



Evaluation of Capacity Building Fund support to organizational change in the Macedonian Red Cross 2008–2011

Report

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Contents

Executive summary	5
1. Background	8
1.1 Overview of the evaluation	8
1.2 General country context	10
1.2.1 Economy	11
1.2.2 Health	11
1.2.3 Natural disasters	11
1.2.4 Social inclusion and internal conflict	11
1.2.5 Development	12
1.2.6 Civil society environment	12
1.3 Macedonian Red Cross – overview	13
1.3.1 1995–2005	13
1.3.2 Leadership renewal from 2005	14
1.4 Macedonian Red Cross today	17
1.4.1 Main services	17
1.4.2 Branch structure	17
1.4.3 Volunteers, members and youth	18
1.4.4 Governance structure	18
2. ICB plan and implementation	19
2.1 ICB outline	19
2.1.1 Purpose of Intensified Capacity Building modality	19
2.1.2 Designing the ICB plan in Macedonian Red Cross	19
2.1.3 Overview of the plan	20
2.1.4 Implementation strategy and oversight	20
2.2 ICB priority area 1: Building efficient information-management systems	21
2.2.1 National context	21
2.2.2 Goals	21
2.2.3 Implementation, year one	22
2.2.4 Implementation, year two	22
2.2.5 Implementation, year three	22
2.2.6 Assessment of impact	23
2.3 ICB priority area 2: Management of volunteers and staff	27
2.3.1 National context	27

2.3.2 Goals	28
2.3.3 Implementation: year one	29
2.3.4 Implementation: year two	30
2.3.5 Implementation: year three	30
2.3.6 Assessment of impact	30
2.4 ICB priority area 3: Mobilization of funds	37
2.4.1 National context	37
2.4.2 Goals	39
2.4.3 Implementation: year one	40
2.4.4 Implementation: year two	41
2.4.5 Implementation: year three	41
2.4.6 Resource mobilization	43
2.5 Wider change within the Macedonian Red Cross during the ICB period	49
3. Conclusions and recommendations	51
Where is the Macedonian Red Cross today?	51
What has the contribution of ICB project been?	51
How well did ICB function as a National Society development tool?	52
Key learning from Macedonian Red Cross ICB project	53
Recommendations to the Macedonian Red Cross	55
Recommendations to IFRC	57
Appendix 1	
Hardware Items purchased under Priority Area 1 with ICB Funds	58

Executive summary

Summary of the results and challenges of Capacity Building Fund (CBF) support to the Macedonian Red Cross, 2008 - 2011

The Macedonian Red Cross undertook an Intensive Capacity Building (ICB) project between 2008 and 2011. The project had a budget of 300,000 Swiss francs and the overall goal was: *“Improved material-technical, organizational and human resource capacities of the National Society for efficiently coping with the challenges of the vulnerable population of the Republic of Macedonia”*. The project focused on three key areas to achieve this goal:

- **Building efficient information-management systems:** focused on building the information technology (IT) infrastructure, including databases, intranet and web site, to promote improved business processes, access to information, consistency, reporting and communications
- **Management of volunteers and staff:** enhancing the number of volunteers to strengthen service scope and outreach, and building staff and institutional capacity to promote higher-quality engagement and improved retention of volunteers
- **Mobilization of funds:** building a diversified funding base to reduce the risk of over-reliance on a small number of key funding streams, including a focus on corporate and public fund-raising.

The evaluation of the project is guided by evaluation criteria set out in the IFRC Framework for Evaluation. The following is a brief overview and assessment against each of the criteria:

1. The relevance of project objectives for the National Society and for vulnerable people in Macedonia

The evaluation finds that the project objectives were astutely designed for the needs of the National Society and were appropriately rooted in the overall objective of strengthening its work with vulnerable communities. The objectives were within the context of a broader organizational change strategy and contributed solidly to this.

The initiatives were well conceived to address key challenges for the Macedonian Red Cross including: an overall sector reliance on foreign sources of funding rather than on domestic engagement; an emerging Corporate Social Responsibility (CSR) sector; overall low volunteering rates in the country juxtaposed with a burgeoning increase in participation by young people; and the need to modernize and make more-efficient data management and public communication efforts, capitalizing on the rapidly developing nationwide IT infrastructure.

2. Project implementation, including successes, failures and learning

The ICB project was effectively implemented overall. Some elements of the plan ran over schedule but, in general, all activities were implemented very effectively given the complexity of the change proposed. The project adapted well to unexpected challenges and opportunities.

Implementation was guided by a project team and committee and was, in general, participatory in nature, drawing in most key internal stakeholders to the initiative. The Macedonian Red Cross may have benefited from enhanced technical guidance in some of the areas from either peer National Societies, the IFRC or even external partners such as academics or corporates.

One aspect of the ICB implementation strategy which had some limitations was the decision to work with a different group of branches during each year of the project. While it made absolute sense to focus resources in a small number of branches at one time, this did mean that when some activities that should take place in all branches were launched in year two, it is likely that some of those branches which had not yet been engaged in the annual process were not as well positioned to fully engage with these initiatives.

From IFRC's point of view, the CBF successfully identified a National Society with the necessary preconditions for success and the potential for significant change. These included: strong leadership, effective collaboration and unity between

governance and management; a strong long-term vision for the National Society and a change agenda to which the ICB could meaningfully contribute; commitment of the National Society to contribute its own resources to the change process; impressive involvement of people in the project and change agenda from all levels of the organization; a culture of external engagement and partnerships; a focus on accountability and transparency; and, perhaps most importantly, a sincere focus on the communities with whom it works and on building effective development programmes to support them.

The ICB provided the National Society with an appropriate form of investment to achieve its goals at an important stage of its growth.

3. Project achievements and results

Overall, the project achieved what it set out to do, even though there were a few areas that did not progress as far as the National Society had hoped for. It is possible that the National Society's objectives were too ambitious but this project sat within the context of a wider and even more ambitious change agenda.

The IT developments led to the creation of an effective web site, which is providing some communication and operational services benefits. The IT database developments brought tremendous business improvements for the first-aid and blood-donor operations, enhancing customer tracking, reporting and business management. The volunteer database has not achieved the uptake that was intended and further investigation and possible adaptation of the database is warranted. It is likely that the database currently offers few new benefits to branch end users beyond the systems they are currently using.

Volunteer numbers increased, though at levels slightly below the target. Youth numbers, in particular, grew – a stated project outcome. There is some concern that the number of grass-roots units declined during the period, instead of growing as the Macedonian Red Cross had hoped it would. Investigation into the reasons for this would be prudent.

The micro-projects were largely successful in terms of promoting and coaching branches in participatory community-development skills, volunteer-management strategies and local resource mobilization. There are sufficient examples of branches learning

these skills, and they are still being applied up to five years later and generating benefits for the branches and the communities they serve. The National Society's services are successfully accessing highly vulnerable and hard-to-reach groups; this, by all accounts, is a vast improvement on the approaches being used before the intervention.

The resource mobilization objectives met with mixed results, the overall objective being to reduce reliance on foreign and Government sources. Impressive progress was made in the corporate social responsibility agenda; starting from a base of almost no engagement, the Macedonian Red Cross is now the leading corporate charitable partner in the country, boasting a suite of supporters and a signature multi-year partnership. However, support from the corporate sector remains a relatively minor source in comparison to funding received from foreign and Government sources.

Public fund-raising efforts are difficult in Macedonia but there were improvements here also, particularly in raising significant amounts for disasters. In addition, the Macedonian Red Cross implemented two national fund-raising campaigns and, while these were not as successful as it was hoped they would be, it appears that continued efforts are yielding improvements.

Overall, the resource mobilization strategy has not yet succeeded in reducing over-reliance on core funding streams and, in fact, foreign and government funding increased during the period both in real terms and as a share of the total. Nonetheless, admirable progress has been made (particularly in light of the broader Macedonian context) and, with continued vigilance, further progress can be expected.

4. The relevance and effectiveness of the technical and financial support available to the National Society through the project

The ICB financial support was extremely well timed and positioned. The Macedonian Red Cross has been able to use parts of its own funding to be able to resource its change and development but these efforts needed a higher level of investment such as the ICB afforded. There was a need for untied funding to be spent in significant amounts to create momentum for change and to commence implementation.

The ICB support gave the Macedonian Red Cross the opportunity to take milestone steps that could be sustained and further advanced within its own resources.

Technical support appeared to be most well placed for participatory community-development initiatives and corporate engagement. It is possible, however, that additional technical support would have been beneficial for other areas of the project, including public fund-raising and IT.

5. The current situation of the National Society and the relevance of ICB in determining and influencing that direction

The Macedonian Red Cross is the largest volunteer-based service provider in the country by far. Its fund-raising capacity, though still below the level to which the National Society aspires, is impressive in comparison to its in-country peers, particularly in its capacity to attract domestic funding, which significantly outstrips most of its peers.

Importantly, the ICB process has helped Macedonian Red Cross to strengthen the quality, reach and sustainability of its services.

ICB has helped the Macedonian Red Cross to move further and faster than it would have done without this untied investment. It has helped to create momentum in numerous branches, much of which has been maintained. The funding has helped the Macedonian Red Cross to cement the change agenda within the organization's DNA and to improve overall unity. While ICB has not determined the direction of change itself, it has played an important role in arriving at this position.

The momentum for change is strong in the Macedonian Red Cross. Though some branches are yet to come on board or have not developed as quickly, it is evident that a significant proportion of the organization is moving in the overall agreed direction and the rest will likely follow. The Macedonian Red Cross is rapidly advancing and is now planning a second ICB process with its own resources. It is likely that, given time and continued focus, the organization will achieve the ambitious goals to which it aspires.



MRC Partnership meeting in Skopje 2008.

1. Background

1.1 Overview of the evaluation

This report evaluates the IFRC Capacity Building Fund's Intensive Capacity Building (ICB) support to Macedonian Red Cross between 2008 and 2011. The purpose of the evaluation was to:

- understand the impact of ICB support on the capacity of Macedonian Red Cross to meet the needs of vulnerable people in Macedonia and sustain itself into the future;
- document and analyse activities carried out by Macedonian Red Cross as part of its self-development process as the basis for inspiration and learning in other National Societies.

To undertake the evaluation, a multidisciplinary team was formed:

- The lead evaluator was Shaun Hazeldine, Senior Officer Volunteering Development, IFRC secretariat.
- Desk research was undertaken by Ekatarina Daumer, Senior Officer PMER, IFRC secretariat, Geneva, and Shaun Hazeldine.
- Technical advice and guidance were provided by Branko Knezevic, Europe Zone Organizational Development Coordinator.
- The evaluation team was supported by Sasho Taleski, Macedonian Red Cross Head of Programme Sector, particularly in arranging field visits, interviews with key stakeholders, and sourcing documents and data for the evaluation.
- The evaluation was overseen by Ian Steed, Senior Officer Organizational Development, IFRC secretariat.

The evaluation employed the following methodology:

- **Desktop review:** There was a systematic review of all key internal documentation relating to the ICB, including all project proposals and reports as well as other Macedonian Red Cross internal and external reports. The review also analysed information relating to human and economic development, information technology, volunteering and philanthropy in Macedonia.
- **Interviews with IFRC stakeholders:** Interviews were held with secretariat staff at zone and Geneva level who provided support to the ICB and were familiar with the Macedonian Red Cross and its context.
- **Evaluation visit:** A five-day visit to Macedonia was conducted in May 2013 by the lead evaluator. The visit incorporated interviews with stakeholders from all levels of the National Society including representatives of governance and management, technical staff and volunteers. External stakeholders of the National Society were interviewed also, including government and corporate sector representatives. The evaluation included visits to three branches and numerous services.
- **Sharing and comment:** A draft report was formulated and shared with the Macedonian Red Cross and secretariat technical staff whose feedback was incorporated in the final report.

Time-frame

The evaluation was commissioned in May 2013 and due for completion in October 2013.

Challenges and limitations

Time line

The evaluation was conducted two years after completion of the ICB funding. This time-scale delivered both benefits and challenges. The challenges were that it was a significant length of time, in particular from the start of the ICB (five years), and this will have affected the recall and observation of many participants. Some of the details and specific feedback may have been more vague or coloured by time than they would have been had the evaluation been conducted sooner.

On the positive side, carrying out the evaluation more than two years after the ICB funding ended has given the evaluation team an opportunity to assess outcome sustainability and continuity in a way that would have been impossible immediately after the project ended.

Data

The Macedonian Red Cross is extremely good at data collection, monitoring and reporting. However, there were still gaps in information available to the evaluation that impeded a more-thorough assessment of impact. For example, it is difficult to assess the effectiveness of the web site developed by the National Society using ICB funds as usage data is not collected. A similar issue exists in analysing the effectiveness of fund-raising campaigns where specific tracking of key indicators was not undertaken.

The National Society, in general, provides strong financial reporting; however, financial statements were not easily broken down into more detail and, therefore, the progress of specific initiatives often was obscured by aggregation. Furthermore, it was not always clear what specific line items were included under particular categories in budgets (e.g., which funding sources were included under 'Own Income' or 'Macedonian Red Cross Projects'), again obscuring the assessment of progress or otherwise.

There were also some inconsistencies in language, definitions and data for key indicators – including volunteer numbers – that made it difficult to identify with certainty some trends within the National Society.

Finally, while regular reports on progress with ICB were submitted to the Capacity Building Fund (CBF) manager in Geneva, these focused on achievement of project outputs against the annual logframe rather than on project outcomes. While this is understandable in the sense that many of the activities could only show results over time, a formal sense of how project impact was perceived at the time is largely missing from the reports.

Field visit agenda

The field visit provided an excellent overview of the strengths of the Macedonian Red Cross and the impressive array of its services. However, there was no direct exposure to branches that were not as successful in implementing the ICB. This made it challenging to understand why some initiatives were more successful than others and why some initiatives did not take off in some branches. Unfortunately this has an impact on the quality of learning that this case study can provide for other National Societies and the ICB process in general.

Context

The report provides a thorough overview of the process and results of the ICB. However it was clear that a key factor affecting the ICB in Macedonia was its positioning within a wider organizational change agenda (which began in 2004). There is a compelling broader story with considerable learning for peers that can be gained from a deeper understanding of events leading up to the change process and its implementation until 2008, when the ICB commenced.

Key output

The key output for the evaluation is this final report. It is hoped that the report will contribute to learning on National Society development for other National Societies, as well as feed into reflections within the secretariat on the most-effective approaches to providing support to National Societies.

1.2 General country context

Macedonia gained its independence peacefully from Yugoslavia in 1991 and was admitted to the United Nations in 1993. Macedonia is a parliamentary democracy with an executive government composed of a coalition of parties and an independent judicial branch with a constitutional court. Local government functions are divided between 78 municipalities. The capital, Skopje, is governed as a group of ten municipalities collectively referred to as the City of Skopje.

