

Review of the IFRC Disaster Response Emergency Fund's Contribution to the Localisation Global Commitments



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Acronyms and abbreviations

CBPF	Country-based pooled fund (UN)
CERF	Central Emergency Response Fund
CHF	Swiss francs
DREF	Disaster Response Emergency Fund (IFRC)
EAP	Early Action Protocol
IFRC	International Federation of Red Cross and Red Crescent Societies
KII	Key informant interview
NS	National Society
OCHA	Office for the Coordination of Humanitarian Affairs (UN)
SIDS	Small Island Developing States
WFP	World Food Programme

Executive summary

Pooled funding mechanisms have been recognised as an important tool to help shift decision-making closer to communities affected by humanitarian crises, and help deliver on the commitment to increase funding to local and national actors for the purpose of greater flexibility, efficiency and timeliness of humanitarian responses. Many donor governments, in line with their Grand Bargain commitments, prioritise the UN Office for the Coordination of Humanitarian Affairs (OCHA)'s country-based pooled funds (CBPFs) as an opportunity to channel funds to local partners when direct funding mechanisms, or relationships with local actors, can be deemed too difficult.

Despite the Grand Bargain commitments to allocate 25% of total funds directly to local and national organisations, originally pledged by 2020, little is documented from the perspective of local and national non-governmental organisations (NGOs) on their experience of working with pooled funds.

The British Red Cross, in coordination with the International Federation of Red Cross and Red Crescent Societies (IFRC), commissioned a review of the IFRC-Disaster Response Emergency Fund (IFRC-DREF) pooled funding mechanism. This was designed to contribute findings, lessons and recommendations on the extent to which the IFRC-DREF mechanism enables National Societies to locally prepare and lead responses with 'as-direct-as-possible' funding. It also aims to capture findings from the NS own engagement with the IFRC-DREF to further strengthen, empower and position the IFRC to champion the IFRC-DREF internally and externally with key stakeholders. The IFRC has determined guiding principles for localisation aims of the IFRC-DREF, which are addressed throughout the review.

The IFRC-DREF has enabled assistance to over 230 million people affected by disasters and humanitarian crises and allocated more than 630 million Swiss francs (CHF) to address the needs of affected communities. As a further example of the reach of the IFRC-DREF, 90 NS were supported in 2023 to develop greater anticipation and response to disasters, with IFRC allocating CHF 74.2 million.

By channelling funds through member National Red Cross and Red Crescent Societies, the IFRC-DREF aims to promote community ownership, local leadership and participation in decision-making processes, leading to more effective and sustainable humanitarian responses. However, several challenges remain for the IFRC-DREF, which this review seeks to address to better understand the opportunities and barriers NS face through a localisation lens.

The review found the **IFRC is delivering on its commitment to provide quality funding through the IFRC-DREF to local actors, i.e., its member National Red Cross and Red Crescent Societies: the IFRC has reported that 83% of IFRC-DREF** funding is provided directly to NS, surpassing the commitment of 25% under the Grand Bargain localisation marker. The decision to increase the IFRC-DREF funding ceiling, aligned to a severity categorisation of an emergency, demonstrates significant commitment to provide both quality and flexible funding to NS.

The review identified that the **IFRC is making a significant positive contribution to coherent and predictable access to the IFRC-DREF**: this includes flexibility offered by the IFRC through its strategic ambition under the IFRC-DREF 'Evolution' to ensure a responsive and accessible fund. This is demonstrated through the following examples:

simplified assessment procedures, a move to electronic application approvals, ongoing dissemination and training on new or modified ways of working and decentralisation of IFRC-DREF functions.

Considerable improvements have been made by the IFRC to drive efficiencies through fund management and performance analysis, through introducing new management and reporting tools. IFRC-DREF reporting requirements are light for NS, in comparison to other pooled funds, though financial reconciliation and long-standing queries on cost eligibility remain time-consuming and the main contributors to systemic late reporting by NS to the IFRC. On occasion, this reduces the overall efficiency of a response due to additional IFRC staff time to follow up.

The integration of the Anticipatory Pillar within the IFRC-DREF allows NS access to two funding mechanisms coordinated through one fund. The IFRC-DREF Evolution offers greater flexibility to NS to respond to context-specific needs. The IFRC brokered an insurance mechanism to enable expanded reach of the IFRC-DREF for NS responses and the anticipatory action integration. An insurance mechanism provides a crucial safety net for the fund, ensuring response funding remains available even during periods of high or unexpected demand through effective risk transfer. The review further identified that the IFRC has made progress in using the IFRC-DREF in areas which generally remain under-supported in the humanitarian sector, such as disease outbreaks, tackling epidemics and support for civil unrest, demonstrating an additional added value of making efficient and flexible resources available to NS to respond to localised emergencies.

Key informants interviewed as part of the review voiced strong support that funding contributions to the IFRC-DREF remain as flexible as possible and focused on NS being able to prioritise a response to emergencies using the IFRC-DREF, as opposed to

expanding the eligible use of the fund too broadly, or beyond the two pillars. The IFRC-DREF Evolution and strong organisational commitment to expand the volume of IFRC-DREF funding – as well as its coverage – is an opportunity to now strengthen impact reporting, including engagement with communities to demonstrate IFRC's people-centred approach, which has received less consistent attention.

Background

The International Federation of Red Cross and Red Crescent Societies (IFRC) established the Disaster Response Emergency Fund (IFRC-DREF) in 1979 as an organisational emergency funding mechanism to provide rapid financial support to its National Society members in responding to small and medium-sized crises. Notably to crises which would likely receive insufficient funding visibility or where an emergency appeal might not be launched. The IFRC decision to establish its own pooled funding mechanism has enabled National Red Cross and Red Crescent Societies – through the IFRC-DREF – to provide a first response in their auxiliary role to governments and to disaster-affected communities, who might otherwise not have been supported.

Since its establishment, the IFRC-DREF has enabled assistance to over 230 million people affected by disasters and humanitarian crises and allocated more than 630 million Swiss francs (CHF) to address the needs of affected communities. As a further example of the reach of the IFRC-DREF, 90 NS were supported in 2023 to develop greater anticipation and response to disasters, allocating CHF 74.2 million.

IFRC-DREF purpose: The IFRC-DREF is available to all member NS of the IFRC, and has three main purposes:

1. To provide funding for NS responses to small- and medium-scale disasters for which no emergency appeal is launched or when support from other actors is not foreseen – the 'grant facility'.¹
2. To provide start-up funding for the IFRC and NS to respond to large-scale disasters – the 'loan facility'.¹
3. To provide funding to NS for pre-agreed early actions based on forecast and risk data to reduce the impact of disasters ahead of a hazard materialising.

IFRC-DREF strategy and evolution

The IFRC-DREF ambition and targets are set out in its Strategic Ambition 2021–2025, which has three overarching objectives:

1. Enabling local action – providing enough funding as directly as possible. Success indicator: A lean, efficient fund.
2. Saving more lives by anticipating crises and acting earlier. Success indicator: Increased support to strengthen NS.
3. Increasing the value of IFRC-DREF in protracted, slow-onset and complex events. Success indicator: NS ownership and trust.

IFRC-DREF evolution: The IFRC-DREF 2021–2025 strategy has taken steps to further promote the agility, flexibility and responsiveness of the funding mechanism adapted to the changing nature and impact of crises globally. Examples include:

- New funding ceilings and implementation timeframes for loans and multi-country emergency appeals introduced in September 2022. NS can request up to CHF 2 million for emergencies categorised as red, and up to CHF 1 million for emergencies categorised as orange. The type of support mobilised by the IFRC is determined through a crisis categorisation, defined in the IFRC Emergency Response Framework, that guides on the scale, scope and complexity of an emergency response.²

¹ The loan is to later be reimbursed through funds raised by emergency appeals and other contributions. A NS ability to repay loans is linked to funding levels.

² IFRC Emergency Response Framework | IFRC (ifrc.org)

- Merging two funding mechanisms, the 'Anticipatory Pillar' and the 'Response Pillar', together under the one IFRC-DREF mechanism.
- In a bid to enhance coordination and complementarity with external partners, the IFRC will initiate a platform to facilitate collaboration between different humanitarian organisations on pooled funds in 2024, to support the sharing of information and lessons learned, led through the IFRC-DREF team.

IFRC-DREF funding: The fund receives unearmarked funds from donors, and the vast majority of these are delivered directly by NS. In 2022, CHF 51.6 million (82% of the total allocated) was directly transferred to and implemented by NS.

As part of its Strategic Ambition 2021–2025, the IFRC has set a target to triple the size of its IFRC-DREF to CHF 100 million, 25% of which is allocated to financing anticipatory action. To make this achievable and sustainable, the aim is to fundraise CHF 75 million per year through diverse sources, including institutional and government donor bases, strengthened corporate partnerships and by exploring insurance and funding replica options (the latter being linked to the Anticipatory Pillar).

In 2023, IFRC-DREF allocated a total of CHF 74.2 million. The IFRC reported this to be an unprecedented level of allocations – representing around a 25% increase from the previous year. The IFRC aims to fundraise CHF 85 million in 2024.

Context for pooled funds

Contribution of pooled funding mechanisms to the localisation agenda:

Pooled funding mechanisms have been recognised as an important tool to shift decision-making closer to communities affected by humanitarian crisis and contribute to commitments to increase funding to local and national actors and improve the flexibility, efficiency and timeliness of humanitarian funding.⁵ This review considers pooled funding in the context of the IFRC-DREF as means to transfer funding 'as directly as possible' to NS.⁶

When considering available global evidence on documented achievements and impacts of delivering against the localisation commitments to date, the review identified ongoing challenges in achieving this. For example, limited improvements in the reporting of funding (that passes through one or more intermediary organisation) means that monitoring the Grand Bargain commitment of providing 25% of global humanitarian funding as directly as possible to local and national actors has been highly problematic, and reportedly 'impossible' from recent global analysis.⁷ However, better data on indirect funding is available for pooled funds, which have been increasingly seen as an important mechanism to meet localisation targets.

