



DISASTER RELIEF EMERGENCY FUND



MID-YEAR REPORT |

JAN / JUN
2021

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OVERVIEW

During the first 6 months of 2021, the DREF and the Forecast based Action (FbA) by the DREF supported National Societies in responding to various types of events and disasters as well as implementation of early actions anticipating specific risks, allocating more than 17 million Swiss francs across 58 disasters to support more than 11 million people.

The DREF provided the highest amount possible in a single allocation (CHF 1 Million) to the Palestine complex emergency, with several allocations also to neighboring countries. Hostilities between Israeli forces and armed groups in Gaza killed more than 250 people in May. Magen David Adom and the Egyptian Red Crescent received DREF allocations to respond to the situation in their countries related to this complex emergency.

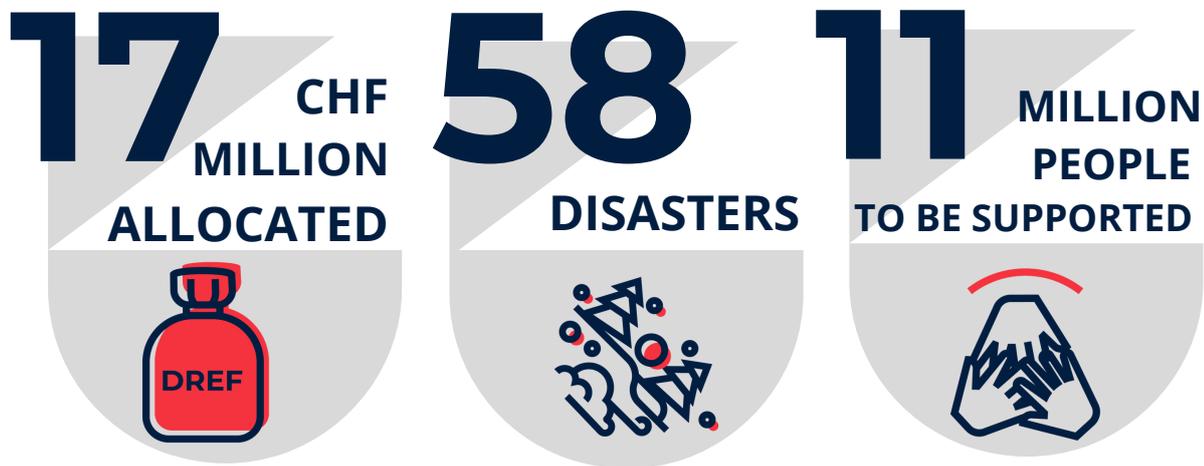


Figure 1: DREF – Key Figures up to 30 June 2021

Floods and epidemics remain the most sought-after funding per type of disaster. Yet it is interesting that this is the second year in a row that explosion events have been supported by the DREF (categorized under “other”) with a loan for a Lebanon explosion taking place in 2020 and 2 grants in 2021: 1 for Equatorial Guinea (Explosions in Bata) and 1 for Iraq (Tayaran Square Explosions). Furthermore, Palau Red Cross requested their first-ever allocation from DREF to respond to cyclone Surigea. Allocation requests for DREF funding were approved within 9 days of the identified trigger date (69% of which were grants) and the average amount allocated was approximately CHF 280,000, aiming at providing assistance to more than 50,000 people per operation, on average.

The high number of epidemic response operations were the result of an Ebola virus disease (EVD) outbreak in Guinea, with several surrounding countries requesting support to prepare should the outbreak spread. 7 out of 8 different allocations for epidemics through the first half of the year were loans to support EVD response operations to ensure activities could start being implemented immediately:

6 out of 7 allocations for the West Africa regional EVD outbreak response and preparedness operations.

1 out of 7 allocations supported the efforts to halt the resurgence of EVD cases in DRC in February 2021, at a time when the EVD operation could be scaling down.

The latest epidemic allocation - dated April 2021 - was approved in support of the Kenya Red Cross' response to a Dengue Fever outbreak, through a DREF Operation which aimed to reach 250,000 people through direct action to reduce the vector, as well as health and hygiene awareness campaigns, information, education and communication materials.