Macedonia – quick overview

- **Border countries:** Albania, Bulgaria, Greece, Kosovo and Serbia
- **Population:** 2,066,800
- **Urban population:** 59.0 per cent of total population (2010); 0.3 per cent annual rate of change (2010–2015 est.)
- **Ethnicity:** The country is multi-ethnic, with 64.18 per cent Macedonian, 25.17 per cent Albanian, 3.85 per cent Turk, 2.66 per cent Roma, 1.78 per cent Serb and 0.40 per cent Vlach
- **Human development index:** ranking 78, with a score of 0.740 (high human development is classed as 0.758, the average score for Europe and Central Asia is 0.771)
- **Life expectancy at birth:** 75.0 (high human development = 73.4, very high human development = 80.1)
- **Health index:** 0.868 (high human development = 0.842, very high human development = 0.948)
- **Population below poverty line:** 30.4 per cent (2011)
- **Climate:** warm, dry summers and autumns; relatively cold winters with heavy snowfall
- **Natural hazards:** high seismic risks
- **Environment, current issues:** air pollution from metallurgical plants
- **Main source of income:** agriculture (grapes, wine, tobacco, vegetables, fruit, milk and eggs) and industry (food processing, beverages, textiles, iron, steel, cement, energy and pharmaceutical equipment)

1.2.1 Economy

Since independence, economic development in the Republic of Macedonia has been characterized broadly by instability caused by the generally adverse economic conditions of the region. There was a marked crisis in 2001, caused by the insurgency of the Albanian minority, and the global economic crisis of 2008–2009 also had a negative impact on economic growth. Despite maintaining some degree of macro-economic stability and relatively low inflation, Macedonia has, so far, lagged behind other countries in the region in attracting foreign investment and creating jobs, even after making extensive fiscal and business sector reforms¹.

Macedonia's most pressing economic problems include high and persistent unemployment (31 per cent), in particular among younger age groups (at 55 per cent, it is one of the highest in the world), and a low Gross Domestic Product (GDP) per capita (around 10,000 US dollars per year)². Very low participation by women in the labour market is another issue of concern. There are strong indications that the shadow economy is significant (estimated at between 20 and 45 per cent of GDP).

1.2.2 Health

Health issues in Macedonia are similar to those of other countries in the region. Circulatory diseases are the leading cause of death, accounting for approximately half of all deaths. Injuries, poisoning, and respiratory diseases such as bronchitis, emphysema and asthma are also major issues³. Healthy life expectancy in Macedonia is 63.4 years, compared to Greece (71.0), Bulgaria (64.6), Serbia and Montenegro (63.8), and Albania (61.4)⁴. Lifestyle choices such as smoking, alcohol consumption and diet continue to be major issues.

HIV/AIDS and tuberculosis (TB): Macedonia is a low-prevalence country with the one of the lowest number of HIV-positive cases reported among the countries in the South-eastern European Region⁵. TB incidence is low also, at half the regional average with 20 per 100,000 of the population⁶.

1.2.3 Natural disasters

Macedonia has had 15 natural disasters since 1980 including one drought, an epidemic, extreme temperatures, floods, storms and wildfires. Thirty-four people have been recorded as being killed in disasters, mostly in cases of extreme temperature.

1.2.4 Social inclusion and internal conflict

Relations between the Macedonian majority and ethnic Albanian minority in Macedonia were tense at the time of the country's independence, although the country managed to escape the ethnic conflict experienced by Croatia, Bosnia and Kosovo. However, in 2001, ethnic Albanian rebels calling themselves the National Liberation Army engaged in attacks on Macedonian security forces. In July 2001, a cease-fire was agreed and the fighting was ended with the signing of the Ohrid Framework

¹ *The Former Yugoslav Republic of Macedonia 2012 Progress Report – European Commission.*

² *The Former Yugoslav Republic of Macedonia 2012 Progress Report – European Commission.*

³ *Health Strategy of the Republic of Macedonia, 2020.*

⁴ *World Health Report, 2003.*

⁵ *UNGASS, 2012.*

⁶ <http://data.worldbank.org/indicator/SH.TBS.INCD>

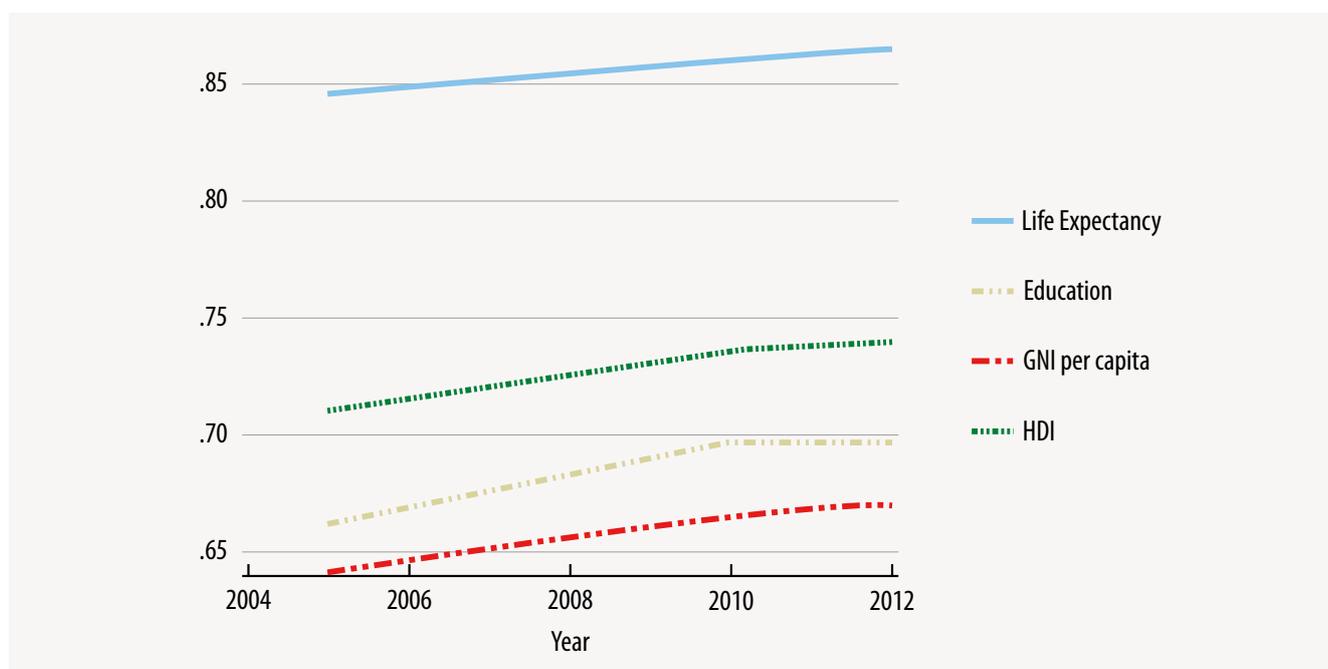
Agreement in August 2001. The Ohrid Framework Agreement resulted in better guarantees for civil rights for the Albanian minority, devolved greater political power to Albanians and brought cultural recognition, ending most separatist demands.

More generally, little progress has been made on social inclusion. Despite the existence of a national strategy, a budget for social inclusion is lacking and, while the country presided over the Decade of Roma Inclusion, implementation of national plans on Roma inclusion is still slow⁷.

1.2.5 Development

Macedonia's human development index (HDI) value for 2012 is 0.740 – in the high human development category – positioning the country at 78 out of 187 countries, a rank is shared with Ukraine. From 2005 and 2012, Macedonia's HDI value increased from 0.711 to 0.740, an increase of 4.0 per cent or average annual increase of about 0.6 per cent.

Figure 1: Trends in the Former Yugoslav Republic of Macedonia's HDI component indices 2005–2012



1.2.6 Civil society environment

The civil society sector is growing rapidly in Macedonia. A study in 2009 indicated that there were around 9,830 registered associations and foundations⁸ and it is now estimated that there are well in excess of 10,000 civil society organizations (CSOs) operating across Macedonia, each vying for domestic and foreign funding.

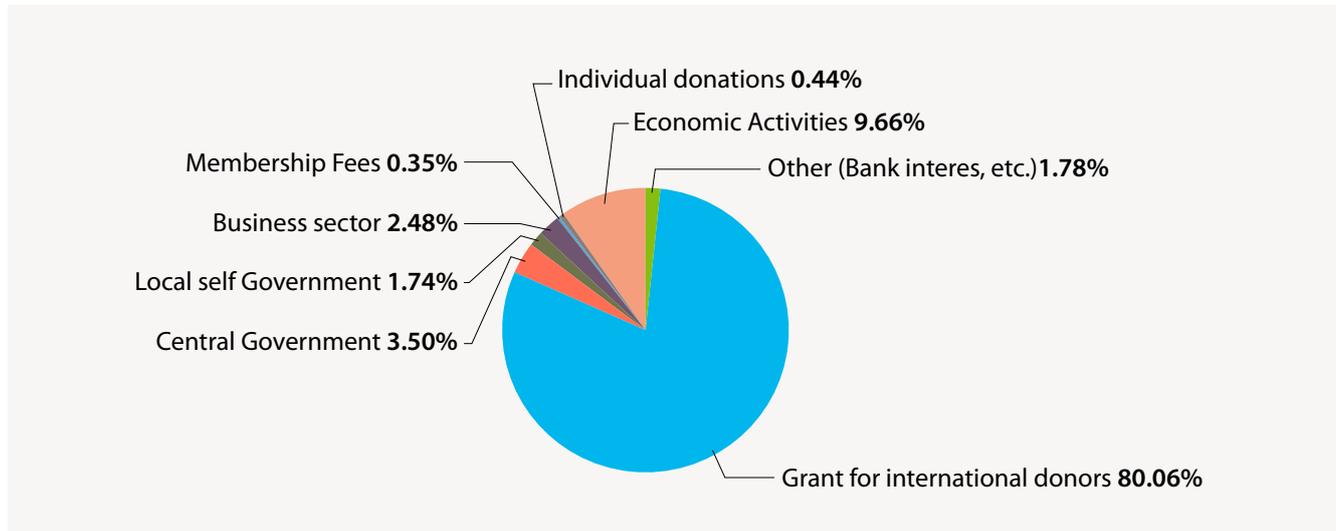
The majority of funding for Macedonian Non-governmental Organizations (NGOs) is derived from foreign sources. A 2010 survey conducted by the Centre for International Development (CIRA) in Macedonia indicated that as much as 80 per cent

⁷ *The Former Yugoslav Republic of Macedonia 2012 Progress Report – European Commission.*

⁸ *Public Funding for Civil Society Organisations – Good Practice in the European Union and the Western Balkans, European Centre for Not for Profit Law, 2011.*

of funding for Macedonian CSOs came from foreign donors (see chart below)⁹. Although CIRa is quick to point out that there are a small number of CSOs who draw the majority of their funding from local or national sources, there is nonetheless an obviously high dependence of the CSO sector on foreign funding.

Figure 2: Sources of funding for CSOs in Macedonia for 2010



Civil society has received extensive financial support from the European Union (EU) under the IPA Civil Society Facility and national programmes, as well as through the European Instrument for Democracy and Human Rights. The programmes currently being implemented provide significant support for CSO management and resource mobilization, for institutional cooperation between CSOs and central and local authorities as well as networking at regional level¹⁰.

In this context, the Macedonian Red Cross is the largest CSO in the country, with close to national coverage and with a volunteer base substantially larger than that of any of its competitors.

1.3 Macedonian Red Cross – overview

The Macedonian Red Cross was founded in 1945 but has operated and functioned as an independent National Society only since 1992. It was officially recognized by the ICRC and IFRC in 1995.

1.3.1 1995–2005

At least until 2005, each Macedonian Red Cross programme had a strong focus on supporting refugees and internally displaced persons (IDPs). These programmes were developed and maintained with the support of IFRC (who maintained a country office from 1995), ICRC and numerous sister National Societies, driven in part by the 2001 conflict. The Macedonian Red Cross faced many challenges during the conflict, which had repercussions on its reputation in the country and among Movement partners. As a result, many sister National Societies withdrew support for the National Society, with only one remaining.

⁹ <http://philanthropyposts.squarespace.com/blog/2012/3/2/local-ngos-and-local-philanthropy-a-natural-match-or-not-qui.html>

¹⁰ *The Former Yugoslav Republic of Macedonia 2012 Progress Report – European Commission.*

This was a challenging period for the National Society, compounded in late 2004 when the IFRC office closed. The decision to close the IFRC in-country office reflected the perception that the National Society was reaching a low point in its short history with a rapidly diminishing support base. It was not a cohesive national body and was struggling to attract volunteers and financial and in-kind support. Its over-reliance on international funding from Movement partners meant that its capacity was gravely affected when these same partners withdrew.

While funding was reduced, IFRC support did not end but instead shifted to the regional office, which was located in Budapest at the time. The shift to regional support reduced the intensity of IFRC support provided through an in-country delegation but also had positive aspects – support was now much more focused on strategy and other ‘big picture’ issues rather than on programme implementation.

However, from 2005, a process of renewal took place within the Macedonian Red Cross and it is in this context that the eventual ICB project needs to be understood.

1.3.2 Leadership renewal from 2005

During this time, there was a small but growing number of younger people rising in the organization who were challenging some of the National Society’s traditional ways of operating and, in 2005, this resulted in leadership changes.

The new President, governing board members, secretary general and management set about a slow process of reform, focusing on developing local structures and support and building cohesion between branch and national structures. The alignment and cohesion between governance and management in the National Society were to prove to be extremely important in the reform process and key factors in driving overall national unity.

A clear change agenda was set and developed with strong branch ownership and other stakeholder consultation. The agenda was articulated through National Plans of Action and multi-year organizational strategies. The goals and intentions of the strategy were made open and buy-in from branches was sought at every step.

The entire strategy was anchored firmly in a focus on the services and programmes. ‘Why do we exist?’ became a fundamental question and the key criterion for judging the Macedonian Red Cross. Consequently, service development has been strong and, today, the National Society is working with virtually all groups in Macedonia experiencing high levels of disadvantage. These groups include many who may be viewed as challenging target groups, such as injecting drug users, Roma populations and sex workers.

The central focus on services helped keep the organization attentive to serving the most vulnerable people and provided an important fulcrum from which decisions could be based. It has helped to transform the Macedonian Red Cross into an organization that is engaged in the major issues in its country with positive effects on its capacity to attract volunteers. Finally, it ensured that the National Society developed competencies and ties with communities that positioned it ideally for targeted funding from government, corporate and foreign-donor sectors.

A concerted effort was made also to ground the organization in the principles of the Movement – staying attentive to the real needs of vulnerable people, promoting community and voluntary service, and ensuring unity within the National Society. It was important, also, that it was open to all within the diverse context of Macedonia and independent of the Government in its work.

During this period, a number of themes in the management of the Macedonian Red Cross emerged that are worth highlighting, as they underpin subsequent thinking reflected in the ICB project:

1.3.2.1 Building strong links within a decentralized organization

The branches of Macedonian Red Cross are legally separate entities. To achieve national unity within a strongly decentralized organization with local governance and management structures, a carrot-and-stick approach was used by the executive and national office. National governance and management made building mutual respect and trust with branches a distinct focus. Alongside 'national' services offered in all or most branches, branches were encouraged to mobilize their local populations and to design their own service responses.

In the past, the national office played a critical role in seeking funding for programmes developed by branches. It channelled most government and all foreign-donor funding. This gave the national office a mechanism by which to support branches that were developing good services and systems, and incentivise those that were not. However, as branches have strengthened over the last years, some are now in a position to access government or foreign funding for activities.

A particularly astute strategy to promote national cohesion was designed also for the use of membership fees. All branches pay a fee for membership of the National Society. This fee is directly equivalent to the number of delegates each branch sends to the Macedonian Red Cross General Assembly, which ranges from one to four. The branch membership fee is about 500 euro per year per delegate. Branches are encouraged to recruit individual members to fund their own national membership fees and keep any surplus raised. The National organization places 50 per cent of the fees into a development pool to which branches can apply for resources to implement branch development activities. Through this approach, branches are incentivized to attract individual members while also feeling that they have some return on the money paid to the central organization.

This approach was to become a mainstay in the methodology of the National Society. The significant portions of funding drawn through the national office were almost always dispersed to branches, but tied to a conditionality of coherent branch development and consistency with National Society objectives.

The ICB project itself triggered a further mechanism for cohesive development within the National Society – the Interest Network on Volunteer Management that evolved out of ICB-supported branch meetings in year one of the project but has continued beyond the project time-frame.

