

2023

IFRC's Disaster Response Emergency Fund



#DREFinAction



**When disasters strike, vulnerable communities often struggle to receive the necessary funding to recover and rebuild.**

**The Disaster Response Emergency Fund – DREF has been instrumental in addressing this issue, providing short-term emergency funding for over 40 years.**

**To date, National Societies have supported more than 220 million people through DREF, which has provided more than CHF 500 million to National Societies in need worldwide since its establishment.**



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# WHAT IS DREF?

The International Federation of Red Cross and Red Crescent Societies' (IFRC) Disaster Response Emergency Fund, DREF, is the simplest, fastest, most transparent, and localised way for National Red Cross and Red Crescent Societies (National Societies) to access reliable international emergency funding for community action in all kinds of disasters, when needs exceed the resources available at the national level.

In addition, DREF now supports disaster response and anticipatory action, making it an even more valuable resource for National Societies.

**DREF is a model for localisation.** While the average of international humanitarian funding directly channeled to local actors every year lies around 1.2% globally, 86% of DREF's allocation is directly transferred to the National Societies.



# HOW DOES DREF WORK?

Established in 1979, DREF has built **over 40 years of experience in providing loans and grants** to National Societies. Since its inception, more than **220 million people** in crisis worldwide have benefited from DREF support.

**DREF is a demand-driven and locally owned fund.** It receives unearmarked donor contributions and is centrally managed by the IFRC to ensure global coherence and accountability for its usage. DREF is highly cost-efficient, operating costs amount to a maximum of five percent of annual allocations, with funds going directly to implementing National Societies with no intermediary. **DREF is open to all 191 National Societies** that submit funding applications and plans of action reflecting locally identified priorities and needs.

# 220 MILLION PEOPLE

in crisis **worldwide**  
have benefited from  
DREF support



**Through the Fund,  
IFRC provides National  
Societies with:**

01

**Direct funding to finance local responses to small-to-medium scale disasters** when no Emergency Appeal will be launched or when other sources of funding are not forthcoming.

02

**Start-up funding for wider responses** where IFRC and National Societies work together to respond to complex, medium and large-scale emergencies, which is later reimbursed by donor contributions via Emergency Appeals.

03

**Direct funding to finance early actions in advance of predicted hazards**, based on an Early Action Protocol or an imminent crisis emergency plan of action designed to save lives before a disaster happens.

# WHY SUPPORT DREF?

DREF delivers **fast and predictable funding** to first responders.

DREF enables National Red Cross and Red Crescent Societies to rapidly scale up their efforts to help communities manage a broad range of emerging **hazards, threats, and disasters**.

DREF requests can be approved within  **24h** and disbursed in less than  **72h**

In the past year, 2022,



DREF allocated **CHF 59 million**



to support **154 operations**



in **91 countries**

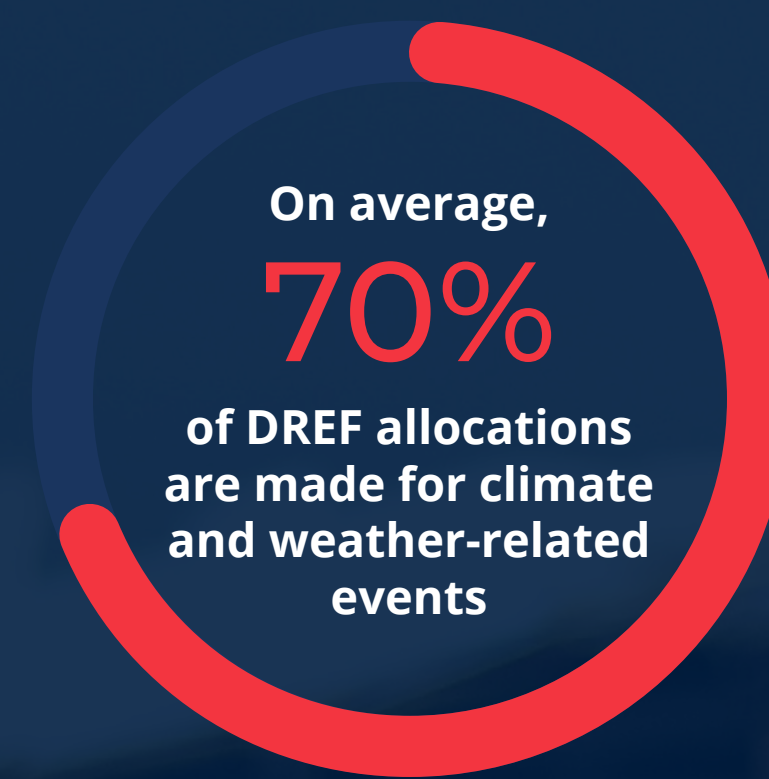


benefiting **15.3 million people**

Most operations supported through DREF are **small and medium-scale emergencies**, with an average allocation **below CHF 500,000**, but the Fund also provides **essential support to kickstart large-scale responses**.