Many donor governments, in line with their Grand Bargain commitments, emphasise OCHA's country-based pooled funds (CBPFs) as an opportunity to provide a coordinated funding management mechanism that channels funding to international and local

partners to provide a response when direct funding to national agencies is seen as too difficult. For example, in the case of donor limitations in transferring funds to local actors due to absorption capacity constraints or ability to comply with international due diligence requirements, or even in contexts where there may be a paucity of national actors to fund that are experienced in delivering humanitarian aid.

IFRC's pooled fund for NS, IFRC-DREF:

By channelling funds through member National Red Cross and Red Crescent Societies, IFRC-DREF aims to promote community ownership, local leadership and participation in decision-making processes, leading to more effective and sustainable humanitarian responses.

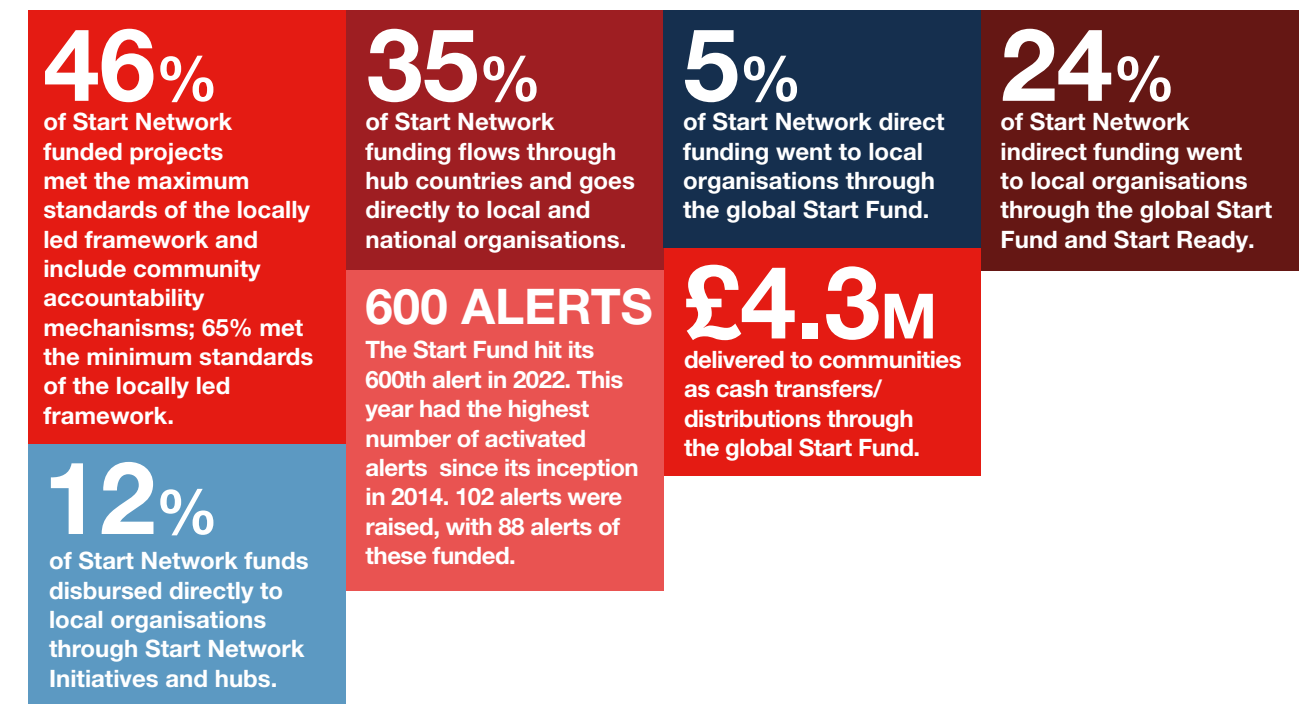
The Start Network, an NGO-managed pooled fund, disbursed £18.5 million towards emergency humanitarian assistance in 2022,

and an additional £5.5 million was disbursed through its crisis anticipation Start Ready – a newly designed disaster risk financing mechanism. In its 2022 Annual Report, the Start Network reported funding to local organisations had decreased by 10%, with only 11% of local populations represented in leadership roles.⁸ The Start Network reported 35% of funds were disbursed directly to national actors 'across all its initiatives' in 2022. Figure 1 demonstrates the transfer of 'Start Ready' funding to national pre-approved partners.

Global funding to national actors:

Just 1.2% of donor funding globally was channelled directly to local organisations in 2022. Trackable indirect funding to local and national actors fell in both share and volume in 2022, from 1.4% (US\$430 million) in 2021 to 0.9% (US\$375 million) in 2022, highlighted below.⁹

Figure 1: 2022 Start Ready reporting highlights



Source: <https://startnetwork.org/learn-change/resources/library/annual-report-2022>

3 The IFRC-DREF established an Anticipatory Pillar in 2018 to fund prepositioning of stock and annual readiness activities, and to ensure the quick and reliable release of funds to implement early actions once a trigger is reached. It can be accessed by NS that have developed and approved an Early Action Protocol (EAP).

4 Anticipatory actions seek to prevent or at least reduce the impact of a potentially harmful event and are set in motion when critical forecast thresholds or triggers are reached. Given the comprehensive work involved in developing anticipatory action approaches (such as developing trigger levels and action plans, providing equipment, setting up logistics chains) they sit between disaster preparedness and response.

5 **Too important to fail—addressing the humanitarian financing gap | High-Level Panel on Humanitarian Financing, Report to the Secretary-General** (interagencystandingcommittee.org)

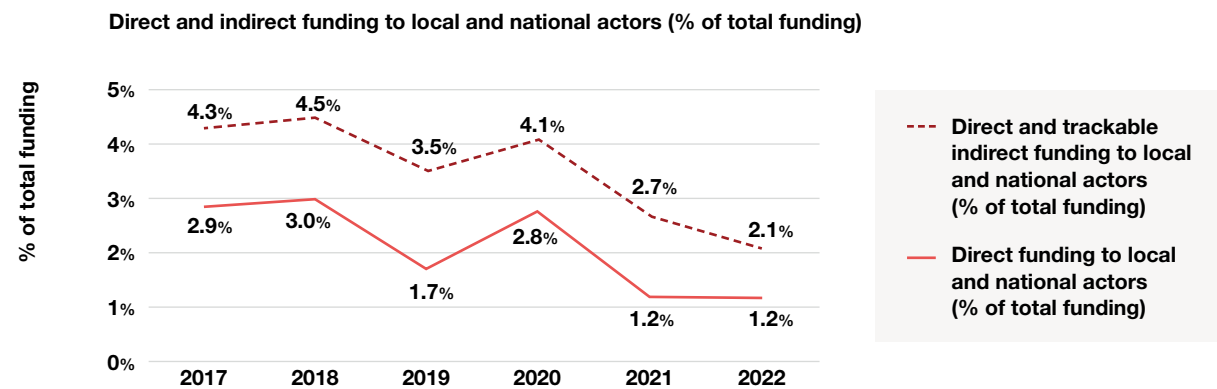
6 This is in line with the terms of reference for this review.

7 **A better humanitarian system: Locally led action | Global Humanitarian Assistance Report 2023 – Development Initiatives** (devinit.org)

8 **Annual Report 2022** | Start Network (startnetwork.org)

9 **A better humanitarian system: Locally led action | Global Humanitarian Assistance Report 2023 – Development Initiatives** (devinit.org)

Figure 2 Proportion and total volumes of direct and indirect funding to local and national actors, 2017–2022



Source: P 22 of https://devinit-prod-static.ams3.cdn.digitaloceanspaces.com/media/documents/Falling_short_Humanitarian_funding_and_reform.pdf

In 2022, the volumes of funding allocated through OCHA's CBPFs and the Central Emergency Response Fund (CERF) grew to a record US\$1.9 billion, with 28% (US\$337 million) of CBPF allocations going to local and national actors – as opposed to multilateral agencies or international non-governmental organisations (INGOs), representing an increase from 24% in 2017. A preliminary 18% (US\$80 million) of CERF allocations were sub-granted to local and national actors in 2021.¹⁰

Despite the Grand Bargain commitments to push 25% of global humanitarian funds directly to local and national organisations by 2020, there has been little written or documented from the perspective of local and national NGOs on their experience of working with pooled funds. The few reports that capture these actors' feedback on funding have limited mention of pooled funds. Furthermore, the analysis of pooled funds commissioned by the International Council of Voluntary Agencies (ICVA) found limited information on the comparative analysis or benefits of pooled funding mechanisms: "there are only few comparisons among the pooled funds and/or their relative performance against common defined criteria or indicators,

including from an NGO perspective".¹¹ Rather, funds mostly self-report against self-defined targets which differ from fund to fund.

Finally, available reports on pooled funding identified a gap and a need to nuance perspectives of the recipients of pooled funds,¹² noting there "are very few documents presenting the specific perspective and/or a disaggregated view" of different agencies. They highlight the value of further investing in such evidence, in particular to capture the perspectives, expectations and recommendations of how helpful pooled funds are considered to be based on recipient's feedback of their experience with financing mechanisms.

¹⁰ Ibid. Collectively pooled funds received a smaller share of total international humanitarian assistance from public donors, decreasing from a five-year high of 7.6% in 2019 to 5.4% in 2022.

¹¹ **Pooled Funding at a Crossroads – A Comprehensive Review and Analysis – ICVA** (icvanetwork.org)

¹² **Pooled Funds: The New Humanitarian Silver Bullet?** | Norwegian Refugee Council (nrc.no)

Objectives, purpose and scope of the IFRC-DREF review

The British Red Cross, in coordination with the IFRC, commissioned a review of the IFRC-DREF pooled funding mechanism to contribute findings, lessons and recommendations on the extent to which it supports the localisation agenda.

Review objective: to review the effectiveness and contribution of the IFRC-DREF in supporting NS as part of the localisation agenda, in line with Grand Bargain commitments.

Purpose: this review has a two-fold purpose. Firstly, it assesses the extent to which the IFRC-DREF mechanism enables NS to locally prepare and lead responses with as-direct-as-possible funding. Secondly, it captures findings and lessons from country case studies on a NS engagement with the IFRC-DREF mechanism, including challenges, barriers and opportunities to further strengthen, empower and position the IFRC to champion the IFRC-DREF internally and externally to key stakeholders.

