



2021 ANNUAL PLAN

DISASTER RELIEF EMERGENCY FUND AND FORECAST BASED ACTION

$\ensuremath{\mathbb{C}}$ International Federation of Red Cross and Red Crescent Societies, Geneva, 2020

Any part of this publication may be cited, copied, translated into other languages or adapted to meet local needs without prior permission from the International Federation of Red Cross and Red Crescent Societies, provided that the source is clearly stated.

Contact us:

Requests for commercial reproduction should be directed to the IFRC Secretariat:

 Address: Chemin des Crêts 17, Petit-Saconnex, 1209 Geneva, Switzerland

 Postal address: P.O. Box 303, 1211 Geneva 19, Switzerland

 T +41 (0)22 730 42 22
 F +41 (0)22 730 42 00
 E secretariat@ifrc.org
 W ifrc.org

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

2021 ANNUAL PLAN

RAPID AND EFFECTIVE RESPONSE TO EMERGENCIES AND CRISES

66

Every year small and medium-sized disasters devastate entire communities but do not generate the much-needed financial support for adequate and timely response efforts. For 30 years, IFRC's Disaster Relief Emergency Fund (DREF) has provided immediate financial assistance and strengthened the capacity of National Societies to respond to these disasters.

The 2021 DREF annual plan aims to outline the scale up of adequate financial assistance to National Societies including support in their mitigation, prevention, early warning and early action efforts through the Forecast based Action by the DREF, as well as enhancing their capacity and awareness for accessing much needed funds for their emergency response plans. The DREF 2021 Annual plan is the first step in the 5-year strategy that aims to triple the DREF to 100 million Swiss francs over the next five years so that National Societies can continue to provide urgent and vital emergency response, early warning and forecastbased action for vulnerable communities during disasters.

Jagan Chapagain, IFRC Secretary General

CONTENTS

Who we are	7
Overview	7
What are these funds for?	8
Looking forward	13
Strategic Objective 1: Enabling Local action – enough funding as direct as possible	14
Strategic Objective 2: Saving more lives by anticipating crisis and acting earlier	15
Strategic Objective 3: Increasing the value of DREF in protracted, slow onset and complex events	16
Enabler 1: A lean, efficient fund	17
Enabler 2: Increased support to strengthening National Societies	18
Enabler 3: National Society ownership and trust	19
Main indicators	21
How is it funded?	21
Financial requirements	21



Lebanon, 2020. Two months after the devastating explosion in Beirut Port shook the city on 4 August, Lebanon Red Cross has been responding to the needs of the people affected.

The response started with assessing the situation, Search and Rescue as well as providing first-aid to the injured people. Thousands of people were transported to the hospitals with the help of Lebanese Red Cross volunteers and ambulances. Also, in the early phase, there was a shortage of blood donations, leading to an appeal for blood donors in LRC Blood Transfusion Centers in coordination with other NGOs.

Now after two months, the response has shifted more to providing food and hygiene parcels as well as cash grants to the most vulnerable affected families. Lebanese Red Cross volunteers keep providing psychosocial support for those in need of emotional or mental health support. © Lebanese Red Cross



WHO WE ARE

The International Federation of Red Cross and Red Crescent Societies (IFRC) is the world's largest humanitarian network, with 192 National Red Cross and Red Crescent Societies and almost 14 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.

OVERVIEW

Every year, small and medium-sized disasters occur in silence, without the attention of the mainstream media, with devastating impact on the most vulnerable. Without visibility beyond the local level, these events often do not receive the influx of financial support that can follow large-scale emergencies or crisis.

