

Review of the Year

Oxfam's Programme

The programme grew steadily this year, in line with the five Aims and corporate priorities. Programme proposals approved this year and impact reports show that Oxfam's programme is increasingly effective – in linking changes in people's lives (at the local level) with strategic change in policies and practice, and with ideas and beliefs. All of this seeks to achieve large-scale impact in the long-term. Work with coffee producers in Central America, children demanding education in West Africa, and women workers in Cambodia are just a few examples.

This year programme expenditure has grown 5% from £94.5 million to £98.8 million. This growth was lower than was planned for three reasons:

- the growth in restricted expenditure was reduced in line with an early re-forecast of the budget after the 2002/03 year-end, which was prudent to enable better management of these funds and maintained a steady growth rate;
 - unrestricted programme spend was reduced towards the year-end to match lower income forecasts;
 - Gifts in Kind (largely food aid) of £4.5 million were lower than last year's figure by £2.6 million, reflecting the scale and nature of our emergency response this year.
- Unrestricted expenditure grew by 3% to £50.5 million and restricted expenditure (excluding Gifts in Kind) by 15% to £43.8 million.

Below is a report on the programme objectives for each Aim, including campaigning, with some key learning points. Note that these objectives do not cover all of our work. With the implementation of the first phase of the new Oxfam Programme Accountability and Learning system (OPAL), we now have 180 Programme Implementation Plans that, together, cover all of our work in regions. Progress against these plans is reported on quarterly by each of Oxfam's eight regions¹.

Aim 1: Right to a Sustainable Livelihood

This aim is that people living in poverty have food and income security in a way that is sustainable – for their future, and for the environment.

For this aim, in 2003/04 we planned to develop around six new programmes in line with our new livelihoods strategy. Most regions took the opportunity to re-design and further develop their programmes in line with this strategy. For example, we built on existing, long-standing work with partners and communities (particularly farmers and small producers) to strengthen their ability to sell their produce at a fair price – locally or internationally.

Five regions committed to developing new programmes, which also addressed change at national level:

¹ Oxfam's eight regions are: - East Asia; South Asia; Southern Africa; West Africa; Horn, East and Central Africa (HECA); South America; Central America, Mexico and Caribbean (CAMEXCA); Middle East, Eastern Europe and the Commonwealth of Independent States (MEEECIS). In addition Oxfam has a UK poverty programme (UKPP).

- **Our Latin America regions** developed strong, ‘joined-up’ regional trade programmes that achieved the early success of helping to stop a Free Trade Agreement for the Americas (FTAA) which would have been detrimental to women and men living in poverty.
- **West Africa’s pastoralist programme** is addressing livestock issues including a focus on making the regional market work for women and men living in poverty.
- **In India**, Oxfam has developed work linking cotton producers and weavers in an organic production/ethical marketing scheme.
- **In Albania, Timor L’Este, and Indonesia**, we have worked to develop programmes that help people living in poverty to gain access to and power in markets.

Two Regions (Southern Africa and Horn, East, Central Africa) committed to develop, implement and learn from programmes specifically designed to take into account the impact of HIV/AIDS on people’s livelihoods. Good progress has been made, particularly in Malawi, where learning is being shared.

We are developing new initiatives to increase engagement with, and understanding of, the private sector in relation to our programme. For example, Oxfam developed a joint research project with a major international corporation to understand how their investments in Indonesia affect people living in poverty.

Through the Trade Campaign, we have made progress on a number of fronts, but we still have a long way to go to achieve our ambitious objectives. All progress has been achieved through intensive alliance-building work with others. For example:

- **Trade Rules** – our work helped governments in developing countries to achieve a unified and powerful voice at the World Trade Organisation (WTO) and supported their case for changing the rules on global trade. Fierce resistance was encountered to the proposal for more radical cuts in agricultural subsidies, but a potential breakthrough was achieved on cotton, and we saw significant press coverage in support of our positions on sugar and Common Agricultural Policy (CAP) reform.
- **Coffee crisis action plan** – while we did not get governments and international institutions to agree an action plan to resolve the crisis in coffee prices, we significantly influenced company behaviour, resulting in an estimated US\$9m increase in income to poor farmers.
- **Women workers** – we successfully launched campaigns in 20 countries to press for national government protection of women workers and changes in company behaviour.

