



# ANNUAL PLAN 2020

## DISASTER RELIEF EMERGENCY FUND (DREF) & FORECAST BASED ACTION BY THE 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 190 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.

The Disaster Relief Emergency Fund (DREF) allocates grants for small-to medium scale disasters and silent emergencies where a potential Emergency Appeal would not attract donor attention. It also allocates start-up loans to Emergency Appeals, which are then returned to the DREF once donor support to the Emergency Appeal is recorded.

The support to small- to medium size disasters and silent emergencies remains the priority for the DREF, and the fund aims at maintaining a two third of the total allocations for this purpose.

Additionally, the 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.

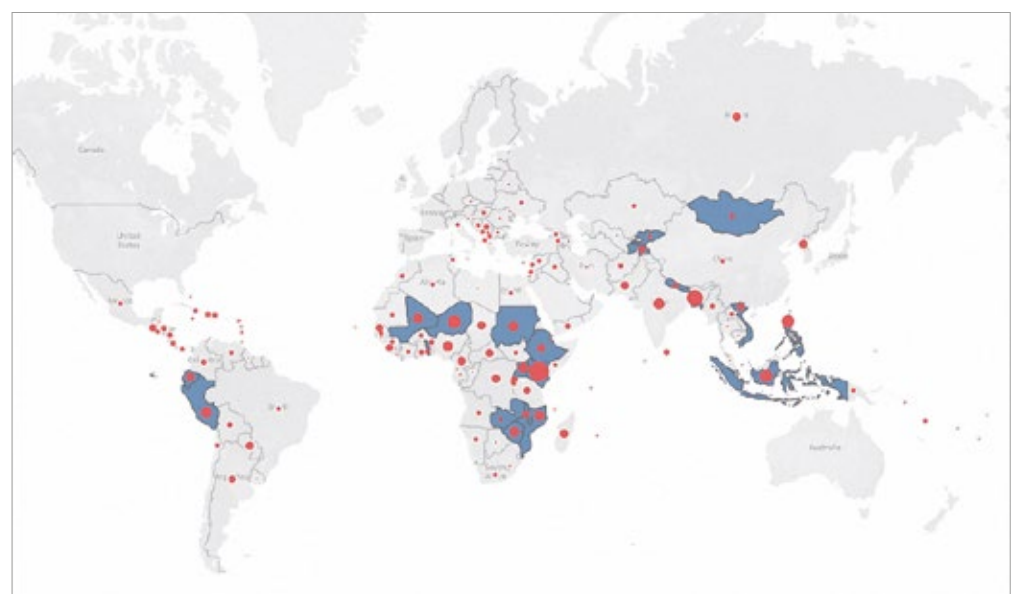
The Forecast based Action by the DREF was launched in 2018 as a separate financial pool, “fenced” from the current DREF. Donor contributions with a flexibility to support both mechanisms are encouraged.

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 August 2019, the Da Teh district in Viet Nam faced extensive flooding due to heavy monsoon rains. The floods were particularly devastating as the stagnant waters lasted for more than five days destroying critical crops and roots of fruit trees. Viet Nam Red Cross, with support from the IFRC DREF, is supporting communities in recovery. For the first time, Red Cross teams are providing cash grants to the most vulnerable families to rebuild their lives.

After two days of heavy rain the water rose fast and suddenly the floods came. We were preparing to feed the silkworms, and everyone came to help cut the mulberry leaves. We were cutting the leaves, but the water rose too fast, so we had to give up. Our silkworms all died.” Le Huu Tuan and his family received 1,5 million Vietnamese Dong from the Vietnam Red Cross to help them rebuild their livelihoods. “I’m keen to rebuild and expand the farm. Plant more mulberry to earn more money to live on. My mother is proud of me of course and I want to expand the farm to make her happy.”

Le Huu Tuan



## 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 190 member National Societies of the IFRC, and has two main purposes:

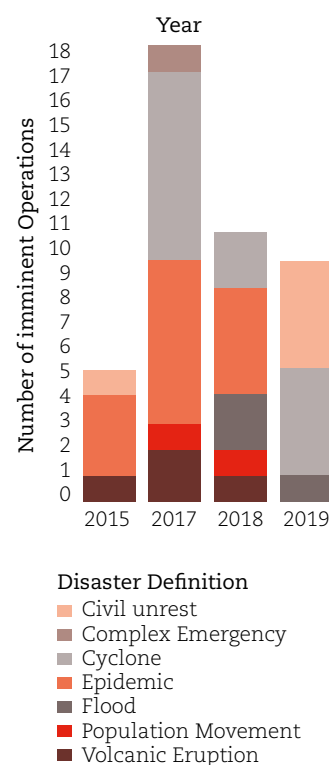
- Funding for National Society responses to small- and medium-scale disasters and health emergencies for which no international appeal will be launched or when support from other actors is not foreseen—the “grant facility”.
- Start-up funding for the IFRC and National Societies to respond to large-scale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

All requests for DREF allocations are reviewed individually. Funds can be authorized and released within 24 hours.

