

# ***Malawi Red Cross Society OCAC Findings Report***

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The International Federation of Red Cross and Red Crescent Societies (IFRC) is the world's largest volunteer-based humanitarian network, reaching 150 million people each year through our 187 member National Societies. Together, we act before, during and after disasters and health emergencies to meet the needs and improve the lives of vulnerable people. We do so with impartiality as to nationality, race, gender, religious beliefs, class and political opinions.

Guided by Strategy 2020 – our collective plan of action to tackle the major humanitarian and development challenges of this decade – we are committed to 'saving lives and changing minds'.

Our strength lies in our volunteer network, our community-based expertise and our independence and neutrality. We work to improve humanitarian standards, as partners in development and in response to disasters. We persuade decision-makers to act at all times in the interests of vulnerable people. The result: we enable healthy and safe communities, reduce vulnerabilities, strengthen resilience and foster a culture of peace around the world.

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## Introduction

The Organisational Capacity Assessment & Certification (OCAC) self-assessment exercise (OCAC phase 1) was conducted in Lilongwe on 23-25 July 2013.

Twenty (20) people have been selected by the Society to form an internal assessment team. They include the Secretary General, President, National Council members including Chairperson from branches, and key staff from the headquarters and districts to ensure wider representation of the group.

Each member of the assessment team conducted the exercise individually prior to the meeting, and was able to share his/her ratings. Participants were free in assessing the capacities and status of the Society and in expressing their opinion; they were invited by the leadership to critically identify areas for improvement. They engaged fully in the group exercise and the results of the assessment reflect the consensus obtained after a sustained debate.

## Context

Red Cross and Red Crescent Societies are essentially open organisations that interact constantly with their environment. They serve their home community in coordination with the legal authorities, get the support from partners and donors and work with staff and volunteers that are part of the community. While they are the direct representatives and part and parcel of an International Movement, the Red Cross and Red Crescent family, they are directly influenced by the history, working and living conditions in their country of origin. Any organisational assessment should therefore keep that history and all relevant environmental conditions in mind.

### *The Country*

Malawi is a landlocked country in southeast Africa. It is bordered by Zambia to the northwest, Tanzania to the northeast, and Mozambique on the east, south and west. The country is separated from Tanzania and Mozambique by Lake Malawi.

Malawi (previously called Nyasaland) became independent from British rule in July 1964. Malawi is over 118,000 km<sup>2</sup> with an estimated population of 14,900,000. Malawi's capital is Lilongwe, its commercial centre is Blantyre, the third largest city is Mzuzu. Malawi is divided into 28 districts within three regions (Northern, Central and Southern region). Malawi is a democratic, multi-party government. The current constitution was put into place in 1995.

Malawi is among the world's least-developed countries (170<sup>th</sup> out of 186 countries in the HDI ranking<sup>1</sup>), and more than half the population lives below the poverty line. The economy is heavily based on agriculture, as more than one-third of GDP and 90% of export revenues come from

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<sup>1</sup> Source: The 2013 Human Development Report, UNDP.

this; around 85% of the population live in rural areas. The main agricultural products of Malawi include tobacco, sugarcane, cotton, tea, corn, potatoes, sorghum, cattle and goats. The main industries are tobacco, tea and sugar processing, sawmill products, cement and consumer goods. As of 2009, Malawi exports an estimated US\$945 million in goods per year. The main destination locations for the country's exports are South Africa, Germany, Egypt, Zimbabwe, the United States, Russia and the Netherlands. Malawi currently imports an estimated US\$1.625 billion in goods per year, with the main commodities being food, petroleum products, consumer goods and transportation equipment. The main countries that Malawi imports from are South Africa, India, Zambia, Tanzania, the US and China.

Most Malawians rely on subsistence farming, but the food supply situation is precarious and the country is prone to natural disasters of both extremes - from drought to heavy rainfalls - putting it in constant need of thousands of tonnes of food aid every year.

In 2006, in response to disastrously low agricultural harvests, Malawi began a program of fertiliser subsidies that were designed to re-energize the land and boost crop production. It has been reported that this program is radically improving Malawi's agriculture, and causing Malawi to become a net exporter of food to nearby countries. Moves are under way to exploit uranium reserves to boost meager export earnings, and there are plans to explore Lake Malawi for oil and gas.

The Malawian government depends heavily on outside aid to meet development needs, although this need (and the aid offered) has decreased since 2000. The Malawian government faces challenges in building and expanding the economy, improving education, health care, environmental protection, and becoming financially independent.

