

Appeal 2003-2004



International Federation
of Red Cross and Red Crescent Societies

DISASTER RELIEF EMERGENCY FUND (DREF)

Appeal 01.95/2003

Click on figures to go to the budget

	2003 (In CHF)	2004 ² (In CHF)
Total	3,400,000 ¹	(see footnote below)

Introduction

The Disaster Relief Emergency Fund (DREF) is the Federation's main tool in providing seed capital to jump start operations in times of disaster. It was started in 1985 and has since grown stronger in terms of both size and utilization. The DREF was an invaluable source of funding to national societies which have limited capacities to respond to disasters. The DREF currently stands at approximately CHF 6,600,000 making coverage just under 70 per cent of the CHF 10,000,000 target.

Background and achievements/lessons to date

Over the years there was a greater need to respond to disasters in a swifter and more coordinated manner. The International Federation has accordingly aligned and effectively coordinated the disaster response tools under its Strategy 2010. Since the Federation's DREF review, carried out in April 2001, the fund has seen an increase and the process of application was much smoother. However, the goal of CHF 10,000,000 is yet to be reached. The DREF was effectively disseminated to national societies and delegations and tapped on quite frequently. Over the past year, 46 DREF allocations were made, globally, of which 19 are classified as major disasters, and 11 reimbursements were made so far.

The Disaster Management and Coordination division will continue to work closely with the Federation's finance department to ensure improved financial management of the DREF, automated allocation and reimbursement procedures, thereby setting clearer roles and responsibilities. The guidelines will be revised so as to ensure the automated recovery of funds. Systematic training on the revised guidelines of the DREF will be provided by the division.

The reports on DREF will continue to be issued on a quarterly basis and disseminated as widely as possible to ensure that donors, national societies and delegations are well informed on the use of the funds.

Overall Goal

¹ USD 2,446,214 or EUR 2,336,657.

² The DREF request for 2004 will depend on funds available at the end of 2003.

The goal of the DREF is to provide immediate funding in response to major and minor disasters thereby enabling the Federation to react rapidly, effectively and efficiently.

Objective

To make the DREF a secured line of credit for new emergencies.

Activities in reaching this objective include:

- continue to actively fund raise to reach the target of CHF 10,000,000 in the fund;
- revise the DREF procedures to guarantee recovery, where possible, to sustain the fund and disseminate new procedures to those concerned;
- continue to expand DREF information sharing and allocations to emergencies and disseminate through the its web page on the public web site (www.ifrc.org/WHAT/response/dref.asp); and
- continue to include the DREF into the disaster management working group and benefit from lessons learned by incorporating them back into the system.

Expected results by December 2003:

- the DREF contributes to rapid, effective and efficient disaster response;
- mechanical line of credit available for emergency operations providing up to 15 per cent of the appeal target;
- disaster response of national societies and delegations improved;
- the DREF is disseminated widely in various programme forums;
- timely reporting is provided on the use of the funds;
- increased number of allocations to operations;
- increased and structured speed of allocations and recovery;
- streamlined recovery procedures in liasion with finance; and
- increase funding from donors to achieve the CHF 10,000,000 target.

Indicators

- the DREF achieves funding target;
- disaster response planning is reviewed to accommodate the DREF procedures;
- increased number of delegations/national societies requesting the DREF to jump start operations;
- automatic reimbursements of the DREF ensures the fund continues to be replenished; and
- the DREF target of CHF 10,000,000 is achieved.

Critical assumptions

The DREF fund should not fall below the CHF 1,000,000 at any one time and all objectives can be achieved once the 10,000,000 target is reached. The participating national societies holding the DREF-like funds will support the objectives of the Federation's DREF.