1.3.2.2 Quality and accountability

The development of these funding initiatives was accompanied by an equally strong development of monitoring mechanisms designed to enhance quality and strengthen reporting and transparency. The most comprehensive of these is the Branch Assessment and Analysis mechanism which is used once every three years and involves a six-month review that includes visits to every branch and rigorous analysis of data, reports and programmes. The process culminates in a substantial report that identifies progress, challenges and recommendations for the development of every branch in the country. Also, each branch is rated according to its status in three categories: Stagnated Development; Moderate Development; and Significant

Development. The full report is shared with all branches and, thus, each one is able to compare itself to the progress of its peers.

Reporting and transparency have become genuine strengths and foci of the National Society. Using the impressive amount of information gained through these monitoring processes, open and transparent public reports were (and still are) produced, communicating to the public what money is being raised, how it is being spent and on what services. Furthermore, the national office initiated external audits of its financial reports and published these widely in the public domain. Given the undercurrent of mistrust of NGOs in Macedonia, this was a useful way to promote confidence in the organization.

All major public reports and many internal reports and strategy documents are published in the three languages of Macedonian, Albanian and English, ensuring that their information caters to the needs of a variety of groups in the country and beyond.

1.3.2.3 Embracing diversity

Embracing diversity in the country became a major focus of the Macedonian Red Cross, reaching out proactively to the many ethnic groups and designing initiatives to address their vulnerabilities and overall integration. This represented an important step in a context where ethnic tensions had previously overflowed into conflict and where the Government priorities and European Union (EU) accession criteria include a focus on ethnic cohesion.

1.3.2.4 Building public trust and confidence

Macedonian Red Cross took its approach to winning the public's trust very seriously. To measure the effect of the above strategies, the National Society commissioned independent external research by Gallup International to ascertain its public standing. On the two occasions this has been delivered, marked improvements have been observed. The independence of this research ensured that the Macedonian Red Cross was able to accurately obtain feedback and to genuinely incorporate the results into its organizational development strategies.

1.3.2.5 Focusing on improving existing processes rather than growth

A final element of note in recent years has been a focus on consolidating and strengthening existing work. This principle at times seems out of step with statements made in strategic and ICB documents that relate to aspirations of growth. It has been made clear, however, by management that there is little interest at present in developing new branches and extending further into new communities, particularly in rural areas with additional formal structures. Instead, the National Society seeks growth within its existing branches and, in fact, there were even intimations of slightly reducing the number of branches. This appears to be an intentional step to ensure quality and to guard against the potential of over-reaching with an accompanying reduction in quality.

Macedonian Red Cross has broadly transformed itself through these key steps and strategies. From a National Society that was facing significant challenges and threats to survival, it has emerged to become the largest and one of the most respected CSOs in the country. In the next section, we examine how the ICB contributed to this impressive development.

1.4 Macedonian Red Cross today

1.4.1 Main services

The Macedonian Red Cross' services today are impressively comprehensive in terms of addressing major vulnerabilities in the country. They include:

- Disaster management (disaster response and disaster preparedness)
- Health and care (concerning HIV/AIDS, tuberculosis, psychological support, first aid and blood donations, and offering free medical care for vulnerable groups)
- Support for refugees and asylum seekers
- Social services (programmes for the elderly, homeless, sex workers and injecting drug users)
- Youth programmes (education, social support and development initiatives)
- Rescue and relief (mountain and water rescue, food provision, etc.)
- Community-development initiatives.
- International Humanitarian Law

1.4.2 Branch structure

Macedonian Red Cross has 34 branches and one city organization in Skopje, which effectively oversees ten branches within the bounds of the capital city. The Macedonian Red Cross has 138 permanent staff nationally, with an additional 79 staff working on temporary projects. The National Society covers all of the country; however, some rural areas are serviced by a centralized branch that may not be based in the town it is servicing. The country is not large and most branch offices are within very easy reach of the towns and villages for which they are responsible. Furthermore, Macedonia is heavily urbanized – around half of the population lives in the capital, with the majority of the remainder increasingly living in urban centres in the countryside.



Volunteer management Training Skopje 2009.

Branches typically undertake a small selection of the core programmes outlined above (e.g., first aid, blood donations, youth, disaster management and social services) in line with resource constraints and local need. Branches also sometimes offer unique local services, such as water rescue around Lake Ohrid or services relating to homelessness in Skopje. Rural branches have at least one paid staff member and some have up to five. Skopje branches tend to have more staff members supporting their activities.

Underneath the branch structures are a collection of non-formal, or grass-roots, units as they are sometimes referred to in National Society documents. These units number approximately 700–800 and manifest in the form of school or youth groups or small volunteer groups in workplaces. The units are loosely tied to the Macedonian Red Cross and focus on conducting humanitarian projects or offering blood-donation and fund-raising services.

1.4.3 Volunteers, members and youth

There are 7,000 volunteers in the organization with more than 3,500 participating regularly in services. The organization is supported by almost 8,000 members. Youth make up about half of the volunteer base. There is a youth representative on the national board and branches tend to support many youth groups and councils. Youth governance is managed within the central National Society structure.



Fundraising action of the youth in the Red Cross Branch Kumanovo in 2009.

1.4.4 Governance structure

The governance structure comprises: the assembly with 75 representatives of the Macedonian Red Cross branches, including the president of each branch board, four youth representatives, the president of the assembly who is also the president of the executive board, two vice-presidents, the finance commission, the executive board comprising 15 members, and the advisory bodies of the executive board. The management structure is headed by the secretary general.

2. ICB plan and implementation

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This section provides an outline of how the Macedonian Red Cross developed its ICB in relation to IFRC's call for proposals. The section describes the strategy and implementation of each of the three areas covered by the ICB plan, with contextual information on Macedonia for each area. An analysis of implementation in each area is provided, as well as an analysis of synergy between the implementation areas.

2.1 ICB outline

2.1.1 Purpose of Intensified Capacity Building modality

From 2007, the IFRC secretariat invited National Societies to apply to the Intensified Capacity Building modality of the Capacity Building Fund. Its purpose was to identify National Societies with a strong vision and momentum for change, and to provide financial and technical investment to them to implement these change processes.

The initial call for proposals was launched in mid-2007. National Societies were invited to complete initial application forms detailing their current situations as well as outlines for the change envisaged. Of 27 initial application forms, eight National Societies (including Macedonia) were given a grant of 50,000 Swiss francs to enable development of an in-depth change plan.

After three months, these change plans were submitted to the Expert Advisory Panel of the CBF. Of the eight plans submitted to the EAP, three (including Macedonia's) were selected for CBF investment: the CBF offered to invest 100,000 Swiss francs a year for the following three years in plan implementation.

The CBF project was scheduled to begin in June 2008 and to be completed in June 2011. Progress was to be measured by pre-agreed objectives established at the beginning of each annual funding cycle and reflected within the ICB Plan of Action reports. The Plan of Action reports were approved by the CBF Fund Manager annually and funding released to support implementation.

Technical support for project implementation was to be provided primarily by the Europe Zone office alongside other support provided to the Macedonian Red Cross, with formal reporting and financial oversight the responsibility of the CBF manager in Geneva.

2.1.2 Designing the ICB plan in Macedonian Red Cross

The development of the ICB plan was informed and guided by an extensive consultation process covering most Macedonian Red Cross stakeholders over a three-month period during 2007. The process included the following:

- The formation of a working commission which met 15 times during the period and comprised staff from national office and branches, a branch president, a youth representative and a representative from a Macedonian Red Cross advisory body;
- A consultation meeting for all Macedonian Red Cross branch secretaries;
- Three workshops for branch presidents and secretaries;
- Two dedicated sessions for the national executive board;

- External partner consultations at branch and national levels;
- A three-day workshop to finalize the plans that was attended by governance, management, representatives from branches, staff and external consultants.

The process adopted by the Macedonian Red Cross to develop priorities for the ICB was impressively participatory and thorough, involving most major stakeholders and drawing on independent reviews and opinion. To support the process, independent public research into the perceived reputation of the Macedonian Red Cross was undertaken using CBF funding. This is a strong example of a National Society using the ICB planning funding as intended to support ICB process design. The process was also a key contributor to the strong engagement in the ICB from branches.

2.1.3 Overview of the plan

The overall goal chosen for the ICB was:

“Improved material-technical, organizational and human resource capacities of the National Society for efficiently coping with the challenges of the vulnerable population of the Republic of Macedonia.”

A consistent thread appearing through early ICB planning documents is the aspiration of using the process to have a major impact on the size and scale of the Macedonian Red Cross. The notions of ‘scaling up’, ‘coverage’, ‘growing’ and ‘expanding’ are regularly referred to as key objectives. There is a clear duality in the goals of the National Society in both enhancing its size as well as in improving its quality.

The three core areas identified for improvement by the Macedonian Red Cross through its consultation process were:

1. Building efficient information-management systems;
2. Management of volunteers and staff;
3. Mobilization of funds.

2.1.4 Implementation strategy and oversight

In addressing each of the three priority areas, a phased approach was used in the targeting of branches, focusing on 10-13 branches each year. The selection of branches to participate in each year’s implementation was based on a combination of willingness and preparedness. Training, funding and support were then concentrated on these selected branches. In subsequent implementation years, the branches that had already participated were engaged to support the next tranche of branches undertaking the process. By the completion of the implementation, all 34 branches were reached.

The National Society combined funding from the ICB with its own resources (derived from the membership fee development fund outlined earlier). This afforded it the capacity to reach further with each of the three core areas outlined in its implementation plans. Additionally, corporate and other public support was solicited to help with various elements of the implementation that further extended the reach of the ICB.

The implementation was steered by an ICB project group comprising key governance and management personnel from national office and branches. The group took responsibility for organizing key steps and events as well as overall monitoring and reporting. Internal evaluations were undertaken at various steps in the process, particularly at the end of each year in time to produce the annual report. Additionally,

evaluations were undertaken on all training courses, workshops and events. All activities within the ICB received approval from the secretary general and the national governing board. Regular updates and reporting were also provided to the board.

The next section outlines the progress in each of the three priority areas identified through the ICB.

2.2 ICB priority area 1: Building efficient information-management systems

2.2.1 National context

“The Government of Macedonia has assertively sought to transform the country into an inclusive information society and to move the Macedonian economy towards a modern, knowledge-based economy.”¹¹

According to the Statistical Office of the Republic of Macedonia, 58.1 per cent of households had broadband connections in 2012. Nationally, the internet is used most by pupils and students with 96.4 per cent reporting usage¹². Between 2002 and 2007, there were marked improvements in broadband development and coverage in Macedonia. Furthermore, mobile broadband subscriptions have grown significantly since the launch of competitive services in 2008, exceeding fixed broadband subscriptions for the first time in 2009¹³.

2.2.2 Goals

The primary objective of this priority was to establish an “electronic infrastructure and electronic connection between the Macedonian Red Cross national office and its branches”. The National Society identified the need for an enhanced IT system in order to:

- ensure greater connectivity between branches, and between branches and national office
- support analysis and evaluation of different units, branches and activities
- assist in more-efficient reporting including enhancing public promotion messages
- assist management in its monitoring and decisions regarding human resources and other strategies.

Improving efficiency was a key goal identified throughout the document, specifically “fast flow of information and automated processing of data”. The initiative also sought to build to overall national unity and functioning. It was proposed that, to achieve these goals, the Macedonian Red Cross would use ICB funding to build an internal web-based platform to facilitate communication and the sharing of documents and reports and a separate web-based tool to support data collection, automated reporting and workflow management. An external web site was proposed also to enhance public communications.

¹¹ *Strategies for the Promotion of Broadband Services and Infrastructure: A Case Study on TFYR Macedonia*, International Telecommunications Union, May 2012.

¹² http://www.stat.gov.mk/PrikaziSooopstenie_en.aspx?rbrtxt=77

¹³ *Strategies for the Promotion of Broadband Services and Infrastructure: A Case Study on TFYR Macedonia*.

2.2.3 Implementation, year one

The main focus in year one was to secure the hardware necessary for the improvement of the IT infrastructure (see Appendix 1), the development of software and staff training on the new systems.

A tender process was undertaken to provide the IT development services and a number of candidates were interviewed. Finally, a private company, Novkom, was selected to provide all hardware and software and to support implementation.

An audit of existing hardware needs was undertaken by Novkom, which conducted site assessments in all 34 branches. Novkom found considerable disparity amongst the branches, many with less-developed equipment, hardware and IT skills (some were using computers and hardware that would be incompatible with the proposed new systems) whilst others enjoyed more-developed IT hardware and competency.

The second major step taken during the first year was to develop software modules for blood donations, first aid, membership, financial operations/bookkeeping, stock-taking and human resources. The modules were developed with strong participation from branch and national office staff. Once the pilot modules were developed, two people from each branch were trained in how to use the modules.

In December 2008, the new national network was tested in the national office and five of the Skopje branches, and adjustments were made based on feedback.

2.2.4 Implementation, year two

The primary focus of year two was the design, development and launch of web sites. The national web site was developed in Macedonian, Albanian and English. Additionally, nine separate web sites were developed for branches using ICB funding, apparently to support branch-specific needs.

Building on the experience and feedback from year-one implementation, the software modules for first aid, blood donors and membership were updated. Updates included adding capacity for national blood drives, incorporating first aid training for drivers and in the workplace, and the addition of a volunteer database to the platform. The volunteer database enabled information management of volunteer registrations, personal details and voluntary activities. Also, guidance tools were developed and distributed to branches.

A new financial module was implemented, paid for with savings from the ICB made through the first year. Training was provided for an additional 70 branch representatives on the new IT developments and software modules/databases.

Macedonia Telecom agreed to provide free internet access for all branches for 12 months at a value of approximately 12,000 Swiss francs. Additional hardware items were procured for the development of the IT infrastructure (see Appendix 1).

2.2.5 Implementation, year three

Final procurement of hardware was made in this period. This included distribution of computers to branches which had hardware that was incompatible with the new information-management system. Refinements and updates were made to the various databases and internal platforms, building on feedback received from users. Three new platforms were designed and implemented based on this feedback.

The disaster-management platform was designed to provide data on emergency response teams, interventions, registration of resources, standard operating procedures, photographs, maps and other resources.

The training centre platform provided the capacity to store information on participants of training courses, training course outlines and the capacity to print certificates.

The office-management platform allowed for internal email and document sharing, and acted as an intranet on which to store Macedonian Red Cross templates, policies and other documents.

Seventy more branch participants were trained in the databases and platforms. Novkom conducted numerous field trips to branches to provide additional support to those who were experiencing difficulties with the tools.

Further developments were made to the web site including new trilingual pages providing updates on Macedonian Red Cross activities. Further support was provided to those branches who had established their own web sites.

Figure 3 The official website of the Macedonian Red Cross



2.2.6 Assessment of impact

Of the three priority areas, many Macedonian Red Cross stakeholders (including the secretary general) who were interviewed observed that the development of IT capacity in the National Society did not enjoy the same progress as did the others. This seemed largely a reflection based on the lower uptake of some of the new databases and platforms. This may be true but there was progress nonetheless and it is clear that the Macedonian Red Cross is taking the right steps to reach its goals.

An assessment of the effectiveness of this strategy should involve an understanding of:

- whether the new IT platforms were used nationally within the Macedonian Red Cross and to what extent these platforms improved work performance
- whether the new platforms improved access to reliable data and information
- whether the new platforms supported communications goals
- whether the platforms were economically efficient when compared to the results they delivered
- whether the IT solutions chosen overall were the best possible ones or whether other solutions may have delivered stronger results.