Key learning

- **Focus and change** – Specifying certain country programmes that we will focus on can be a powerful way to help change programme direction. This year, we began planning with two countries – Ethiopia and India – on how we might significantly scale up the impact of our livelihoods work. Next year we will extend this to two other countries, Honduras and one other.

- **Private sector** – We need to become more experienced in working with the private sector at the local level. We plan to address this with more focused support from Oxford in future.
- **Power in markets** – We need to help staff understand our different approaches to helping people who live in poverty gain the knowledge and skills they need to operate more effectively in markets (whether local or global). These approaches include: building assets and market opportunities at community level; linking people into national and regional markets; influencing company supply chains; developing ethical brands; and mobilising public support around *Make Trade Fair*.

Aim 2: Right to Basic Social Services

Health

This year we built on our *Cut the Cost* campaign to improve access to medicines for people who live in poverty, particularly anti-retroviral treatment for HIV/AIDS. This supported our programmes in: Thailand, Malawi, South Africa, India, Uganda, and campaign actions in Malaysia. As a result of these campaigns, and significant shifts in the pharmaceutical sector, the average cost of treatment in developing countries has reduced from \$12,000 per year per person to \$200.

Learning from our experience of integrating HIV/AIDS into livelihoods and humanitarian work was shared between 4 Regions - Southern Africa; Horn, East, Central Africa; South and East Asia. However, this was constrained by staffing gaps. We did limited but crucial HIV/AIDS programming on prevention, treatment and care work linked to national level policy work, and became more comfortable in deciding when it is appropriate to do this work.

Key learning

- **Health services** – While the campaign on medicines has achieved a significant reduction in price, most people living in poverty still cannot obtain these drugs until better health services are in place.
- **Southern Africa region** – It is the right approach to have the region most affected by HIV/AIDS take the lead on this issue for Oxfam as a whole. But this has inherent difficulties, as its staff and partners are affected most by HIV/AIDS, and we have other long-standing challenges in this region. This means we have not yet developed as significant a programme as is needed for a problem of this scale.

Education

We continued to develop, implement and learn from education programmes – in two or three countries in West Africa, Southern Africa, and the Horn of Africa and also in Vietnam, Cambodia, Pakistan, and Brazil. We focused on improving financing and access to education, especially for girls, with an increasing emphasis on quality of education. All programmes are strengthening their analysis of gender issues in this work.

Campaigning is, in all cases, built into education programming and we have made progress towards the changes we want to see:

- **Financial commitment** – Through work with the Global Campaign for Education (GCE), £208 million over three years (of the additional £5 billion needed to deliver primary education for all children) has been pledged for the Fast Track Initiative (FTI). The UK government has now stated explicit support for the scheme.
- **One million children** – The GCE organised, with our support, the world's biggest lobby where more than one million children around the world called for primary education – especially for girls. The GCE is still not a permanent, independent organisation, but is moving forward on staffing and a funding strategy.
- **National level policies** – Programmes in Brazil, Indonesia, and Zambia all made significant impacts on national level policies regarding access to education.

Key learning

- **Education** – While global enrolment rates are increasing, and we are beginning to see more girls in school, the completion rates in primary education are falling. There are many reasons for this – one of them is education quality, and this needs addressing.

Aim 3: Right to Life and Security

For this Aim, the focus of our work is on public health (specifically water and sanitation, hygiene promotion, food and nutrition), and on ensuring that humanitarian response work takes account of gender issues. We also demand the protection of civilians in conflict, and work to improve the quality of humanitarian assistance provided by agencies and other organisations.

This year, we responded to a range of conflicts and natural disasters across the world: in Bangladesh, Dominican Republic, Haiti, India, Iran, Liberia, Sudan, and Sri Lanka. This was in addition to our ongoing humanitarian response work in Afghanistan, Angola, Colombia, Democratic Republic of Congo (DRC), Philippines, Sierra Leone, and most countries in the Horn, East and Central Africa region. We continued to attempt to respond to humanitarian needs in Iraq but, like others, we were severely constrained by the lack of security. Late in the year, we decided to close our programme there for the time being.