Scope: the review primarily focuses on documenting learning generated through IFRC and NS engagement on the effectiveness of the IFRC-DREF mechanism. It considers comparability of a NS engagement with IFRC and other pooled funding mechanisms, where this may be relevant, as a secondary objective.

The review considers the elements that define the comparative advantages of pooled funds, which include flexibility, predictability, stronger risk management (as risks are pooled), cost effectiveness (reducing duplication and ensuring lower transaction costs), ability to promote strategic decision-making, and transparency (e.g. with public access data of contributions and allocations). The scope also covers:

- **IFRC-DREF Response Pillar:** the primary focus is on the use of IFRC-DREF response grants in small and medium-scale emergencies. NS engagement with the Anticipatory Pillar is considered when pertinent to the review lines of enquiry.
- **Timeframe:** the review provides an analysis within the current strategy period, 2021–2025.
- **Geographical scope:** The review considers a global scope, including relevant literature to pooled funding mechanisms on their design mechanisms and delivery.
- **Case study selection:** the review delivers three country case studies, against selection criteria set out in the inception report, and based on a NS interest in participating.

Key informant interviews (KIIs)	31 completed (Annex 2)
Documentation review	Around 45 documents (Annex 3)
NS direct consultation	Bangladesh Red Crescent Society, Syrian Arab Red Crescent and Vanuatu Red Cross Society

Review methodology

A mix of qualitative and quantitative data collection and analysis methods were used against a matrix which set out the key lines of enquiry (Annex 1). The review included a deeper dive into specific pooled funds which have been recognised to already provide local actors significant funding. The review collected and synthesised existing knowledge and identified opportunities and limitations to NS realising localisation principles through access of the IFRC-DREF pooled fund.

Limitations

- Establishing contact with IFRC-DREF regional focal points and NS took time and presented some challenges. As a result, access to key informant interviews (KIs) and internal lessons learned about IFRC-DREF usage was limited.
- Documentation focuses on the IFRC-DREF mechanism, with less focus on impact and community feedback.
- Limited data and information on country pooled fund response and funding diversification by NS.

Expected use of the review

Stakeholder	Expected use of the review
Internal stakeholders	
British Red Cross	To inform policy dialogue and programme engagement on NS and people-centred crisis response funding, with lessons drawn from the IFRC-DREF to promote inclusivity of national voices, and ensure optimal funding and technical engagement with the IFRC and partner NS.
IFRC	To document lessons on what works well and less well in promoting localisation through the IFRC-DREF funding mechanism, to inform policy, procedures and guidance. To inform strategic planning and diversification of funding, and support internal and external communications, for the IFRC-DREF.
IFRC Advisory Group	To contribute to lesson learning and provide findings on what is working well and less well as part of the IFRC's ongoing IFRC-DREF evolution efforts.
NS	To contribute to continuous learning and serve as an accountability mechanism on ways in which the IFRC-DREF can continue to localisation efforts. To inform and consider opportunities to strengthen engagement with the IFRC on the IFRC-DREF to help jointly deliver on localisation aims.
External stakeholders	
Affected people	To make organisation information available on the IFRC-DREF, including its purpose and results, and to serve as a communication and accountability channel.
Donors	To disseminate learning and results on the overall IFRC-DREF functionality as a pooled funding mechanism and thus further reinforce IFRC's accountability for funds received.

Review findings and recommendations

The following three sections are structured around the review lines of enquiry (Annex 1) and reflect the Grand Bargain localisation commitments.

1. To what extent do the IFRC-DREF strategy, guidance and operating procedures provide an enabling environment for localisation and locally led responses?

This section considers the extent to which IFRC action, under the IFRC-DREF Strategic Ambition 2021–2025, is promoting and translating localisation principles and good practices. This includes assessing IFRC's key strategic ambition to provide "enough funding as direct as possible" through a lean, efficient fund.

1.1 Guidance and procedures: To what extent has the IFRC-DREF responded to identified constraints or limitations for NS to access and independently use the IFRC-DREF within a locally led response?

All member NS are eligible to apply for IFRC-DREF funding. Non-restricted access is unique to the IFRC on the basis that funds are available and provided on a first-come-first-served basis, once the initial request has been assessed and approved. In terms of scale, in 2023, the IFRC-DREF allocated a total of CHF 74.2 million supporting 175 operations across the globe. IFRC reported this to be an unprecedented level of allocations – representing around a 25% increase from the previous year, made possible through increased income levels between the IFRC-

DREF response and the Anticipatory Pillar. The IFRC's ambition is to grow the Fund every year to reach CHF 100 million in 2025.

The review found a strong consensus of the IFRC-DREF as a dedicated resource for a NS-led response to crises, and further positive progress is being made in ensuring the fund is accessible to NS. This was mirrored by NS KIs, which voiced their strong support for the fund as a critical enabler in mobilising a crisis response, when they do not have alternate means to access funding rapidly. Examples of where may choose alternate funding sources include agreeing to the use of crisis programmes available in the network, or utilising crisis modifiers¹³ available under existing partner National Society agreements.

Funding modalities between the IFRC and NS

As the IFRC-DREF was originally established to ensure a timely NS-supported first response, in coordination with the IFRC, there is a well-developed understanding of what has tended to work well or less well by the IFRC and NS alike.

The IFRC-DREF procedures, which are in the process of being revised at the time of writing, were designed to promote a responsive fund to kick-start emergency response operations. Reflecting this, they state "to be fit for purpose the Fund can only accept unearmarked funding (no earmarking below Fund level). All IFRC-DREF pledges shall be issued without earmarking or (external) reporting requirements",¹⁴ which reflects the IFRC approach to provide as flexible support as possible to meet the specific needs and context of an emergency response operation.

¹³ These act as an internal funding agreement within a project to manage risk, such as climate or conflict through redirecting funds under certain budget lines, mitigating the need for lengthier reapprovals.

¹⁴ Internal documentation, IFRC-DREF Procedures 031.5 DREF Procedures 05.12.2019

The IFRC-DREF has three modalities to transfer money to a NS:

- a. Working advance** – where the NS expenses are incorporated as IFRC expenses.
- b. Cash transfer to NS¹⁵** – where the funding is ‘expensed’ on an IFRC project on a specific identifiable account.
- c. Fund transfer to NS** – specific funding entitled a Capacity Review and Risk Assessment to deliver an activity.

Application and appraisal process

NS have long criticised the functionality and timeliness of the IFRC-DREF. Both the speed by which an application would be approved between a NS and the IFRC headquarters in Geneva, and then how long it would take the IFRC to transfer funds. The appraisal process was considered to take an unnecessarily long amount of time which had a domino effect on funding transfers and operational start-up.¹⁶

There have been deliberate steps taken to address this. Recent steps under the review period demonstrate further strong efforts to support more real-time, or efficient, approval of applications and funding transfers. The IFRC modified the application process to:

- streamline commenting on the application to focus on the essential information needed to make a funding decision and identify critical information gaps.
- shift to an online application submission to speed up approval and fund transfer. The IFRC is in the process of ensuring translation to all IFRC working languages though there is no option to upload an application to the platform in a national language. Some NS KIIs noted a strong improvement using the online application, although some small issues could be further improved. Other NS have their own parallel systems, procedures and templates which require dedicated time at the start of a response to convert and translate information for IFRC-DREF.

- enable more timely access to information via central IFRC-managed systems, such as the investment in the ‘IFRC Go’ platform which supports access to basic emergency information by internal and external users.
- appoint regional IFRC-DREF focal points as a key interface and first point of contact for NS queries, alongside a dedicated IFRC-DREF team, working either in the IFRC Secretariat in Geneva or IFRC’s Global Services Centre in Budapest.

The regional IFRC-DREF focal points do not necessarily have a stronger proximity to NS, however, in part due to capacity to engage across the region, as well as the number of concurrent live emergencies which may be underway. IFRC-DREF approval is by designated budget holders at the country level and the IFRC-DREF regional focal points provide a support function, though are not always part of the core operational support team. At times this limits the extent to which IFRC-DREF preparation and oversight is integrated within operational response. Part of their role also includes delivery of capacity-strengthening activities.

All pooled funding mechanisms include an application and screening process to ensure relevance and appropriateness of the response intervention, so the IFRC aligns in terms of accountability. Appraisal is managed in-house by the IFRC where internal capacity assessment mechanisms are in place. This contrasts with the Start Network, for example, where a framework enables organisations to pass at different ‘tiers’ which determine their access to various levels of Start Network funding and services, depending on their tier placement. Although this is not as specifically stated in the IFRC, internal knowledge of a NS’s capacity results in a similar assessment of tiering – though all NS in theory have access to the funding levels outlined in IFRC-DREF.

Pooled funding links to capacity strengthening

During the initial application, response planning determines any need for drawdown capability from the IFRC, which might take the form of technical staff (remotely or via surge) or logistical procurement and support – underpinned by an international response framework and standard operating procedures. IFRC’s ability to directly support or provide hybrid operational capacity to a NS-led response is unique to the Movement. Other pooled funding mechanisms do not have this in-built, or well-tailored, ability to support a hybrid response, and this reflects the nature of a Movement being able to draw on its central and network expertise. The IFRC can, for example, determine with a NS to use national or regional trained response surge mechanisms, who bring greater contextual or cultural understanding in the first instance, or international personnel as required to reinforce local relevant deployable capacity.

“The IFRC-DREF is “easier than OCHA – it allows us to assess the real needs. OCHA’s pace of working and costing system doesn’t work for us as well for an emergency operation. Justification is still needed for DREF and is much better overall”.

NS feedback on the DREF

NS spoke of the challenge of IFRC’s facilitated surge or procurement being delayed at times, and that this created a challenging dynamic in either arranging aid distributions or maintaining a relevant response to needs due to the delivery time-lag. Vanuatu Red Cross Society, for example, was not able to distribute all ordered relief items together, resulting in negative local community reactions

which required additional follow up and community engagement during the 2023 cyclone responses, which is challenging due to the time and cost of accessing more remote communities.

The ‘IFRC-DREF for Assessment’ modality is a system to provide NS with small grants that allow field teams to make deeper needs assessments, piloted in 2023. The assessment has since been implemented by four NS in three regions (Madagascar, Uruguay, Ecuador and Laos). The IFRC also has dedicated capacity-strengthening funding, up to CHF 50,000 for NS though there is less systematic information on how this directly links with NS own gap analyses or IFRC-DREF lesson learning exercises, including how impact might be being monitored and measured.