2.2.6.1 Conception

The National Society's focus on modernizing its information management and communication through IT development is appropriate at a time when the reach of IT infrastructure in the country is becoming pervasive and more reliable. This is particularly true in relation to young people who are an important target group for the Macedonian Red Cross.

2.2.6.2 Web site

The web site is professional and informative, containing information in Macedonian, Albanian and English. It contains easy one-click pathways to actions such as becoming a member or a volunteer. There is simple navigation and intuitive categorization. However, the web site contains animation that may make it challenging for slower internet speeds and some links on the site do not function well; in particular, branch pages are difficult to access.

A separate issue is that many branches seem to develop their own web sites and, while some of these may be linked from the main web site, this does reflect a lack of consistency to the public. It also acts as a barrier to those accessing branch web sites to being exposed to the broader National Society and Movement.

Furthermore, there is increased potential for brand and communication inconsistencies through the proliferation of independent web sites. It appears the independent web sites were developed to afford greater opportunity to branches to communicate directly to their stakeholders. However, this could have been achieved with the same efficacy hosted under a single domain and site with communications consistency.

The main concern with the web site is that the Macedonian Red Cross is not tracking visitor statistics or behaviours. The site is hosted externally and the company has, thus far, yet to provide this information to the National Society. As such, the National Society is unable to assess the web site's effectiveness, or to refine the site in line with visitor behaviour. This is particularly unfortunate as the web-site domain was promoted during major public fund-raising campaigns and other PR activities. Tracking visitor information is crucial to evaluating the success of PR strategies as well as other areas of interest.

The volunteer online registration process function provides some insight to the web site's utility. All branches visited reported receiving around 20 to 30 applications each over the past couple of years through this channel. Considering that branches generally operate with about 100 active volunteers each, this is a promising number of applications emerging from the web site and suggests that the public (in particular, young people) are using the site as a source of information and action.

Perhaps the most compelling aspect of the web-development project for evaluation purposes is that, while the web site was initially built and hosted with the support of ICB, the Macedonian Red Cross now sources all the resources needed to maintain it. This is achieved through a combination of the National Society's own funds, volunteer support and corporate in-kind donations. Use of temporary ICB funds to create a crucial tool for the Macedonian Red Cross' strategic goals of communicating, building reputation and soliciting support from the public and private sectors that can be maintained by the National Society over time is an example of good project design by the National Society, and good investment by IFRC.

2.2.6.3 Information management

This stream sought to build platforms and databases to support the Macedonian Red Cross performance. It included the following:

- Volunteer-management database: volunteer details, demographics, locations, and training and service history can be recorded
- First aid management database: all details of past and present participants in first aid courses can be recorded; also, first aid exams are supplied by the national office through the platform
- Blood donations: the customer relationship management (CRM) tool can record and track personal details of donors as well as their donation histories
- Internal email: a secure internal email service
- Programme/services reporting: a database to record basic statistics and progress on programmes.

Perhaps the best example of database use is the management of the blood donor programme. All blood donors are entered onto the database nationally; this is a requirement for receiving government funding. However, this database is used for much more than reporting and funding compliance. The Macedonian Red Cross is able to target specific blood types through the database and to conduct direct marketing when there are shortages of a particular blood type. Also, the National Society can monitor 'hero' donors who donate who can be presented with awards at certain milestones. The database is used to remind donors who haven't donated for some time to consider coming back.

In this instance, the database is used as a true CRM tool that brings considerable benefit to the National Society in the management of its work, and it is a live example of IT investment adding significant value to existing work processes. The accuracy of the information allows expedient macro-level reporting and monitoring of trends using a process that is far more simple and responsive than were previous methods.

The database also serves a strong function in first aid, keeping track of all participants nationally and contributing to quality management of the accreditation process. Unfortunately, it is not fully used as a CRM tool, largely because there is no legal requirement for participants to renew first aid qualifications and, therefore, there is little need to promote refresher courses. The database could, however, be used to promote other National Society initiatives such as fund-raising drives and volunteer recruitment; however, it did not appear to be fully used for these purposes.

While use of blood donation and first aid components of the database have financial incentives for branches, the Macedonian Red Cross has faced challenges in gaining consistent uptake of other aspects of the new platform from all branches. The volunteer management database has not enjoyed the same success. While all volunteers are ostensibly listed on the database, many branches – including very large ones – continue to use their own offline systems or other tools. Therefore, the database is

unlikely to be up to date and hence unlikely to add value to work processes across the National Society.

Figure 4 ICB flier for volunteer management



This may be because, for branches with fewer than 100 volunteers, it is likely that a new volunteer management database offers little advantage over existing ways of working. These branches often know all or most of their volunteers personally, negating some of the need for a more formal system. In these instances, it is likely that the database is more useful to the national office than to the branch itself; therefore, the motivation for engagement is reduced.

The National Society's management acknowledged that the database is not yet an adequate tool for volunteer management. While branches were consulted widely in the design of the volunteer management tool, backed up by training and reference materials, this does not appear to have resulted in full acceptance by branches. However, many large volunteer-based organizations face similar challenges in rolling out this type of tool, and many databases thrive only because of the financial or legal ramifications of non-compliance. For such a database to function effectively in a large organization requires considerable cultural shift and a clear utility in the tool for the people who use it.

The Macedonian Red Cross leadership believes that the under-developed IT infrastructure in the country may be one reason that the platform has not yet received the desired uptake. While this may present a minor challenge, internet and broadband coverage appears to be sufficient to ensure that this should not be a primary barrier to participation in the new system. Furthermore, it does not appear to have been a barrier for either the blood donation or first aid databases. Regardless, the company responsible for designing the database developed an offline mode to be rolled out in 2013 to allow branches to enter and retrieve information offline and then to synchronize at a later stage. This should rectify any previous concerns related to internet speed and access in the regions.

Similarly, two further functions of the site appeared not to be used to the extent hoped. The first is the programme database, which contains reports, resources and other documents relating to specific programmes. Centralizing this information was intended to promote consistency among branches and promote inter-branch learning. Interviews during the evaluation visit suggested, however, that this wasn't being used as extensively by branches as was desired, although there was some evidence of national office and Skopje-based staff using it.

It is likely that the reasons for this are similar to those for the underuse of the volunteer management tool – without financial or legal compulsion to use the tools, more time and greater impetus may be needed to achieve the cultural shift towards web-based tools in branches. A further review may be needed to ensure that the programme database is user-friendly and useful to branches.

Similarly, the internal email service available through the tool seems to be underutilized, with many people continuing to use their existing email services, including public ones such as Yahoo and Gmail. Regardless of the system's proposed benefits in terms of greater speed and security, in most cases, it appeared that a second email system was superfluous.

Data storage

The data stored within the system seemed appropriately managed, with daily and monthly back-ups within the building, off-site and within the cloud. Off-site storage was located 10km away from the office.

2.2.6.4 Investment in financial management software

A small part of ICB funding was used to purchase financial management software, which, despite its relatively low cost, appears to have led to improved performance and efficiency for the finance staff member, who reported that the tool has significantly reduced the time spent producing financial reports and tracking trends and progress.

2.3 ICB priority area 2: Management of volunteers and staff

2.3.1 National context

A 2011 study found that just 7 per cent of Macedonians reported volunteering (125th of 148 countries surveyed, significantly below the global average of 18 per cent)¹⁴. Slightly more men than women volunteered (9 and 6 per cent, respectively). The highest participation rate was among young people (aged 15–24) where 15 per cent volunteered their time with a CSO. The lowest participation rate was among those over the age of 50 with only 5 per cent indicating that they had volunteered. Additionally, one research study reported that as many as three-quarters of CSOs in Macedonia were volunteer-based organizations, though the majority had very small numbers (fewer than 20 volunteers)¹⁵. Thus the sector in Macedonia would appear to be highly competitive.

While the Macedonian Red Cross is the largest volunteer organization in Macedonia, it does face a growing challenge from emerging CSOs who, often funded by foreign donors, offer small payments to their volunteers. In the current challenging economic climate, this is an attractive proposition for many volunteers. Macedonian Red Cross staff frequently indicated during the evaluation visit that they had lost volunteers to CSOs who offered payments.

The older population (who, in many countries, make up a significant number of National Society volunteers) do not seem to participate in significant numbers in

¹⁴ <https://www.cafonline.org/PDF/WorldGivingIndex2012WEB.pdf>

¹⁵ <http://www.vita.it/europe/guides/macedonia-mobilizing-citizens-and-domestic-resources-to-support-civil-society.html?cnt=91473>

volunteering with formal organizations in Macedonia. Whilst there is clearly a tradition of volunteering within communities, this demographic is often not associated with CSOs.

Despite these challenges, aspects of the external environment are becoming increasingly favourable. In 2007, the Macedonian Government amended several volunteering-related laws. The Macedonian Red Cross played an important consultative role in some of these legislative amendments. Among other changes, the Law on Volunteering ended the practice of taxing volunteer expense reimbursements, allowed for retention of unemployment benefits while volunteering, and made provisions for the protection of private information, the right to work in a safe environment and for volunteers to be briefed on their rights, duties and obligations. The law also prescribed that volunteers should receive training for their roles¹⁶.

Furthermore, many young people in Macedonia view volunteering favourably. Participation rates are growing amongst this demographic and will continue to improve in coming years. As people in this demographic age, they are expected to have a positive impact on the volunteer participation rates of older populations.

2.3.2 Goals

The largest portion of the ICB funding (40 per cent) was used to develop these initiatives. The primary objective was to increase the number of active volunteers in order to enhance the Macedonian Red Cross' capacity to respond to the needs of vulnerable people. Specifically, the National Society aimed to recruit and sustain 1,000 new active volunteers, an approximate 30 per cent increase on baseline numbers.

In addition, the Macedonian Red Cross identified that there was a need to strengthen existing volunteer-management practices and to enhance staff management in order to promote stronger volunteering. Recruitment and retention of volunteers were particularly identified as issues for development. Appropriately, given the national trend towards youth participation in volunteering, the Macedonian Red Cross specifically identified young people as a key target group.

The strategy proposed to achieve these goals included:

- delivering training for volunteer and staff management for branches
- developing policies, manuals and other tools to assist in raising minimum standards and promoting consistent practice (including the volunteer database described above)
- seed-funding projects that trialled volunteer management techniques (micro-projects)
- supporting the opening of new clubs or grass-roots units for volunteers.

A secondary objective of this initiative was to create broader awareness of the Red Cross and to enhance collaboration and engagement with a more diverse range of stakeholders.

The micro-projects were central to this strategy. They provided funding of between 1,000 and 1,500 Swiss francs to branches to support community projects that were designed and implemented by volunteers, with a particular focus on engaging young people in the process. These micro-projects used a participatory community development approach and thus were an opportunity for branch staff and volunteers to practise this methodology, but also to develop a more entrepreneurial culture of

¹⁶ Volume 2, Issue 1: The Legal Framework for Volunteerism: Ten Years After International Year of Volunteers 2001
<http://www.icnl.org/research/trends/trends2-1.html>

identifying and responding to local needs through stronger links with community members, local business, government and media.

Micro-project implemented in Macedonian Red Cross branch

Participatory Community Development (PCD) training was conducted in Debar branch with young people. Amongst the group were four girls aged 15 years old who were particularly motivated by the opportunity. They identified an elderly Roma woman in the community who was raising children on her own and living in poverty.

After meeting with the woman, they decided to launch a project to build a new house. They initiated a public campaign in the community seeking financial and other support. The result was overwhelming. Offers of support came from all over the community: some made financial contributions others donated raw materials or labour. The girls even managed to meet with the mayor and convince him to provide the permits required for demolishing and building a new house free of charge.

Once the house was built, the girls continued their campaign and were able to secure donations of furniture and clothes for the children. The project inspired and mobilized a whole community to the support of someone less fortunate. The initiative also helped the branch and the young people to understand the process of mobilizing local resources to address vulnerability and they have since implemented numerous other projects.

2.3.3 Implementation: year one

Year-one activities focused on the development and translation of core documents, training and the roll-out of the micro-project strategy. The following documents were developed or translated from IFRC resources into Macedonian and Albanian:

- Manual for Volunteering Training
- Volunteering Policy – Implementation Guide (translated from IFRC)
- Voluntary Service – Volunteer Management Cycle (adapted from IFRC)
- Macedonian Red Cross Volunteering Strategy 2008–2012 – developed by National Society staff
- Macedonian Red Cross Volunteering Policy (adapted from the IFRC Policy and endorsed by the Macedonian Red Cross governing board).

A volunteer management training workshop was held for 13 branches to introduce the micro-project strategy. The training focused on participatory community development principles, particularly the youth programme *Red Cross in Action – Promotion of Human Values*. It also developed the skills and knowledge of participants to recruit and manage volunteers in order to improve engagement and retention. Importantly, both staff and volunteers were recipients of the training.

One unexpected outcome of the workshop was that participants identified the need for a national network of branches and other internal stakeholders within the National Society to provide support on micro-project implementation and general volunteer management strategies. This came to be called the Interest Network on Volunteer Management.

An important task identified by the first meeting of the Interest Network was to establish a volunteer code of ethics, which was drafted during the year. A simple flyer was produced covering some of the basics of volunteer management and explaining the Interest Network to other branches. During the first year, three meetings were

held and seven micro-projects were launched among the initial 13 branches who attended the training.

Finally, an external management consulting company carried out training for all levels in staff management. This covered areas such as communication, delegation, teamwork and effective management. The consulting company also undertook a process of standardizing national office job descriptions, which were endorsed by the governing board.

2.3.4 Implementation: year two

The second year repeated the training and micro-project initiatives of year one in 12 additional branches. Seed funding was provided to 15 branches (including seven from the first year) to implement micro-projects. Branch secretaries from the 12 year-two branches also took part in the staff management training developed during year one.

The Interest Network on Volunteer Management continued to evolve in year two. The first and second-year branches met on four occasions to share experiences, learning and innovation. In particular, the group shared learning from the community development micro-projects, and branch exchanges and other cooperation mechanisms were established.

Another output from the Interest Network was the design and standardization of two key documents – a volunteer registration form and a branch volunteer activity monitoring form. Both forms were subsequently integrated into the new volunteer management database and platform.

2.3.5 Implementation: year three

The trainings were rolled out to the remaining ten branches and 13 micro-project activities were funded and implemented in this final year.

The Interest Network on Volunteer Management continued to grow. Five one-day meetings were held, with more than 35 participants at each meeting, representing all branches. During this period, the group developed a policy for the recruitment and retention of volunteers which was later endorsed by the governing board and adopted nationally.

An additional activity organized during the period was a national youth camp with more than 60 representatives attending from 30 branches. The camp was largely funded by Macedonian Red Cross resources, with a small component funded by the ICB. The camp sought to strengthen youth participation and to develop stronger youth engagement strategies in volunteering.

2.3.6 Assessment of impact

An analysis of the success of work in this area requires investigation into:

- whether volunteer numbers increased and whether volunteer retention improved
- the quality of Macedonian Red Cross local services, particularly those developed and delivered through volunteers
- volunteer management practices that may have led to improved volunteer retention
- youth engagement in volunteering.

Volunteer numbers

In the ICB application, the Macedonian Red Cross listed its number of active volunteers as 3,605. The total number of volunteers now registered as active with the Macedonian Red Cross is approximately the same, around 3,600. However, during the evaluation visit, the National Society indicated that the number on the application form was misapplied and that this number of 3,600 actually represented total volunteers. The Macedonian Red Cross divides its volunteers into three categories: active volunteers contributing more than ten hours' service per year; trained volunteers who have undergone some sort of training and may or may not be currently active; and the total, i.e., the overall number of registered volunteers including those who conduct fewer than ten hours of service per year (some of whom may contribute no service in a particular year).