Progress against other objectives included:

- **Management review of large programmes** – We reviewed our large operational programmes² in Angola, Afghanistan, DRC, North and South Sudan against our guidelines for professional management, and took steps to address shortfalls. This management attention is already showing results in Afghanistan. Much is now in place for DRC, while North and South Sudan and Angola still need further action.

² Operational programmes are those where Oxfam staff are employed to work directly on programme delivery rather than through funding/support to local partner organisations.

- **Regions progressed different areas** that we set out as a specific focus for their programme work – for example, protection of civilians during conflict; making better links with other humanitarian agencies; and ensuring gender issues and the implications of HIV/AIDS are built into our programmes.
- **Preparedness plans for quick, effective humanitarian response** – All regions made progress in implementing and strengthening their preparedness plans. The formation of the Oxfam International Humanitarian Consortium is intended to support this, and needs continued attention in the future.
- **Staff conduct** – We participated in the inter-agency peer-review process. The International Committee of the Red Cross (ICRC) and Save the Children Fund (SCF) reviewed our procedures and practice concerning appropriate staff behaviour. In addition, the majority of staff have signed the Oxfam Staff Code of Conduct – which sets out behavioural expectations of all Oxfam staff.
- **Conflict reduction** – We are currently completing a review of our Conflict Reduction work.

As part of the Conflict campaign we have:

- **Launched** (in October 2003) a joint international arms campaign with Amnesty International and IANSA in 64 countries. Eight governments have so far pledged support for an Arms Trade Treaty, and there has been progress with the UK government. Popular mobilisation is growing globally, and there have been some really positive examples, notably in Cambodia and West Africa.
- **Argued for effective international community action** – for example, we:
 - tried to get the international community to focus on the daily insecurity faced by millions of people in developing countries, but the current context of fear of terrorism means this is difficult to do.
 - had no success on influencing the targeting of aid to the areas of most need – we think it is moving in the wrong direction with further ‘politicisation’ of aid.
 - worked with colleagues in Oxfam International to press – successfully - for a stronger peace-keeping presence in DRC to protect people facing violence
 - argued for increased aid to DRC and Liberia with high-level lobbying in New York (informed by our programme work on the ground).
 - influenced the language of UN Security Council resolutions on how to ensure better protection of civilians in conflict situations.

Key learning

- **Impartiality of humanitarian response and successful campaigning** – Oxfam’s humanitarian principles require that we provide humanitarian relief impartially – priorities are assessed on the basis of need alone. Where we also want to speak out publicly about a humanitarian situation, we know that this can impact on our ability to deliver humanitarian assistance. We have to weigh such judgments carefully. Campaign work on arms has added another challenge. To speak out against the actions of some regimes (for example, for receiving illegal arms) could jeopardise our work, and presence, in these countries. This is a particularly difficult tension to manage when campaigning in alliance with others. Establishing clear parameters and plans can help to mitigate this but it requires close management.

- **Promoting our humanitarian principles** – We need to do more to ensure that staff at all levels are aware of the humanitarian principles that Oxfam has signed-up to, and understand that these are fundamental to our ability to operate as a humanitarian actor.
- **Peer-review** – A key recommendation of the review by ICRC and SCF on staff conduct highlighted that we need to improve our procedures and practice on child protection – for example, ensuring the proper training and vetting of staff who work with children in any of our programmes. While we only have a few programmes that are focused specifically on children we are addressing this urgently.

Aim 4: Right to be Heard

We work towards achieving people’s right to be heard as an integral part of all our programming. Under this specific Aim, however, we are focused on:

- **promoting policy-making that considers the needs of people who live in poverty - and includes their active participation** – often using national poverty reduction strategies as a way into this.
- **improving Non-Government Organisation (NGO) understanding** of the impact of macro-economics on poverty at the grass-roots
- **gender** – monitoring national budget and spending plans so that policies which have an impact on people living in poverty take account of gender issues.