“The Syrian Arab Red Crescent commented how useful the responsiveness and flexibility of the IFRC-DREF mechanism is to complement its operational responses, and flex quickly to address new emerging needs in a way that would not otherwise be possible.”

NS feedback on the DREF

The Start Network has a similar budget line available for INGOs to address targeted capacity-strengthening gaps identified in its tier assessment to enable agencies to transition between tiers.¹⁷ Specifically to IFRC, there is a much broader range of NS response and capacity assessment tools used, including contingency planning processes to outline possible responses, roles and responsibilities. The linkages between different capacity-strengthening modalities could be strengthened, and move beyond NS training, more clearly linked to after-action reviews, for example.¹⁸

¹⁵ This review has not looked specifically at an IFRC-DREF loan provided to NS, though it understands that the frequency or probability of loan repayments have reduced over recent years, as emergency appeal funding is insufficient.

¹⁶ IFRC-DREF procedures require that a grant request is made up of the following documents: DREF Checklist, DREF Operation Emergency Plan of Action (EPoA), DREF Operation EPoA budget and DREF Allocation Request.

¹⁷ The Start Network evaluated this pilot, which found a mixed level of impact due to pilot countries not having adequate theories of changes and monitoring plans in place ex-ante. Start Fund Localisation Pilot Evaluation | Start Network (startnetwork.org)

¹⁸ The Start Network evaluated this pilot, which found a mixed level of impact due to pilot countries not having adequate theories of changes and monitoring plans in place ex-ante. Start Fund Localisation Pilot Evaluation | Start Network (startnetwork.org)

Approvals and funding transfer

IFRC-DREF response approvals and transfer of funding is quick overall.¹⁹ Looking at the year-on-year OCHA pooled funding allocations, less than 10 NS have accessed other pooled funding mechanisms during the review timeframe.²⁰ Those who have had experience working with UN funds report the application processes are more protracted than the IFRC-DREF. UN pooled funding aligns to UN-led humanitarian response plans, which enable agencies to expand or extend activities in line with original agreed plans, as opposed to repivoting quickly to a different type of shock/s.

The Start Network approval cycle takes 72 hours. The IFRC-DREF approval timeline can be fast though generally takes longer due to IFRC documentation. Some NS contracts are signed 5 days after a request, while the average time is 24 days (median 20 days) for a NS to sign a project agreement to implement the IFRC-DREF operation, partly or in full.²¹ This shows there is room to further improve the application further improve the speed at which the project funding agreements are prepared and when the signing process commences. Financial transfers from the IFRC take less than 7 days on average to the designated bank.

NS continue to report challenges in receiving timely payments. The main reason found by the review is delays due to the bank's own lack of expediency, particularly affecting small island NS. Further analysis would determine if the IFRC could address onward payment problems directly by engaging with the main or intermediary banks.²²

Some key informants spoke about the pressure for NS to mobilise implementation before needs are fully known. The speed of fund transfers on occasion can create a perverse incentive to start prematurely,

“DREF provides immediate mobilisation and covers expenses when responding. It helps get things going and covers urgent needs. Later, we have the option to launch an emergency appeal. DREF means we respond immediately, but did take time writing and doing budgets before, so it took 2-3 weeks to approve. Now with the IFRC Go platform, we put the report in with 5-10 minutes and receive a quick approval.”

NS feedback on the DREF

noting IFRC-DREF responds to a range of emergencies beyond rapid onsets. This is a balancing act for NS – and for NS with less capacity. Since the IFRC-DREF approval process serves as the main point by which a NS articulates its plan and budget, and does not need to provide update reports, there is more pressure at the outset to get the plan right. It is possible for NS to request amendments of course, though the review found less of a culture of doing so. This could be linked to the original three-month implementation timeframe and perception there is very little time to make changes once started. There is an important engagement role for the IFRC throughout the IFRC-DREF process to provide planning space to finalise response plans, which in turn provides NS with time to formulate their engagement plans with communities (not always a priority in the current system) as well as mitigate the need for labour-intensive changes later.

Start Network projects have a shorter implementation period than IFRC-DREF – 45 or 60 days, and the delivery of assistance must start within 7 days. The IFRC-DREF approval generally happens within 7 days, but NS delivery can take longer to start

up, for some of the reasons highlighted above, such as accessing information from branches. Other pooled funding mechanisms for rapid response do not use the same timeline; instead, they generally have longer implementation periods and no defined milestones to begin implementation. IFRC's DREF model sits in between these two types of pooled funding mechanisms.

Monitoring and reporting approaches

IFRC, the Start Fund, CERF and UN OCHA's CBPF all have approved templates, with the exception that IFRC-DREF does not require an interim update,²³ only a final narrative and financial report of each allocation. There are exceptions when a NS requests an implementation extension, or modification to previously agreed budget lines. IFRC-DREF procedures clarify that any extension request for the operational timeframe should be submitted to the IFRC-DREF Appeal Manager, at the latest 15 days before the end of the operating timeframe, though IFRC key informants spoke of how challenging this can be to manage, with a number of NS not abiding by this and requesting extensions 'at the last possible minute', making it difficult to manage.

KIIs confirmed there are ongoing monitoring and check-ins during implementation, not least on any troubleshooting which may occur. Although the live monitoring is helpful, it does not appear to correlate with improved final reporting, or indeed compliance with reporting, across a range of contexts. These are considered to be different reasons for this, highlighted below.

Firstly, key informants confirmed that final reporting remains a challenge for NS, in part due to the financial reconciliation which is often only addressed at the end of the IFRC-DREF period, as well as queries on cost

eligibility. Key informants who fed into the review reported that the guidance on cost eligibility for NS is generally clear, and that there is good overall understanding (outlined in NS guidance). Yet there are tensions, and the review found these generally show at the time of financial reconciliation, which systematically happens at the very end of an operation. In some contexts, a NS provides financial reporting to the IFRC late or just before the closure of an IFRC-DREF response. Should incurred finances be a surprise or not pre-approved, although often with rationale due to a change in the response context, KIIs referred to straining of relationships which could be mitigated through proactive and real-time reconciliation systems.

Secondly, the current system tends to depend too much on manual reconciliation, which leaves room for human error, misunderstanding and distraction during an intense response. This can be mitigated through introducing a financial monitoring software which provides more regular or real-time logging of costs between headquarters and branches for example, where significant operational activity takes place, and is commonly used by other multilaterals. Bangladesh Red Crescent Society confirmed they have an electronic system in place though only half of their branches have been integrated. There is a cost associated with digitalising financial management during an operation, though there have been significant advancements in this area within the humanitarian system. The IFRC should consider portable options such as hand-held devices with financial software installed as an IFRC asset provided to NS with low capacity.

Thirdly, the review found strong feedback from KIIs of the perception that NS do not always comply with reporting requirements due to the fund being 'internal', indicating NS do not consider there are significant implications by defaulting on reporting. From

¹⁹ The review mostly captured findings from the use of IFRC-DREF response since this reflected the most common experience of NS interviewed in the KIIs.

²⁰ **Results Dashboard** | CBPF (unocha.org)

²¹ IFRC internal timeline analysis.

²² Vanuatu Red Cross Society reported delays in the bank transfer between Fiji and Vanuatu in 2023.

²³ CERF reporting requirements, as outlined in its Guidance Procedures, 2022, include four elements: country-level interim update (a light report undertaken halfway through the grant implementation), a country-level allocation report, including after-action review, agency headquarters financial reports and agency headquarters annual narrative report.

speaking with a OCHA CBPF recipient NS, they provide reports as contracted, which include full data disaggregation on results. The difference between management and reporting is that the NS has built capacity through a partnership department and there is no compulsory requirement for NS to provide more detail according to the IFRC-DREF procedures in place.

Increased funding ceiling and implementation timelines transfer flexibility to NS

New ceilings for allocations of grants and loans introduced in 2022 enable a maximum amount for an orange level emergency to CHF 1 million, and CHF 2 million for loans to red level emergencies. These funding levels provide comparatively high allocations in comparison to the Start Network, which provides members up to £300,000 (CHF 342,000) – although UN allocations to INGOs can be as high or higher to multilateral agencies.

The IFRC introduced extended implementation timeframes for operations focusing on drought-induced crises (slow-onset) and/or orange level emergencies. The 2023 IFRC annual plan reported 33% (a third) of the operations responding to more complex emergencies in 2022, such as responses to civil unrest, food insecurity and population movements.²⁴

Response analysis shows that most humanitarian caseloads are in protracted crises situations, rather than being linked to particular hazards that require a fast response, so IFRC's decision to provide flexible implementation timelines and funding allocations is a progressive step in transferring this flexibility to NS. Globally, there has been a level of flexible funding to anticipate drought, but other hazards

remain relatively overlooked in comparison, for example, conflict, displacement, extreme heat and disease outbreaks.²⁵

Integration of the Anticipatory Pillar and localisation

The integration of the Anticipatory Pillar was facilitated in response to the commitment from the Council of Delegates²⁶ to promote and ensure anticipatory action is 'firmly embedded in the humanitarian system'.²⁷

Although causing some initial confusion on the role and distinction of anticipatory action under the IFRC-DREF when it was first merged, this seems to have eased in part due to the communication dissemination and training provided by the IFRC (and some partner NS supporting training of trainers) on IFRC-DREF systems and guidance.

While NS have to mobilise their own resources for Early Action Protocol (EAP) development, or fund this through support from partner NS or the IFRC's annual operation plan, the IFRC-DREF supports readiness and activation of the EAPs once they are established, resourcing one-off and/or annual readiness and prepositioning activities throughout the EAPs.

The IFRC introduced the simplified Early Action Protocol (sEAP) in 2022 and continues to work with NS to disseminate these. This tool brings a new and lighter approach to anticipatory action and allows NS to implement a plan with a two-year lifespan. In 2023, the IFRC network further scaled up its work on anticipatory action, and at the time of writing this study has more than 40 EAPs and simplified EAPs in the pipeline.²⁸ The IFRC website provides detailed real-time data on all allocations, including on their timeframe, type of action and region.