Volunteer numbers are not provided in the National Society's annual reports nor are they regularly provided in the ICB narrative reports. They are outlined in the 'Assessment and Analysis of the Operations in Macedonian Red Cross branches' document, which traces steady growth across all categories of volunteer in the Macedonian Red Cross.

Year	Total Volunteers	Active Volunteers	Trained Volunteers
2008	3,600	2,862	2,862
2009	6,067	2,761	8,236
2010	6,617	3,044	5,826
2011	7,199	3,437	5,709
% growth from 2008 to 2011	100%	20%	99%

Whilst there has been substantial growth among 'trained' and 'total' volunteers, the most important category in terms of service delivery capacity are 'active' volunteers. Although a growth of 575 active volunteers does not seem too significant, it does represent a 20 per cent increase, which has improved the National Society's capacity to reach vulnerable people. The 20 per cent increase falls slightly short of the Macedonian Red Cross' goal of increasing by 30 per cent; however, it should be remembered that this increase alone is larger than that of the majority of volunteer bases of other CSOs in Macedonia.

During this period, 354 of the 575 new volunteers (61 per cent) were youth volunteers. This figure is disproportionate to the overall youth composition of Macedonian Red Cross volunteers, which stood at around 40 per cent. The inordinate growth of youth volunteers is due, in large part, to the strategy of targeting young people through the *Red Cross in Action – Promotion of Human Values* programme with support from the ICB.

It should be noted that, even though overall numbers increased, there were declines in some important Macedonian Red Cross volunteer indicators. First aid volunteers decreased, perhaps reflecting an overall decline in market share that the Macedonian Red Cross was experiencing (see Section 2.4.5). The number of grass-roots units declined also during the period from 874 to 750, which may, in part, be explained by an increase in project-based funding that required different structures for volunteering, but it was also suggested that the challenging economic climate resulted in some grass-roots unit closures, particularly those located in businesses. Nonetheless, it had been anticipated also that the micro-project strategy would positively influence the number of these units, which, clearly, it didn't.

At the same time, it is worth mentioning that the 20 per cent increase in volunteer numbers took place alongside a 300 per cent increase in international funding to the Macedonian Red Cross during the same period (see section 2.4). It is plausible to suggest that the foreign-funded projects attracted new volunteers through providing activities and enhanced outreach to vulnerable groups. Furthermore, funded projects often have training components that can be of particular value to young people looking for competitive advantage in a struggling economic climate, potentially being a factor in the disproportionate rise in the number of young volunteers during this period.

However, interviews with branch managers, staff and volunteers suggested that the strategies implemented with ICB support, including public campaigns, a stronger impetus to reach out to broader sectors of the community, the support to strengthen volunteer management practices, and seed funding to support new volunteer-driven initiatives had a clear impact on volunteer numbers.

Training

As highlighted, the participatory community development training was a key strategy for strengthening volunteering in the Macedonian Red Cross. Evaluation forms from the training sessions indicated that participants developed their skills in volunteer management including recruitment and retention. Even two or three years after the training courses were held, they were widely reported to have had a significant impact on standardizing practice and in “bringing some of the branches up to the levels of the others”. The training helped introduce branch members to project management, volunteer management and community development skills; for some, this was their first formalized exposure to such practices. Others, who had had some prior experience with these approaches, still reported that the training had lifted their practice and helped establish common standards.

“I learned how to identify the needs of students and other volunteers and how to respond to the needs.”

(Branch youth coordinator)

Micro-projects

The participatory community development approach represented a significant departure from previous practices for some branches. In many, volunteers had previously been recruited as labour for services that had already been designed. There was often little volunteer involvement in the development of programmes and initiatives and even less support for volunteers to work with communities to source the requisite funds and other support for new initiatives. Although good examples of community development approaches already existed in some branches, volunteering in the National Society could be classified broadly as service delivery only; volunteers were largely understood as tools or instruments for delivering programmes when funding allowed, providing an inexpensive extension to the workforce rather than as active members of their own communities who were capable of driving their own development.

Not surprisingly, in such a diverse National Society, this new approach met with varied success. Some branches thrived with the approach, whilst others didn't. Feedback seemed to suggest that those that struggled perhaps did not have the necessary skills to manage such participatory approaches and needed more support to

acquire the competencies. Indeed, there were some micro-projects that appeared to be very basic in design and would have been unlikely to achieve much more than some temporary promotion of the Macedonian Red Cross to communities, without any real forethought as to how this would be sustained and enhanced.

Other branches had perhaps not fully adapted to the National Society's new vision and change agenda and were thus not readily prepared to adopt the new approaches. There is evidence, however, that in a significant number of branches the goals of this approach were achieved to some extent.

A number of the micro-project reports provide examples of genuine community conceived and implemented projects addressing localized needs, without commenting on the long-term impact to the branch or community in the project. However, interviews conducted directly with staff and volunteers from eight branches exploring the range of results from this initiative suggested the following common outcomes, at least as far as those branches were concerned:



Promotion of volunteering: Berovo Red Cross branch

1. **Youth engagement:** All branches interviewed testified to the project increasing the number of young people engaged with the branch and in projects to support vulnerabilities that they had themselves identified and designed. The engagement manifested itself on two levels – the numbers of young people drawn into the projects as participants, and those who engaged deeply with the project and went on to volunteer further with the branch and, in some cases, took up leadership and staff positions.

“All three of the young people who were driving the micro-project in my branch went on to become key figures in the branch; one of them became branch secretary, one became a board member and the other took up the job of youth coordinator.”

(Branch youth volunteer)

“We had some children, I guess you could say, participating in the project; now they have grown up and are volunteers in the branch and (are) running their own projects.”

(Branch secretary)

2. Community outreach and partnerships: In almost all cases, there were clear examples of wider engagement with the community. This ranged from local businesses providing in-kind donations, local government providing funding or other support and broader community members contributing to or supporting the projects. Indeed, it was a hallmark of the projects that many of them seemed to be successful in casting a wide net into the community and mobilizing humanitarian support. The upshot of this was that it often served to enhance the Red Cross reputation in the community and to forge links that sometimes lasted beyond the life of the project.

3. Impact in communities: When considering impact, it must be remembered that these were typically small projects with little funding, often they were designed primarily by young people. Unsurprisingly, in the main, the projects themselves did not lead to significant and lasting community-level change. Some achieved outcomes that largely served to promote the National Society rather than deliver community-level results, whilst others achieved some measure of education or health promotion that, although useful, were one-off events and would have been unlikely to lead to long-term change.

Nonetheless, there were numerous examples of projects that delivered worthwhile outcomes. Examples included: efforts to promote community cohesion and, in particular, to attempt to unite disparate ethnic groups living in isolation from each other; projects that developed ongoing minor initiatives to support the development of young people; and projects that usefully addressed broader community needs, such as violence and sexually transmittable infections.

In some cases, these projects were sustained beyond the funding and matured into deeper ongoing services.

“We developed a project to help bring youth from different ethnic groups together; this was our first time working on such a thing. Now, four years later, it is still running and the local councils are funding it. Connections that we established during the project have now continued on into other projects.”

(Branch volunteer)

People-centred approaches to development that promote participation and sustainability – such as the ones outlined above – operate from a well-established evidence base in terms of their capacity to drive meaningful long-term development within communities. There is little disagreement in the development community of their value and worth and, in that sense, we can assume that the Macedonian Red Cross has been successful in both deepening the quality of its volunteer engagement and at least beginning to strengthen the contributions that volunteers make in addressing needs in their communities.

4. Impact on branch development: The true impact of these initiatives, however, did not rest so much in the direct outcomes of the projects; rather, it was in the

learning of skills in community development and project management and the process of galvanising communities into the service of vulnerable people. This was a purposeful outcome of the initiative and was reinforced by management both through the ICB period and beyond.

The level of activity in the branches interviewed almost unanimously increased during this period, in some instances significantly, doubling the size of previous efforts. It was not uncommon for a host of new initiatives to be launched.

“We were able to get a lot more things happening and it seemed everyone was participating; we had students soliciting donations of goods for families in isolated villages, teachers developing English classes for unemployed young people, and local businesses donating bedding and furniture to Roma families.”

(Branch secretary)

While not all projects continued after the funding ceased, amongst the branches interviewed, it was clear that they had continued to use strong participatory approaches to their work and had a number of volunteer-designed-and-delivered initiatives. Even in those branches that were delivering some foreign-funded projects as well, there were attempts to build participation and inclusion into programming. There were sufficient indications that many of the branches had developed through the process and were continuing to advance.

- 5. Sustainability:** There is little evidence in the ICB reporting relating to the longer-term sustainability of the projects or the initiative in general. The interviews conducted during the field visit, however, did highlight some of these outcomes.

In virtually all cases, volunteers and staff were able to point directly to results that had been sustained. In some instances, the projects helped to initiate relationships with the business or government sector that matured into longer-term relationships and continued on into other endeavours and initiatives. Likewise, relationships with the NGO/CSO sector in branch districts often seemed to improve through these initiatives and led to ongoing cooperation.

Other micro-projects led to the establishment of youth groups or grass-roots units that continued beyond the initial projects. In many of these instances, the groups would attract new members and design and implement new initiatives. Some of these youth clubs went on to formalize their structures, setting policies and standards aligned with the National Society, and continue to function as grass-roots units today. Despite overall grass-roots unit numbers declining, a number of new units opened during this period that operated in many instances with a quality to their engagement that wasn't previously present, even when the Macedonian Red Cross had larger overall unit numbers.

“After we ran our first project, we wanted to do more so we helped a group of young people to set up their own club, which they did. We also came up with some other ideas for projects such as one trying to help the old people in our town. We applied for money from elsewhere and sometimes we were successful. The (ICB-funded) programme gave us experience in these things and now we are a thriving club and have done eight different projects.”

(branch volunteer)

Perhaps the most significant impact in terms of sustainability was the development and proliferation of the participatory community development approach. At each branch that was interviewed, staff and volunteers reported that they had continued to implement the participatory community development model and that many of these initiatives continued through to the present. The funding for the micro-projects gave an opportunity to trial these methods and to learn from the experience. Learning was enhanced through the Interest Network on Volunteer Management. The methodology of the approach was actually more important than any direct programme results.

Micro-project implemented in Prilep branch “I Volunteer, Join Me”

The Prilep branch implemented a number of micro-projects during the ICB process. One of the key goals of these projects for the branch was to strengthen links with the business sector in the community. Throughout the projects, ten companies became involved providing a variety of support including some small funding, volunteering and in-kind donations.

An important outcome of these initiatives is that some of the local businesses have now become permanent supporters of the Red Cross in Prilep; three of them, in fact, provide ongoing funding support.

Two of the businesses have gone on to form grass-roots units in their organisations. Members of staff are now formal members of the Red Cross and regularly participate as blood donors and provide other assistance as needed with various projects. One business regularly provides volunteer support to the branch and another recently provided in-kind goods to help a Macedonian Red Cross project.

The branch manager identifies the ICB process as critical in supporting these outcomes. The Resource Mobilization and Participatory Community Development training helped her to develop skills and confidence, and to generate ideas that helped her advance these initiatives. She also highlighted that the whole ICB initiative encouraged her to focus her energies on strengthening community links. With the increased support of these businesses, the branch has been able to conduct further projects in its community and to extend its reach to groups with whom it was not previously engaging.

Volunteer retention

A key hypothesis for the Macedonian Red Cross is that community development and participatory approaches would extend the volunteer life cycle, reducing some of the turnover rate. There is an evidence base to support this assertion in the literature relating to volunteer management¹⁷; however, there was little formal evidence available for the ICB evaluation. Anecdotally, there was some reporting from branches that many of the volunteers who participated in the *Red Cross in Action – Promotion of Human Values* programme went on to volunteer in other projects and initiatives; however, there is no formal tracking of the length of volunteer participation in the Macedonian Red Cross and no baseline prior to the intervention with which to compare it. Thus, it is hard to say with authority that these strategies increased the length of volunteer engagement with the Macedonian Red Cross.

To the contrary, many stakeholders continued to complain that volunteer turnover remained a pressing concern citing reasons such as: the prevalence of other volunteer agencies that paid volunteers; socio-economic factors such as low employment; high mobility of young people which disrupted their volunteering; and the commonplace challenge of young people dropping off once they leave school or university.

¹⁷ See Hopkins (2010), Walters and Borettee (2007), Jordan (2009) and Hong et al. (2009).

Interest Network on Volunteer Management

One of the most useful, unintended consequences of the ICB-funded activities was the Interest Network on Volunteer Management. The emergence of this forum was driven by branches and served to accelerate learning and provide peer support for the new initiatives. The idea of a peer support network was extremely well received by branches and most engaged vigorously with it.

The group members regularly shared their experiences, ideas and challenges, and provided support and guidance to each other, including visits within the network to support this shared learning. The network helped to promote healthy competition while increasing collaboration between branches. This collaboration, according to testimony from members, also contributed to the overall unity of the National Society.

In addition, the Interest Network delivered practical tools and policy advancements that contributed to the overall standardization and improvements of practice such as national codes of conduct, volunteer registration forms and volunteer management frameworks. Perhaps, because these tools were identified and designed by branches, their uptake appears to have had more success. The network has continued to this day, albeit with less funding and, therefore, fewer opportunities to meet face to face; this has led, apparently, to a reduction in activity.

2.4 ICB priority area 3: Mobilization of funds

2.4.1 National context

Public donations

Although research conducted around the time of the ICB application revealed that there was a culture of giving in Macedonia (76 per cent supported the idea of individual giving and 70 per cent reported actually donating to support community needs), there was not a strong culture of the public donating to CSOs – 53 per cent of donations were given to individuals, while only 7 per cent of those that had already donated gave their donations to CSOs¹⁸.

This may reflect a lack of confidence in the sector; this is a theory backed anecdotally by many Macedonian Red Cross stakeholders. There was a concern that many CSOs came and went, opening and closing depending on funding and that this confused the public or, at the very least, contributed to its distrust of the sector.

The same research, however, also revealed that 76 per cent of individuals surveyed had never been asked for a donation by a CSO and that a further 49 per cent reported that they would be prepared to make donations to CSOs. The researchers suggest that part of the problem at least was that CSOs did not have public fund-raising strategies. A common concern among Macedonian CSOs is the lack of return on investment in such strategies. For many, the cost per dollar raised is far too high, at times exceeding expected yields, in particular when compared to the process of applying for money from international donors:

“The reaction of one NGO that was not so successful (only 525 US dollars raised out of a Silent Auction they organized) was: ‘if we spend a month in project proposal development, then we will have

¹⁸ <http://www.cira.org.mk/index.php/en/philanthropy-and-csr-program/philanthropy-and-csr-in-macedonia>

raised 70,000 US dollars, and that for us organizing (a) local fund-raising event is simply wasting (sic) of time¹⁹.

It is apparent, however, that, in the seven or eight years since this study was completed, the environment has changed significantly with numerous CSOs – including the Macedonian Red Cross – adopting public fund-raising strategies.

Government funding

The Macedonian Government allocates between 3.5 and 5.1 million euro (data from 2004–2009) on a yearly basis to non-profit organizations, including trade unions, religious communities and political parties; this comprises 0.20–0.30 per cent of the overall budget. In addition to funding from budget and line ministries, approximately 1.2 million euro is allocated yearly from lottery proceeds to prescribed organizations, which include the Macedonian Red Cross²⁰.

The main priorities of government funding are currently: (1) economic development, competition, increasing employment and increasing the life standard and quality of life; (2) NATO and EU integration; (3) the fight against crime and corruption; (4) inter-ethnic relations; and (5) education.