More than 20 countries worked in these areas, with local partners: Honduras, Haiti, Nicaragua, English Speaking Caribbean, Guatemala, Peru, Bolivia, Brazil, Malawi, Zambia, Uganda, Georgia, Yemen, Albania and Bosnia, Vietnam, Nepal, Scotland and Wales. This work, over a number of years, is having a direct impact on policies in national governments. For example, in Malawi and Zambia we achieved a turn-around to World Bank pressures for the liberalisation of agricultural marketing boards.

Also within this Aim we focus on capacity building of civil society organisations for their empowerment. To support this work, we embarked on a strategic partnership with INTRAC (International NGOs Training and Research Centre) who specialise in this area.

We continued to develop, implement and learn from our Pan-Africa work, which focused this year on trying to secure a better deal for Africa in the world:

- **Building relationships for the future** – We strengthened relations with some Presidents and Trade Ministers, and several key players in the Africa Union (AU) and the New Economic Partnership for African Development (NEPAD).
- **Capacity building** – We have also worked to strengthen the capacity of a number of partners and allies to influence the G8, the AU and NEPAD.
- **G8 action plan** – We were unable to achieve our objective to get the G8 to deliver an effective action plan for Africa to address agricultural subsidies; aid for education and HIV/AIDS; debt reduction; arms and “publish what you pay” (a report calling for transparency about payments from companies to governments,

e.g. for oil). Some movement on financing for education and HIV/AIDS was achieved, although on the latter Oxfam did not play a key role.

Key learning

- **Improving communications** – The involvement of people who live in poverty in local and national policy-making is very important and is having significant impact. However, it can be difficult to explain. We need to communicate better the difference that this is making to people who live in poverty – and, by doing so, further inspire our supporters and staff.
- **Pan-Africa work** – With two regions in Africa still addressing basic management capacity, it has proved hard to find the space for their involvement in Pan-Africa work. This should improve over time.

Aim 5: Right to Equity (Gender and Diversity)

Under this Aim, we wanted to make progress towards more and higher quality integration of gender issues into all aspects of our work – i.e. development, humanitarian and campaigning. There have been many cases of demonstrable progress. For example, the West India livelihoods programme, the Northern Uganda humanitarian response work with displaced people, and the labour campaign all have gender equality at the heart of their design and implementation.

However, progress is, as always, patchy. Counter examples of where we have not properly mainstreamed gender are also to be found –for example in some of our Ethiopia livelihoods programme and in the Eastern DRC humanitarian response work.

Much work has gone into developing and implementing a sustained campaign to tackle Violence Against Women in South Asia. This builds on longstanding campaigning work and is linking well with work in several regions on domestic violence and the trafficking of women. Following some difficulties in building a widely owned campaign, we decided to delay the national launch in India until November 2004. Nevertheless, we ended this year well-placed to successfully stage a series of events during the year ahead across several countries.

A separate detailed report of progress against our organisation-wide plan to integrate gender into all our work is being commissioned. Recommendations from this report need to be built into future plans.

Key learning

- **Recognising or changing the balance of power between men and women in all our work is a long-term objective** – We believe we are right to keep the focus on building skills and good practice in our programme. Towards the end of the year ahead, we will complement this approach by considering which aspects of integrating gender into all our work we want to make mandatory.

Securing Resources and Developing the Organisation

Developing Oxfam as a Global Campaigning Force

We have made further progress as a global campaigning force, increasing our capacity to mobilise popular support, influencing media and lobbying targets, and working with allies on our campaigns around the world.

The Big Noise, our global petition, part of *Make Trade Fair's* call for fairer rules on international trade, reached our target, and ended the year with 5 million signatures. More than 80 per cent of people joining the Big Noise are from developing countries, including more than a million each from India and Bangladesh, and over 700,000 from Zambia. At the WTO meeting in Cancun, Mexico, in September 2003, the G20 group of developing countries said that the Big Noise had helped them to resist the proposal from the United States and EU that would have failed people living in poverty.