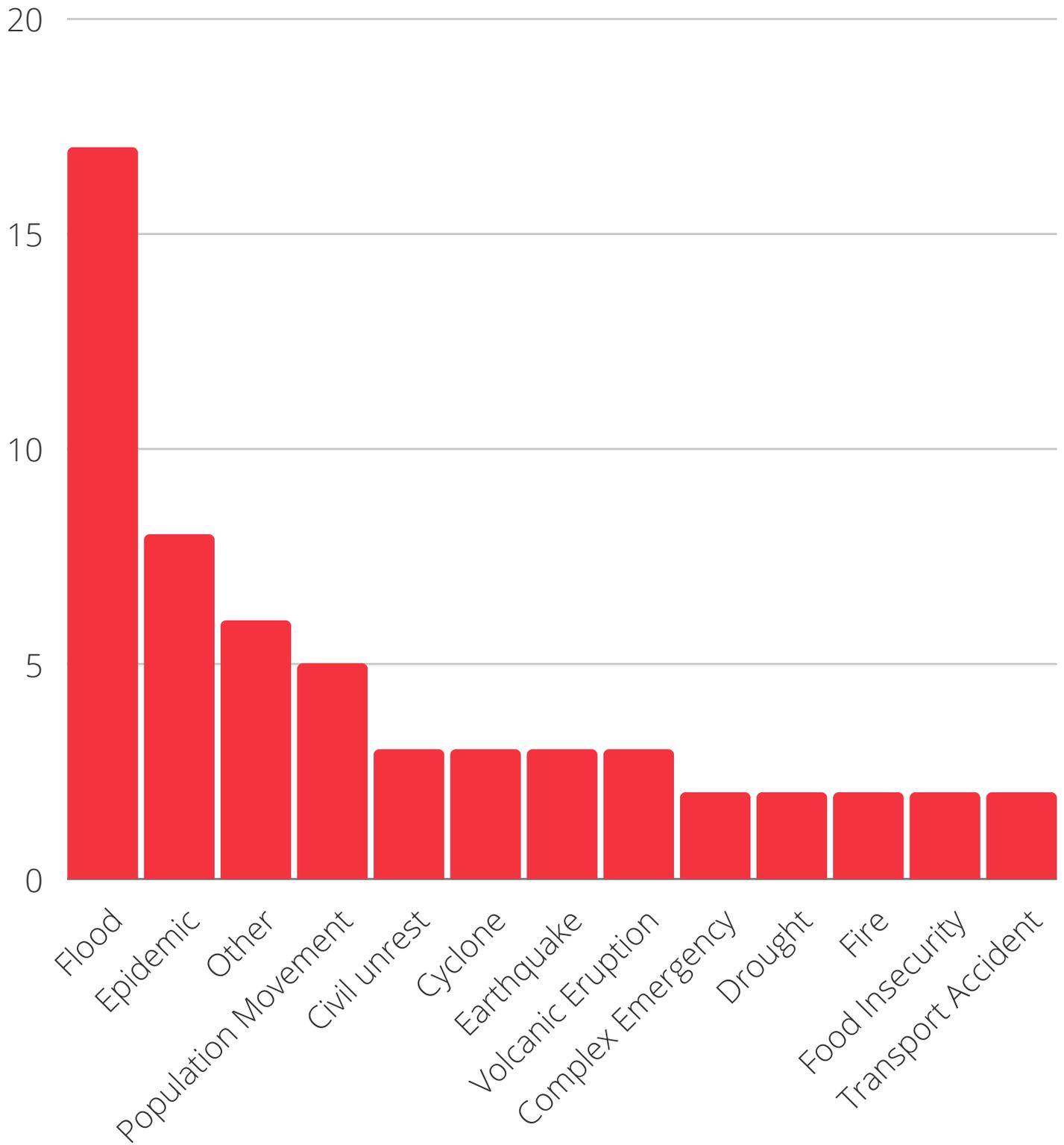


Figure 2: In Klalantou, Guinea, Red Cross volunteer Nabilou Camara shares with a local community educational messages about hygiene and the Ebola