Corporate social responsibility (CSR)

The CSR sector in Macedonia has begun to emerge only over the past decade but the importance of the concept has been embraced by the Government and others. In 2008, Macedonia became the third country in the EU, after Denmark and Lithuania, to adopt a national CSR agenda, partially as a strategy to promote EU accession and foreign investment²¹. The Government has also formed a body to oversee CSR initiatives in Macedonia.

CSR in Macedonia is seen to have weak market incentives and so there has been strong government engagement with the issue, including the development of legal frameworks and tools. The Government recently received funding from the European Commission to promote and mainstream CSR in Macedonia. The project has been relatively successful with a comprehensive approach that includes various ministries, business organizations, labour unions, NGOs, academia and the media. Macedonia has become a recognized leader in the region regarding CSR and this looks set to grow further.

However, national reality suggests that companies are currently preoccupied with surviving. A baseline study on CSR in Macedonia conducted in 2007 found that the unreliability of the legal and judicial institutions was one of the main factors that affect businesses' confidence and readiness to fulfil social and environmental responsibilities²².

Nonetheless, there is cause for optimism as the government-led analysis of the CSR agenda identified that a history of social engagement and support from businesses to society made Macedonia a fertile ground for developing CSR.

¹⁹ *Local NGOs and Local Philanthropy – A natural match or... not quite?* Zoran Stojkovski, 2 March 2012.

²⁰ *“Public Funding for Civil Society Organizations – Good Practices in the European Union and the Western Balkans”*, European Center for Not-for-Profit Law, 2011.

²¹ *“CSR in Macedonia: Country Report”*, Jelena Stamenkova Van Rump, Social Science Research Network http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1774805

²² *Petkovski, Vladimir and Nikolov, Aleksandar, “Baseline study on Corporate Social Responsibility in FYR Macedonia”, UNDP, 2007 (Baseline Study, 2007) http://www.cbcsr.mk/Upload/Content/Documents/Baseline_Study_on_CSR_in_the_RM.pdf*

Foreign donors

Overall, foreign assistance to Macedonia has declined significantly over the past decade and is projected to continue to do so²³. Within this trend, however, EU assistance has almost doubled to more than 110,000,000 euro per year, although it is estimated that comparatively minor amounts of these funds are available to CSOs.

Global Fund support to Macedonia has increased significantly from 5 million US dollars in 2006 to 25 million US dollars in 2013, 74 per cent of which was for HIV initiatives²⁴. While, overall, foreign funds being given to Macedonia are declining, there are still significant opportunities for CSOs. Given the decline in international funding, domestic resource mobilization is, increasingly, an important competency for CSOs.

2.4.2 Goals

The Macedonian Red Cross identified that its funding base was too reliant on a small number of sources, set out in Table 1 below, but including income from vehicle registration, first aid, blood donations and, most significantly, foreign donors. ‘Own income’ sources, whilst representing a large overall slice of the funding, comprise many different income sources (including membership fees and commercial incomes and were thus not as much of a priority for risk alleviation as were the others.

- **Registration of vehicles:** The National Red Cross law stipulates that 1 per cent of the proceeds of all motor vehicle registrations in the country would be provided to the Macedonian Red Cross for general funding. This is reliable funding that can be used by the National Society to cover core costs or other unfunded priorities.
- **First aid:** The provision of first aid courses guarantees a relatively sizeable source of income for the National Society. While a substantial portion of this income is tied up in the delivery costs of the service, any surplus can be used at the discretion of the Macedonian Red Cross.
- **Blood donations:** The Macedonian Red Cross is remunerated by the Government for every unit of blood collected. Whilst much of this funding goes towards the ongoing costs of managing the blood-donation work, there is still some surplus that can be used to support other areas of work.
- **Foreign donors:** This is one of the largest single sources of funding that the Macedonian Red Cross receives. Whilst the amount is substantial, it is almost always tied to specific projects (with the exception of the ICB) and thus cannot be used to sustain many of the National Society’s core costs.

Table 1: Macedonian Red Cross national income budget – 2008
 (expressed in Macedonian denars)

	Own Income ²⁵	Local Budget	First Aid	Donations and Sponsorship ²⁶	MRC Projects ²⁷	Registration of Vehicles	Blood Donation/ Development Fund	TOTAL
2008	93,065,858.5	6,998,500.0	29,726,064.0	1,575,751.5	19,889,301.5	26,151,253.0	15,140,674.5	192,547,403.0

The overall goal was to diversify and enhance funding streams to strengthen Macedonian Red Cross capacity at all levels to meet the needs of vulnerable communities. A secondary goal was to use public promotion activities to encourage interest in

²³ <http://www.tradingeconomics.com/macedonia/net-official-development-assistance-and-official-aid-received-us-dollar-wb-data.html>

²⁴ <http://portfolio.theglobalfund.org/en/Country/Index/MKD>

volunteering for the National Society. While public surveys conducted on behalf of the Macedonian Red Cross revealed that public perceptions of the National Society were positive overall and there was potential for domestic fund-raising, particularly in the corporate sector, they also identified a need to enhance staff capacity in financial resource mobilization. The top priorities identified were the following:

- Developing a national Fund Mobilization strategy that could be implemented locally
- Conducting market research on corporates and developing a strategy to enhance corporate engagement
- Developing and implementing a public fund-raising campaign
- Organizing training workshops for Macedonian Red Cross staff and management on fund mobilization.

2.4.3 Implementation: year one

The primary focus in year one was on researching corporate fund-raising and the development of a strategy to strengthen work in this area. The research was extremely thorough, engaging 151 companies (37 small, 71 medium and 43 large). It sought to understand current initiatives, interest in developing new initiatives (specifically with the Macedonian Red Cross) and motivations to participate in CSR.

Building on the evidence obtained through the survey, a strategy for mobilizing corporate sector support was developed for 2008–2010 with support from a consultant from Norwegian Red Cross. The results of the survey and the new strategy were promoted at a public presentation and panel discussion attended by 16 representatives of the Macedonian corporate sector.



Corporate support: Cosmofon 2009

²⁵ Own Income' refers to sources such as membership fees, investment returns, commercial enterprises, etc.

²⁶ This line tends to be funds derived from domestic resource mobilisation initiatives such as public campaigns and corporate fund-raising.

²⁷ "Macedonian Red Cross Projects" refers to project funding secured from both domestic and foreign sources.

A training workshop on resource mobilization was delivered to the first 13 branches in the ICB phasing. This was based largely on the IFRC Resource Development handbook. A session on corporate fund-raising was delivered by one of Macedonian Red Cross' corporate partners, Cosmofon. The results of the corporate survey were disseminated at the workshop as was the Macedonian Red Cross strategy for corporate support.

2.4.4 Implementation: year two

The main activity during year two was a major public campaign promoting Macedonian Red Cross' work. The campaign, whilst nationally focused, was implemented primarily through the 25 branches who had taken part in the ICB. Almost 30,000 flyers and more than 2,000 posters were printed and distributed in both Macedonian and Albanian languages. A TV spot was produced nationally, with support from both TV and production companies ensuring that the campaign was delivered in both Macedonian and Albanian and aired for free across a number of local and national stations. The campaign, entitled 'Enter into the world of humanity', was officially launched at a media event.

Before the campaign launch, the IFRC Resource Development handbook was translated into Macedonian and Albanian and representatives from the national office and 25 branches were trained in the strategy and activities to support the campaign. To coincide with the campaign launch, door-to-door fund-raising activities were organized, as were numerous public events, workshops and promotional activities at local level.

The aims of the campaign were to develop more awareness about the work of the Macedonian Red Cross, encourage financial donations and engage more volunteers. The campaign ran for one month and a workshop for National Society personnel was held at the end of the campaign to evaluate its success.

The final main activity for year two was the development of a new strategy for corporate partnerships, for 2010 to 2015, based on the experience of the previous two years and the outcomes of successful engagement with the Economic Chambers of Commerce, the body responsible for CSR promotion in Macedonia.

The three regional Economic Chambers of Commerce have amongst their responsibilities the development of CSR in Macedonia. As representatives for over 15,000 businesses, they are a key ally for the Macedonian Red Cross in its efforts to partner with the corporate sector on humanitarian initiatives. The chambers have provided supported the National Society through opening doors in the business sector as well as promoting its initiatives to key audiences. The Macedonian Red Cross leveraged its existing relationships with the Government and the corporate sector to establish this partnership and has now signed a formal memorandum of understanding (MoU) with each of the Chambers.

2.4.5 Implementation: year three

Another major public campaign was organized with the aims of boosting public awareness of the Macedonian Red Cross, volunteer interest and donations. The campaign was in line with the IFRC 'Find the Volunteer Inside You' campaign. The IFRC resources were adapted to fit the national context and translated into Macedonian and Albanian; the TV spot included. Almost 15,000 flyers, posters and other

promotional materials were printed and distributed. The campaign ran over seven months: launching on 8 May 2011 and culminating on International Volunteer Day on 5 December 2011. The campaign was accompanied by branch-level activities including:

- events such as parades and sports, literary and photography competitions;
- a musical called *Red White*;
- local media releases and activity;
- education and awareness sessions;
- a postage stamp issued by the Macedonian Post Office.

In addition to the campaign, resource mobilization training was provided to the remaining ten branches.

An MoU was signed with the three Economic Chambers of Commerce toward the promotion and development of CSR. The MoU was launched at a public event attended by high-level dignitaries and representatives from the Government, civil society and diplomatic missions. The MoU articulates a commitment to develop joint initiatives in the promotion of CSR.



Signed MoU with the 3 economic chambers in Macedonia in 2010.

The new Macedonian Red Cross Corporate Resource Mobilization Strategy was endorsed by the National Society's governing board and promoted at the Skopje Trade Fair in collaboration with the main Economic Chambers of Commerce. In addition, a number of corporate partnerships were developed during the period.

A number of additional fund-raising campaigns were organized, including for International Hunger Day, which raised awareness about hunger and solicited food and financial donations. Public and corporate donations were also sought for emergency responses in Haiti, Albania, Japan and Serbia.

A third partnership meeting was held during this period, the most successful to date in terms of the wide attendance of partners. It was attended by representatives of the IFRC, ICRC, National Societies, representatives of UN agencies, Macedonian Government representatives and numerous corporate partners.

2.4.6 Resource mobilization

The success of the Macedonian Red Cross Resource Mobilization Strategy must be assessed in view of the following objectives:

- Improved public awareness and positive perception of the work of the Macedonian Red Cross
- An increase in funding from the general public including an assessment of the cost effectiveness of public fund-raising strategies
- An increase in support from the corporate sector
- Overall reduced reliance on a limited number of funding streams.

A secondary goal includes the effect these strategies had on volunteer numbers.

Public fund-raising

A lack of tracking and access to reliable data in most instances has hampered the assessment of the financial effectiveness of the public fund-raising campaigns. ICB reports outline the key outputs in great detail but there is little information on their effectiveness. Neither the reports nor the interviews conducted during the evaluation visits were able to shed light on actual amounts of funding raised through the campaign held in the second year. Most reports indicate that it was “modest” or “not particularly successful”.

Additionally, there was little rigorous analysis of the cost of delivering these campaigns, including additional staff time required to support large mobilizations. Financial reports indicate that approximately 15,000 Swiss francs from the ICB were committed to supporting the campaigns (production of posters, flyers and other collateral). Furthermore, in-kind corporate donations (such as the translation of the TV advertisement to Albanian by the production company) supported the delivery of the campaign, though estimations of the value of these supports are patchy. A cost-benefit analysis of the campaigns is, therefore, impossible.

From a financial perspective, it appears that considerable time and investment was committed to an activity from which there was little yield, particularly when the hidden costs (such as collateral staff time) are calculated. This is consistent with the experience of other CSOs/NGOs in Macedonia: that domestic public fund-raising ends up costing almost as much as it delivers.

However, public fund-raising requires a long-term view and often experiences modest or even negative gains initially. Time is needed to refine communication strategies, targeting of likely donors, price points and implementation strategies. These can take a few years to sharpen and require patience and commitment from decision-makers within the organization. Experience has shown that, if well-conceived and implemented, these strategies will achieve stronger yields in successive years. These lessons may well be pertinent for the Macedonian Red Cross and, in coming years, there may be increases that are substantial enough to start to justify the investments and efforts. Already, during the evaluation visit, it appeared that the Macedonian Red Cross had continued its public fund-raising efforts and was beginning to see more encouraging results.

Unfortunately, there is little data available to assess increased public awareness of the Macedonian Red Cross other than anecdotal reporting. No tracking of web-site access and visitor behaviour or volunteer enquiries was undertaken, nor was there any public surveying to complement the excellent baselines undertaken prior to the campaign.

Two of the branches interviewed reported that they felt the campaigns raised the profile of the Macedonian Red Cross and that they did experience a positive impact on volunteer enquiries. Since volunteering numbers did, in fact, climb overall across the National Society in this period, it perhaps can be assumed that the campaign did contribute to this, although there is no evidence to prove or disprove this.

There was better reporting for the campaigns held in the third year but there were still significant gaps in information that would have been useful to reliably analyse the efforts, both for the National Society and for the purposes of this evaluation. Aside from the 'Find the Volunteer Inside You' initiative (which ran for most of the year and for which there is little data), there were a number of more targeted appeals for which there is some reporting that helps in understanding their impact.

The 'Hunger Day' campaign, for instance, raised 609,759 denar (approximately 12,200 Swiss francs). Approximately one-third of these donations (4,000 Swiss francs) came from the corporate sector. Significant in-kind donations were also received from the Government, schools and corporates.

The appeals for the many disasters that occurred around 2010 and 2011 also achieved some levels of success: 2,100,000 denar (42,000 Swiss francs) was raised for the Haiti earthquake; 484,000 denar (9,680 Swiss francs) was raised for Albanian floods; 692,000 denar (13,840 Swiss francs) for the Serbian earthquake; and 805,446 denar (16,110 Swiss francs) for the Japan earthquake and tsunami.

Thus, through targeted campaigns or direct appeals, the Macedonian Red Cross was able to raise more than 94,000 Swiss francs in just over one year, which is an impressive amount in context. It is typically easier for such appeals, particularly for high-profile disasters, to achieve good returns than it is for general campaigns aimed at funding a National Society's everyday work. Nonetheless, the results indicate that the Macedonian Red Cross is trusted and can mobilize funding support domestically when needed, and these results do provide some cause for optimism.

Even if most senior Macedonian Red Cross personnel felt that the general campaigns met with only minor success, there is considerable value in trying to strengthen the National Society's domestic profile and support base and reducing reliance on foreign support. Even in an extremely challenging context, this can be expected to improve only over time with consistent effort.

Corporate Social Responsibility (CSR)

The National Society has been somewhat of a CSR leader amongst CSOs in Macedonia. While the Macedonian Red Cross had little to no engagement with the sector before 2006, this has rapidly developed and ICB played an important support role in this.

Corporate relationships are often not profitable in the early days and mutually beneficial relationships can sometimes take years to develop, particularly in a context where CSR is not well known. The Macedonian Red Cross, however, has continued engagement with the sector and worked slowly but surely to build trust and develop creative joint initiatives. The Macedonian Red Cross CSR portfolio is now relatively mature and proclaims itself to be the leading corporate partner in the country. The facts and details tend to support this claim:

- While, in 2006, there was virtually no engagement with corporates, in 2012, the Macedonian Red Cross conducted 35 projects with corporate partners and, in 2013, this had already grown to 60 projects.

- Almost 50 per cent of the National Society's current projects nationally now receive some sort of support from the corporate sector; in particular, the in-kind support from businesses has grown exponentially.
- The National Society has a flagship partner in EVN (an Austrian electricity company), which has signed a three-year partnership agreement with the Macedonian Red Cross.
- A number of companies now participate in blood-donor programmes.
- In 2011, the Macedonian Red Cross won an accolade at the National CSR awards for philanthropic practices. The National Society is regularly nominated for these awards.
- In 2013, the Macedonian Red Cross national office raised 50,000 Swiss francs in direct financial contributions, and in-kind support of more than 25,000 Swiss francs was secured by national office and the City of Skopje branch alone.