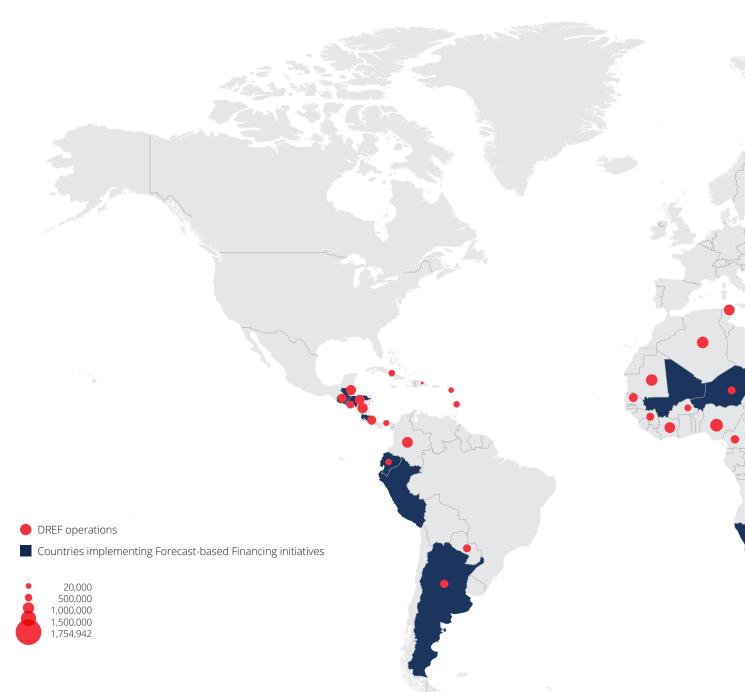
The Disaster Relief Emergency Fund (DREF) works in two ways: by allocating grants for National Red Cross Red Crescent Societies to respond to small-to medium scale disasters and silent emergencies where a potential Emergency Appeal would not attract donor attention. DREF grants equates to around two thirds of the annual allocations. In addition to grants, DREF also provides start-up loans to Emergency Appeals, which are then refunded to the DREF once donor support to the Emergency Appeal is recorded.

Additionally, Forecast based Action by the DREF complements the existing DREF, providing a new financing mechanism solely dedicated for early action in advance of a disaster. Forecast based Action by the DREF emphasizes the importance of anticipatory humanitarian action and highlighting the IFRC's collective efforts to support this work. 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 DREF mechanism provides vital support to our National Societies, by providing rapid and predictable financial support which enables them to anticipate and respond to the needs of local communities at risk and affected by disasters.

The Disaster Relief Emergency Fund mechanism has been vital in supporting our National Societies to rapidly and efficiently anticipate and respond to the needs of local communities affected by disasters.

WHAT ARE THESE FUNDS FOR?



DREF IN NUMBERS (2020)

97 emergency operations supported **75** countries with DREF operations **32 million** for DREF allocations **4.12 million** people targeted through DREF operations The majority of the operations that the National Societies implement with support from the DREF are related to climatological, hydrological and geophysical hazards. In general, almost two third of the overall allocations are destined to anticipate and respond to floods, cyclones, drought, earthquakes and volcano eruptions. To date, the Forecast based Action by the DREF has approved 12 Early Action Protocols, which anticipate impacts for cyclones and typhoons, cold wave, extreme winter, floods, and volcanic ash.



FbA BY THE DREF IN NUMBERS (2020)

8

Early Action Protocols are ready to be activated around the world

21

Early Action Protocols under development

3.5 million

Swiss francs allocated for EAPs

' million

Swiss francs disbursed in 2020 for Early Action

24,000 people covered for early actions



Philippines, 2020. The Philippine Red Cross volunteers are working overtime to deliver basic essential non-food items like hygiene and sleeping kits, tarpaulins, jerry cans to Super Typhoon Goni affected communities while observing health protocols to prevent the spread of COVID-19. Volunteers are also conducting hygiene promotion and providing hot meals to affected people. © Philippine Red Cross Society

CELIN

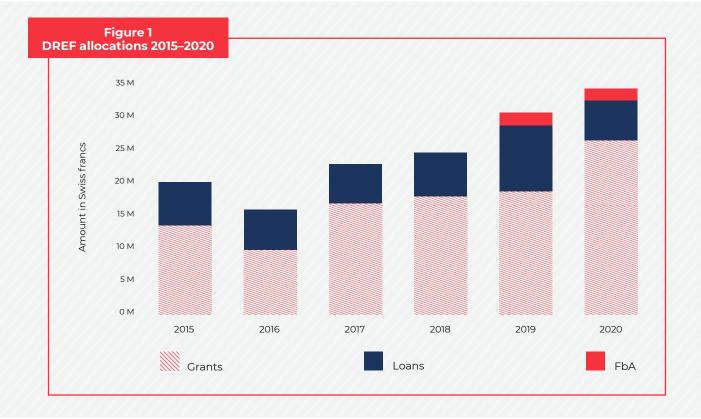
In 2020, **36** countries rated high or very high risk by INFORM, of these **20** National Societies assessed the DREF through **31** allocations.

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 the Forecast based Action by the DREF encouraging National Societies to act early.

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 assistance to the host National Society in developing operational strategy and planning the response with additional technical expertise.