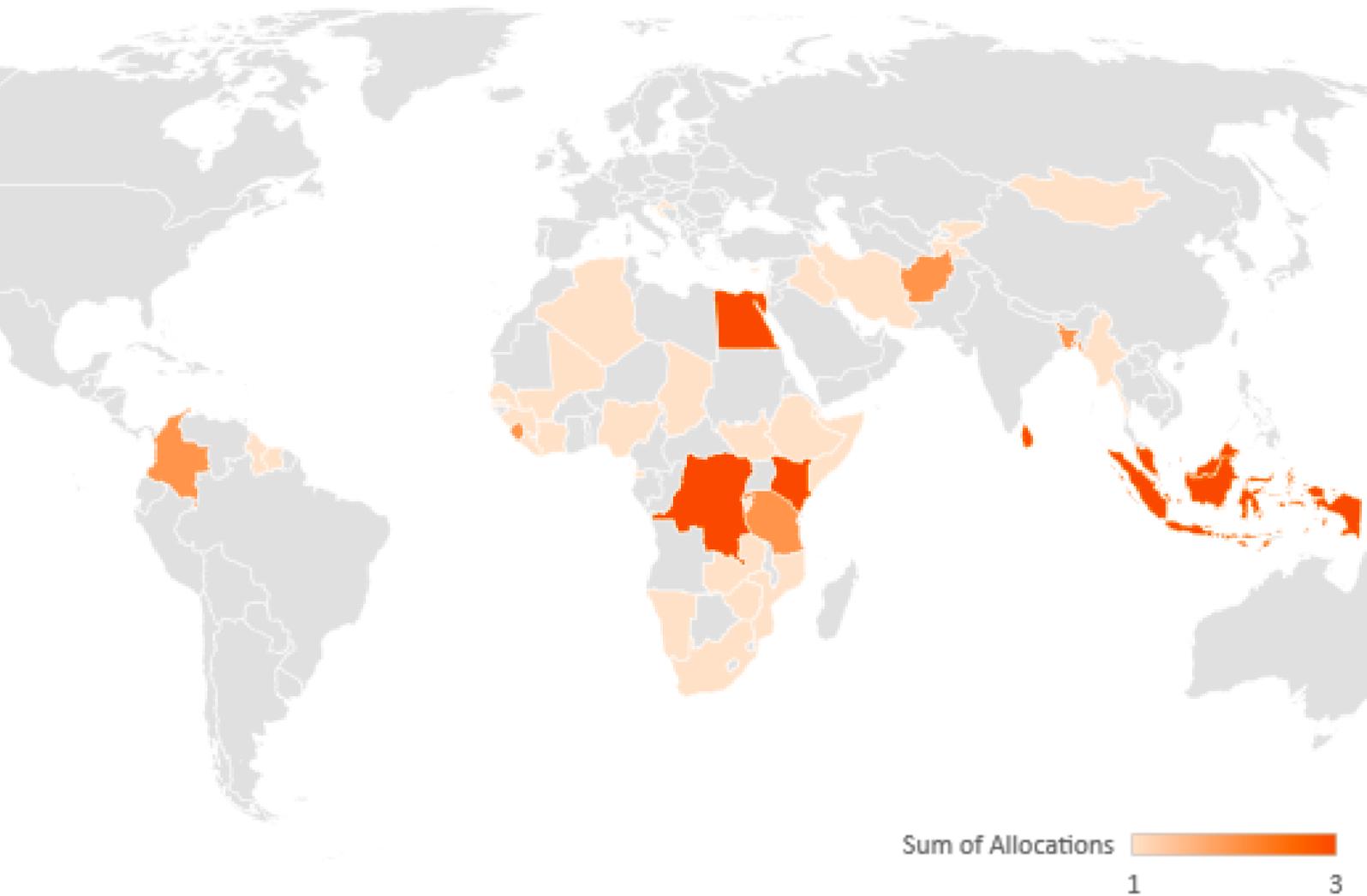
M-Code	Date	Country	Disaster	Type	Total CHF	Total Reimbursement
MDRGND12	14-Feb-21	Guinea	EVD Outbreak	Loan	290.210.00	290.710.00
MDRC1014	14-Feb-21	Cote d'Ivoire	EVD Outbreak	Loan	175.00.00	-
MDRUR005	14-Feb-21	Liberia	EVD Outbreak	Loan	175.00.00	-
MDRSL009	14-Feb-21	Sierra Leone	EVD Outbreak	Loan	175.00.00	-
MDRML015	14-Feb-21	Mali	EVD Outbreak	Loan	87.500.00	-
MDRSND18	14-Feb-21	Senegal	EVD Outbreak	Loan	87.500.00	-
MDRCD026	19-Feb-21	DRC	EVD Outbreak	Loan	486.000.00	-
MDRKED48	28-Apr-21	Kenya	Dengue	Grant	370.666.00	-

Figure 3: Breakdown of all epidemic response operations supported by the DREF over the first half of 2021

DREF Allocations by disaster type:



Number of **DREF** Allocations by geographical distribution:



Guyana Red Cross distributing non-food items to the migrant population in the community of Bartica.



Sierra Leone Red Cross performing a survey in Kailahun, community affected by the Ebola Virus Disease.