It was clear that efforts to promote corporate engagement with Macedonian Red Cross branches have succeeded to some extent. Most branches reported making renewed contacts – or, in some cases, first contacts – with local businesses and were receiving some support from them, in the form of minor in-kind support or financial donations and, in fewer cases, staff members were provided as volunteer support. While exact figures were not available, there was an overall positive feedback from management at branch and national levels about improved engagement of branches with their local business environments.

The benefits of the corporate engagement strategy have gone far beyond the purely financial – at national and Skopje levels, they have helped link the Macedonian Red Cross to major stakeholders engaged in business and overall development of the country, including the Economic Chambers of Commerce. They have helped raise the esteem and profile of the organization among the public and created relationships that can be activated in times of emergencies (as evidenced by the donations received for international emergencies during 2010 and 2011).

In-kind support in particular seems to have improved for the Macedonian Red Cross as a result of the strategy. It is challenging to draw reliable estimates of this support as it is not quantified consistently across the National Society; however, there are many examples of minor and, at times, significant in-kind contributions from the corporate sector, including provision of free air time during publicity campaigns and free internet hosting, and one-off donations of building materials and vehicles.

It is evident that progress across most indicators relating to CSR has been achieved. This progress is remarkable in the context of a nascent CSR sector with weak market-based incentives but is even more remarkable considering that, prior to the intervention, the Macedonian Red Cross received almost no support from the sector. Also, the Macedonian Red Cross has undoubtedly profited from a first-mover advantage compared to other Macedonian CSOs.

The overwhelming majority of stakeholders interviewed during the evaluation visit identified that the training, resources and the overall renewed focus on engaging the business sector articulated and enacted through the ICB plan, provided a compelling impetus and confidence to engage or re-engage with the sector.

Whilst this progress is admirable, corporate fund-raising has yet to become the major contributor that would significantly alleviate the National Society's reliance on other funding sources. Even in its strongest year of results in 2013, where 50,000 Swiss francs was raised in direct donations, this amount still represented less than

2 per cent of total National Society income, piling in comparison to the amount (32 per cent) gleaned from foreign donors.

Encouragingly, there is still considerable room for growth in this sector. While corporate engagement is unlikely to ever become a major source of funding for the National Society, the CSR sector in Macedonia is growing and the Macedonian Red Cross is at the forefront. There is room to deepen existing relationships as well as develop newer ones. Both in-kind and financial support can be expected to continue to grow if the Macedonian Red Cross stays on course with its strategy. There is also the largely untapped pool of corporate volunteers who may add to its human resource base and so the National Society may capitalize on a demographic which does not engage currently in volunteering in Macedonia.

Among the success factors in this strategy have been: the commitment of the leadership to engage the corporate sector; operating in a context where the CSR agenda has started to emerge and has received strong encouragement from the Government and EU; the concurrent drive of National Society leadership towards transparency, openness and building a reliable public reputation; and the overall positioning of the Macedonian Red Cross as a truly national organization with strong links to the community through its branches and volunteers.

The portion of ICB funding contributed to this priority area was relatively low. Direct costs were close to 30,000 Swiss francs, mostly for training and resource manual production that had purposes for fund-raising efforts in general. Obviously, considerably more was invested in the overall strategy, particularly when staff and management time are factored in. Whilst these costs weren't quantified, it remains a fair assessment that the ICB investment has yielded benefits well beyond its costs and has contributed to laying foundations for further growth into the future. Indeed, the amount raised from corporates in direct funding in the first half of 2013 alone (50,000 Swiss francs) totals more than the costs incurred through the ICB for CSR efforts.

Partnering with the corporate sector – EVN and Macedonian Red Cross

EVN is the largest corporation in Macedonia and the main supplier of electricity to the country. It is an Austrian company, which has developed a relationship with the Macedonian Red Cross over the past six years. EVN speaks highly of the partnership, which allows it to be closer to communities and to express its ideas and corporate values. EVN Macedonia is supported in developing its CSR approach by its HQ in Austria and a full-time CSR specialist based in Vienna. Projects developed through the partnership have targeted highly marginalized communities such as the Roma and homeless people.

EVN heralds the Macedonian Red Cross as a strong partner because of its transparency and openness (in particular with how funding is spent) and communication efforts and reporting that keep the company well informed during all stages of projects. The Macedonian Red Cross does go to some length to publicly promote the partnership; however, EVN expressed some frustration at the lack of willingness of the media to support these efforts in Macedonia.

For the Macedonian Red Cross, the partnership brings a reliable and additional source of support to meet the needs of highly vulnerable communities. The partnership also opens doors to other relationships and has matured to the point where the two can work collaboratively and creatively to develop initiatives that support the needs of Macedonian communities.

The relationship is built on trust and mutual benefit and is set to continue for many years to come. The next key step for EVN and the Macedonian Red Cross is to explore how they can develop corporate volunteering as a component of the relationship.

Foreign donors

The largest single growth area in funding has come from the Macedonian Red Cross projects stream which trebled from 2008 to 2011 (from almost 20 million to 60 million denars). This growth is almost entirely made up of foreign donor funding.

The Macedonian Red Cross has a wide range of Movement partners supporting its work; however, noteworthy among these is the presence of non-Movement donors. The National Society has made a focused attempt to engage additional donors and has demonstrated some measure of success. Their number and diversity helps protect the National Society from the shock of losing any one donor. During the evaluation visit, the Macedonian Red Cross announced plans to target other sources and to attempt to deepen its engagement with existing donors. In particular, the National Society has been attempting to develop capacity to attract EU sources of funding which, as highlighted earlier in this section, have increased significantly over the past five years.

Whilst it was clear that increasing the composition of foreign donors was not a focus of the ICB strategy, the National Society's success in attracting more donors has, in part, been due to changes implemented with the support of ICB. It is a fair assessment to make that its capacity to attract foreign donors and, in particular, non-Movement foreign donors is enhanced by its organizational strength, relationship with highly vulnerable communities, transparency and public reputation, impressive service portfolio, and national reach and volunteer base.

These developments have been due, in large part, to the transformative process of organizational enhancement over the past decade, in which ICB has played a contributory role. This success breeds further success – the Macedonian Red Cross has built a strong organization that enables it to address many important needs in its country; this, in turn, positions it to attract further funding as its reputation grows as an organization that is trustworthy, with strong links to vulnerable communities and reliable capacity to deliver.

Challenges with existing funding streams and increased foreign funding

As Table 2 shows, in spite of the increase in corporate fund-raising, the Macedonian Red Cross was largely not successful in diversifying its funding during this period. In fact, its reliance on international donors increased significantly.²⁸

Table 2: National Society income report 2008–2011

	Own Income	Local Budget	First Aid	Donations and Sponsorship	MRC Projects	Registration of Vehicles	Blood Donation/Development Fund	TOTAL
2008	93,065,858	6,998,500	29,726,064	1,575,751	19,889,301	26,151,253	15,140,674	192,547,403
2009	65,077,984	7,274,530	20,832,052	3,299,393	45,515,041	32,263,146	11,143,261	185,405,407
2010	52,982,701	9,795,820	20,573,370	6,377,425	51,625,197	37,239,222	13,884,426	192,478,162
2011	58,277,421	8,186,552	18,578,573	4,277,767	59,028,527	27,039,165	8,455,009	183,843,014
TOTAL	269,403,965	32,255,402	89,710,059	15,530,336	176,058,066	122,692,786	48,623,370	754,273,986

All numbers expressed in Macedonian denars (exchange rate with the Swiss franc is approximately 50 denars to 1 Swiss franc²⁸)

The National Society's concerns about over-reliance on four key funding streams were prophetic as, during the ICB period, significant losses were experienced across

²⁸ Drawn from <http://www.xe.com/currencyconverter/convert/?Amount=1&From=CHF&To=MKD> on 25 June 2013.

three of these streams – blood donations, first aid and vehicle registration. To compound these issues, significant losses were experienced across ‘own income’ sources; though this was, in part, due to delayed or unpaid membership fees, it also involved a decline in income from a major commercial venture and the hotel and training centre, along with unexpected poor performances from premises rentals in rural areas. Whilst these numbers have risen in the years since the completion of the ICB, they do further illustrate the fragility of funding sources and the pressing need for diversification.

The 1 per cent levy on the registration of vehicles was initially calculated on the income received from both the technical registration and the mandatory third-party insurance levy. This was changed around 2010, however, and now the Macedonian Red Cross receives only 1 per cent of the technical registration, which is the lower of the two amounts. This change has begun to affect the Macedonian Red Cross really only post-2011 because of irregular payments of previous liabilities.

Blood-donation payments were also reduced from 3.00 euro to 1.50 euro per unit. Consequently, despite an overall increase in the number of blood donors, the total income received from this stream has plummeted to almost 50 per cent of those amounts that were being raised in 2008. This income is now mostly tied up in covering operating costs of blood-donation centres, leaving insignificant amounts for redistribution. The Macedonian Red Cross has made efforts to reverse the decline of these sources through advocacy with the Government to increase the vehicle registration amount and the per-unit funding for blood donations but, to date, these efforts have not been successful.

First-aid training also has experienced reduced profitability due largely to the increased competitiveness of the sector. The Macedonian Red Cross share of the market has significantly reduced since 2008 and is thus no longer a significant contributor to revenue. In 2011, funding from this stream was 37.5 per cent lower than it was in 2008. In particular, the Macedonian Red Cross has lost significant market share with businesses and the corporate sector in Macedonia training more than 2,100 company employees in 2009 while this number was only slightly more than 800 in 2011. The National Society has attempted to win back some of the corporate market share through its broader corporate engagement strategy; however, it is hampered by a prevalence of low-cost, low-quality competitors who price the Macedonian Red Cross out of the market.

These losses have been almost exclusively offset by the increase of international funding to the Macedonian Red Cross, which, in 2011, made up about 33 per cent of the National Society’s total income, up from about 10 per cent in 2008.

The international funding has enabled the Macedonian Red Cross to extend service capacity for the most vulnerable people in the country including injecting drug users, sex workers, Roma communities and refugees. In some locations, this has been the first engagement with these communities and has allowed the Macedonian Red Cross to open up dialogues, strengthen relationships and build a platform to engage in additional and, at times, deeper development programming. Some foreign funding has supported the Macedonian Red Cross to develop technical expertise across critical portfolio areas including with HIV and community development approaches; these activities have strengthened the National Society’s reputation as a service provider and extended its presence and reach within the country. The relationships and competencies that the Macedonian Red Cross has been able to develop, in part with the support of foreign funding, have positioned the organization to attract additional funding from both domestic and foreign sources.

The risk facing the Macedonian Red Cross is that an over-reliance on foreign funding can easily develop. Currently, however, foreign-donor funding seems to serve only to enhance and extend the capacity of the National Society to address the needs of vulnerable communities, rather than being the core source of funding that sustains its very existence. Were all foreign funding to be lost, the Macedonian Red Cross could maintain up to three-quarters of its operations.

A concern, however, is the rapid and substantial increase in the percentage of National Society costs covered through this type of funding. Should this trend continue, it risks rising to levels that will shift the National Society's funding base from a majority domestic one to a majority foreign one. This could affect the Macedonian Red Cross' grounding as a local and national organization, its services and development agenda, and its capacity to sustain core-level operations and services within volatile economic climates.

2.5 Wider change within the Macedonian Red Cross during the ICB period

Whilst many of the ICB goals were about growth and expansion and though volunteer numbers did increase, there were certain areas that experienced a decline:

- The number of members dropped significantly from 11,436 in 2009 to 7,837 in 2011.
- The number of grass-roots units fell from 874 to 750 over the period.
- Local first-aid teams declined in number from 270 in 2008 to 228 in 2011.

These decreases seem to contradict the overall picture of volunteer growth and expanded public awareness of the Macedonian Red Cross and, thus, seem unexpected



Quiz competition in RC Branch Bitola 2009.

and difficult to explain. There does not seem to be a clear analysis of why this has happened within the National Society. One possible explanation is that the increased capacity and resource at branch level has centralized more activities at this level, and that activities which before might have led to formation of grass-roots units are now identified as being part of branch activities.

Another might be that the increase of donor-funded projects at branch level has reduced branch management capacity to support grass-roots units. It is possible that the declining economic climate may have also had an impact, particularly with grass-roots units and memberships.

It should be noted that overall numbers of branches did not increase during this period; however, this was a purposeful strategy. Management wanted to focus on 'doing what it did well', developing new organizational competencies and not over-reaching geographically within an insecure funding environment. With all of the dramatic change processes being implemented nationally, it may have been an inopportune time to schedule the establishment of new branches. By all accounts, these decisions appear to have been wise.

Overall change strategy – ICB role

As highlighted, most of the strategies implemented during the ICB project were planned for and designed within a broader change agenda; likewise, they were all, in part, funded from the National Society's own sources. However, ICB funding allowed the Macedonian Red Cross to cement the change agenda and to put concrete plans in place. It provided funding to kick-start the initiatives and seed the early implementation of them, and afforded an opportunity for trial and error.

The initiatives also seemed to have had an effect on: facilitating an overall cultural shift in the organization; guiding branches to an overall change strategy; helping to build increased national unity, including promoting and enabling cooperation between branches; developing improved attitudes to volunteering and community participation; and encouraging a focus on mobilizing local resources.

In the case of the micro-projects and their associated capacity building efforts at community development, the ICB funding gave an opportunity to move the entire network of branches to a new approach. While it hasn't yet succeeded in every branch, many experienced clear success. Branch members reflected during interviews that the ICB funding enabled the start-up of activities, observing that this was the most difficult element. In some instances, with low volunteer numbers, low community engagement, low technical expertise and a relatively low community profile, it was challenging to implement new initiatives without this support. Thus, branches were able to gather and maintain momentum that would have been much more difficult if they had had to start from scratch without support.

3. Conclusions and recommendations

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Where is the Macedonian Red Cross today?

- It is a strong, confident organization with a good reputation nationally and internationally.
- It has effective leadership with cohesion and clarity of vision: leadership is inclusive of branch stakeholders, consistent and focused on principles and quality services.
- It offers effective services: the Macedonian Red Cross is the primary CSO in Macedonia, engaged with multiple highly disadvantaged groups without being too diverse or unfocused.
- It is rooted in communities: it has good community links across all sectors, strong community participation in services and an appropriate national spread of branches.
- Compared to other organizations in Macedonia, the National Society is well ahead in terms of domestic fund-raising; at least two-thirds of its funding is derived domestically.
- It is attracting external investment, which is currently manageable and appropriately used; however, there is a need to monitor the balance between national and international funding.
- Not all branches are at same level or as engaged in the change process; however, the weight of change means resistant branches will eventually come on board.
- A second ICB is being planned with its own resources and support from other partners to continue the change process and the growth.

What has the contribution of ICB project been?

- It has helped the Macedonian Red Cross to accelerate in its direction of travel; in particular, it has enabled things to start or develop that may not have happened otherwise. ICB funding helped with the start-up of activities, which stakeholders confirmed was the most difficult element.
- There are new dimensions to the services offered. The Macedonian Red Cross has moved from reliance on traditional vertical programming towards more participatory community development within branches. At the same time, its project-based activities have strengthened and enabled deeper engagement with key communities.
- The unity of the National Society has increased, in particular through strong participatory design processes and the astute method of dispersing funding to branches to trial the new systems and approaches. More branches appear signed on to the new ways of working and, especially, more able to sustain themselves with local resources than appeared to be the case before the project.
- It has increased the size and – most importantly – the quality of the volunteer workforce. While these benefits were not uniformly experienced by all branches, many experienced significant progress and overall volunteer numbers increased impressively.
- It helped establish IT platforms that have delivered work efficiency and effectiveness outcomes to some key areas of business: specifically, first aid, membership

and blood donation.

