

Appeal 2006-2007



International Federation
of Red Cross and Red Crescent Societies

DISASTER RELIEF EMERGENCY FUND (DREF)

REVISED APPEAL 2007

Appeal no. MAA00010

This appeal seeks CHF 20 million¹ to bring the balance of the Disaster Relief Emergency Fund to CHF 20 million in 2007 in order to provide emergency funds for disaster relief operations carried out by the International Federation of Red Cross and Red Crescent Societies. These activities are based upon the broader four-year vision of Federation secretariat's support to global disaster response.

The International Federation's mission is to improve the lives of vulnerable people by mobilizing the power of humanity. The Federation is the world's largest humanitarian organization, and its millions of volunteers are active in over 181 countries. All international assistance to support vulnerable communities seeks to adhere to the Code of Conduct and the Humanitarian Charter and Minimum Standards in Disaster Response, according to the SPHERE Project.

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Disaster Relief Emergency Fund (DREF)

2006

Revised 2007

Total

CHF 8.5m

CHF 20 m

Background

The Disaster Relief Emergency Fund (DREF) of the International Federation was created in 1985 to ensure that National Red Cross or Red Crescent Societies can access emergency funds to allow them to respond to disasters. Life saving action in disasters needs to be immediate, but not all National Societies have the necessary cash in hand to finance the start up of an operation. The DREF gives members of the International Federation this flexibility to proceed with disaster response when it is needed.

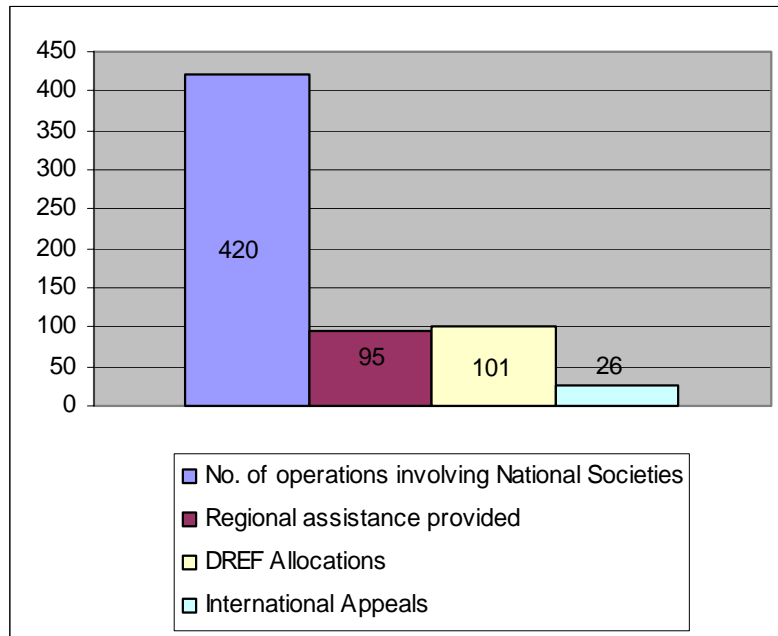
Since 2000, the International Federation has used the fund to provide financial support to over 400 emergency response operations, both as loans for starting up major operations and as grants to smaller emergency operations. It has allocated CHF 30 million for emergency response, and received CHF 21 million in donations. Since 2004, it has increased the total of allocations by over 50% each year, to a total of over CHF 10 million in both 2005 and 2006. In particular, it has increased the number of DREF grants for minor emergency operations for which no appeal is launched by over 66%.

In 2006 alone, as the statistics below show, National Red Cross or Red Crescent Societies around the world have responded to over 400 emergencies in their countries. The same statistics drawn from Red Cross and Red Crescent reports indicate that the number of operations they have responded to has increased by over 40% in two years. In one in four of these operations the National Societies requested some assistance from the International Federation

¹ USD 16,160,347 or EUR 12,426,158

at regional level and a loan or grant from the DREF. More than any other international disaster response tool, the DREF provides the support that National Societies require to meet the needs of the vulnerable people they seek to assist. It is an equitable source of funding for all natural disasters where the International Federation members' support is requested, and, through a very efficient and rapid decision-making process can make emergency funds available in a matter of hours.