There is a very high degree of risk for major infectious diseases in Malawi, including bacterial and protozoa diarrhoea, hepatitis A, typhoid fever, malaria, plague, schistosomiasis and rabies. The country has been making progress on decreasing child mortality and reducing the incidences of HIV/AIDS, malaria and other diseases. In 2005, approximately 14.3 per cent of the adult population ages 15 to 49 in Malawi was living with HIV/AIDS. With one of the highest adult prevalence rates in the world, the epidemic has exacerbated social problems as diverse as food security, human resource capacity and national defence. In Malawi, women are disproportionately affected by the epidemic.

The scope of the HIV/AIDS epidemic in Malawi presents many challenges to treatment. One of the greatest challenges is building the capacity of Malawi's health care system – especially in the rural areas – to cope with the enormous needs of the people. Other serious constraints include: the severe lack of trained health care professionals and para-professionals; limited access to health services, especially in rural areas and among the poor; an inefficient supply chain for drugs and other supplies; inadequate physical infrastructure; and limited laboratory capacity.

## ***The National Society***

### ***Background Information***

The Malawi Red Cross Society (MRCS) is a local humanitarian organisation which started its operations in 1932 as Nyasaland Branch of the British Red Cross. In 1966, the Malawi government passed Act 51 of Parliament establishing the MRCS as a voluntary society, allowing it the right to use the protected Red Cross emblem in conformity with Geneva Conventions. It became a member of the International Federation of the Red Cross in 1971. The work of the

MRCS is guided by a constitution which was last revised and adopted by the Council and the General Assembly in September 2007.

The Malawi Red Cross Society was originally established as a relief organisation. However, over the years, the Society has diversified and strengthened its programming portfolio to blend development aspects in its humanitarian interventions.

### ***Organisational structure***

MRCS has an organisational structure covering governance and management levels to support the implementation of its mandate. At governance level, the council is the highest body comprising of representatives/council members from 28 divisions, one in each of the 28 government administrative districts of the country. This body is responsible for policy direction. The National Executives Committee (NEC) is elected by the council to ensure that policies endorsed are implemented accordingly with the leadership of the president. Under the NEC, are division and sub-division committees that derive from a network of more than 30,000 volunteer members across the country.

At management level, the Secretary General is the Chief Executive Officer (CEO) who reports to the NEC. The functions of the secretariat are sub-divided into programmes and services. The programmes include disaster management, health and care and branch development. Services include finance, transport, human resources, information, logistics and PMER.

### ***Current context***

Malawi Red Cross Society (MRCS) is going through a serious financial crisis which arose from accumulation of debts over the past five years, mainly to finance its core costs. Some partners and key stakeholders, this year started to withhold vital resources, following concerns that some donor funds were being diverted to service part of the debts. This extremely challenging situation has severely affected the institutional development, partner confidence and scale of programming and service delivery of the Society to the vulnerable Malawians. The situation continues to threaten the viability and survival of the Society.

In its strategic recovery plan 2013-2014, MRCS has committed to continue working with its current partners<sup>2</sup>, open up for new partners and extends its volunteer base to a wider public spectrum.

## **The results**

Attached is the list of organisational capacities that were self-assessed using the OCAC self-assessment tool and of the results. The list shows the consensus that was obtained following extensive discussions.

Of the 90 attributes, 25 scored at A or lowest level, 30 at B level, 15 at C level, 10 at D level and 10 at E or highest level.

As this is a self-assessment exercise, these ratings reflect the opinion of the assessment group and not a judgement by the facilitators. Thus, out of the 90 benchmarks that were rated,

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<sup>2</sup> In July 2013, the self-assessment team reported that MRCS has ten international donors: USAID, UNHCR, IFRC, ICRC, Finnish RC, Danish RC, Netherlands RC, Swedish RC, Belgian RC, and Icelandic RC.

the Society immediately meets the benchmarks in 35 of them before any corrections for restrictions are done while it identified organisational deficits related to 55 other attributes. Looking at the individual results, there is a remarkable diversity in the answers given by the individual members of the assessment group on a large number of attributes. This diversity might reflect a limited internal communication especially between Headquarters, governance, and branches and illustrates the lack of a shared understanding or a shared vision on how the National Society functions as an organisation.