We also worked with the Global Campaign for Education (GCE) to organise another global week of action in April 2004. More than one million children around the world called for primary education – especially for girls. Meanwhile, we launched the Million Faces petition as part of our *Control Arms* campaign. In the UK, many of the people who have signed up to these petitions, or who have taken action, have also become more regular campaign supporters. The challenge is now to use these petitions even more effectively to help bring about lasting change, and to make sure many people who sign up become committed campaigners. In the last year we have recruited 100,000 new campaigners in the UK – taking our total to 210,000.

Alliances are at the heart of our campaigning work, in the UK and around the world. In *Make Trade Fair* we have maintained support for the Global Alliance on Coffee and Commodities, and have built an alliance with the Global Trades Unions, and the Clean Clothes Campaign –along with a longer-term commitment to the work of 14 national-level partners around the world. The *Control Arms* campaign is wholly in alliance with Amnesty International and the International Action Network on Small Arms (IANSA), and we continue to campaign on education within the framework of the Global Campaign for Education. Working with alliances has increased our impact enormously but there have been tensions and high transaction costs. As we move forward, we are looking at how we can work with alliances as lightly and effectively as possible.

Our high level lobbying has intensified this year. We have been working with governments in developing countries (for example, Brazil, South Africa, Kenya) on trade, arms, and education. And we have strengthened our influencing ability in countries such as France and Germany. As part of this, we are working with Oxfam International affiliates/partners in the United States, France, Germany and Japan to increase their advocacy capacity. We have also strengthened our research capacity, but still need to make better links with our programme experience.

We have worked hard to increase the gender perspective in our campaigning, and we have made some progress this year. This has been most successful in the labour and education campaigning, but more needs to be done elsewhere.

A successful campaign emerges organically with many allies, so we have learnt that it is unrealistic to expect to keep to a signed off, limited plan of campaign work. We need to look at how we phase the ambition and workload of our three campaigns overall. This is linked to another challenge that we face on the phasing of the work – supporting action in developing countries to achieve policy changes often takes much longer than the life of a campaign in wealthy countries such as the UK.

Improving Programme Quality and Learning

During the past year we developed a better understanding of how to support programme quality and learning. We did this by deliberately taking the perspective of a fictitious, but typical programme staff member named Tamina, and sought to understand her concerns, motivations and needs. This has led to better focusing of support to our programme work, and being clear about the basic requirements and skills for programme staff.

We have redesigned the advisory and support function in the Programme Policy Team to provide a demand-driven service that supports programme staff to obtain the information and experience they need. A new Programme Resource Centre was set up to directly facilitate learning across programmes. There is the challenge of making learning opportunities both useful and motivating to programme staff, and to ensure that managers are encouraging their staff to take time to learn, and share their experiences with others.

We are now much clearer about what we are aiming to achieve through our programme, and we've made hard choices about focus so that we can invest in quality and impact. In certain areas, such as on small-scale agriculture, we now have extremely ambitious plans in some countries. We need to make sure we have the staffing and support mechanisms in place to ensure we are able to meet these plans for the coming year.

The new system (OPAL) for designing and managing programmes and sharing learning across the programme, was successfully implemented, as planned, in all regions. Although the roll-out of the system was demanding for programme teams, feedback on the new system and its implementation has been positive. One region (Horn, East and Central Africa) faces some difficult challenges due to problems with internet connection.

This year was only the first phase of working with OPAL – primarily about using the new system to prompt better quality programme design, and to achieve more accountable authorisation. In the next phases of the roll-out, for future years, we still need to improve:

- quality – particularly setting programme objectives so they are SMART-specific, measurable, achievable, relevant and timebound with milestones;

- accountability – particularly in our quarterly reports in order to provide incisive management information;
- learning.

Working to Achieve More Impact within Oxfam International

Oxfam GB works within a global confederation of twelve independent Oxfams – Oxfam International (OI). The challenge this year has been to ensure that new ‘task-driven’ structures for collaboration across the Oxfams are set up to work with lower transaction costs (so that we spend less time and energy on working together effectively). This has been tackled partly through establishing a simpler coordination structure and partly by clearer priority setting.

For the first time, the Global Coordinating Team, working to all the Directors of the Oxfam affiliates, has produced a clear operational plan and budget for Oxfam International as a whole. At regional level too the Regional Strategic Teams (which bring together staff from the Oxfams in a region) are clearer on priorities – although they are all at different stages of development, with some working much better than others.