The process of developing EAPs, based on the IFRC-DREF's available guidance, involves several steps including a feasibility study, assessment of available forecasts, definition of relevant triggers, selection of early actions, stakeholder engagement throughout the process and strengthening of the capacity of NS. A recent joint IFRC and the American Red Cross study found the development process remains lengthy, usually taking about 12 to 36 months to complete.²⁹ NS consulted as part of the review were engaged in, or happy to embark on, a sEAP, considering this a very relevant investment to respond to the types of crisis their country is faced with.

Learning on the two IFRC-DREF pillars, and the interaction between Anticipatory and Response Pillars, including accuracy or viability of triggers, is an iterative process.

The Africa Hunger Crisis DREF Operational Review conducted from March to June 2023 found an urgent need, in 2024, to clarify guidance on how to use this modality. What triggers can be considered? What type of analysis? What level of planning and engagement in recovery?

Revision to IFRC-DREF procedures

The IFRC is in the process of revising the procedures which guide IFRC staff on applying for the IFRC-DREF. The integration of the Anticipatory Pillar presents opportunities for NS and the IFRC to engage differently with complex emergencies, including slow-onset and protracted emergencies. This has been welcomed by some NS who think they can respond more flexibly, which may not have always been an option previously in a shorter operating timeframe. However, the IFRC will need to consider how to support and work with NS who are managing – and requesting

– concurrent live operational responses (e.g. conflict in one zone and EAP activation for a flood response in another, drawing across both pillars). It will also need to clarify how support to overlapping crises in any country at one time can be handled in the most efficient way for all involved in the IFRC-DREF procedures and accompanying guidelines.

Should NS intend to more routinely drawdown on the IFRC-DREF in response to a breadth of crises with compounding risks,³⁰ the IFRC needs to further consider how this might be managed in practice, which is particularly challenging.

²⁴ IFC-DREF Annual Plan, 2023 | IFRC (ifrc.org)

²⁵ Finance for Early Action | REAP (early-action-reap.org)

²⁶ Every two years the ICRC, the IFRC and the individual National Red Cross and Red Crescent Societies meet in what is known as the Council of Delegates. It provides a forum to discuss Movement strategy and debate global humanitarian issues facing the international community.

²⁷ The Council of Delegates committed to doing more by extending anticipatory action to slower onset and less visible climate- and weather-related hazards, such as heatwaves and droughts, and also to hazards and risks that are not necessarily linked to climate and weather, such as epidemics, food insecurity and displacement of affected people, and by ensuring its reach is extended to more people and more countries, IFRC, 2022

²⁸ Assessing Early Action Implementation by Red Cross Red Crescent NS | Desk Review and Qualitative Research Study by the IFRC-DREF and American Red Cross (ifrc.soutron.net)

²⁹ Ibid.

³⁰ The Council of Delegates provided the example to "ensure that anticipatory action reaches people living in conflict-affected areas who are often disproportionately affected by extreme events, and by investing in increasing the ability and capacity of the system to respond collectively in a coordinated manner".

Findings 1.1: To what extent has the IFRC-DREF responded to identified constraints or limitations for NS to access and independently use the fund within a locally led response?

- 1.** The IFRC is making a significant positive contribution to ensure a responsive and accessible fund, with examples of simplified procedures, a move to electronic application approvals, ongoing training and IFRC-DREF communications for and to NS.
- 2.** IFRC-DREF reporting requirements are light for NS, in comparison to other pooled funds, but financial reconciliation and long-standing queries on cost eligibility remain time-consuming and the main contributor to systemic late reporting.
- 3.** Integration of two pillars in the IFRC-DREF has generated additional questions from NS on how they might use fund transfers in a coherent and synergetic way, particularly linked to NS capacities when responding to complex emergencies.

Recommendations

- 1.** The IFRC has made progress in facilitating easier access to the IFRC-DREF though there is room to further streamline the approval process. It should also be encouraged to be proportionate when using the generic template if not all information fields are needed, or deemed relevant to a NS context, and in particular when it is assessed that a NS will not have the capacity to follow through with some narrative in the initial templates. This should in turn help manage expectations and transparent reporting, if expertise and capacity is not available and in turn be considered as part of a NS ongoing capacity strengthening plan.

1.2. To what extent has the IFRC identified and responded to fund management and risk mitigation measures to ensure as many direct funds as possible are channelled to NS through IFRC-DREF?

Risk management

When considering IFRC's management of IFRC-DREF, including associated risk, compliance and absorption capacities, the review found that considerable improvements have been made in strengthening the systematic approach to risk and associated reporting. These include the use of a central issue and risk register, quarterly risk reporting, analytical use of the IFRC's country risk dashboard called the Global Risk Watch, and the development of risk analysis summaries that follow IFRC-DREF request approvals and which provide a 'deep dive'.

There are similarities between the pooled funds considered in this review, especially the Start Network's approach to risk management. Comparable risk assessment between IFRC and other funds include: governance, financial controls/oversight, legal compliance, ability to deliver/operational efficiency, and risk management. Screening of risk has been considered less prescriptive in the following areas: commitment to best practices in humanitarian action, data protection and privacy, safeguarding, and downstream partner management through centrally managed IFRC-DREF procedures. Other pooled funding mechanisms, such as the Start Network, also face risk management concerns, though commonly defaulting on IFRC-DREF reporting is specific to the IFRC.

The important distinction is that the IFRC-DREF is provided to NS who are their own independent legal entities and as a result, have different levels of conformity to internal risk compliance systems.

Key informants interviewed highlighted overall low prioritisation, or limited understanding, of the importance of reporting as a compliance mechanism. NS views reflect "it's an in-house IFRC fund", which demonstrates how the issue of overall late reporting remains problematic. Clearer communication on the original source of funding, such as back-donors or private funding, combined with open discussion on the trajectory of the donor aid funding landscape, which is increasingly overstretched and contracting, presents an opportunity to break down the perception that the IFRC-DREF will always be freely accessible for non-compliant NS.

Likewise, introducing tranche funding for NS with an evidence base of low to non-compliance will unlikely lead to improved respect for systems without stronger central communication on the ways of working and emphasis that the IFRC-DREF is providing quality and flexible funds in comparison to alternative non-IFRC avenues. Once the updated IFRC procedures are launched and disseminated, there is an opportunity to emphasise the necessity for compliance, including reporting in line with the funding ceilings.

Risk transfer and ownership

The IFRC and NS management of the IFRC-DREF is unique in comparison to other pooled funds because it is agency owned, delivered and reported. The IFRC Secretariat manages the IFRC-DREF and associated risk management and reporting. The 2023 Annual Plan included the need to ensure risks are monitored, mitigated, communicated and documented in a more systematic way, in line with the overall IFRC Risk Management Policy. The review found good progress has been made in systematically monitoring and reporting on risks though more could be done to prevent IFRC-DREF risks being perceived as a central and headquarters issue, when delivery risks require local management.

Since the IFRC-DREF is one of the different response mechanisms of the IFRC, the usual practice is to draw on a NS existing risk management systems and tools. The strength and comparability of these do vary, however, linked to a NS own capacity and their prioritisation in completing these with rigour outside an emergency. To date, the IFRC has ensured quality reporting by being accountable and responsible for back reporting to donors. From KIs and document review, there is room to strengthen risk ownership with NS. The routine lessons learning exercises following a response are helpful though do not link systematically to follow-up action plans which might be monitored to demonstrate progress.

Overheads and cost eligibility

Local and national actors have been advocating for fairer funding practices around the sharing of overheads or indirect costs for many years.³¹ Members of the Grand Bargain committed to allocating overheads³² to local and national partners and the Inter-Agency Standing Committee (IASC) published guidance on the issue for its members in November 2022.³³ The IASC guidance acknowledges that agencies define, access and manage overheads in different ways and have to comply with their own financial regulations, but also highlights that there are already examples of good practice in organisations that could be standardised, much of which is country led.

The IFRC operates with a diverse range of NS which reflect a spectrum of institutional and operational capacities, including in generating funding. NS overhead costs are approved by their own governing boards.

NS are able to include overheads in an IFRC-DREF grant, guided by the IFRC-DREF procedures “providing that they are based on a transparent costing policy approved by the National Society’s governance”.

Cost eligibility and the percentage NS can apply remains a point of contention between NS and the IFRC when using IFRC-DREF, and equally emergency appeal funding more broadly. This is in part due to the IFRC-DREF procedures not always being aligned to a NS own figure agreed by its governing board and because NS are looking to underwrite the operational costs and build their own capacity simultaneously.

When accessing an IFRC-DREF grant, the procedures stipulate that in the case of relief operations, the costs for transport, personnel training (excluding volunteers) and general expenditures should not exceed 40% of the total budget. This arguably provides good flexibility to mobilise a response without absorbing too much of the relief or response funds to cover direct humanitarian needs.

This was raised by NS during the review, highlighting the following tensions:

- A challenge on the operational delivery and support ratio broadly applied as a 60/40% split. Some NS, in particular those with less organisational capacity, such as NS in Small Island Developing States (SIDS), and less access to multi-year institutional strengthening spoke of the difficulty to ‘flick the switch’ and scale up an operational response. This reflects that NS cannot always maintain core technical or operational staff in general.

- As the timeline and cost ceiling have been increased, NS may increasingly utilise IFRC-DREF and the EAPs to build their organisational capacity, particularly in high-risk countries. EAPs already include budget lines for national society capacity and development, as well as readiness actions like staff and volunteer training. However, providing greater visibility on these existing provisions within EAPs could be beneficial for NS planning and implementation.
- Limitations in meeting the true cost of operational expenses in their context, when faced with responding in large or remote geographical terrains for example, and in circumstances of insufficient IT or telecoms equipment.

There is no one-size-fits-all approach. As the IFRC strives to reflect a justifiable percentage for the IFRC-DREF, it is useful to take account of how other agencies are working to reflect localisation principles of evolved decision-making and capacity strengthening. An inter-UN-agency-led group is reviewing overhead rationale linked to localisation with findings expected in 2024.³⁴ The Start Network offers its direct grantees up to 10% indirect cost recovery (ICR), including for the direct funding to Tier 2 agencies. Within that boundary, agencies decide how much they allocate as ICR in their financial reports. The Start Network’s guidance recommends that the ICR is shared with a subgrantee but does not make this mandatory.³⁵

³¹ Specifically, international intermediaries including UN agencies and INGOs have been criticised for not passing on a fair share of overhead costs to downstream partners, through which the overwhelming majority of funds received by local/national NGOs pass (source: [devinit.org](https://www.devinit.org)).