Looking more closely at the attributes that scored at the A or the B level (the “deficits”), it becomes evident that they can be clustered in a number of core issues. Our recommendations below are formulated along those clusters:

1. Volunteers
2. Resources mobilization
3. Internal communication
4. Risk management
5. Financial management
6. National Society foundation
7. Auxiliary role
8. Security and safety management
9. Staff management

The functioning of the Malawi Red Cross Society is strongly influenced by the internationally funded projects, which is reflected in the relations between management and governance, district project officers (staff) and district/branch chairs (volunteers), as well as in the way the NS organizes and reports on (internationally funded) projects. Members of the assessment team felt that the Malawi Red Cross Society was in need to redefine its identity, way of functioning, and its relations with local and international stakeholders.

However, the facilitators found that the MRCS recovery plan shows how the Society is well aware of the current situation and how it engaged in going through a transition phase. This report could contribute to exploring ways to tackle the main issues and moving forward improvements and growth.

In general, the facilitators encourage the MRCS leadership and all members, staff and volunteers to continue the reflections to identify the most appropriate ways to complement the recovery plan with the aim to streamline and ensure an effective use of available resources and relations, and to integrate and harmonize the two parallel structures (international project vs. branch/division structures).

## ***Conclusions/recommendations***

### **1. Volunteers**

Currently, the Malawi Red Cross Society distinguishes between volunteers involved in internationally funded projects and in branch activities. This creates two parallel volunteer structures. Their management reflects this distinction: the volunteers working on internationally-funded projects are managed by the HQ through district project officers (reporting to the HQ) who ensure the implementation and reporting, while the branch activities are organised by the

chairs of the branches, and not reported and consolidated at Headquarters level. The volunteers involved in the projects are not necessarily part of the branch volunteer base (and thus not registered in the branch), and do require financial incentives. Such a dual system in the National Society can create tensions among volunteers due to these double standards, and demotivate branch volunteers to support local activities. The NS should not be seen as a rich employer, but as a local volunteer-based organization that would benefit from public support.

The Malawi Red Cross Society should implement a unified system to harmonize the existing volunteers structures; if it needs specific support for which it cannot find qualified volunteers, the Malawi Red Cross Society should hire people as casual labourers. Such a system should allow for strengthening of branch volunteers, and further their profiling, recognition and empowerment, and allow the development of community activities that welcome the participation of volunteers from different backgrounds and level of education. The recently adopted Volunteer Policy could be reread in light of this recommendation, if necessary revised, and its implementation used as the starting point for the creation of such a unified volunteer system. This important policy should then be disseminated to all stakeholders, including all branches, staff and volunteers but also external partners to ensure an adequate implementation throughout the country. This policy should also support the setup of a simple volunteer/membership database, and ultimately improve volunteer recruitment and retention.

The Society has realized this disparity, and developed an approach to tackle this issue in one or two branches (out of 32); the Malawi Red Cross Society is strongly encouraged to pilot such an approach and replicate it in other branches if successful.

## **2. Resource Mobilisation**

Currently, the Malawi Red Cross Society estimates that most of its revenues (about 85%) come from about ten international donors, which cover for all supported projects income as well as for part of the core costs of the Society. Mainly due to this international presence, the Malawian public (government and population) sees the Red Cross as a wealthy organisation that does not need any local support and that is actually able to recruit people and support the needy people in the country as well as local authorities.

From experience, the National Society is well aware of the dependency and instability of such international funding system, and the challenges it poses to cover the most essential positions in the Society. There is a need for the Malawi Red Cross Society to develop and expand sources of income that will guarantee long term stability of the organisation; such funding sources should not be sought only internationally, but also domestically by developing income generating activities, identify local donors (individual or corporate) and possibly use its auxiliary role to discuss with the government about long term support (as it used to happen until 1994), either through direct financial support or by being granted specific support that could improve its financial base (examples include tax exemption, being granted land, in-kind donations, etc.).

The Malawi Red Cross Society is recommended to invest in developing its Resource Mobilisation capacities; it could ask for the support from partners to help the Society in exploring and/or revising appropriate resource mobilisation habits and systems, discover untapped local opportunities, study the approaches of successful NGOs and other peers in the country, develop a new resource mobilisation strategy and plan and hopefully provide some seed money to kick off new initiatives.

If the Malawi Red Cross Society expects more support from local partners though, it needs to better represent and profile its identity and work. The National Society<sup>3</sup> should continue exploring locally adapted ways to project such an image, as well as discover adequate partnerships with strategic local actors (the internal assessment team mentioned the corporate sector as well as the national football team).

In the effort to attract new/more partners, the Malawi Red Cross Society should raise the profile of its real identity and its work. The work started to develop its website could contribute to this process. Further consideration can also be given to how this tool can improve both external and internal communication (see section 3).