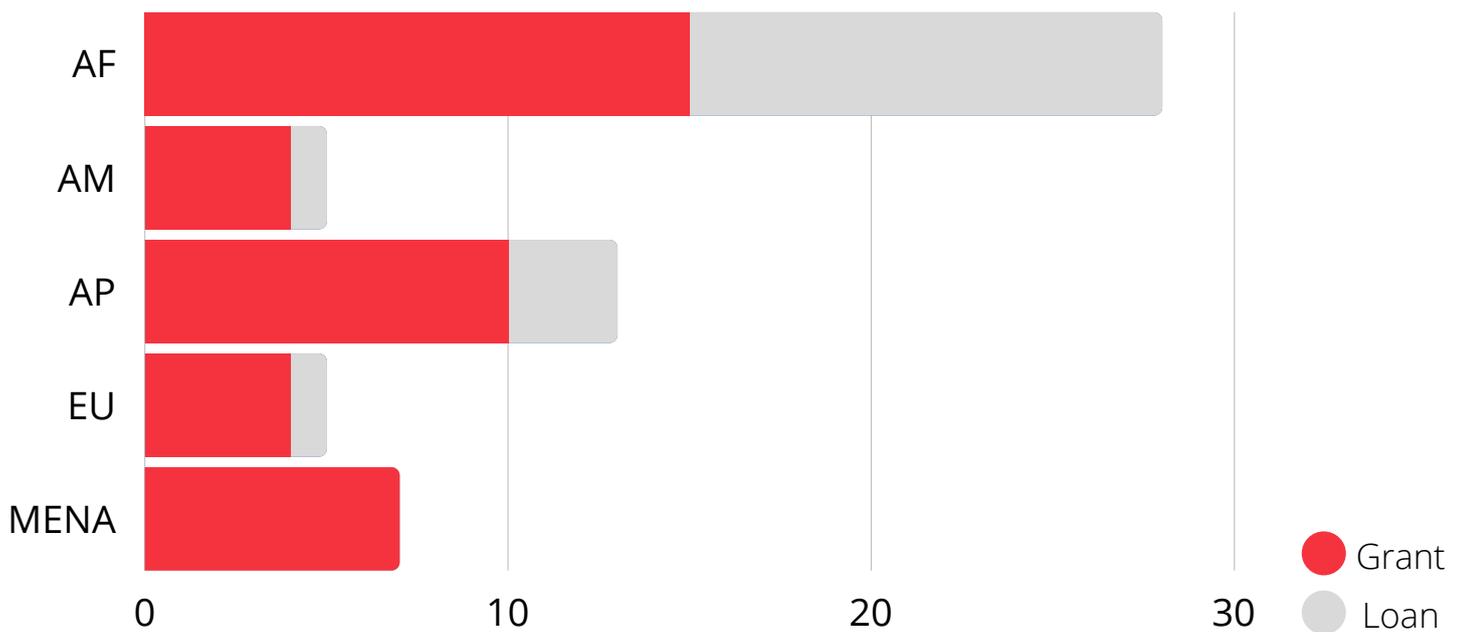
Sri Lanka Red Cross during a practical training in the region of Colombo.

The number of allocations overall is increasing, as 2019 and 2020 had 43 / 44 allocations respectively approved by mid-year. The 58 allocations supported in 2021 represent an increase of approximately 25%. Seventy percent of all allocations were distributed among two regions: 48% were for the National Societies in the Africa region, while 22% were for National Societies in the Asia-Pacific region.

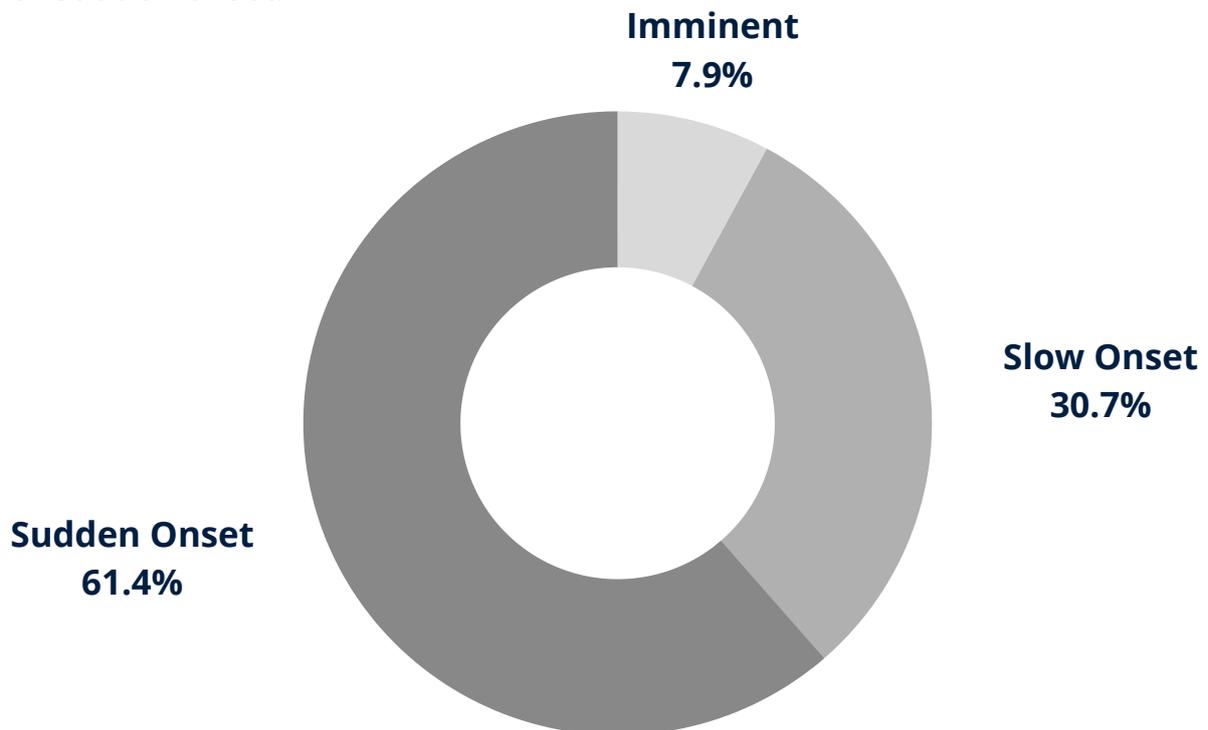


Mozambique Red Cross volunteers distribute shelter kits.
Source: @AnticipationHub