The OI Humanitarian Consortium, which brings together the five Oxfams which will undertake humanitarian action, is still in its infancy. Oxfam GB still undertakes around 75 per cent of the humanitarian work of all Oxfams. Some of the other members of the consortium are investing significantly to develop their capacity, but this is less true of others. The challenge for Oxfam GB is to be able to relinquish the leadership role in some countries, while not losing the speed and effectiveness of humanitarian response.

Overall as the biggest Oxfam and the one with the most policy and advocacy strength, the challenge for Oxfam GB is to bring the expertise and resources into the confederation in a way that builds consensus with the other members. We have to be prepared to compromise, but not to the extent of jeopardising Oxfam GB’s key principles.

‘Getting Things Done’

We want as much as possible of our donors’ money to be spent directly on overcoming poverty and suffering. So we have been reviewing our GB-based work, particularly in Oxford, through a plan called ‘Getting Things Done’. Simpler processes and speedier decision-taking were some of the changes sought.

Many teams identified more efficient ways of working, thereby saving staff time. Teams spoke with users and were able to identify tasks no longer needed. Staff are now more familiar with the methods of process review, user surveys, and benchmarking. This progress was reinforced with an open day for staff, and discussion of results and ideas at senior managers’ meetings. The results from these sessions were very positive and helped identify areas for further work. As a consequence, there is a more widespread culture of active management for improvement.

The Plan also covered a series of areas for review, by relevant line managers with other managers acting as supporters/challengers to the work. A large majority of these reviews have been completed, with further improvements expected as more recommendations are implemented. For example:

- **Considering 'outsourcing'** – Information Services and Human Resources functions reviewed the case for outsourcing; this was decided against because we could do them more cost-effectively in-house, but other efficiencies were pursued. Supporter Services decided to outsource much of their financial transaction processing, though on a slower timescale than originally planned.
- **Better meeting programme needs** – All of Oxfam's Policy Department's functions were reviewed and the Programme Policy Team re-shaped to better meet the needs of programme managers, staff and partners. More policy work is being transferred overseas.
- **Increasing efficiency and effectiveness** – Finance is currently being restructured to bring together all GB-based transaction processing work. Our public fundraising and Corporate Marketing teams are also the subject of reviews to increase their effectiveness.

Compared with the 2003/04 budget, Oxford-based staff numbers have been reduced by 37. In 2003/04 we also took the decision to move our Oxford-based offices from their current location (spread over nine buildings and 16 floors) to a single purpose-built office in Cowley, East Oxford. Leases were signed and the building work is progressing for a planned move in Summer 2005. We shall achieve further improvements in productivity and cost effectiveness as a result of the move.

One challenge in the Getting Things Done work has been ensuring that sufficiently radical solutions are considered, which may not always be the case when line managers lead the work. However, this is offset by the benefits of greater management and staff ownership. We have also struggled where changes span more than one team or function. We are now seeking to ensure that continuous improvement is seen as a way of life, rather than a one-off set of reviews.

Developing More Effective People Management

This objective covered a series of actions, primarily to reduce staff turnover, especially internationally, and to improve management skills.

Key results are:

- **General staff turnover** – Turnover, for the year, of staff on open-ended contracts was 18% (2002/03: 16%) in Great Britain (GB) and 13% (2002/03: 10%) internationally, against an overall target of 15%. The target was exceeded in GB because of actions to reduce staff in Oxford.
- **International turnover** – Turnover for 'global' post holders (in key international posts) was 17% for those on open ended contracts (now 82% of the total); 30% for all 'global' post holders – a considerable improvement for a group with excessive turnover rates in the past.

- **Contract types** – The proportion of International staff on fixed-term contracts reduced from 63% to 50% during the year. This demonstrates our commitment to longer term careers with Oxfam, and will contribute to a more stable and motivated workforce.
- **Performance reviews** – Reviews for 2002/03 were completed for over 99% (2001/02: 97%) of GB-based staff. But only 54% of international staff were recorded as having completed performance reviews. This is partly a problem of incomplete data, but we still have some way to go to ensure effective performance management for all our staff, across more than 70 countries.

