



ANNUAL PLAN 2019

DISASTER RELIEF EMERGENCY FUND (DREF)

Rapid and effective response to emergencies and crises

WHO WE ARE

The International Federation of Red Cross and Red Crescent Societies (IFRC) is the world's largest humanitarian network, with 191 National Red Cross and Red Crescent Societies and around 12 million volunteers. The IFRC works to strengthen and accompany National Societies, so that they may better address current and future challenges. We support coordination of the global Red Cross and Red Crescent network before, during and after disasters and crises. Together, we reach more than 160 million people with life-saving and life-changing support annually.

OVERVIEW

Every year, small and medium-sized disasters often occur in silence, without the attention of the mainstream media. Without visibility or attention beyond the local region in which they occur, these silent disasters often do not receive the influx of financial support that can follow large-scale emergencies or disasters. To support these smaller emergencies or disasters, or to provide loans before emergency appeals are launched for large-scale disasters, the IFRC secretariat allocates funds from its Disaster Relief Emergency Fund (DREF) to National Societies to support their operations. Additionally, the newly launched Forecast Based Action by the DREF, complements the existing DREF as a new financing mechanism solely dedicated to provide funding for early action, emphasizing the importance IFRC is placing on anticipatory humanitarian action and highlighting the collective efforts to support this area.



The Disaster Relief Emergency Fund mechanism has been vital in supporting our National Society to rapidly and efficiently respond to the needs of local communities affected by disasters. In late 2017, when the Vanuatu government evacuated an entire island—11,000 people—due to a volcanic eruption, having the ability to quickly call on emergency funding allowed Vanuatu Red Cross to be the first on the ground distributing essential relief supplies to people housed in evacuation centres. Similarly in the case of the Dengue Fever epidemic earlier in the year where a DREF allocation saw Vanuatu Red Cross delivering essential and potentially life-saving information and prevention awareness activities to at-risk communities.

Jaqueline De Gaillande
CEO, Vanuatu Red Cross

WHAT ARE THESE FUNDS FOR?

The Disaster Relief Emergency Fund (DREF) was established by the International Federation of Red Cross and Red Crescent Societies (IFRC) in 1985 to provide immediate financial support to National Red Cross and Red Crescent Societies, enabling them to carry out their unique role as first responders after a disaster.

The DREF is available to all 191 member National Societies of the IFRC, and has two main purposes:

- Funding for National Society responses to small- and medium-scale disasters and health emergencies for which no international appeal will be launched or when support from other actors is not foreseen—the “grant facility”.
- Start-up funding for the IFRC and National Societies to respond to large-scale disasters—the “loan facility”

All requests for DREF allocations are reviewed individually. Funds can be authorized and released within 24 hours. Complementing the existing DREF modalities, the Forecast based Action by the DREF (FbA) provides funding to implement early action, automatically released once pre-defined scientific triggers are met. The fund aims to provide support to National Societies for them to timely and effectively implement early actions when a weather forecast shows a high likelihood of an extreme weather event critically impacting people.

DREF allocations also appear to fill gaps that are off the radar for the UN-coordinated appeal system and where there is no appeal. Of the 36 countries receiving DREF allocations in 2017, only 8 had UN-coordinated appeals, and of these 3 were less than 50% funded (World Disaster Report, 2018). DREF is often requested to respond to disease outbreaks, with an average annual allocation of CHF 3.4 million.

In 2018 the DREF supported the Uganda Red Cross in its preparedness activities to respond to a possible Ebola Virus Disease outbreak. Many other partners were actively supporting the National Society, however the DREF contribution was used to position the Red Cross as a key actor in community based surveillance and safe and dignified burials.

With record levels of funding allocated by the DREF in 2017, it is clear that assistance to vulnerable communities is needed more than ever. The DREF remains a unique way for the IFRC to channel assistance through a localized response by the National Red Cross and Red Crescent Societies. In 2017 alone 86 of them were supported, in over 100 operations worth some 23 million Swiss francs. That's the highest figure since the fund was established in 1985.