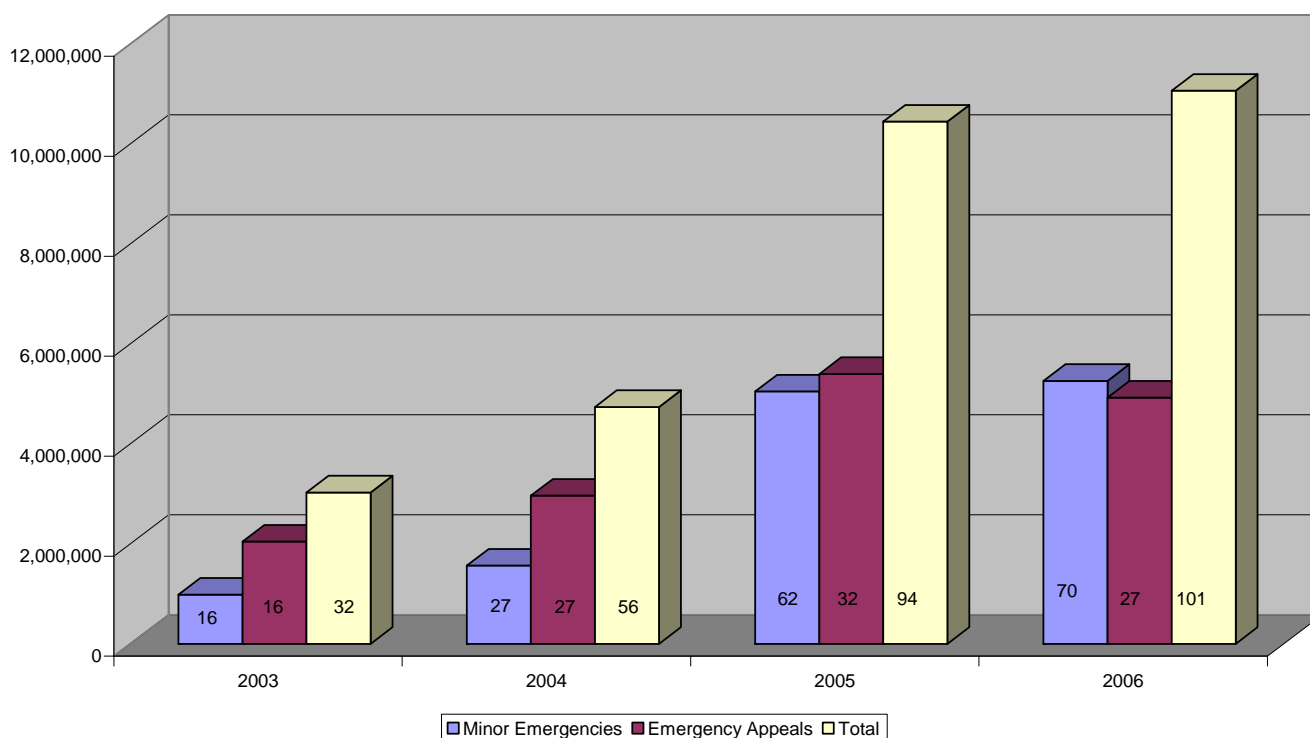
Red Cross and Red Crescent interventions (at 31.12.2006)



The DREF is both a revolving fund and a grant mechanism. As a revolving fund, it makes allocations to National Societies for the start up of emergency response operations, and these funds are repaid to the DREF when an Emergency Appeal is launched and contributions to the appeal allow the reimbursement of the initial loan. The fund is also used to provide grants to smaller disaster response operations for which no appeal is launched, and to finance preparedness activities for imminent disasters. These grants are used by National Societies to release volunteers or mobilize response teams, to release preparedness stocks for relief distribution, to finance deployment or transport costs, or social mobilization and vaccination campaigns in the case of epidemics. They can also be used to put emergency response preparedness measures in place in the face of imminent disasters, like a hurricane or cyclone. In the case of grants, as no funding is received through an Emergency Appeal, the International Federation encourages donors to reimburse the grants to the DREF or to make donations to the DREF appeal that allow it to maintain the balance of the fund.

The table below compares total allocations made since 2003 and the breakdown between Emergency Appeals (loans) and grants for small, or minor, emergencies and disaster preparedness activities.

DREF allocations by type (in CHF and number of allocations)