In 2022, DREF allocations kickstarted **33 large-scale emergency operations**, such as the population movement in Ukraine, Africa Hunger Crisis, Malawi Cholera, and Uganda Ebola virus disease outbreak.

In 2022, DREF allocated **CHF 6.9 MILLION** in response to epidemics



On average, 70% of DREF allocations are made for climate and weather-related events - usually of a recurring nature, such as floods or droughts. However, DREF is widely used in other contexts, targeting disasters arising from exceptional rather than seasonal events including **wildfires, mass transport accidents, population movements, situations of civil unrest, and disease outbreaks**.



## Türkiye and Syria Earthquake: an example of rapid response

Two devastating earthquakes (magnitude of 7.7 and 7.6) struck southeast Türkiye in the early hours of Monday 6 February, followed by several aftershocks, killing thousands of people and injuring many more in the region as well as in bordering Syria.

Within just hours,  
IFRC had released

# CHF 4 MILLION IN 2 LOANS

to Turkish Red Crescent and  
Syrian Red Crescent  
allowing access to cash  
when they needed it most



## DREF means **local action**.

DREF is a model for localisation and delivers on commitments made under the Grand Bargain – to **invest more in local humanitarian action**.



DREF allows donors to **move beyond traditional top-down humanitarian support models** to directly support the work of Red Cross Red Crescent volunteers who serve as **frontline community-based actors**.



National Societies directly receive DREF allocations enabling them to **save more lives** and **tailor urgent assistance to people's needs**.



In addition, DREF supports **disaster response** and **anticipatory action**, making it an even more valuable resource for National Societies, as it can help **reduce the impact of disasters**.



DREF plays a vital role in **enhancing the capacities** of National Societies, thereby **strengthening local communities** and **saving lives** during emergencies.





## Rising Priority: anticipatory action in DREF

**Acting before a disaster happens saves lives and protects livelihoods.** Since 2018, the IFRC has been providing funding for anticipatory action. In 2022, this Fund was incorporated as one of the pillars of DREF under the 'one fund, two pillars' approach. Predefined actions are agreed upon, and funding is automatically released when specific triggers are met. This allows for **proactive measures** to be taken in advance, helping National Societies to **reduce the impact of disasters or crises on vulnerable communities.**

Shifting more funding, expertise, and energy from disaster response towards anticipatory action makes economic sense. **DREF aims to reach 25% of its allocations in anticipatory action by 2025**, increasing allocations for imminent events and promoting the use of these allocations for early action while improving performance.

In 2022,  
in anticipation of events

DREF allocated

CHF 6.9  
MILLION

– 11% of DREF funds.

This represents an increase  
of 38% in comparison to 2021.



## **Africa Hunger Crisis:** **one of the most alarming** **food crises in decades**

Over the past 30 years, Africa has faced an average of one hunger crisis every four to five years – but **in 2022, it reached an unprecedented magnitude and geographic scope.** The consequences of the ongoing crisis were exacerbated by the socioeconomic impacts of the COVID-19 Pandemic, the Ukrainian war, civil conflict, and worsening climate change. DREF allocation became part of IFRC's Africa Hunger Crisis Regional Emergency Appeal. IFRC is working to raise **CHF 132,000,000** to support **7.6 million people.**

Since May 2021,  
DREF has allocated a total of

# CHF 9,3 MILLION

**to support 14 African National Societies** in providing emergency response and conducting assessments on the ongoing hunger crisis



# OUR AMBITION

## Even more agile, even more fast

The IFRC's DREF aspires to deliver **swift** and **adaptable financial** and **technical support** to local Red Cross and Red Crescent Societies, **enhancing their capacity to rescue** and **protect lives** during emergencies.

By prioritizing **agility, flexibility,** and **timeliness,** DREF aims to maximize its impact in saving lives and ensuring effective humanitarian responses in local communities.

## Enhancing DREF partnerships

In line with rising humanitarian needs and increasing pressure on National Societies to anticipate and respond to disasters and crises, **DREF launched its Strategic Ambition in 2020.** The objectives are to enable local action with direct funding, save lives through crisis anticipation, and increase the value of DREF in protracted, slow onset, and complex events.

**To achieve these goals,** the IFRC's ambition is to reach at least CHF 100 million per year from 2025, of which, up to CHF 20 million will be generated through the insurance structure explained below.