³² Overheads, or indirect costs, refer to costs that are not related directly to a specific project, but that support the efficient, effective and safe running of an organisation.

³³ [IASC Guidance on the Provision of Overheads to Local and National Partners](https://www.iasc.org/) | IASC ([interagencystandingcommittee.org](https://www.interagencystandingcommittee.org))

³⁴ [Working Group on Cost Recovery](https://www.un.org/en/development/desa/destresilience/working-group-on-cost-recovery) | UN CEB ([unsceb.org](https://www.unsceb.org))

³⁵ Start Network pilot review.

Findings 1.2: To what extent has the IFRC identified and responded to fund management and risk mitigation measures to ensure as many direct funds as possible are channelled to NS through IFRC-DREF?

- 1.** The IFRC has increased its risk monitoring and reporting systems, which has contributed to stronger analysis of challenges faced by NS, including longitudinal analysis. While strengthening IFRC's overall reporting on the IFRC-DREF, fundamental compliance challenges remain in NS reporting back to IFRC.
- 2.** The IFRC's commitment to provide and be able to report more flexible funding directly to NS is commendable. The IFRC continues to be accountable for donor engagement, including central due diligence and compliance mechanisms. This has been a useful role that enables NS to focus on first response as the IFRC continues to strengthen its overall monitoring and reporting systems.
- 3.** Introducing tranche funding for NS with an evidence base of low to no reporting compliance is unlikely to lead to improved respect for systems without stronger senior management communications on the importance and comparative advantage of the IFRC-DREF, alongside its ways of working and appreciation of the fund.

Recommendations

- 1.** To optimise localisation aims, it is important to facilitate the co-ownership of risk management tools and reporting as a means to devolving greater ownership, and therefore management of an operation by NS. The IFRC should encourage an organisational culture of shared risk management placing greater emphasis on this being the capacity-strengthening priority, so NS are well positioned to bid for and manage donor resources routinely over time.
- 2.** As the IFRC-DREF funding ceiling increases, reputational risk (of the IFRC and/or NS not delivering as agreed) should be factored into central and local risk mitigation systems, as current reporting systems remain relatively light.
- 3.** To reflect the localisation principle of devolved decision-making, there is an opportunity to promote joint use, evaluation or adaptation of management tools between the IFRC and NS systemically applied locally in the IFRC-DREF response operations:
 - that risk management tools be considered central to planning and the IFRC takes stock of what is being used by NS and if these supersede IFRC systems
 - promote stronger financial reconciliation and reporting requested and led by NS
 - promote stronger local visibility of NS taking operational lead. Monitoring risk and financial management capacities are important elements to include in training session with NS, though more pointedly as part of IFRC's broader strategy engagement and delivery in regular programmes

1.3 To what extent are the IFRC and/or NS able to demonstrate impact reporting in line with localisation aims to make flexible predictable funding available going forwards?

Overall performance management framework

This section considers the extent to which the IFRC and case study NS have been able to deliver impact reporting which in turn strengthens the evidence for NS to access and expand their use of the two IFRC-DREF pillars.

To assess how well NS are able to demonstrate impact, it is important to consider a NS access to information, and capacity to develop and deliver relevant responses to reflect localisation aims of devolved decision-making and improved proximity to people affected by crises.

Pace of needs assessment and action plans informed by local needs

In terms of NS leading the IFRC-DREF application and response, the review identified that knowledge and experience in both accessing and being able to synthesise large amounts of data is challenging. This is compounded for various reasons: the fluidity of the response context, access issues to undertake assessment, and a frequent reliance on secondary data, which makes it difficult to triangulate and validate information.

While NS often access information through branch structures, which have greater proximity to local needs information, the IFRC-DREF application process is frequently influenced by central information, which means intervention plans need updating over time. NS report the challenge this can present if part of the response activities arrive when the specific needs the activities were seeking to address have been met or transitioned into different types of needs. For example, procurement supplies arriving late because of delayed procurement in the case of Mozambique or Vanuatu Red Cross societies.

The IFRC-DREF assessment grant aims to enable a deeper ground-level assessment but still takes time – up to months – to complete and there are considerable cost implications of rolling it out broadly across the range of NS, which runs the risk of forming an additional layer of administration. However, the longer assessment process may serve as an enabler for NS to directly engage communities affected by disasters as part of the response design, and provide a direct positive opportunity for ongoing and accountable engagement. The review found some evidence on the IFRC-DREF response side of plans not being adapted in a timely way to reflect people's needs or the changing preferences voiced from the communities themselves, although this was not representative of the broad range of responses. However, the EAP process provides the space to engage communities and stakeholders in a more planned way.

Review key informants therefore again spoke of the challenge of striking the balance between speed to submit an IFRC-DREF (i.e. being perceived as fast within the approval window) and having sufficient information to submit a plan which would remain relevant or could be modified without too much process.

However, in contrast, NS who have accessed the UN CBPF confirm that the level of information and the time it takes for approval is less timely than IFRC-DREF. Sharing the response strategy and aligning the NS activities against the UN framework is time-consuming. Furthermore, the OCHA standard and emergency operations follow the same steps as the IFRC-DREF does, which results in a response that is not necessarily quicker. So, though certain NS do engage with UN-led funding mechanisms, as they are larger resourced NS with staffing in place, they report little differentiation or flexibility between standard and emergency operations, "it takes a lot of time".

As the range of NS varies considerably, others feel too rushed by the planning process

when still engaging on fundamental needs assessments and planning information with the national government. The need to modify later was also a reason given for how discrepancies occur on cost eligibility, when NS locally adapt using the IFRC-DREF budget.

NS are not always able to complete the full range of information required on cross-cutting themes within the IFRC-DREF template, and some are not relevant. There is a risk that the cross-cutting issues in the template are filled with such generic information that, as a tick-box exercise, it becomes passive and irrelevant. It is also improbable that IFRC staff are able to follow up with NS across these areas should they not have existing expertise. The risk is slowly reducing quality reporting. This could be mitigated through focusing the application template on the specific technical sectoral areas of intervention, and focusing appraisal – by select technical experts – on confirming they meet quality standards and response logic.

“The Vanuatu Red Cross Society responded to two concurrent cyclone operations, Cyclones Judy and Lola, between March and October 2023. Access to sectorial expertise and engaging with local leaders on targeting were considered a limitation.”

NS feedback on the DREF

The other factor highlighted by the review was the difference in perception and assessment of humanitarian needs or priorities by NS compared to funding donors or other aid agencies. This can be partly explained by insufficient access to technical and sectoral humanitarian assessment, resulting in more response plans being put forward – important to a NS engaging with a range of communities. On occasion, this has resulted in the Directorate-General for European Civil

Protection and Humanitarian Aid Operations (DG ECHO) choosing to not replenish the IFRC-DREF due to a different technical assessment.

Due to increasing levels of humanitarian crises, it may be beneficial for the IFRC to reinforce its decision-making systems based on comparative impact of its allocations and countries assisted. This would help overcome reports of NS proposing responses which are not always considered to reflect acute humanitarian needs, reflecting the increasingly donor resource-constrained environment.

NS seemingly have strong awareness of the localisation agenda and their role in this. This is not always being fully optimised through strategic preparation and consideration of the role of IFRC-DREF, including the importance of communicating local impact.

Donors consulted highlighted the value of the IFRC communicating how it is measuring localisation success to empower NS – against the localisation principles, with a view to empower NS. This would fill a current information gap and also enable a broader engagement discussion with NS to think beyond traditional donors and attract new ones, or engage with the private sector, for example.

The IFRC-DREF would benefit from a performance management framework, with targets and key performance indicators specific to localisation to articulate what success looks like. This in turn would support internal and external positioning of the IFRC-DREF.

Challenge of reporting disaggregated data

The importance for NS to ensure disaggregated data, including vulnerabilities, gender and disability cannot be understated. Although central improvements have been made to strengthen public reporting through the IFRC Go platform, there has not been comparable prioritisation by NS to provide accurate final reporting to fulfil accountability and report IFRC-DREF impact. In particular, NS are not systematically reporting on the

final number of people reached against initial planned targets, and nor do the IFRC-DREF procedures request this in the final report. There is room for the IFRC to request routine accurate reporting; this in turn would mean the IFRC could accurately report to the public and its back donors, and calculate its reach achieved through the IFRC-DREF.

All other pooled funding mechanisms require strict compliance on data disaggregation, which is equally represented in the Movement-wide principles for resource mobilisation, in which the International Committee of the Red Cross (ICRC) receives data disaggregated reporting from NS. The principles commit to “demonstrate ‘value for money’, transparency and accountability to donors and the communities they serve, in compliance with applicable national, supra-national and international laws and regulatory requirements”.³⁶

³⁶ **Movement-Wide Principles For Resource Mobilization** | International Red Cross and Red Crescent Movement

Findings 1.3: To what extent are the IFRC and/or NS able to demonstrate impact reporting in line with localisation aims to make flexible predictable funding available going forwards?

- 1.** The IFRC-DREF evolution and strong organisational commitment to expand IFRC-DREF funding and coverage is an opportunity to focus on impact reporting. To optimise the IFRC's role in localisation – working together with its membership – the IFRC-DREF should include a stronger emphasis on monitoring and reporting its work with disaster-affected populations. Alternate and real-time reporting options that provide a snapshot of the NS contribution in responding to communities, and demonstrate the value of the Red Cross and Red Crescent response in promoting a people-centred approach, should help achieve this.
- 2.** Representing the IFRC-DREF contribution to localisation should be co-designed with NS, to enable NS to determine how they will be able to align with and demonstrate localisation aims.
- 3.** IFRC and NS consistent presence on the ground, framed through national response and contingency plans, promotes a central role for National Red Cross and Red Crescent Societies. To fully capitalise on this, ensuring strong quality needs assessments and reporting will further demonstrate the IFRC's comparative advantage and proximity to communities.