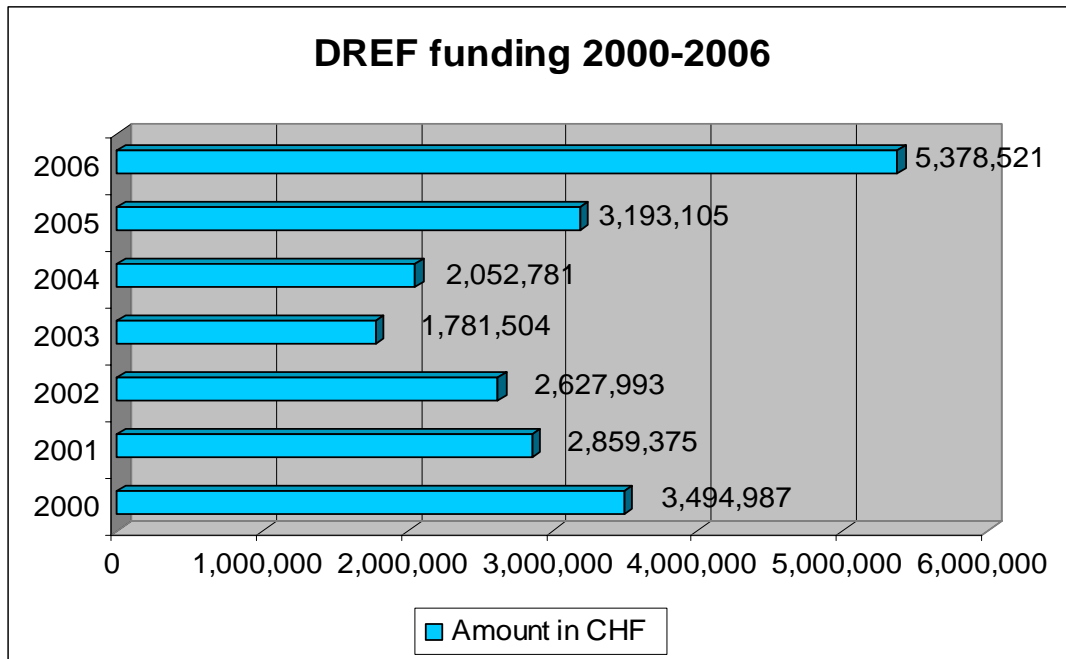


In 2006, the United Nations launched its Central Emergency Response Fund (CERF) to be able to fund emergency response to major and forgotten or under funded emergencies. The DREF is complementary to the CERF, in that it supports the National Red Cross or Red Crescent Society to fulfill their mandate of responding to all disasters in their countries, including the smaller disasters that they respond to without any outside assistance. The mid-term review of the CERF (March to August 2006) shows that 14 allocations were made for rapid response of an average of USD 5.7 million per allocation during this six month period. During the same six months, 42 allocations of an average of CHF 90,000 were made from the DREF, reflecting appropriate response to the needs of the International Federation’s member National Societies. By increasing the size of the DREF, the International Federation would be able to double the number of allocations, especially for smaller emergencies.

Context

The International Federation has recently carried out an external review of the DREF. The review recommended that the use of DREF as a revolving fund and grant mechanisms be maintained and to increase the target level of the fund to match the increased use of grants for minor emergencies and the growing number of disaster response operations carried out by National Societies over the past few years. These recommendations are in line with the Governing Board’s decision to scale up the capacity of International Federation to meet its four Global Agenda goals, which include reducing the number of deaths, injuries and impact from disasters, diseases and public health emergencies.

The Governing Board of the International Federation has decided to increase the target of the DREF to CHF 25 million by 2010 and the first step is to increase the fund in 2007 to CHF 20 million. This Appeal calls for donations to keep a balance of funding at this target level, taking into account the current balance and a provision for non-reimbursable grants in 2007. At 31 December 2006 the balance of the fund stood at CHF 7.4 million. Given a forecasted overall increase in use of DREF in 2007, particularly minor emergency grants, the International Federation wishes to make a provision for a higher figure of non-reimbursed funds and is therefore appealing for CHF 20 million.

**Goal:**

National Societies benefit from sufficient and immediate funding to allow them to save lives and meet the needs of those affected by disasters in a rapid and effective manner.

Overall Programme Objective 2006-2007:

All National Societies are aware of DREF, request funds when necessary to carry out their mandate of bringing rapid disaster response and the DREF is able to respond to all their requests.

Expected results:

People affected by large and small scale disasters receive timely assistance by National Societies, funded where required by DREF.

The recommendations of the review of DREF will be implemented in 2007, to consolidate DREF's existing strengths, and the quality of its performance and to maintain its profile as a first phase rapid response mechanism. Along with the expansion of the size of DREF in line with the Federation's overall response capacity and the Disaster Management Strategy, this will lead to the following activities:

- *Raising the profile of the DREF with donors* to ensure support to the fund allows it to meet all requests for support from National Societies.
- *Raising awareness of the DREF* within the International Federation membership to ensure that essential emergency response operations are not limited due to insufficient financial resources.
- *Strengthening of internal processes*, including closer monitoring and management of the status of each allocation, from request to final reporting and improvement in the transparency of the allocation and reporting process.
- *Ensuring the rapidity of the request and approval process*, through a strengthening and streamlining of the approval procedures, and facilitation of information sharing at country and regional level.
- *Explore solutions for a more rapid transfer and availability of funds.*
- *Improve impact based reporting*, by providing support to National Societies through International Federation regional offices.
- *Capitalize on the use of DREF* to highlight regional disaster management priorities with donors and governments, and to show the full emergency response capacity and role of the International Federation within the larger humanitarian community.
- *Use DREF to better highlight donor support and strategies*, underlining their role in Good Humanitarian Donorship.