Up to 2019, the DREF had maintained a healthy balance of funding enabling resources to be allocated to all eligible requests based on the set criteria. But in 2020, the DREF faced a critical situation when the allocations surpassed the amount of resources available. National Societies' demand for DREF continues to increase, however contributions from donors have not increased at the same level. Still the donor base is diverse, with a growing number and volume annual contributions from Governments and institutional donors. The large number of consistent high quality of operations has made long-term partnerships with key donors possible. As long as integrity, transparency, trust and quality are maintained, these partnerships could be grown further in the coming years. During the period 2015 – 2019 the DREF maintained a consistent balance, however with a new DREF strategy outlining the ambition to increase allocations to CHF 100 million by 2025 and based on the situation faced in 2020, an active fundraising strategy is required to meet the National Societies demand.



Italy, 2020. Italian Red Cross volunteers supported Florence local institutions to build a temporary camp for people who need to self-isolate and don't have any place to do it. © Italian Red Cross



LOOKING FORWARD

During 2020 based on the continuous scaling up in the allocations together with the demand from the National Societies, the DREF has defined a five-year strategic ambition to continue the scale up alongside with the main priorities. This strategic plan is the result of continuous dialogue with all partners and stakeholders of the DREF. The existence of the Fund is based on the requirement to provide rapid financial support to National Red Cross Red Crescent Societies for scaling up their response to assist communities handling emerging risks or effects of disasters and crisis. The strategic ambition is being operationalized through this IFRC annual plan outlining the key milestones for 2021 linked to the strategy. Process and progress will be reported through standard IFRC annual reports.

OUR VISION FOR THE DREF

The IFRC Disaster Relief Emergency Fund is the preferred, simplest and fastest way for National Societies to access reliable international, short-term funding for community action in all kinds of disasters when needs exceed the resources available at national level. Growing needs of the communities affected and growing response capacity of National Societies is addressed through a significant scale-up of the use of DREF to anticipate and respond – before, during and after the impact.

The following main directions are identified in the DREF Strategy 2021–2025:

- Strategic Objective 1: Enabling Local action enough funding as direct as possible
- Strategic Objective 2: Saving more lives by anticipating crisis and acting earlier
- Strategic Objective 3: increasing the value of DREF in protracted, slow onset and complex events
- Enabler 1: A lean, efficient Fund
- Enabler 2: Increased support to strengthening National Societies
- Enabler 3: National Society ownership and trust



Ecuador, 2020. The Ecuador Red Cross activated their volcanic ash Early Action Protocol in September 2020 to mitigate the impacts of the Sangay Volcano ash fall on the most vulnerable population. © Ecuadorian Red Cross

STRATEGIC OBJECTIVE 1: Enabling Local action – enough funding as direct as possible

The DREF is a funding mechanism for National Societies to enhance their response in disasters and emergencies that surpasses their financial capacities. The DREF clearly supports the localization agenda as it channels resources in a very direct manner from donors to targeted population.

In order to continue enabling local action, the DREF will develop a well-defined fundraising and communications strategy to scale up funding from new and existing partners to the DREF. The development of the fundraising strategy will involve all the biggest partners of the DREF, including the members of the DREF Advisory group and other institutional donors.

Close coordination will be needed with IFRC Partnerships Team on new funding opportunities for the DREF especially focusing on the private sector. Together with the Communications unit, a more robust communication and highlight of the DREF shall be agreed.

At the same time, it is important to align with the global arena for similar funds, and their modalities for funding local actions to adopt joint advocacy positions.

- Draft communication and advocacy strategy prepared together with PRD and Comms
- Regular meetings with DREF Advisory group members and annual donor meeting with main partners
- Set up a high level DREF strategic dialogue mechanism
- Increase and diversify briefings with the Missions representatives and other donors.

STRATEGIC OBJECTIVE 2: Saving more lives by anticipating crisis and acting earlier

Anticipation instead of reaction, is at the heart of FbA by the DREF. For the last two years, FbA by the DREF has been reshaping the humanitarian system, by anticipating disasters, preventing them if possible, and reducing the impacts of severe weather events. It does this by safeguarding lives and livelihoods of the most vulnerable using innovative technologies, data and weather forecasts.

In 2021 FbA by the DREF will undertake a review of the Fund's pilot phase (2018–2020), and will adapt its policies and procedures accordingly, ensuring that the Fund delivers maximum efficiency for our National Societies and the communities that they serve. In 2021, FbA by the DREF plans to explore an expanded range of triggers for non-weather-related hazards such as epidemics. Exploring triggers for non-weather-related hazards will also contribute to further increasing the number and reach of Early Action Protocols to be developed by National Societies.

Also in 2021, the FbA by the DREF capacity strengthening delegate will focus on providing a systematized learning structure for the fund, connected to the pilot phase review and the operational learning initiative. The results from this process will be used to develop, update and disseminate FbF knowledge products and advocacy tools for National Societies that have approved EAPs or under development, National Societies interested in FbF as well as IFRC Offices in the field.