Recommendations

- 1.** The IFRC and NS should determine which localisation monitoring and reporting indicators they are comfortable aligning with through the IFRC-DREF operations, which in turn are used to report progress and impact. As part of this, the need for data – disaggregated reporting can be addressed, including through the anticipated updated Procedures and Guidelines. Communicating accurate information on the number of people reached and the impact through the IFRC-DREF responses will build IFRC and NS credibility, including with donors, governments and the general public.
- 2.** As the IFRC-DREF is a funding mechanism, rather than a programme, no central programme logframe exists. However, expanding the fund through the evolution, and increased ambition, carries opportunity costs. Ensuring stronger impact reporting, including systematic consideration for how the IFRC-DREF is delivering localisation principles – agreed with NS through a monitoring system – is an important way to demonstrate IFRC's continued added value.

2. To what extent has the IFRC-DREF delivered localisation results in line with the 2021–2025 strategic plan, and annual plans? What factors influenced these results?

This section considers how the key changes instrumentalised by the IFRC-DREF in response to the localisation agenda for NS are contributing to a more localised local response by NS.

2.1 To what extent have the changes made to the IFRC-DREF contributed to a more localised delivery?

Funding for more localised response

The Council of Delegates³⁷ meeting in 2022 framed the commitment to ensure access to financing at the right time for people in need and “strengthening knowledge exchange, learning, guidance and advocacy around anticipatory action to ensure that people’s needs and priorities are better addressed”. ‘Quality’³⁸ funds are seen as an effective way to shift decision-making closer to communities affected by humanitarian crises; contribute to commitments to increase funding to local and national actors; and improve the flexibility, efficiency and timeliness of humanitarian funding.

Perception of IFRC-DREF enabling local action

The review found overall consensus that the IFRC-DREF is considered a critical funding mechanism – foremost recognised by NS as an enabler to launch a response, and secondly by Movement partners and donors who are able to respond to diversified

humanitarian needs through local action. Donors on the Council see IFRC-DREF funding as an important way to engage strategically with the IFRC in support of NS. With the view that this forum might be increasingly inclusive with more participation by and from different NS, IFRC-DREF is an “essential” tool, as one key informant noted, to achieve the localisation agenda, due to the reduced number of intermediaries and direct transfer of funds to a NS.

While access to flexible and quality funding is a critical component in support of local actors being able to act and have a stronger voice, direct funding per se does not make a difference to organisational strengths. This section therefore continues to consider how the IFRC approaches resource mobilisation together with broader aspects of localisation – for example, leadership and capacity strengthening.

Globally, just 2.1% of donor funding goes to local organisations.³⁹ The Start Network, which manages a pooled fund for its NGO network, providing response grants up to £300,000 (CHF 342,000), reports that less than 20% of funds directly reach local partners.

In stark contrast, the IFRC reported that in 2023 82% of IFRC-DREF response funding, amounting to CHF 74.2 million, was directly allocated to NS, a 26% increase from the previous year. Data is not necessarily comparable with UN pooled funds however, as the IFRC is able to work directly with its own member NS, and augment assistance by drawing on technical response capacity across its network of members. UN pooled funding mechanisms are established to channel funds to a broader range of agencies. Though IFRC's reporting unquestionably places the IFRC-DREF as a NS first mechanism.

³⁷ Every two years the ICRC, the IFRC and the individual National Red Cross and Red Crescent Societies, meet in what is known as the Council of Delegates. It provides a forum to discuss Movement strategy and debate global humanitarian issues facing the international community.

³⁸ ‘Quality funding’ refers to a range of properties that support and facilitate more responsive and effective programming, including multi-year planning and funding, reducing the earmarking of donor contributions and providing more flexible grant conditions. To this end, Grand Bargain commitments include a target of 30% of international humanitarian assistance to be unearmarked or softly earmarked funds by 2020

³⁹ **A better humanitarian system: Locally led action** | Global Humanitarian Assistance Report 2023 – Development Initiatives (devinit.org)

National Society access to other pooled funds

NS predominantly access Movement funding for crisis response rather than external pooled funds. Red Cross and Red Crescent NS are eligible for UN CERF and OCHA's CBPFs pooled funds, as per the 2022 guidelines, yet there are only a few operational examples for a limited number of NS during the review period. This is represented in Figure 3, which shows a decrease from 2020 when US\$19.6 million was allocated to NS in Syria, Yemen, Afghanistan, Democratic Republic of the Congo (DRC), Ukraine, Jordan, Lebanon and the occupied Palestinian territories).

The CBPF allocation to National Red Cross and Red Crescent Societies in 2023 was disproportionately low at US\$1.11 million in 2023, contributing to NS in Yemen, Sudan, Burkina Faso, Ethiopia, Syria, DRC, while no allocations to Red Cross and Red Crescent NS had been made in 2024 at the time of this review.

NS equally do not access the Start Fund. It remains unclear if there is a legal impediment by which NS are not eligible to apply, though as the Start Network defines itself as a 'civil society' fund, NS may be ineligible in their auxiliary role to governments. This does not appear to have hindered local in-country coordination with Start Network members however, according to key informants interviewed as part of this review.

IFRC Advisory Group members have signalled high levels of support that funding contributions to the IFRC-DREF remain as flexible as possible and focused on direct support for NS responding to emergencies, with support from the IFRC when needed. The integration of the Anticipatory Pillar is generally seen as a positive step forward in recognition of NS preparing and responding to a range of complex crises globally. However, it is less clear how allocations may be prioritised in the future if an increasing range of NS intend to access the IFRC-DREF across both response and Anticipatory Pillars, and in particular whether there will be a significant stretch on resources.

Funding for more localised response

The integration of the Anticipatory Pillar alongside the IFRC-DREF response provides the opportunity for the IFRC to diversify the type and source of funding available for NS to deliver local responses.

For example, the Council of Delegates meeting in 2022 framed the commitment to ensure access to financing at the right time for people in need and "strengthening knowledge exchange, learning, guidance and advocacy around anticipatory action to ensure that people's needs and priorities are better addressed". The IFRC-DREF Anticipatory Pillar, combined with more lead planning time, and use of EAPs, has enabled NS access to increased direct funding to mobilise a crisis response.

The combination of donor emergency response funding (which has typically enabled the IFRC-DREF Response Pillar) and Anticipatory Action funding offers greater choice to NS on how they choose to respond.

The IFRC has organisationally started to address systemic barriers to scaling up finance and making it more effective. Through the integration of anticipatory action triggers in the IFRC-DREF, the IFRC, by example, is promoting a global and harmonised approach to finance for early action. Though the Anticipatory Pillar has only recently been integrated in the IFRC-DREF, the IFRC is promoting a culture of response to multi-hazard risk through one fund which flexes to different disaster typologies.

In practice, however, there remain different processes internally by which NS assess and respond to multi-hazard risks at the national level. Since the IFRC has integrated the IFRC-DREF pillars within one fund, this is an area to further consider, specifically:

- to factor in how NS plan for multi-hazard risk using the one IFRC-DREF. At the national level, silos often exist between

sectors, as well as through external engagement with government line ministries (i.e. food and agricultural line ministries and national disaster response departments) who equally use different institutional instruments. Although beyond the scope of the IFRC-DREF per se, use of fund resources in response to different crises again highlights the importance of clear guidance and procedures on how to do this to avoid confusion in implementation and spend when more than one grant might be active at any one time.

- to consider how the use of the IFRC-DREF Response and Anticipatory Pillars work at the national level. KIIs confirmed as part of this review that the same focal points may deal with the response. As the IFRC can expect NS to build up greater confidence and expectation to draw on either a response grant or approved EAP, it would be beneficial for the IFRC to test if the processes and reporting can be harmonised to reduce potential application, delivery and reporting requirements on NS. This in turn may help position NS to have broader engagement with national governments under their auxiliary role.

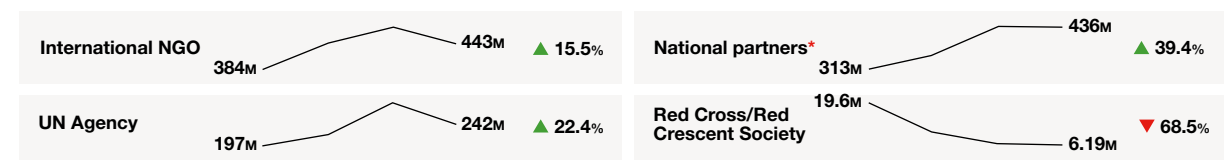
Diversifying funding source

NS have shared that they are more open to engage with climate-related operations now they have the option of an EAP. This offers the potential for IFRC to ask if it might be possible in time to diversify the IFRC-DREF funding base and consider climate adaptation finance to help countries respond quickly to climate change impacts, which would be particularly useful in SIDS.

In conclusion, the IFRC may routinely track the back-donor funding source and carry out periodic trend analysis to see if the types of IFRC-DREF requests are changing over time, i.e. increasing responses to climate-induced emergencies, to determine funding diversification or expansion opportunities on behalf of NS.

Figure 3. Allocation trends by partner types (in £)

Trends for the last three complete years (from 2020 to 2023)
Green triangle (▲) means increase, red triangle (▼) means decrease



* National partners includes funding to national NGOs, government/other and private contractors
(*) Net funding includes funds provided to humanitarian organisations either as a primary recipient or as a sub-grantee (some organisations may sub-grant part of their funding budget to another organisation)

Source: https://cbpf.data.unocha.org/bookmark.html?_gl=1*6z5ile*_ga*ODcyMzU3MDM1LjE3MDgwMDM3ODk*_ga_E60ZNX2F68*MTcwOTY0OTk3NC4zMy4xLjE3MDk2NTA4NjMuMjAuMC4w&viz=netfunding&fund=Ukraine&year=2023

Findings 2.1: To what extent have the changes made to the IFRC-DREF contributed to a more localised delivery?

1. The review identified that the IFRC and NS continue to use the IFRC-DREF for localised responses which have been less well financed or visible to other humanitarian actors. This includes continued use of the IFRC-DREF for localised disease outbreaks and epidemics – demonstrating flexibility less evidenced by other pooled funding mechanisms.
2. There is strong support for funding contributions to the IFRC-DREF to remain as flexible as possible and focused on direct support to NS responding to emergencies, not to stretch the IFRC-DREF too broadly.
3. IFRC and NS consistent presence on the ground, framed through national response and contingency plans, promotes a central role for National Red Cross and Red Crescent Societies. To fully capitalise on this, ensuring strong quality needs assessments and reporting will further demonstrate the IFRC's comparative advantage and proximity to communities.