The graph below presents the types of allocation per region:



The chart below breaks down the allocations by type of event - imminent crisis, slow onset, or sudden onset:



Under sudden onset, **five** allocations for **population movement** are included:

- [Namibia - Population Movement DREF](#)
- [Cyprus - Population Movement DREF](#)
- [Chad - Population Movement from Sudan DREF](#)
- [The Gambia - West Coast Region: Clashes DREF](#)
- [Djibouti - Population Movement Emergency Appeal](#)



Forecast based action by the DREF

Five new Early Action Protocols (EAPs) were approved in the first half of 2021. This includes [Philippines floods](#), [Ethiopia floods](#), [Uganda floods](#), Viet Nam heatwave, and [Niger food insecurity](#) (drought), and the EAP for Bangladesh floods which was activated in 2020, was revalidated. Two new National Societies (Kenya and Kyrgyzstan) have EAPs under review by the Validation Committee. It is expected that these two EAPs will be approved in the second half of 2021.

Overall, there are 14 Early Action Protocols that can be activated at any time. This includes three in the Americas, four in the Asia Pacific, and seven in Africa of which nine are for floods, one for heatwaves, cold waves, drought, and El Nino respectively. Four EAPs were activated in 2020, which are being revised based on lessons learned and will be updated and resubmitted for revalidation. 15 new countries are currently preparing EAPs to be submitted.



COVID-19 Challenges and Adaptation Process

Most DREF Operations and Emergency Appeals supported by DREF loans continue reporting similar challenges related to the impact of COVID-19 in both the humanitarian and institutional context of their areas of intervention. At the same time, National Societies keep adapting to these changes with the support of the Membership and external partners.

REPORTED CHALLENGES:

- Cash transfers to National Societies are taking more time.
- Cash and Voucher Assistance programmes that encourage access to local markets may pose a COVID-19 risk or not be totally aligned with local authority guidelines.
- Border closures delay the movement of items and people.
- Usual community engagement mechanisms must be discontinued because of COVID-19 risks.
- Projects in particular contexts (e.g.: small islands) are significantly affected by logistics delays.
- The economic downturn from the pandemic and related inflation in supply and transportation costs.

NEW INITIATIVES AND ADDAPTATIONS:

- New remote support methodologies are developed:
 - Lessons learned / Planning workshops
 - Webinars and technical sessions
 - Remote technical support hubs
- Adapted field implementation guidelines.
- Use of networks for technical support
- Using radio programmes for community awareness.
- Adaptation of relief distributions by either building COVID-19 safe distribution points or household visits.
- Adaptation of assessments processes (e.g.: market assessments) for good enough remote execution.



Viet Nam Red Cross volunteers supporting the poorest and most vulnerable members of the community with cash support during COVID-19.