- It helped establish a web site that has been maintained sustainably with the National Society's own resources beyond the ICB funding period.
- The issue of reliance on minimal sources of funding has not been solved but, during the project, opportunities have opened up and decent progress was made on new possibilities that can extend over five to ten years (CSR, public fund-raising).
- It has contributed to managing and mitigating the potentially dangerous decline of traditional sources of funding. The National Society's capacity to attract increased project funding has, in part, been due to the changes implemented during the ICB project, in addition to the broader change efforts made by the organization.
- From a financial perspective, it is estimated that the ICB contribution has already been paid back in the sense that corporate and public fund-raising efforts have increased since the start of the project in 2009, particularly when in-kind contributions are considered.

How well did ICB function as a National Society development tool?

From IFRC's point of view:

- The Macedonian Red Cross was an excellent candidate for the ICB. It had substantial preconditions in place including good leadership and vision, and an existing commitment to a change process that was already being implemented with the funds that the National Society had raised itself. The Macedonian Red Cross knew what it needed and the ICB helped to extend that further.
- The investment clearly had an impact on vulnerable people; the quality, reach and sustainability of services have improved across many areas. In particular, the work with ethnic minorities, youth, migrants, homeless people and those at high risk of HIV infection would likely not have extended as far as it has done without this change process
- The ICB contributed to making the National Society sustainable and a beacon in the region and beyond. The shift to diversifying funding, enhancing the skills of branches to source local support and funding, and expanded services capacity has further positioned the Macedonian Red Cross as a preferred recipient for funds from many donors, making it less reliant on Movement solidarity funding.
- There has been solid institutional learning around volunteer management, IT implementation and resource mobilization: in particular, with regard to CSR that learning will be useful to other National Societies. The Macedonian Red Cross representatives would make worthy mentors for other National Societies.

Limitations of the process

- Technical support on some of the key strategies might have led to better results, particularly for IT, the web site and overall communications management, and for resource mobilization specifically in public fund-raising strategies.
- There was some confusion evident over the exit stages of the ICB process. The Macedonian Red Cross was seemingly not aware of the need to build an exit strategy into existing funds, nor of the lack of additional funding opportunities through the ICB after the original funding had concluded.
- The National Society identified that the project was inhibited in some areas by insufficient funding and that more money could have produced greater effects; however, it is also possible that the plans may have been too ambitious for the

prescribed level of funding. All three areas, whilst enjoying some measures of success, fell short in some expectations. Despite the fact that the Macedonian Red Cross contributed additional funding (and other support) to the initiative, the project was ambitious and placed inside of an even more ambitious change agenda.

- The Macedonian Red Cross provided feedback that some additional support after the ICB would have helped it to transition more smoothly and to more effectively develop follow-up plans.
- The Macedonian Red Cross has suggested that, as it has achieved a measure of success, it is now perceived as a stronger National Society and does not receive the same measure of support from IFRC. It proposes that additional investment would help it to make further advancements towards being an even-stronger National Society.

Key learning from Macedonian Red Cross ICB project

There were a number of factors that contributed to the success of the Macedonian Red Cross ICB project that are of relevance for other National Societies managing change and those seeking to support them:

1. Cohesion between leadership

This cohesion was identified as a major success factor in achieving the organizational changes and goals. This was particularly evident in managing resistance to change, thanks to a board that, for the most part, was supportive of senior management and was a contributory architect of the change process.

The change process was significant enough to result in disagreement and resistance from some quarters of the organization. The overall solidarity between board and management helped to ensure that the National Society's strategy maintained momentum and overcame resistance.

2. Involvement of all stakeholders in change planning

A coordinated focus was placed on all internal stakeholders in determining and planning for change within the National Society. In particular, clear efforts were made towards the engagement of branches: a purposeful strategy to promote unity within the National Society.

There are obviously some exceptions to this; however, overall unity appears to have improved through the change process and there are indications that this trend continues to develop.

3. ICB goals fitted within a clearly articulated change agenda

The ICB strategies were developed to be consistent with the broader organizational change agenda. The ICB project reinforced and accelerated an existing direction of travel – it did not require different or conflicting approaches. The change agenda has been well articulated through communication resources including comprehensive strategic plans. The messages and priorities are supported and promoted by senior management and governance at national and branch levels.

4. A focus on services: “what we do”

The National Society rightly identified that ‘what we do’ is its single most defining characteristic. The Macedonian Red Cross has consistently invested in the development of service competency and capacity as the driver for change. Furthermore its work stretches across most of the country's main vulnerable groups, many of whom

have multiple intersecting features of disadvantage and, therefore, present highly complex cases for support. Though Macedonian Red Cross services still have some way to go before they address the needs of these groups holistically, or are addressing some of the root causes of these issues, they are certainly on that path.

5. Strong external relationships

The Macedonian Red Cross is extremely well connected to the external environment. It has very strong government relationships, to the extent that one Minister interviewed during the evaluation visit referred to the relationship as institutionally strong and independent of particular political persuasion.

The National Society is a leader in its country in corporate engagement and, each year, is broadening its already impressive line of partners in the corporate and business sector. The Macedonian Red Cross has extensive relationships with other CSOs/NGOs and is actively engaged in the joint delivery of projects with other partners.

Perhaps most impressive, though, is the fact that the Macedonian Red Cross is so well connected to its communities. The National Society has a comparatively strong volunteer base and has demonstrated its ability to mobilize communities in support of vulnerable people. The fact that the Macedonian Red Cross is able to encourage community donations, even if at modest levels, is powerful evidence of its position in a country with a less-developed tradition of formal charitable giving.

6. Funding strategy

The National Society's funding strategy provides solid foundations for its operations. There is an impressive and diverse array of supporters domestically, protecting the Macedonian Red Cross from the risk of over-reliance on one funding source, including international donors. The National Society has meaningfully engaged all sectors including the general public, the Government and the private sector, and appears to be constantly developing new strategies to deepen and extend these opportunities. While it is not yet achieving the success to which it aspires, the National Society's progress is evident and continues to develop.

7. Focus on transparency and accountability

The Macedonian Red Cross has taken a serious approach to accountability and transparency, ensuring that appropriate internal systems are established to monitor and report on funding, and its impressive commitment to open and transparent public reporting has helped to build trust in the organization. The National Society's strong public standing drives donations and other support that would be unlikely to be manifest if it did not have such a strong commitment to transparency.

8. Need for non-project funding for National Society development

The National Society has been able to resource its own development through its own funding to a certain extent. However, these efforts needed the higher level of investment that the ICB offered, as much of this work could not have been funded through existing resources. There was need for untied money which the Macedonian Red Cross could spend in significant amounts to create momentum for change and to commence implementation. The results of the ICB would not have been possible relying solely on funds mobilized from existing internal resources. ICB afforded the Macedonian Red Cross the opportunity to take milestone steps that could be sustained and further advanced within its own resources.

9. Role of learning in organizational change

Learning and peer support (and competition) between branches were important aspects of the change process, which was not just about experts from national office

or beyond. The Interest Network on Volunteer Management was a critical forum that helped branches learn from each other and provide support to each other, and helped facilitate a culture of unity. Branches that had participated in earlier years of the ICB supported those undertaking the process in the latter years. Furthermore, the group self-identified key policies, documents and other national level initiatives that needed to be in place and then collaboratively set about designing and implementing them. These initiatives are still widely in use in large part because they were owner-driven.

10. Balancing need for centralization and decentralization

Change has focused on both branch and national levels. The Macedonian Red Cross managed that balance well, ensuring the centralization of some functions without eroding the local level dynamism and freedom to innovate. This is a precarious balance that is constantly evolving. The Macedonian Red Cross appears to be handling this well, with enough centralization to ensure enhanced efficiency, consistency and quality (particularly with business functions), whilst still maintaining strong local connections and flexibility.

Recommendations to the Macedonian Red Cross

Volunteering development

The Macedonian Red Cross must continue its focus on ensuring meaningful roles for volunteers that meet their needs of participation. It is possible these deeper roles will need to be complemented by more fluid methods of engagement that afford quick entry to participation and allow people to engage and disengage with ease. It is likely that retention problems with volunteers, though they can be mitigated with enhanced volunteer management practices, will persist as they reflect broader trends in society. The Macedonian Red Cross will need to include in its suite some volunteer models that allow for this.

To this end, the Macedonian Red Cross would benefit from anonymous volunteer surveying or a review to gain a deeper understanding of its volunteers and their motivations, in order to promote retention. In particular, anonymous surveying of those that leave the organization may offer insight into some of the issues.

Overall organizational culture seems to favour volunteers in Macedonia; this should remain a priority. Research suggests that the quality of staff/volunteer relationships is one of the strongest predictors of retention. The Macedonian Red Cross should continue to undertake initiatives that promote an overall staff culture of valuing volunteers.

The National Society is already strongly engaged with the Government on promoting volunteerism and this should continue. Advocacy for stronger recognition of volunteerism more broadly should be a focus, including both legislative and socio-cultural approaches. It is possible that a study highlighting the economic or social values of volunteering in the Macedonian context may help to raise awareness and enhance its profile. The development of a national umbrella body for volunteerism may provide another useful tool or platform for further advocacy.

Investigation into the reasons why the number of grass-roots units appears to be shrinking should be undertaken also and renewed efforts made to develop these important community structures.

A targeted strategy for branches that did not develop well during the ICB should be undertaken, perhaps using other branches as mentors. The Interest Network on

Volunteer Management should continue as an important platform for peer learning and programme development and the Macedonian Red Cross should consider what funding levels are appropriate to maximize its impact.

Resource mobilization

The progress with the corporate sector is admirable but needs continued vigour. The Macedonian Red Cross should build its suite of signature partnerships, such as the one with EVN, that go beyond mere funding or in-kind donation support and, instead, develop into mature relationships that meet the needs of both parties, operate over the long term and bring multifaceted efforts to address a specific area of community need.

Public fund-raising efforts should continue but perhaps be streamlined into coherent and regular (annual) fund-raising drives. Low-cost opportunities should be explored also, particularly those that make use of technology. The Macedonian Red Cross may likely benefit from some mentoring from public fund-raising experts who can provide in-depth guidance over a longer period of time.

Attention needs to be paid to the share of foreign funding coming into the Macedonian Red Cross to ensure that it does not tip the scales and become the majority source. Current levels seem appropriate and, in particular, the diversity of donors gives the National Society some protection from over-reliance.

IT

Web-site data need to be obtained from the hosting company regularly, and should particularly be used to provide insight into public campaign drives. Also, the data could be paired with occasional surveying to better understand visitor behaviour and needs from the site, as well as overall public reputation. The Macedonian Red Cross should consider migrating all branch web sites into a consistent, solitary domain and site.

There is a need for focus on the uptake of the volunteer management tool. This will require understanding of why many branches are not migrating to the new system and how the tool can better meet their everyday needs.

Broader change

The idea of launching a second ICB with funds from the National Society's own sources should be pursued with the same consultative approach of the first. Ongoing efforts are required to attract further branches to the new ways of working and the overall change process.

The organizational focus on services should retain its centrality. Increased effort should be made to look at the multiple intersections of disadvantage for the most vulnerable individuals and communities in order to develop holistic strategies that not only address the present needs but also seek to prevent them from occurring within high-risk populations in the first place – moving from reactive to more proactive efforts to addressing disadvantage. To date, many of the community-based services have been simplistic or relief-type interventions. However, these are excellent starting points that give the National Society an opportunity to build competence and relationships with key groups, and from which it can develop more robust and sophisticated services.

Centralizing certain functions that contribute to increased efficiency and effectiveness is a useful endeavour and should continue, in particular across the support

services such as marketing, fund-raising, IT and human resources. This needs to be constantly monitored to ensure that it is not over-reaching; branches need to retain some degree of autonomy that allows them to operate effectively in their local contexts.

Recommendations to IFRC

- The expertise of the Macedonian Red Cross should be celebrated and promoted to other National Societies. The Macedonian Red Cross has made significant advancements within a challenging environment and could be an excellent peer mentor for others. A targeted peer support model could be promoted that aligns the Macedonian Red Cross with an appropriate National Society in need of support across the domains at which the Macedonian Red Cross has excelled. It would be worth developing this relationship over multiple years, with clear objectives, an adequate budget to support the relationship, other professional support mechanisms as required and engagement of multiple stakeholders across both National Societies. This could perhaps be a feature of future Capacity Building Fund support: that participation in the project contains an element of peer coaching as well.
- The level of ICB project funding needs to be reviewed. It may be worth considering different-sized grants for National Societies pursuing different ambitions in change, or for National Societies operating on different scales. Also, it may be worth reviewing the level of funding provided to support the planning and application process for the ICB as this seemed excessive in relation to the overall grant amount.
- Part of the scope of success of this ICB rested on the Macedonian Red Cross adding its own contributions to the initiative. This is a worthwhile practice and it may be worth considering in future Capacity Building Fund applications: that National Societies are required to demonstrate some measure of financial commitment to the process along with other commitments to organizational change and management.
- Stronger technical guidance or mentoring within ICB projects (including the design process) should be embedded, either from secretariat staff, other National Society staff, or external partners such as corporates or academics. Technical support should function throughout the life of the ICB (including, potentially, after the completion of ICB to support transition) and be resourced appropriately.
- There may be a need for improved communication about the ICB process, in particular about what occurs once the funding ends and how to manage expectations about additional funding or support.
- It is important to consider the value of developing specific transition support for National Societies completing their ICBs. The support should run for a period before funding and after its end and should involve more-concentrated technical guidance.

Appendix 1

Hardware Items purchased under Priority Area 1 with ICB Funds

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Year 1

- An Ethernet network installed in the HQ and 8 computers procured
- Construction of a server room in the ground floor of the Macedonia Red Cross HQ and the following hardware installed;
- Fujitsu Siemens Servers PY (RX200S3/X5110; RX100S4i/X3050; RX100S4a/X3070; RX100S4a/X3050)
- IBM NetBAY S2 42U Standard Rack Cabinet
- IBM UPS 7500XHV 7500KVA – Rack 7500 VA
- IBM DPI Universal Rack PDU (Europe) L22
- 1.8m 2.5A/250V CEE(7) (Europe) Line Cord
- NETDEFEND VPN Firewall 1600 Enterprise DFL 1600
- D-Link 24-Port 10/100/1000 Layer 2 Managed Gigabit Switch + 4 Port
- Combo 1000 Base T/SFP DGS 3100-24

Year 2

- Storage R3 AX4-5F Clarion AXC 2U Dual SP DPE FC W 1U PSP R3 AX4-5f)

Year 3

- Servers IBM Express x3650 M2
- CPU Xeon 4C E5520 80W 2.26GHZ/1066MHZ/8MB L3
- RAM 2x2GB HDD 2x146GB 2.5in HS SAS
- RAID SR MR 10i 0/1/5/6/10 Multi Burner 675W p/s Rack
- Windows Server 2008 R2 Standard
- 9 HP Compaq 500B MT computers
- An ID printer to enable professional printing of identity badges for volunteers, members, first aiders and staff.

The Fundamental Principles of the International Red Cross and Red Crescent Movement

Humanity The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

Impartiality It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

Neutrality In order to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

Independence The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

Voluntary service It is a voluntary relief movement not prompted in any manner by desire for gain.

Unity There can be only one Red Cross or Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

Universality The International Red Cross and Red Crescent Movement, in which all societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.