Management skills training continued to be developed and expanded, but it is a considerable challenge to deliver effective training to staff around the world. We developed the concept of ‘pick up and go’ training modules which can be used by managers in many different contexts. Initial modules were designed and piloted, with full implementation planned for 2004/05. Significant progress was made in developing a stronger group of Country Programme Managers. Succession planning was introduced more widely, and there has been more active management of internal career development opportunities.

The Global Reward project aims to pay appropriate salaries for effective recruitment and retention, and to encourage longer careers with Oxfam. The introduction of Global Reward was planned for all national staff during 2003/04 but we slowed the planned timescale in response to requests from regions. Only two regions have not yet completed implementation; they will complete early in 2004/05 and review of impact will follow. Initial signs are promising (for example, turnover rates, strength of recruitment pools), but communicating and managing expectations has been challenging.

For GB-based staff we have targets aimed at increasing the diversity of our workforce. Results achieved were that these targets were:

- met for ethnic minority representation in the workforce overall
- only partially met for representation of ethnic minorities and women at senior management levels
- not met for disability, in part reflecting that registration of disability is no longer mandatory.

Each area’s senior management team also developed gender and race diversity action plans.

A decision was taken not to proceed with the implementation of a global Human Resources (HR) management information system because of the high costs. Smaller scale investment is being made in our current systems. International HR management information therefore remains very limited.

Volunteers continue to make a major contribution to Oxfam’s work, especially in GB. In Trading Division there was much coaching and training on working with volunteers. A new Fair Treatment procedure for volunteers was introduced. Oxfam’s stakeholder survey [www.Oxfam.org.uk/about_us] , albeit with a limited response rate, showed very positive trends in the views of volunteers about working with Oxfam.

Good progress was made against our annual health and safety plan, particularly in GB. One key challenge was high rates of Repetitive Strain Injury cases in Oxford. Management of staff security continued to require significant attention, and is critically important given the many difficult areas in which we work.

Developing our Inspiring Action programme

We have recognised that we need to get much better at the way we relate to our supporters in Great Britain. The Inspiring Action programme is about ensuring that supporters:

- **feel inspired** by every contact they have with Oxfam
- **feel more included** in Oxfam's fight to overcome poverty and suffering
- **do more for us**, whether that is with money, time or campaigning.

Oxfam is operating in an increasingly crowded market place. Although we are still growing, we want to do better, so that we can further grow our programme.

Research into what motivates people to support Oxfam was conducted. We found that different aspects of our work attract interest from different people, but it is critical to everyone to see that their actions make a real difference. We need to improve our communication of this to supporters. We also realise that we need to do more to 'bring alive' Oxfam's international programme work, and engage people – emotionally as well as rationally.

In January 2004, a new strategy for GB-based individual supporters was approved. It details how we will achieve growth by:

- **Focus** – Integrating our efforts around a single theme that focuses on our organisational purpose to *overcome poverty and suffering*.
- **The supporters' view** – Looking at things from the supporters' point of view; responding to their interests, expectations and requirements.
- **Broadening support** – Seeking opportunities to broaden support – for example, introducing fundraising and campaigning actions through our shops; promoting Oxfam shops to our donor and campaigning base; inviting campaign supporters to give money etc.
- **Increasing the impact** and/or value of existing supporter relationships, in particular by introducing new 'products'.
- **Being clear and consistent** in what we say about Oxfam, ensuring that we explain clearly that:
 - the way we seek to overcome poverty and suffering is by helping people to help themselves – through development, humanitarian and campaigning work
 - by getting involved with Oxfam you will make a difference.

We have also looked at how we communicate and work within the organisation. We have started some initiatives to try to ensure that our staff and volunteers are not only inspired and empowered themselves, but are also able to do their jobs in a way that will inspire supporters. This work is ongoing.

The Inspiring Action programme has been delivered well under the set budget because we have found ways of moving forward without major information technology systems work.

There have been many challenges during the year, including:

- **Finding the time and energy** to manage change, on top of the existing, demanding workloads.
- **'Personalised' but low-cost interactions** – Finding ways to give supporters a 'personalised' experience of Oxfam, while keeping fundraising ratios low.