**Our aim is to reach the following target contributions to DREF:**

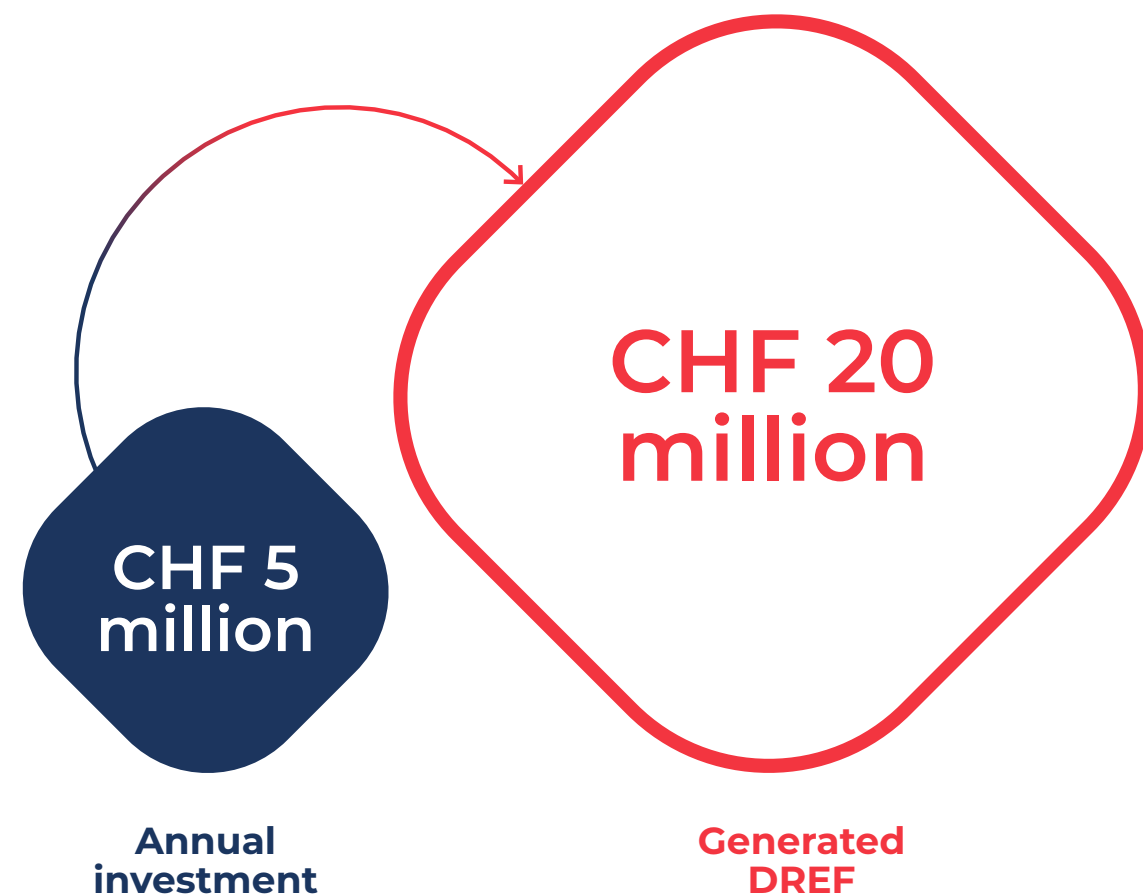


**We are encouraging partners to provide multiyear commitments with progressive increases in funding in order for DREF to grow to a CHF 100 million fund in 2025.**



# INNOVATIVE FINANCING – INSURANCE FOR DREF

Aligned to IFRC's ambition to grow DREF to CHF 100 million by 2025, **IFRC partnered with Aon** and the **Centre for Disaster Protection (CDP)** to develop an **innovative insurance** product to expand the capacity of DREF through a public-private partnership. **DREF insurance is the first of its kind for the humanitarian sector** and represents an exciting new financing model for humanitarian response. We seek to generate up to CHF 20 million of DREF through investing up to CHF 5 million annually to fund the insurance premium.



The insurance complements DREF as a contingency financing envelope of up to **CHF 20 million** through enhanced disaster risk financing by:

**01** Ensuring **additional capacity and liquidity** in exceptional years of unforeseen allocation requests

**02** **Transferring the risk** of funding shortfall to external providers

**03** **Reducing the financial and opportunity costs of stockpiling donor funds** for needs which may not occur

**04** Creating a **more sustainable funding source** in a long run

Investing in the insurance premium will allow donors an alternative or complementary way to support DREF, enabling them to make predictable average contributions annually for the premium payment and generate a multiplier impact for each CHF invested in this instrument (of up to 4 times).

**For more information  
please contact:**



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## **Credits:**

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**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 16 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.

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