To contribute to the overall anticipatory agenda, the DREF will explore opportunities to familiarize National Societies and to develop guidance on how to include early actions to DREF operations that are launched before the actual disaster happens but when there is enough evidence, based on expert judgement that a disaster is very likely to materialize within a short period.

The IFRC doesn't work in isolation on anticipatory action, and 2021 foresees even closer collaboration with the Movement partners including National Societies implementing anticipatory action, Partner National Societies and the Red Cross Red Crescent Climate Centre, as well as sector innovators such as the newly launched Anticipation Hub and the Early Action Focused Task Force.

MILESTONES

- Review of the pilot phase completed.
- Workplan to integrate the recommendations from the pilot phase review has been developed.
- Draft trigger methodology for non-weather related hazards developed.

Approved and triggered EAPs in 2020



Floods

Bangladesh Ecuador Mali Mozambique Niger Peru Zambia



Cold wave

Mongolia Peru



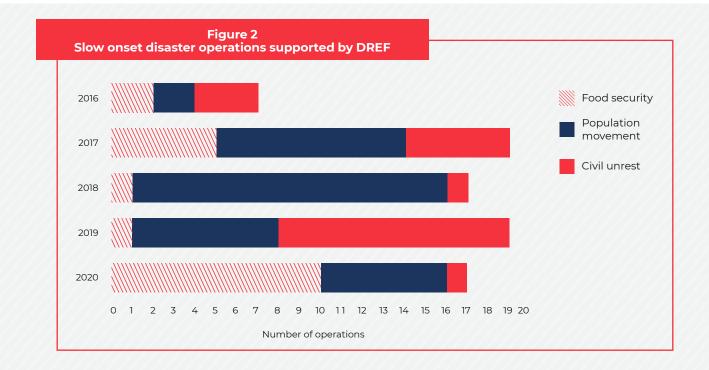
Bangladesh Mozambique Philippines



STRATEGIC OBJECTIVE 3: Increasing the value of DREF in protracted, slow onset and complex events

During the last 5 years the DREF has seen a significant increase in number of requests from National Societies to respond to civil unrest, food security and population movement situations. As a result, these types of disasters became some of the most common disasters when the DREF is used. However, based on the experiences, these emergencies require a longer-term engagement from the IFRC to support National Societies and especially the people affected. As the overall purpose of the DREF is to support National Societies in the emergency phase and the maximum operation timeframe can be 6 months, the specific added value of the DREF in such scenarios needs to be reviewed, so we can maximize the impact of the provided assistance, and DREF can provide more targeted support to the National Societies.

There are several initiatives related to slow onset and protracted crises within the IFRC, during 2021 these will be explored through a desk review with several other teams and the niche will be identified where the DREF can play a role in this and using what modality of support. Also, using previous experiences and learning from the DREF PER learning initiative and after a consultation process with the field a guidance note will be developed explaining how the DREF can be accessed by National Societies to provide support in these situations.



- Desk review based on technical inputs related to short term responses in slow onset and protracted emergencies
- Consolidated guidance on DREF role in slow onset, protracted situations.



Armenia, 2020. Volunteers of Armenian Red Cross are conducting needs assessment among people who had to move to Armenia due to the escalation of the Nagorno-Karabakh conflict. Additionally, they are helping sort and deliver food and non-food items to affected population. © Armenian Red Cross

ENABLER 1: A lean, efficient fund

DREF aims to be a lean, efficient fund and streamline the request and allocation process through digitalization where possible, so that it is easy and transparent for National Societies and the IFRC staff that support them.

As part of the recommendations from the audit conducted in 2020 the DREF will work in 2021 to review its existing KPIs to better align with the scale up, promoting confidence in the process and advocating for policies changes, if required, to ensure that the Fund is as efficient as possible. At the same time to increase the fund risk maturity level and to facilitate risk aware decision making process, a risk matrix will be introduced.

To manage the increased allocation volume in an accountable manner, the Fund structure will be optimized to ensure that the team is 'right sized' based on the demand in different regions, while keeping the overall coordination budget within a 5% maximum.

- Decision paper produced for team composition
- KPIs reviewed, agreed and published
- Risk register in place
- Assessment of digitalization feasibility completed included associated costs and timelines

ENABLER 2: Increased support to strengthening National Societies

Any effort to address risk and needs at community level requires a strong presence of a local actor and in the case of DREF a strong National Society. To act in a matter of hours after a sudden event a well-prepared plan that addresses the main humanitarian needs and takes into account lessons from previous responses is necessary. The Fund acknowledges that resources are required to ensure that National Societies' response mechanism is maintained and commits to continuous support to the National Societies capacity and the IFRC staff that work with them.