Elhajd As Sy
IFRC Secretary General

*FbA by the DREF launch,
May 2018*

LOOKING FORWARD

In 2017, the IFRC experienced an increasing demand for the support from the DREF, which was accompanied by increasing contributions from DREF donors. Therefore, it was possible to continue our efforts to make the DREF accessible for more National Societies. This trend has been continued in 2018, providing evidence for the strategic direction that aims at an increase of the average annual turnover from 20 to 30 million Swiss francs by 2020.

To support National Societies in scaling up their use of the DREF, a number of steps were taken during 2018. These include efforts to strengthen National Societies capacity to request, plan and implement DREF operations; promoting the use of DREF for medium-scale response in low-visibility or silent emergencies which do not attract Emergency Appeal funding, and the introduction of the Forecast based Action by the DREF. The changes are to be formalized in the revised procedures for the DREF, planned to be issued early 2019.

Strengthened capacity of National Societies in high-risk environments to access and implement DREF

The DREF is introducing a DREF capacity strengthening officer function to provide on-site or remote support to IFRC Regional Offices or National Societies in disaster-prone contexts. The position is introduced to enhance the capacity to successfully request support from the DREF in anticipation of or immediately following emergency situations requiring financial support. Additionally, to the direct support provided to the National Societies and IFRC Regional Offices, the position will also look into the development of tools such as guidelines and training resources to help raise awareness about the DREF and its procedures aligned with other Movement initiatives.

Revision of current DREF procedures

Upon request by the IFRC governing board, the latest version of the DREF procedures (dated 2011) is under revision and the updated procedures planned to be launched in 2019. The procedures will update allocation limits and thresholds based on current price indexes and with a view to facilitate full operation allocations beyond the current CHF 300,000. This will be key in supporting National Society response in situations where a smaller Emergency Appeal will normally not receive the necessary funding to launch a cost-effective operation (silent emergencies, low-visibility crises). The revised procedures will also update eligibility criteria based on current humanitarian trends, but within the current scope of immediate life-saving assistance to communities.

FORECAST-BASED ACTION BY THE DREF

The Forecast based Action by the DREF was launched in 2018 as a separate financial pool “fenced” from the current DREF, but financial contributions with a flexibility to support both mechanisms are being accepted. The Forecast based Action is expected to have a turnover of approximately CHF 2.5 Million in 2019 with a steady increase in the coming years.

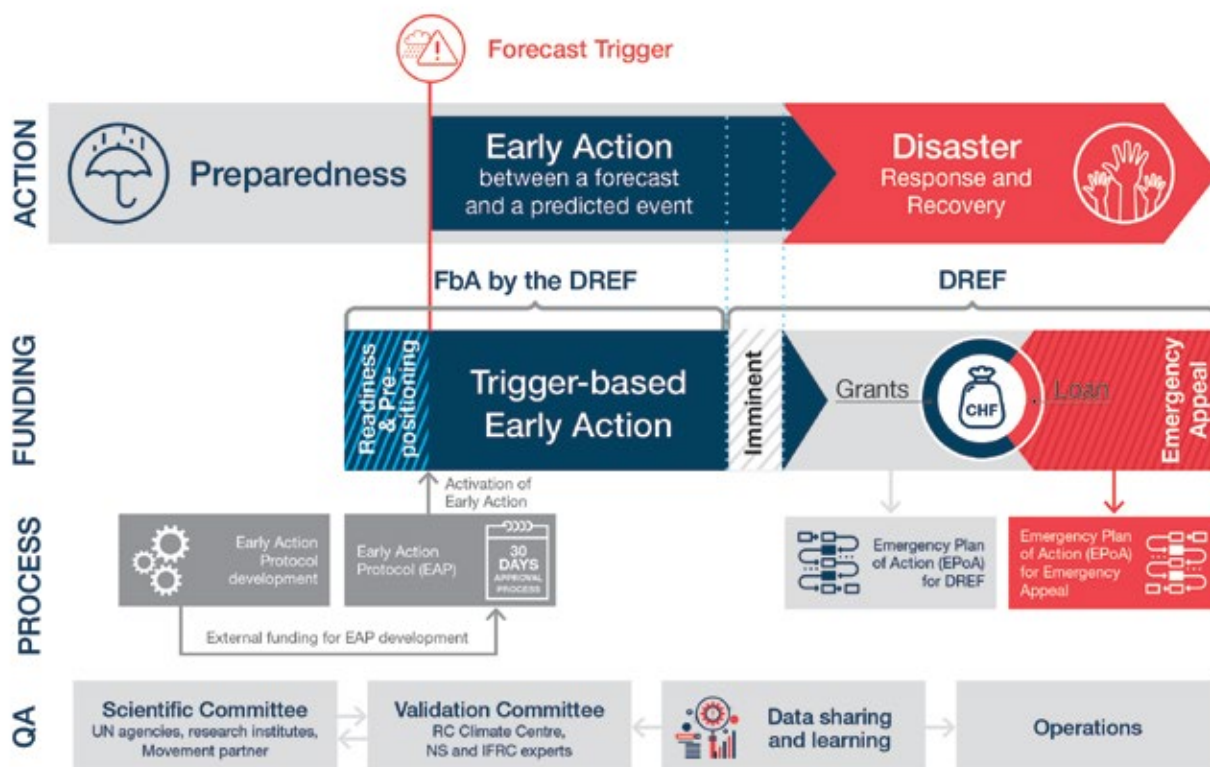
Red Cross and Red Crescent National Societies can apply to the fund by developing an Early Action Protocol (EAP). An Early Action Protocol is a formal plan that outlines when and where early action should be implemented, and which early actions are feasible to implement given the prioritized risks, the National Society’s capacity and the lead time until the hazard’s impact. The development of Early Action Protocol is not covered by the Forecast based Action fund, but it can be initiated by a National Society using its own resources, through a bilateral partnership or through multilateral financial support from the IFRC through the annual operational plan.