### **3. Internal communication**

The responses provided individually in the self-assessment exercise showed the diverse understanding of the current status of the Malawi Red Cross Society organizational capacities among the 20 members of the assessment team.

For instance, the assessment team reported that a number of policies (i.e. Volunteer, Human Resources, and Governance performance guidelines) had been adopted by the National Council and that a few initiatives had started at HQ level (i.e. Code of Conduct for staff). Despite a formal adoption, these policies are not well known by all NS Council members, staff, volunteers and members at national, district and branch level. This knowledge gap does not allow the full implementation and respect of such provisions. The National Society could benefit from a more structured way to disseminate information to all members, staff and volunteers<sup>4</sup>.

The assessment team recurrently mentioned the limited commitment of some governance members as a key challenge for internal communication and for the relations between the division (branch) chairs and the national council members. Any initiative aimed at clarifying the role of these positions may be beneficial to the internal dissemination of information within the Society, as well as to its organizational culture. The team raised that council members roles are not well defined in the Constitution. If that is the case, the Malawi RC should fill this gap appropriately when reviewing it. Related, management and Governance should ensure a cohesive understanding of the National Society functioning, and their respective and complementary roles and responsibilities (i.e. volunteer development, or coverage of core costs including statutory meetings), and closely cooperate to streamline constituency empowerment as well as NS effectiveness and performance.

In order to improve internal cohesion and communication, a systematic induction and orientation should be conducted at all levels to all volunteers, members, and staff as soon as they join the Society.

As mentioned in the previous section (and by the assessment team), the work in progress to develop the NS website could include the activation of e-mail addresses that may facilitate the electronic distribution of relevant information.

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<sup>3</sup> The Assessment team proposed a task force made of Communication, RM, Finance, OD and governance representative.

<sup>4</sup> For example, the Assessment team also considered translating key-documents into vernacular languages.



#### **4. Risk Management**

The self-assessment team reported that although some steps have been initiated in this area (i.e. Code of Conduct for staff annexed to the HR policy) there are currently some gaps in the area of risk prevention and management measures. The National Society lacks a formal integrity framework, and measures to prevent or dealing with conflict of interests, complaints and appeal mechanism. This framework should also support violence prevention and abuse of power in the Society. The Malawi Red Cross Society should further develop and disseminate such a prevention and coping mechanisms and ensure that all staff and volunteers sign and apply a code of conduct, and receive proper training in these areas as part of their induction course.

The assessment team considered that a wider and adequate dissemination of the Fundamental Principles to the volunteers and the general public (media, community leaders, local authorities) could contribute to prevent issues related to negative publicity and abuse. However, the Society also need to be prepared in case such event happen and are reported in the media; currently, the NS doesn't have a plan to deal with consequences of a negative impact affecting the National Society, especially in terms of communications,. Oftentimes, a clear plan to respond and communicate with the Society's stakeholders including media and partners allow a National Society to effectively respond to any negative information circulating, and therefore to limit its impact. The Malawi Red Cross should consider adopting clear communication protocols whenever its reputation is being put at risk.

The Malawi Red Cross Society should also consider reviewing the existing finance policy for transparency and accountability, and benefit from an effective financial body at governance level made of members that are specialist in finances and that can provide relevant financial advice to the board. This is usually done by setting up a Finance Committee, mostly made of Governing Board members, and allows for better oversight of the financial status of the Society, and advise on its financial management system.

#### **5. Financial Management**

The assessment team reported a number of organizational deficits in the areas financial management. Among other issues, the different way to manage and report on internationally funded project and branch volunteer activities strongly influence this area. The assessment team reported that where there are internationally funded projects, the branches have separate accounts, and that not so much work is done to report to domestic donors (public and private). The Society should consider developing a more unified system and disseminating all of its financial procedures to all entities of the Society (branches and Headquarters) in order to ensure compliance. All branches should prepare a basic financial report and report it to the Headquarters for consolidation; this would allow to get a clear picture of the financial situation of the National Society as a whole, and support strategic financial decision making.

The absence of a treasury management function and financial consolidation process identified during the workshop are examples of areas where the National Society could improve. The Malawi Red Cross Society is strongly encouraged to continue the work started to have a representative and consolidated budget and audit.

As mentioned in section 4, the Malawi RC could benefit from a Finance Committee to provide oversight and independent advice that would help the Society improve financial management procedures and systems. its financial and resource mobilization strategy.

## **6. National Society foundation**

The Malawi Red Cross Society mentioned that some of its foundational documents are either outdated or insufficiently disseminated and applied in the National Society.