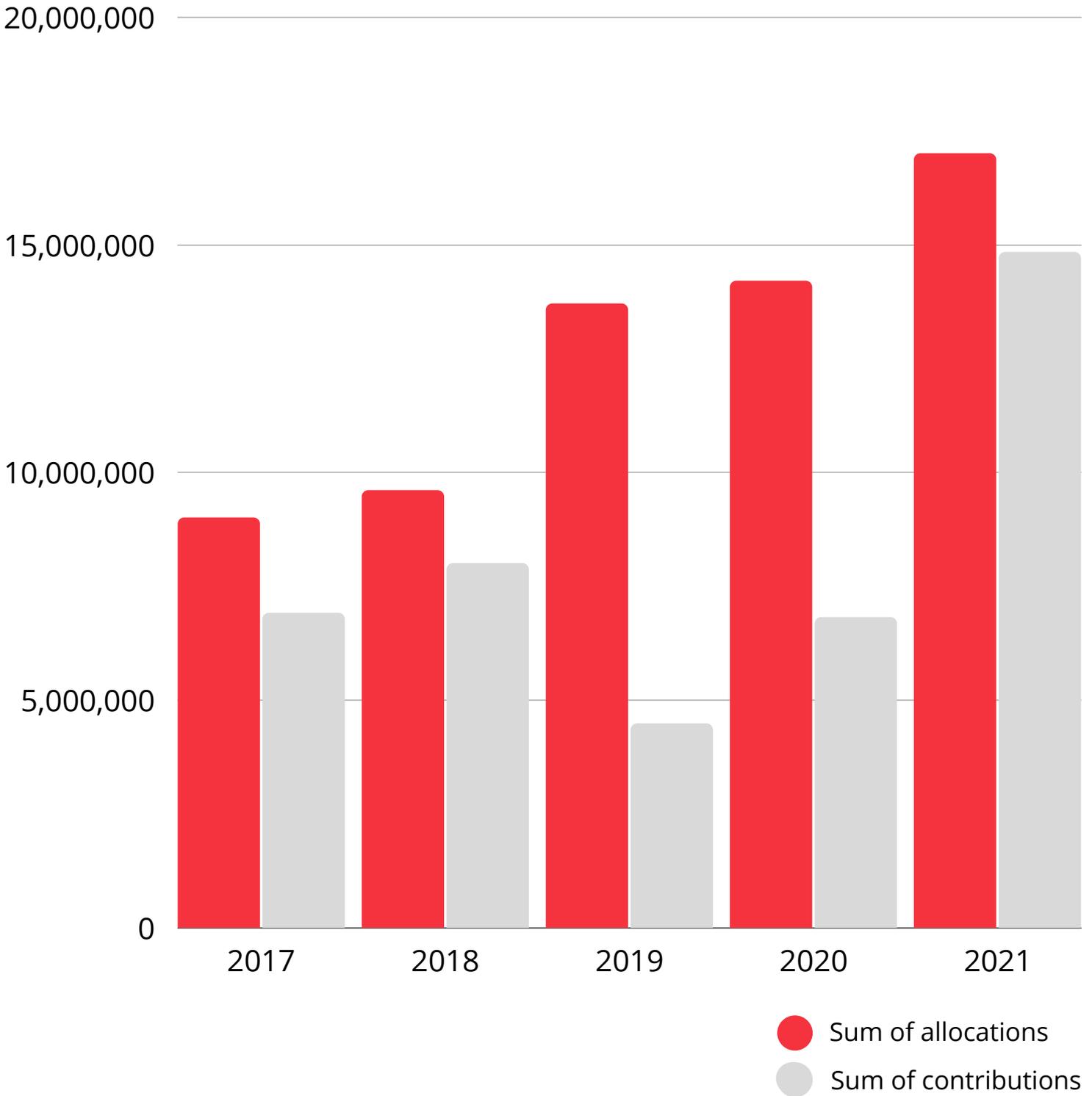
Source: @IFRC_DREF



Compared to previous years, the amounts that the DREF provides in allocations and the contributions to the fund itself have been increasing. However, allocations have been increasing faster than contributions and this has started to affect the liquidity of the fund.

A pledging conference is being planned for October 2021 to help address this shortfall, with the aim of establishing multi-year commitments to the fund where feasible, and with the ambition of reaching 100 million Swiss francs by 2025.

DREF Allocations vs. Contributions across time:



The financial report for this period is available as Annex 1 at the end of this document.

Side by Side on **allocations by disaster type, and grant type, focused on average per allocation:**

Disaster Type	Allocations	In Grants	In Loans	Total Amount	AVG per allocation
Civil Unrest	3	1,143,250.00	181,395.00	1,324,645.00	441,548.33
Complex Emergency	2	419,723.00	0.00	419,723.00	209,861.50
Cyclone	3	844,924.00	0.00	844,924.00	281,641.33
Drought	2	0.00	951,800.00	951,800.00	475,900.00
Earthquake	3	1,247,033.00	384,901.00	1,631,934.00	543,978.00
Epidemic	8	370,666.00	1,476,210.00	1,846,876.00	230,859.50
Fire	2	275,374.00	321,246.00	596,620.00	298,310.00
Flood	17	4,349,222.00	359,689.00	4,708,911.00	276,994.76
Food Insecurity	2	295,123.00	500,000.00	795,123.00	397,561.50
Other	6	1,688,731.00	0.00	1,688,731.00	281,455.17
Population Movement	5	677,438.00	50,000.00	727,438.00	145,487.60
Transport Accident	2	188,558.00	0.00	188,558.00	94,279.00
Volcanic Eruption	3	0.00	1,016,000.00	1,016,000.00	338,666.67

- Six of the 18 loans (33% of loan allocations) have already been returned to the fund (CHF 1.9 million).
- Allocations from DREF for Earthquake response operations in Indonesia and Iran are by far the most *costly* in terms of average per allocation, while also having an acceptable cost per beneficiary (between 18 and 28 CHF).
- The six loans for Ebola Virus Disease Response and Preparedness in West Africa amount to close to 1 million Swiss francs.
- Overall DREF provided funds for implementing 16 operations in response to floods. Some of these operations were granted more than one allocation, and one of the allocations was a loan to an Emergency Appeal (Mozambique).
- Allocations for population movements were the least costly in terms of average per allocation (outside of transport accidents).
- There are two food insecurity allocations for one DREF Operation in South Sudan and one loan for Nigeria. Although the Nigeria Emergency Appeal was just recently launched, the 4.1 million Swiss francs funding requirement is only 0.05% funded.

The financial report for this period is available as Annex 1 at the end of this document.