Besides the costs of the planned early action, through their Early Action Protocol, National Societies can also budget for possible pre-positioning of stocks and readiness costs required for its implementation. Once an Early Action Protocol is approved, the IFRC guarantees the release of the budgeted amounts for the three components, prepositioning, readiness and early action

On disaster, in 2018, I would like to point to just one important development in disaster management. It’s the launch of a Forecast Based Action window in the DREF. Forecast based financing and action is a great example of innovation, of true disaster preparedness, and of mobilising National Society and Government support.

Elhajd As Sy
IFRC Secretary General

37th Session of the
Governing Board
June 2018



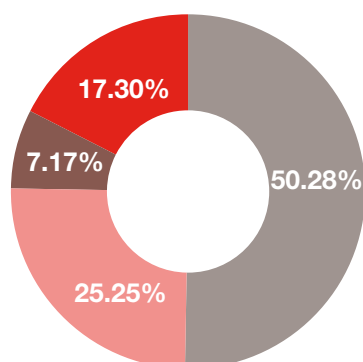
HOW IS IT FUNDED?

Funds for DREF and FbA are sought through an annual appeal. This allows the IFRC to maintain the necessary balance of funds to meet the requests for support.

If you or your organization is interested in supporting the DREF mechanism of emergency response, please contact us.

TYPE OF DONOR CONTRIBUTIONS TO THE DREF 2018

■ Government ■ Institutional ■ Private ■ Red Cross Societies



FINANCIAL REQUIREMENTS

The DREF maintains a balance of 10 to 15 million Swiss Francs to ensure liquidity even at unforeseen high demands and low donor response. In addition to the maintained balance, the annual turnover is resourced through fundraising (2/3 of the total turnover) and refund of loans by National Societies (1/3 of the total turnover). Besides allocations to National Societies, the DREF allocates approximately 5% of the annual turnover towards administrative costs.

Contributions to the DREF are recorded daily and presented in the IFRC public website [donor response list](#).

With an anticipated turnover between 25 and 30 million Swiss Francs in 2019, the DREF seeks CHF 18.9 million and the Forecast based Action fund seeks CHF 2.5 million in unearmarked contributions.



For more information

For general information on the DREF, please visit the IFRC DREF website www.ifrc.org/DREF and for latest updates follow the DREF on twitter: [@IFRC_DREF](https://twitter.com/IFRC_DREF).

For any other information, including financial support to the DREF, please contact:

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