In 2021, the DREF will continue its efforts to ensure that National Societies have a good understanding of the requirements, criteria and processes to access the DREF, by developing tools and resources (training packages, webinars, lessons learnt methodologies, mentoring and others). Additionally, emphasis will be given to assure that IFRC personnel involved in supporting National Societies to access, manage and be accountable to the Fund, have the proper understanding of the DREF guidelines.

DREF and FbA capacity strengthening actions will be developed in close coordination with the Regions to reflect new and ongoing National Society preparedness and response initiatives thereby promoting synergies.

DREF funded operations present a unique opportunity for National Societies to mobilize their response mechanism and be able to identify different challenges and lessons from the experience. Through the final report, this learning is systematically captured during each operation, and the Fund recognizes the need to collect it through the operational learning initiative and make it available and easy to access for everyone to support overall Movement learning. This is done through an overall dashboard developed that will be regularly updated and shared through the GO Platform.

- Tools and resources targeting National Societies and IFRC personnel have been developed and/or updated.
- An up to date operational learning system that captures all lessons and challenges from DREF operations disseminated and used by relevant stakeholders
- Case studies developed linking capacity strengthening, preparedness and response aspects in DREF operations
- New and innovative initiatives which support National Societies access to the DREF are identified
- DREF and FbA capacity strengthening activities at national level identify possible synergies with the Preparedness for Effective Response (PER) approach.



Nigeria, 2018. Mombeyo is a 93-year-old woman who is partially blind. When water began to rise in her home in Anambra state, Nigeria, Red Cross volunteers were able to help her evacuate to a displacement camp where she has been able to get food and basic shelter. © Corrie Butler

ENABLER 3: National Society ownership and trust

Shared ownership and accountability by all the National Red Cross Red Crescent Societies accessing the fund is key. The Fund will strive to balance the integrity and purpose of the resources, with the level of detail required from implementing National Societies, contributing to National Societies commitment to uphold humanitarian standards in their operations while being accountable to the Fund and its requirements.

To enable a two-way communication, that addresses misconceptions and to better understand the needs of National Societies, the DREF will seek to establish a feedback mechanism that allows issues to be raised and properly resolved. It is recognized that some of the issues, can be related to the specific procedures of the Fund and any change will require further analysis on feasibility and impact to the DREF as well as jointly revisiting the risk tolerance.

- Two-way feedback mechanism has been piloted
- Systematize and document information from National Societies for further assessment.
- Initiate process to address recurrent issues
- Key DREF templates have been reviewed and simplified.

Vietnam, 2020. Catastrophic floods across central Vietnam have already ruined the homes of more than one million people as yet another major storm takes aim for the battered region. © IFRC

MAIN INDICATORS

DREF

- Total volume of DREF allocations (grants & loans)
- # of people targeted by the approved DREF EPoAs
- 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
- Number of National Societies trained on DREF process
 and procedures
- Donor response vs target
- # of DREF donor events and Advisory Group meetings
- # of new donors that contribute to the DREF
- # of DREF assessed through operations review
- # of DREF audited or supported with risk assessment

FBA BY THE DREF

- 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 people targeted by the approved EAPs
- % 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 trigger-based activations that include a lessonslearned 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 asigns approximately 5% of the annual allocations 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.

Based on the anticipated turnover, the DREF seeks 40 million Swiss francs and the Forecast based Action fund seeks 10 million Swiss francs for a total of 50 Million Swiss francs in unearmarked contributions for 2021.



Eszter Matyeka DREF Senior Officer

+41 22730 4236 Eszter.Matyeka@ifrc.org **Nazira Lacayo** Forecast based Action by the DREF Senior Officer

+41 22730 4944 Nazira.Lacayo@ifrc.org

THE FUNDAMENTAL PRINCIPLES OF THE INTERNATIONAL RED CROSS AND RED CRESCENT MOVEMENT

Humanity

The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

Impartiality

It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

Neutrality

In order to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

Independence

The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

Voluntary service

It is a voluntary relief movement not prompted in any manner by desire for gain.

Unity

There can be only one Red Cross or Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

Universality

The International Red Cross and Red Crescent Movement, in which all societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.



The International Federation of Red Cross and Red Crescent Societies (IFRC) is the world's largest humanitarian network, with **192 National Red Cross and Red Crescent Societies** and around **14 million volunteers.** Our volunteers are present in communities before, during and after a crisis or disaster. We work in the most hard to reach and complex settings in the world, saving lives and promoting human dignity. We support communities to become stronger and more resilient places where people can live safe and healthy lives, and have opportunities to thrive