Timely humanitarian assistance to the people affected by both small- and large-scale natural disasters, health crises and complex emergencies is vital to prevent further increase in their vulnerability and weakening of their coping capacity.

When early warning of potential impact of disasters is available, early action by National Societies to initiate activities ahead of the event can reduce the impact on communities at risk and speed up response. Therefore, the DREF continues to promote the use of DREF for imminent crisis and encourages National Societies to respond with early action to a specific event.

Similarly, when the effects of a disaster to the affected population is yet unknown, National Societies can ask for a DREF allocation to conduct assessments, identifying the gaps and plan their operational strategy accordingly. In addition to the support for imminent crisis and early assessment, the DREF is being promoted to facilitate deployment of international surge capacity when needed to support assessments and provide support to the host National Society in developing operational strategy and planning the response with sufficient technical expertise.



During the period of 2014–2018, National Societies from 45 of the 47 countries currently rated high or very high risk by INFORM accessed the DREF. In 2019, 48 countries rated high or very high risk by INFORM, of these 37 National Societies accessed the DREF through 53 allocations.

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. The FbA is linked to the DREF by allowing access to its funding in way of grants allocations, and by allowing for a swift transition to response grants from the DREF in case of need.

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.

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.

*The predictive funding window of the Disaster Relief Emergency Fund (known as Forecast-Based Action) allows this type of proactive work. It was launched in May 2018, and is the only such specialised fund available in the humanitarian sector at present.*

*Forecast-based action allows funds to be released ahead of an impending disaster—providing critical time for urgent protective actions, stockpiling, and mobilising communities likely to be affected. It saves time, and as a result it saves lives. It prevents shocks and hazards from becoming disasters.*

**Elhadj As Sy**  
IFRC Secretary General  
39th Session of the  
Governing Board  
Wednesday May 2019

## LOOKING FORWARD

The strategic direction for 2017–2020 aims at an increase of average annual turnover from 20 to 30 million Swiss francs by 2020. In 2020, in addition to disbursement of funds and monitoring the functioning of the Fund, the DREF will focus on the following main areas:

- **Strategic direction setting from 2020** The current strategic direction will be revisited in 2020 after successful implementation of the 2017–2020 strategic scale-up plan.
- **National Society access to the DREF** Through the new procedures and guidelines the NS have a clear set of criteria for accessing the funds—these will be the basis for continuous focus on the ability of NS to access funds.
- **Capacity strengthening** Through trainings and specific tools, the efforts to strengthen National Societies' ability to identify potential for assistance to disaster affected communities through DREF support and successfully plan, request and implement DREF allocations.
- **Knowledge management and learning** Through an enhanced data collection capacity, and analyzed information, improved accountability and evidence-based decision making is facilitated to contribute to operational planning and effective disaster response.

The DREF has only one applicant per country, the Red Cross or Red Crescent Society, and the Fund is only as strong as the National Societies. Efforts towards strengthening National Societies ability to access the fund and deliver efficient response has had a positive effect since the scale-up of this area in 2018, and these efforts will continue in 2020. However, Innovation and Improvements are still required to provide timely and relevant response. Especially in slow-onset disasters and protracted crises. Funding from the DREF is eligible to support immediate and short-term response by National Societies. However, while immediate response is necessary in many slow-onset disasters, such as food insecurity, and DREF funding can be used to ensure the immediate needs are met, the intervention period is often not long enough to make a sustainable difference to the situation of the most affected people. Early action in these slow-onset disasters reduces the need for emergency assistance later but, considering the short timeframe of DREF-funded interventions, must be well connected to other financial mechanisms such as the annual plan for a sustainable impact of the early action.

The recent scale-up of the use of DREF has required scale-up support of the planning, implementation and reporting assistance to National Societies provided by the distributed IFRC secretariat. From 2020, additional resources are being allocated to ensure personnel is available in the IFRC regional offices to provide the necessary support to National Societies. The continued efforts towards transparency, accountability and compliance will be supported by a new member of the DREF team dedicated to these aspects of the fund management.

In 2020 efforts will continue to institutionalize a systematic gathering and categorization of operational learnings coming from the implementation of response operations, thus allowing a better use by National Societies as well as technical areas of the IFRC secretariat.

The team managing DREF works closely with disaster management and communications experts to ensure visibility of the Fund is included where appropriate. Visibility and promotion efforts include real-time announcement of allocations through twitter, web stories on DREF operations on the IFRC public website and structured data of all DREF allocations and operations on the IFRC GO platform ([go.ifrc.org](https://go.ifrc.org)).

The learning from and evidence of well-planned and implemented DREF operations contribute to an increased credibility of National Societies, which may benefit the links to national authorities and institutions and to other partners. Demonstrating that resources to meet emergency needs are available, could lead to increased domestic funding partnerships for National Societies and, in the longer term, should lead to greater autonomy of National Societies in being able to meet the needs of people affected by small or medium-scale disasters.