The assessment team mentioned the Parliament Act 51 as the base of the Society foundation, however its provisions were not clear among the team members. The National Society is encouraged to consider relevancy of this Act today and, if necessary, consider its update. In this case, the recommendations included in section 7 to established dialogue with the government can help.

The assessment team considered the statutes of the National Society out-of-date and reported the need to review them, for example to clearly define the roles and responsibilities of the people and bodies that constitute the Malawi Red Cross. The National Society can be supported by the IFRC/ICRC Joint Statutes Commission when starting this process.

The assessment team also reported a need of a more structured and systemic dissemination of the Fundamental Principles to all staff, volunteers and members as well as to the general public. Their compliance need to be ensured through a formal mechanism.

Gaps between policy development, dissemination and application have been recurrently mentioned. The Malawi Red Cross Society should carefully consider the relevancy of the existing policies as well as, when necessary, their revision, including a dissemination and implementation plan.

The recognition law, Statutes, Fundamental Principles and policies do represent the foundation of the National Society by defining what the organisation is, what it does and how it does it. The Malawi Red Cross Society is therefore strongly recommended to make sure they're all up-to-date, disseminated and well understood by all stakeholders of the Society.

## **7. Auxiliary role**

Currently, the National Society and the government do not have an open and regular dialogue, and this makes it difficult to reach a common and clear understanding of the National Society situation and its auxiliary role. At the time of the self-assessment, the National Society just started this dialogue and it is encouraged to continue. In doing so though, it is important that the Society's senior leadership has clear key messages to communicate with regard to the Red Cross status, mandate and programmes, as well as what kind of cooperation is sought.

Any dialogue on common humanitarian and development interest can be explored with the government while ensuring a balanced relation. Such a process could be particularly relevant in light of the difficult situation the Society is trying to overcome (see Recovery Plan 2013-2014). This regular dialogue and engagement should take place both with the national government and

local authorities, thus district and branch leaders also have to be well-prepared for this representative role.

## **8. Security and safety management**

Security and safety management, and staff and volunteer training has been identified as an area of improvement; the National Society should raise the level of security awareness and basic protection of National Society volunteers, staff and assets. To this end, the National Society should review the security and safety requirements in its operating environment, for both its staff and volunteers. Safety and security of the buildings, vehicles and other assets should also be reviewed, and a policy developed and disseminated through induction and refresher trainings. The MRCS can use the IFRC Stay Safe guidance and get support from the ICRC through its Safer Access programme to inform this review.

## **9. Staff management**

The self-assessment team reported areas of improvement related to the staff management, including: training opportunities are granted but not proactively planned, turn-over, people leaving and not replaced in timely manner, compensation not received on-time.

In order to increase the staff satisfaction, it is recommended to engage staff in proposing ways to improve their working conditions.

Any efforts made towards the recommendation included in the above sections, such as training that could improve the organizational culture, as well as a consolidated resource mobilization strategy and an adequate financial management structure could contribute to further develop this area.

## **Next steps**

This report and the detailed findings are addressed to Malawi Red Cross Society's leadership and shared with the Director of Africa Zone only. It will be up to the National Society to decide whether and what it wants to share with its constituency and partners in order to obtain support but *the facilitators would strongly encourage the National Society to do so.*

The facilitators congratulate the leadership and participants in the exercise for their willingness to openly discuss the many attributes that are assessed through the self-assessment.

Quite a number of opportunities for further organizational development were identified through the process. The facilitators feel that the NS will be able to overcome the identified critical deficits if it energetically decides to do so and receives the support from external partners, if it strengthens its identity as a local volunteer based organization and focuses on addressing the recommendation made in this report.

As per the OCAC approach, IFRC Organisational Development department ends herewith its direct involvement in supporting the Malawi Red Cross Society development. The Director of Zone or her representative is asked to use the report as the starting point for a discussion with the leadership of the Society on the way forward. It is suggested that, based on that discussion, a customised National Society development action-plan be developed, if possible in cooperation with other relevant partners (ICRC, PNSs,...) to address the various key deficits that were identified through the OCAC process. Such a plan could also support future resource mobilisation efforts.

## **Closing remarks**

The OCAC facilitators and the NSKD/OD sincerely thank the National Society, its leadership, management and all staff and volunteers that participated in the exercise for their commitment to positive change and their constructive participation in the process. The facilitators are grateful for the hospitality extended to them by the team of the NS.

On behalf of the Organisational Development department,

Roger BRACKE,  
Head of department

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## 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.

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