Performance indicators

Goal	KPI (Key)	Target	Status as 30/06/2021
Timely, targeted, principled humanitarian funding is disbursed to National Societies	Total DREF Allocations (grants and loans)	40 million in 2021	17 million
	Timeliness of Allocations approvals (grants)	14 days from Trigger date	9 days average
		6 days from NS to HQ	5.35 days average
		24-hour turnaround in HQ	2-day average
DREF is accessible to National Societies	Number of NS accessing the DREF	Increased from prior year	46 NSs
	Number of new NS accessing the DREF	Increased from prior year	
	Number of Operations	Increased from prior year	40 NSs at this point in 2020
	Average amount of allocations (grants)	Increased from prior year	2 new NS
DREF is supporting small/silent disasters	Grants v. loans	80% grants	69% grants
Funding and visibility	Continuous engagement with the DREF Advisory Group	4 DREF-AG meetings per year	1

Note:

Grants v. Loans percentage is affected by Ebola in West Africa, which included six loans to six different countries to both prepare and respond to the outbreak.

Goal	GPI (General) ²	Target	Status as 30/06/2021
Timely, targeted, principled humanitarian funding is disbursed to National Societies	Implementation rate for completed operations	80%	80.5%
	Operational timeframe is less than 6 months	100%	100%
	Average operational timeframe	4 months	4.5-month average
	Project Agreement	Signed in less than 1 week	9-day average
Capacity strengthening of National Societies	Number of trainings conducted on DREF procedures	At least 5 trainings	5
	Lessons Learned Workshop	100%	100%
Accountability, knowledge management and learning	Final Reports submitted timely	100% submitted on time/early	Accountability, knowledge management and learning

[1] Key Performance Indicators are indicators for which the DREF team is responsible and continuously monitoring.

[2] General Performance Indicators are indicators for which the National Society is responsible.

Goal	CPI (Critical)	Target	Status as 30/06/2021
Accountability, knowledge management and learning	Number of operations audited or supported with a risk assessment	3 per year	1
	Number of DREF operations reviewed	3 per year	0
	Number of extraordinary approvals	Less than 5 per year	4
Funding and visibility	Sufficient funding is available through the DREF to meet the requests from NS	40 million in 2021	14.8 million
	Increase visibility of DREF funded operations	At least 3 DREF funded operation are featured in a public IFRC publications a year	0
	The percentage of DREFs allocated for an imminent crisis continues to increase.	10% of overall funding in 2021	4% of overall funding
	Increased funding from private sector.	5% increase in 2021	20% increase
	Loans not recovered due to underfunded EAs	Not to exceed 10% of all loans	67% not recovered

[3] Critical Performance Indicators are indicators for which the wider-IFRC (outside of the DREF team) have responsibility.

Note:

Loans not recovered due to underfunded EAs is not a final number. This percentage is currently high as loans are recovered over the course of the Emergency Appeal. Historically, the percentage of the number of loans not recovered has not exceeded 18% in the last 5 years. Additionally, 6 loans were made to one Emergency Appeal for the Ebola outbreak in West Africa and to date only one was able to be recovered. Thus, one underfunded EA is having a skewed impact on the data.





Progress Against Outcomes

STRATEGIC OBJECTIVE 1: Enabling local allocation - enough funding as direct as possible

The DREF team alongside the Communication and the Partnerships & Resource Development team is working on the scale-up and the ambition to secure CHF 100 Million per year in 2025. Through the support from the Partnership unit, the DREF managed to secure double the amount of funds from the Directorate-General for European Civil Protection and Humanitarian Aid Operations and received funding from new partners as well such as the Foreign, Commonwealth, and Development Office.

Currently, IFRC is preparing the first-ever DREF pledging conference to secure commitments for funding from partners for the coming three years. It will take place in October 2021 and a consultant has been brought onto the DREF team to support the preparation.

Another workstream that saw some progress is related to exploring risk financing options for the DREF and the FbA by the DREF. In 2021 British Red Cross approach the IFRC to propose a collaboration with the company AON which is interested in creating an insurance-type product that could be used for DREF. This work was prompted by the discussion paper developed in 2020 by the Center for Disaster Protection on financing the FbA by the DREF. The project with AON, British Red Cross, IFRC, the Center for Disaster Protection and now also Danish Red Cross continues to advance and is expected to have an initial proposal for discussion by the last quarter of 2021.

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

One of the main achievements of 2021 was to finalize the FbA by the DREF pilot phase review. This review of the FbA by the DREF funding mechanism marks the completion of its two-year pilot phase and assesses progress made to the end of 2020 alongside current levels of performance. The reviewed looked at the overall design of the mechanism in terms of relevance, sustainability, efficiency, and effectiveness and identified good practice and challenges to guide its future development and scale up.

The reviewed concluded that the FbA by the DREF does responds to an identified need from National Societies and is well aligned to the wider anticipatory action landscape. However, it cannot yet reliably deliver early action funding to National Societies within the planned timeframes of their sudden onset Early Action Protocols due to IFRC procedures, financial controls and external challenges presented by the banking systems. The review also found that the Fund is currently in a financially stable state and is increasing its donor base in line with targets.