With the aim of increasing the use of the Forecast based Financing approach across National Societies, while enhancing the coordination among those National Societies and Partner National Societies that are already implementing

FbF, a position of FbF/FbA Capacity Strengthening will be added to the team. This position will focus on providing technical assistance to National Societies and IFRC delegations on Forecast based Financing and Forecast based Action by the DREF, striving to make sure they are well known, understood and efficiently implemented.

During 2020, the FbA by the DREF will strengthen efforts to institutionalize the FbA as the main fund for sustainable funding of National Society Early Action Protocols. This includes increased engagement with National Societies planning or implementing EAPs, both as a domestic project or as a partner to another National Society. A strategy to further increase the number and reach of EAPs being developed and included under the fund, will be developed in 2020. All work will happen in close collaboration with the IFRC's Disaster Risk Financing and Global Innovative Financing teams, the Red Cross Red Crescent Climate Centre, and the upcoming Hub for Anticipatory Action hosted by the German Red Cross.

The Hub for Anticipatory Humanitarian Action hosted by the German Red Cross will provide a dedicated space for further documentation, aggregation of materials and exchange of expertise within the network. Support to National Societies to strengthen their capacity to implement anticipatory action will be expanded thanks to close collaboration with other partners through the Early Action focused task force.

Beyond consolidating the Forecast-based Financing (FbF) methodology for weather-related events, other areas of anticipatory approach will be further looked into in 2020, as well as wider disaster risk financing approaches. Strong engagement will be pursued within the network to encourage the shift in mind-set and mainstreaming of a risk-informed/early action approach. The positioning gained by the IFRC through engagement in the Global Commission on Adaptation and the Climate Action Summit will be leveraged to ensure scaled-up support to National Societies as key implementation partners of commitments made.

During 2020 IFRC will continue to work with Movement and external partners such as the Start Network, the World Food Program (WFP), World Meteorological Organization (WMO) and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) to advocate at global forums and influence policy makers to increase support for humanitarian anticipatory action.

IFRC will leverage its leadership role in the newly established Risk-informed Early Action Partnership to broker new partnerships and projects at the country level. The Risk-informed Early Action Partnership, a partnership initiated at the 2019 Climate Action Summit, brings together stakeholders from the climate, development and humanitarian communities to drive a transformational shift to anticipatory action, connected to longer term risk management and climate change adaptation.

## DREF Indicators

- Total volume of DREF allocations (grants & loans)
- Average timing of DREF (NS request to allocation)
- Implementation rate for completed operations
- # of NS accessing DREF
- % of INFORM medium-high risk countries covered with DREF
- Grants vs loans ratio
- Number of trainings on DREF procedures, and technical support
- Number of National Societies that apply the DREF Lessons Learnt Guide
- Donor response vs target
- DREF donor events and AG meetings
- # of DREF operations reviewed
- # of operations audited or supported with risk assessment

## FbA Indicators

- Total # of active Early Action Protocols (EAP) in place
- # of new donors contribute to the FbA Fund
- # of New National Societies that apply to the fund
- # of EAPs approved by the validation Committee during the year
- % of funding available in the Forecast based Action by the DREF that is allocated during the year
- % of EAPs validated in under 30 days.
- # of National Societies trained on FbF/ FbA through forums, workshops and direct discussion
- # of Country or Regional Operational plans that include FbF activities
- # of simulations conducted
- % of trigger-based activations that include a lessons-learned workshop

## 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.

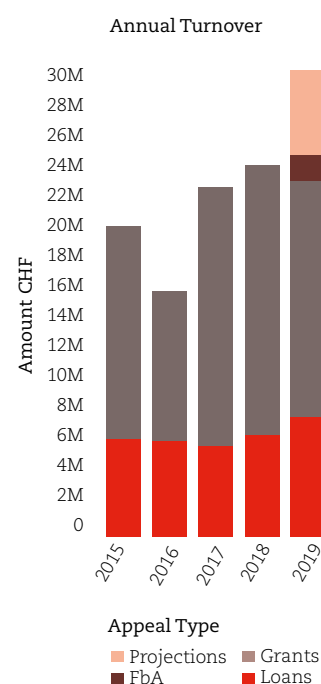
If you or your organization is interested in supporting the DREF mechanism of emergency response, please contact us.

## FINANCIAL REQUIREMENTS

The DREF maintains a balance equivalent to 25% of the annual turnover to ensure liquidity even at unforeseen high demands and low donor response. the Fund is resourced through donor contributions and refund of loans by National Societies. Besides allocations to National Societies, the DREF allocates approximately 5% of the annual turnover towards administrative costs, coordination and National Society strengthening.

Contributions to the DREF are recorded daily and presented in the IFRC public website donor response list.

With an anticipated turnover of 30–35 million swiss francs, the DREF seeks CHF 22.5 million and the Forecast based Action fund seeks CHF 4.5 million in unearmarked contributions for 2020.





**For more information**

For general information on the DREF, please visit the IFRC DREF website [www.ifrc.org/DREF](http://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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