It is too early to measure quantitatively the impact of improvements and new initiatives. However, we have learned more about our supporters, and having a very clear strategy has helped us to prioritise and coordinate our work more effectively.

Increasing our Income

Oxfam's net incoming resources for the year were £117.5 million. This was a decline of £4.4 million (3%) on 2002/03, principally due to a reduction in funding and food aid from government and public sources. The performance of our main sources of income i.e. fundraising and trading is reported below.

From fundraising

Oxfam achieved growth in unrestricted income from fundraising of 5% to £71.7 million. This was ahead of inflation, and healthy in the face of difficult market conditions. Committed giving, comprising regular monthly donations from over 550,000 donors and the related gift aid income, rose to £55.7 million (+8%). Income from legacies declined by 3% to £10.0 million. The amounts raised from public donations and appeals fell by £2.1 million because of the smaller number of humanitarian crises this year, as did the income from the Disasters Emergency Committee, where Oxfam and several other charities jointly raise money for major international humanitarian crises.

Overall in our unrestricted fundraising there was a £7.0 million shortfall against the annual target. This caused planning difficulties across the organisation. Many other charities experienced similar challenges. Tried and tested marketing techniques performed less well than they had done historically, and fundraising innovations did not fill the gap. We recruited 10,000 fewer supporters than we had targeted, and supporter lapse rates were higher than expected, although these did stabilise across the course of the year. Our 2003 Supporter Satisfaction survey showed that affinity and engagement among supporters remained high, although with slight falls year on year.

All round, this was a challenging year for raising unrestricted income, but one in which valuable lessons were learned. Our fundraising tools are being radically reviewed to ensure that growth continues but, just as important, our ability to forecast and plan accurately is improving. We are continuing to seek deeper and more motivating engagement with supporters by communicating the difference that their contribution is making.

From our shops

Trading unrestricted net income, including unrestricted donations, grew by 9% to £17.5 million – £1.0 million (7%) ahead of plan. This was achieved by the real growth in shop sales, and profits generated by the volunteers and staff in our shop teams. Overall, the rate of sales growth compares well with the UK retail market and was slightly in excess of our budget objective.

Trading sales increased by £1.5 million (+2%) and by 4% on a like for like basis, principally because of strong growth in books (+9%) and new products (+2%)). We also saw growth in our sales of music, furniture and collectables and, as expected, a slight decline in sales of clothing. Our new products range was the most profitable one we have had for over a decade, and provides a platform for more growth next year. Within this range there was again good growth in sales of Fair Trade food.

We opened 15 shops, eight of which were pilot shops in new formats. These included our first shop in a university, our first shop in a hospital, and our largest ever shop selling furniture (at ten times the size of the average Oxfam shop).

Development of our people was the key to success in the year, together with the spreading of knowledge and best practice by and among volunteers across the network. The communication of Oxfam's vision, mission and values alongside increased performance management of shop managers made this possible.

Restricted fund and donor management

Income received from governments, multilateral agencies and institutions (excluding food aid) decreased by 7% to £35.8 million. The decline was due to a number of factors:

- major changes in donor priorities towards the Middle East because of the Iraq war
- delays in the negotiation of European Union contracts resulting from new donor contract regulations
- under expenditure on existing contracts
- some rejected proposals because of lack of alignment between donor priorities and Oxfam's programme, and
- a few projects that were cancelled because of security problems.

This year, in addition to targets for growth of our income, we sought to achieve a 'step-up' in our performance at management and reporting on restricted funds. By July 2003, we had developed, and then implemented throughout the year, an organisation-wide action plan to tackle this. Good progress was made on many fronts but we are not yet confident that the pace of improvements is sufficient to meet our long-term goals.

To monitor our progress at reporting to institutional donors, we have tracked incidences of late project reports. Donor reports overdue by more than three months and reports overdue by less than three months have both shown significant improvement. Overall, quality still needs to improve and institutional donors are still sometimes critical.. However, we have had far fewer complaints from donors, and have had many instances of praise and recognition for good programme, good progress and good reports.