In an effort to develop a methodology to conduct early action for non-weather events the IFRC in collaboration with the Anticipation Hub and other partners created a working group to lead the initiative. At the institutional level it was decided that the Anticipation Hub would be in the leading role. The working group met two times in the first half of 2021 and explored which hazards could be prioritized (epidemics, population movement, plants and animal diseases). A consultant has been hired by German Red Cross who will continue to work on this methodology with advice from the working group over the coming few months.

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

The Disasters, Climate, and Crises team is looking at defining how funding from DREF can be adequately used for protracted crises as well as slow-onset disasters. A consultative process has been launched to explore the most adequate/beneficial ways and provide guidance. These conclusions will be proposed to the management later in the year.

Additionally, DREF and FbA launched a new initiative to expand the use of DREF for an imminent crisis to cover events with a longer horizon than the current allocations. This will be done by taking elements from the Forecast-based Finance (use of forecast, vulnerability analysis) and combining them with the DREF for an imminent crisis application process. This will allow the use of scientific information and expert judgment to identify and triangulate reliable triggers (thresholds) for early action. This was piloted in Colombia for flooding caused by the La Niña Phenomenon.

ENABLER 1: A lean, efficient fund

A decision paper for the team scale-up has been approved by Senior Management and recruitment is underway. The team is also working on amending the DREF management structure, with the aim to make it more inclusive, representative, encourage swifter decision-making, and facilitate common Federation-wide advocacy and external outreach efforts. Even with the new positions outlined by the scale-up, overhead costs for fund management will stay within the designated 3 to 5 percent.

An issue register has been compiled to ensure risk awareness when conducting allocations. Based on the 2020 audit recommendations, several new initiatives have been introduced that are also aligned with the strategic ambition to scale up the DREF allocations and be more accountable.

ENABLER 2: Increased support to strengthening National Societies

Lessons learned from DREF-funded operations as well as Forecast based Action by the DREF activations are now digitalized and will support analysis on National Society preparedness and operational learning dataset for more evidence-based decision making in better support for NS capacity strengthening.

DREF

Alongside the operational learning initiative, a methodology has been developed in 2021 for operations lessons learned exercises, with the objective of supporting National Societies to better capitalize on the implementation to enhance their response mechanism. The methodology follows the structure of the Preparedness for Effective Response, and it has been piloted this year in Armenia, Kyrgyzstan, and Egypt.

As travel remains limited to essential only due to the COVID-19 pandemic, support for DREF capacity strengthening remains remote, with the second half of 2021 focused on providing targeted support for the Middle East and North-Africa (MENA) region, with DREF introduction session for all country delegation and Country Cluster Teams personnel, as well as for the Regional Office. The support to MENA also included revision of the MENA DREF SOP and provision of materials for National Societies training.

The versions of the DREF online training in French and Arabic have been finalized and will be published in the IFRC learning platform.

Forecast based Action (FbA) by the DREF

A number of evaluations have been conducted in 2021, based on FbA by the DREF activations in 2020. For the first activation of Mongolia Dzud, a qualitative evaluation was produced in May 2021, and is complemented by an analysis on return of investment. The quasi-experimental return on investment study compared the impact of interventions undertaken by Mongolia Red Cross in anticipation of the Dzud, by FAO in anticipation of the Dzud and by Mongolia Red Cross in response to the Dzud using a DREF allocation. There has been an external quantitative as well as a joint qualitative evaluation done for Bangladesh Cyclone Amphan as well as Bangladesh Floods. In addition, an external community impact evaluation of the Ecuador Volcanic Ash activation was commissioned by the German Red Cross. An external evaluation was also contracted by German Red Cross for Mozambique's activation for TC Chalene, however, this consultancy failed to deliver the anticipated output and is currently being completed by another consultant.

During the first half of 2021, support was provided by the FbF Capacity Strengthening Senior Officer to Kenya Red Cross, Mozambique Red Cross, Ethiopia Red Cross, Niger Red Cross, Mali Red Cross, Bangladesh Red Crescent, Kyrgyzstan Red Crescent as well as providing support to the IFRC delegations in MENA Region, Peru Country Cluster, Sahel Country Cluster, Niger Country Cluster, Central Asia, and East Asia Country Clusters. Outreach was provided to members of the Validation Committee, specifically Malawi Red Cross and French Red Cross. In addition, approximately 11 Partner National Societies are regular participants in the bimonthly Partner National Society coordination calls, which aim to promote a coordinated and joined-up approach to FbF and FbA by the DREF.

ENABLER 3: National Society ownership and trust

A digital request process is under development, inclusive of merging of the DREF and the FbA request processes into one single way of accessing funds for National Societies. The template is on track to be completed in Q3, piloted in Q4 and a global rollout in 2022. This will make it easier and faster for National Societies to request funds.

National Societies are being freshly encouraged to request small DREF amounts immediately to facilitate assessments and information gathering, and then request a second allocation from the DREF to allow for more accuracy in allocation requests and quick action on the part of the National Society.





DISASTER RELIEF EMERGENCY FUND



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DREF website:

