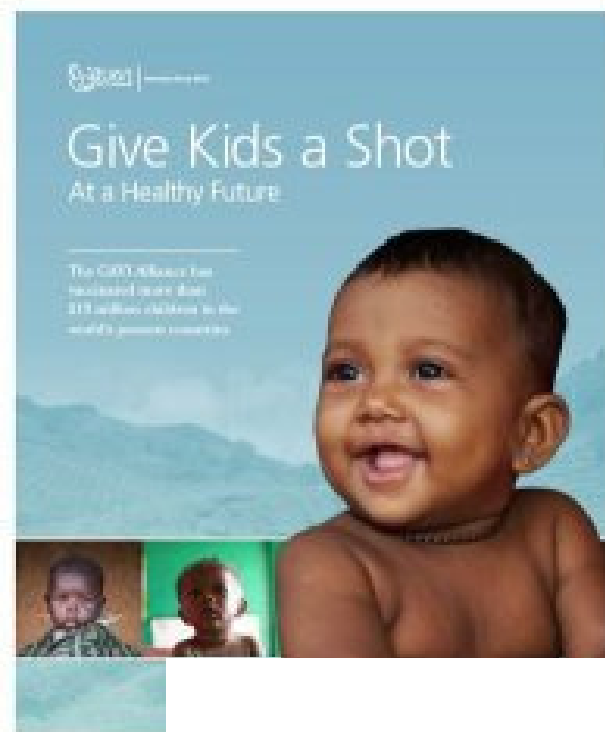
Learn How

unicef



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Value for money



- You Can Vaccinate:
- a child for \$ 50
 - a family for \$ 250
 - a village for \$ 2,500

Join us to protect millions more. <http://www.gavi.org>



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Eg1: Good Humanitarian Donorship

Framework to guide humanitarian aid and promote standards

Guiding principles for funding humanitarian agencies

- ▶ P1: Observe basic principles of *humanity, impartiality, neutrality* and *independence*
- ▶ P13: Practice of predictable and flexible funding (less earmarking)
- ▶ P15: Promote accountability, efficiency and effectiveness in implementing humanitarian action



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Eg2: DfID Multilateral Aid Review (MAR)

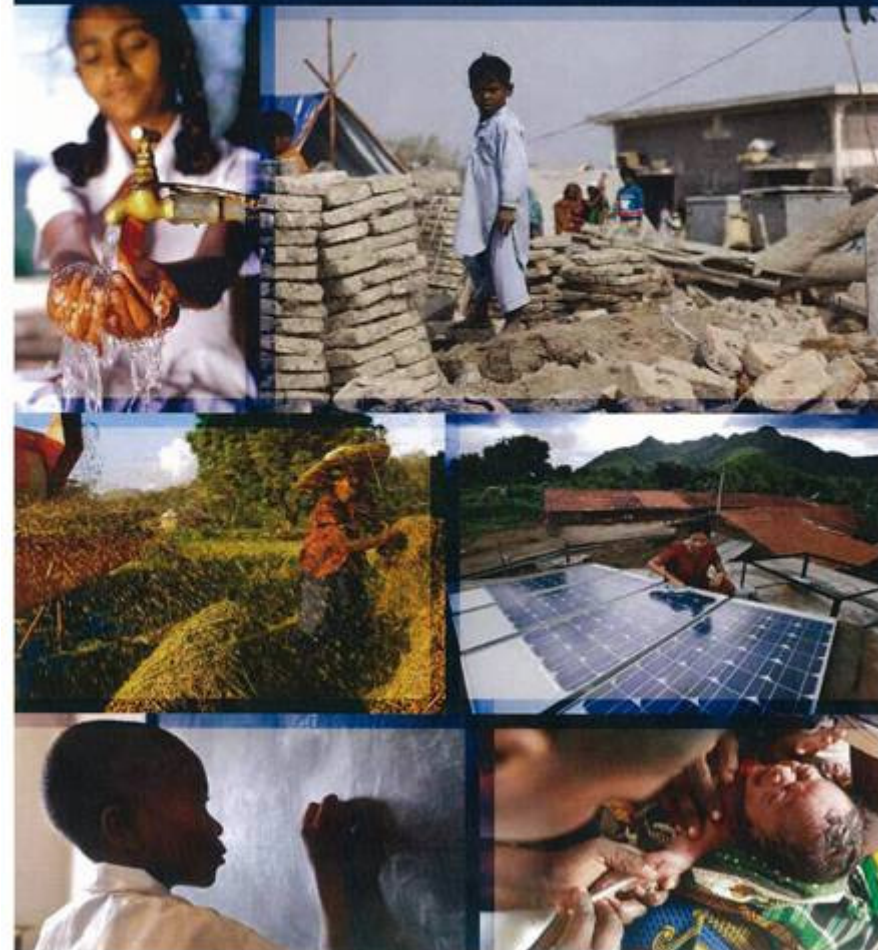
DFID Department for International Development



Multilateral Aid Review

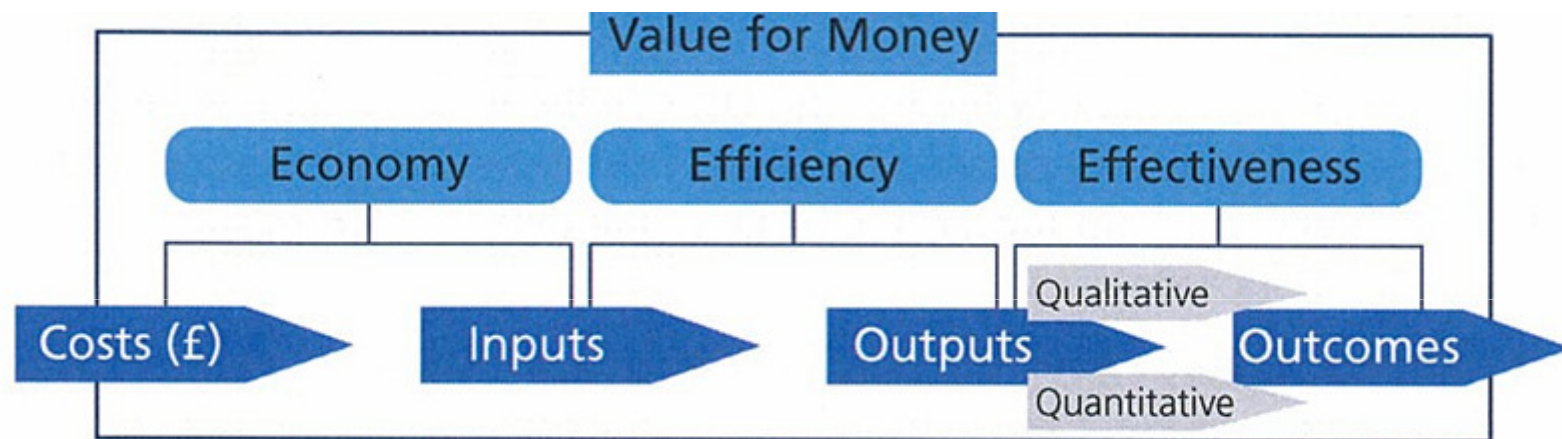
Ensuring maximum value for money for UK aid through multilateral organisations

March 2011



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MAR: value for money chain



measurable — — — — — → less measurable



Value for Money: MAR criteria

Contribution to UK development objectives

- ▶ meeting development objectives & contribution to results
- ▶ attention to cross cutting issues
 - ▶▶ focus on women & girls
 - ▶▶ ability to work in fragile states
 - ▶▶ climate change & environmental sustainability
- ▶ focus on poor countries

Organizations' behaviour & values

- ▶ strategic performance management
- ▶ ***financial resource management***
- ▶ ***cost & value consciousness***
- ▶ partnership behaviour
- ▶ transparency & accountability
- ▶ likelihood of positive change



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Value for Money: MAR criteria (cont'd.)

Financial resource management

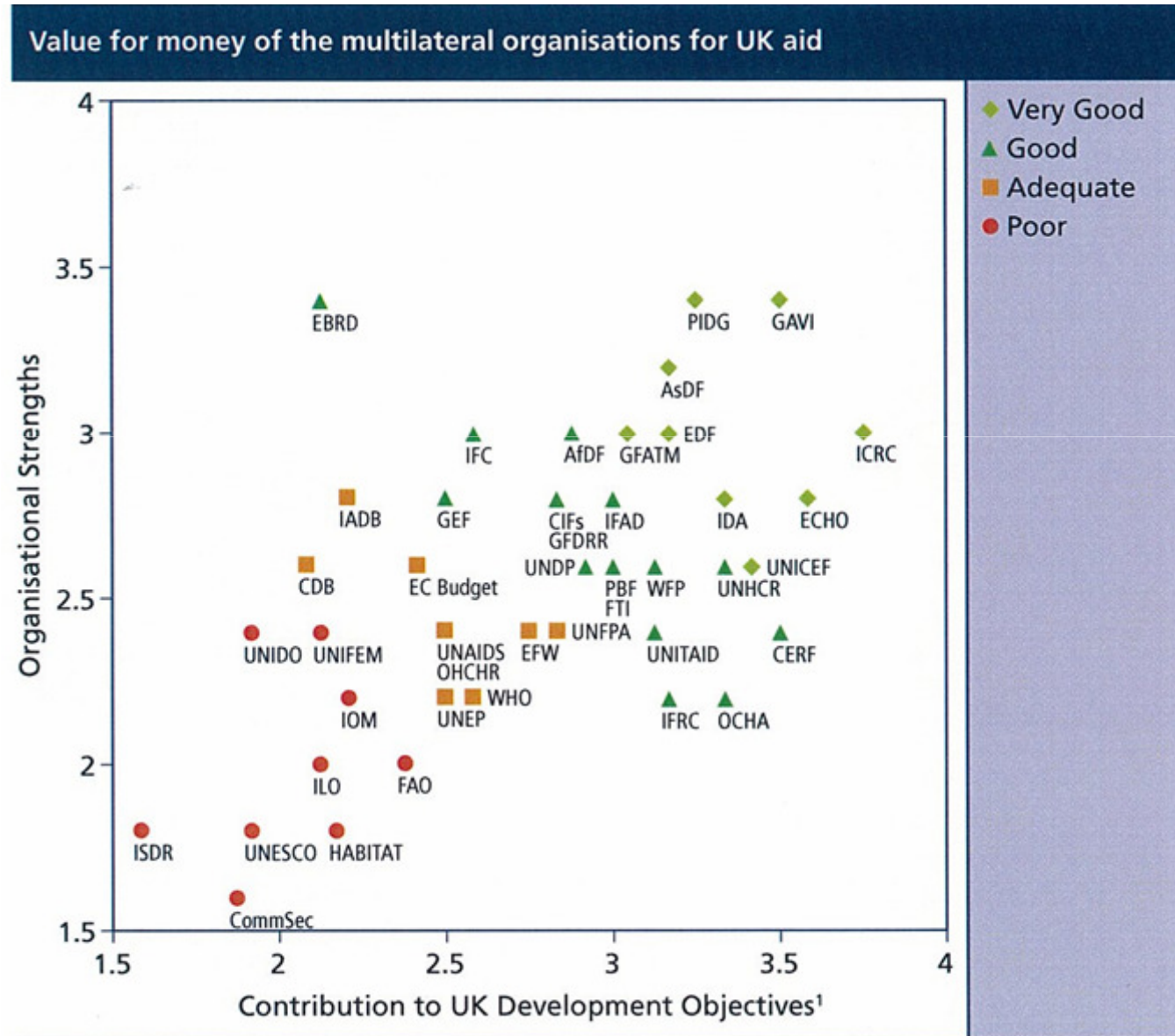
- ▶ allocates funds transparently
- ▶ funding is predictable
- ▶ ensures financial accountability
- ▶ instruments are appropriate

Cost & value consciousness

- ▶ ROI & cost effectiveness issues are important factors in decision-making
- ▶ effective & efficient supply chain
- ▶ controls administrative costs



Value for Money: MAR results



2011 CIGAR conference theme

- ▶ NPO and governments need to work together to further promote good donor principles and practice
- ▶ We should develop a concerted vision of what is meant by value for money
- ▶ Lets work on developing frameworks and standards as opposed to requesting ever more reporting from NPOs
- ▶ How can we work together to optimize performance management as well as professional internal control and internal auditing functions in the NPO sector?



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Thank you for your attention!

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