Recommendations

1. As a minimum, the IFRC might want to routinely track the back-donor funding source to IFRC-DREF between its two pillars, i.e. humanitarian or general unrestricted funds, to determine if there are expansion or diversification opportunities for the IFRC-DREF and inform further thinking, such as crowding in additional funding for complex and protracted crises.

2.2 Lessons and comparative advantages of the IFRC-DREF and other pooled funds: Are there lessons and findings which will strengthen its localisation aims?

IFRC-DREF pillars provide flexibility to engage in complex emergencies

Frequent users of IFRC-DREF response grants see the potential to draw on the Anticipatory Pillar to engage with more complex emergencies. KII reported that the option of having a longer timeframe for implementation, and access to more funding, has given them the confidence to consider how they may actually engage with emergencies. NS gave examples in which the flexibility of the IFRC-DREF allowed them to consider a time-bound response when they might not always have the capacity to launch an emergency appeal, and not least due to concerns of insufficient response funding or donor visibility.

The extended funding ceiling and timeframe attracts NS who want to engage with slow-onset and climate-induced crises, which are considered to be underlying drivers of humanitarian needs in Africa, for example. Key informants stated that the current IFRC-DREF design appears to “make more sense for NS because it’s less restrictive than the former classical IFRC-DREF response fund”. This flexibility within a pooled funding mechanism, maintained by central guidance and procedures, is unique to the IFRC and its membership.

Although anticipatory action is now part of the IFRC-DREF, it will take time, according to KIIs, for NS to familiarise themselves with, and consider the use of the Anticipatory Pillar and undertaking the EAP as they are primarily oriented to a rapid-onset emergency intervention, especially in some geographical regions.

“The Vanuatu Red Cross Society is embarking on its EAP journey, which speaks well to the nature of crises affecting Vanuatu, a Small Island Developing State affected by climate-related impacts.”

NS feedback on the DREF

As the IFRC-DREF enables a response to a range of crises, the need to consider how the IFRC-DREF ought to flex (and retract) to different or overlapping responses in any country at one time is important. Existing IFRC and partner NS evaluations propose that the IFRC provides guidance for NS on how to achieve this. This gives the IFRC an opportunity to more deeply consider what success looks like for a NS managing and juggling different responses to multi-hazard risks. UN pooled funding can support a range of actors delivering distinct responses in one context whereas this would be a difficult expectation to manage for one NS, depending on its capacities.

However, this is tempered by strong evidence found overall for the fund to remain a rapid flexible response fund, and not cover so much that it detracts from the core objective of the IFRC-DREF.

Strengthen needs assessments and population engagement

While the understanding of localisation aims is relatively strong, it is less clear if NS understand the ways in which the IFRC is delivering and monitoring its achievements specific to the IFRC-DREF. NS have communicated the importance of the fund enabling them to launch a response when they would otherwise not have the resources.

There is a need to now translate the principle through NS action to ensure communication

with crisis-affected populations, as a key value add. This is an area where other local organisations are delivering comparably stronger reporting on crisis-affected populations than the Red Cross Red Crescent Movement from documented evidence.⁴⁰ Overall low reporting is contributing to this issue, as well as a strong emphasis on targeting when a response evolves into an emergency appeal, with little focus on post distribution monitoring and feedback. The IFRC reporting template on community-level feedback is also generally light.

Findings 2.2: Lessons to strengthen the localisation aims of the IFRC-DREF

1. The IFRC-DREF evolution offers greater flexibility to NS to respond to context-specific needs. NS engagement with communities and helping to represent their needs and views could more clearly be channelled through feedback mechanisms. This is particularly so because NS represent the impact of their responses as part of their auxiliary role.
2. NS would still benefit from clear guidance and possibly parameters to guide their use of the two IFRC-DREF pillars. IFRC engagement with NS should consider this against localisation principles on how the fund approaches the issues of scale up and scale back – especially if a NS decides to use an IFRC-DREF for a discreet or nimble response rather than pursue an emergency appeal. This has implications for the revised IFRC-DREF procedures.

⁴⁰ External evaluation: accountability to affected populations (AAP) in Start Fund processes and Start Fund projects, conducted by Tsunagu B V, June 2023.

3. To what extent has the IFRC supported strategic changes or modifications to promote localisation through the IFRC-DREF to NS?

This section considers the extent to which IFRC and case study NS perceive the IFRC-DREF as a vehicle for improving or increasing participation and autonomy of leadership and decision-making.

Decision-making

Building on the previous sections, each KII NS confirmed that the IFRC-DREF enables a localised response which may not otherwise be possible due to funding limitations or crisis visibility to donors. The increased IFRC-DREF funding ceiling allows a comparative scalable response for NS, even if they decide not to launch a larger emergency appeal, i.e. preference for a short response depending on the crisis.

However, NS feedback is often still based on operational frustrations of the IFRC-DREF which link to issues around cost eligibility and overheads. Greater investment in co-ownership of the fund and seeing the broader value might help to alleviate detailed frustrations on cost eligibility and reporting. There is also an opportunity to focus on greater inclusion of a range of NS in monitoring and governance of the fund and taking a role as local advocates for Red Cross and Red Crescent responses. This view was mirrored by IFRC-DREF Council members who reiterated the importance of localisation being translated into locally empowered decision-making. However, Council members also acknowledge the challenge in achieving this when due diligence processes remain largely centralised due to risk management. Council members nevertheless underlined the importance of localisation as a key element when choosing the IFRC-DREF as a pooled fund.⁴¹

⁴¹ IFRC-DREF Council reporting, internal, April 2023.

⁴² **How coordination between the Red Cross Red Crescent and the World Food Programme in Bangladesh set the stage for scaling-up: Anticipatory action in Bangladesh** | World Food Programme (wfp.org)

The IFRC promoting NS voice

Key informants interviews confirmed NS have a strong understanding of the localisation agenda and feel both pride and the commitment to deliver on this because they have the proximity to communities through the branch structure and can support the local voice of communities.

Overall, the review identified untapped opportunities for NS to strengthen their local narratives and visibility as first responders. The IFRC-DREF is perceived to be 'taken for granted' to some extent by both NS and other stakeholders. However, the Bangladesh Red Crescent Society offers a positive example of effectively leveraging IFRC-DREF for local influence and coordination.

Bangladesh Red Crescent Society, with its well-established role in disaster response, is already active in coordination forums with the government, UN agencies and international/national NGOs. Since 2015, the NS has collaborated closely with the World Food Programme (WFP) and other partners to establish forecast-based financing systems in Bangladesh, making it one of the first countries to pilot anticipatory humanitarian action. This collaboration has led to joint trigger development, shared anticipatory actions and collaborative advocacy efforts. The anticipatory action component of IFRC-DREF, particularly through the EAP, has helped reaffirm and enhance its position. Notably, the Bangladesh Red Crescent Society has recently been invited to join a tripartite chair alongside UN OCHA and WFP, demonstrating how IFRC-DREF-supported initiatives can elevate NS engagement and visibility in the humanitarian sector. This successful collaboration has set the stage for scaling-up anticipatory action in Bangladesh, including its inclusion in the government's Standing Orders on Disaster in 2019.⁴²

Leadership and decision-making

NS with existing knowledge and experience in implementing IFRC-DREF operations tend to have confidence in directing an IFRC-DREF response. The Syrian Arab Red Crescent Society has well-developed operational response capacity due to the breadth of large-scale and diverse crises it responds to, as well as experience working with UN agencies. The NS considers the IFRC-DREF a valuable tool to cover needs and target gaps left by other funding mechanisms, which in turn enables the NS to respond nimbly due to its context and community knowledge, being able to “count on the rapid response of the Movement”. The Syrian Arab Red Crescent Society recognises it has developed strong organisational capacity and has dedicated staff positions to address due diligence and reporting requirements of multilateral funding agreements, which is not guaranteed until more sustainable funding can be accessed.

From the perspective of the Bangladesh Red Crescent Society, access to IFRC-DREF and its work to upscale anticipatory action is very welcome.⁴³ There are examples of how these activities place the NS in a more central coordination role, externally with government and international agencies⁴⁴ (e.g. a planned tripartite partnership between the NS, UN OCHA and WFP on anticipatory action), and internally as it joins the EAP Validation Committee.

Increasing coverage of needs

Being able to respond to an increased coverage of needs through an IFRC-DREF-facilitated local response is a very powerful humanitarian contribution, for NS demonstrating this locally to the government and equally to crisis-affected communities. This is not least as the International Red Cross and Red Crescent Movement continues to position itself to anticipate and respond to multi-hazard risks drawing on its suite of tools and nascent financing arrangements.

It is still too early to report if the IFRC-DREF expansion is resulting in increased consistent coverage of needs. The IFRC has reported three NS in the Middle East and North Africa region requested IFRC-DREF funding for the first time in 2022, demonstrating that non-traditional IFRC-DREF users are accessing funds. Now the funding ceilings have increased, there are higher levels of IFRC-DREF allocations (to the same NS). Reporting on numbers of people reached is needed to determine if and how NS are expanding coverage to reach the communities most in need. This information would also reinforce IFRC’s policy decisions underpinning the IFRC-DREF evolution.

Key informants consulted say there is more NS interest in accessing the IFRC-DREF, and in particular for small and medium-scale emergencies. Noting that the option to launch an IFRC-DREF enables a manageable response and for the NS to provide a rapid time-bound response, while not committing to a longer emergency appeal. This reflects a flexible approach where a NS can be agile and flexible in a localised emergency through an IFRC-DREF grant whereas they may not have capacity for a larger operation.

Findings 3.1: The extent to which the IFRC and case study NS perceive the IFRC-DREF as a vehicle for improving or increasing participation and autonomy of leadership and decision-making.

1. NS represented in this review have been actively engaged in decision-making forums and/or NS operations and lessons learning workshops to feedback on their experience with the IFRC-DREF. The IFRC continues to roll out capacity strengthening or dissemination activities about the fund so it is clear how NS access and use this fund. The IFRC reports demonstrate the IFRC-DREF is being accessed now by a broader range of NS.
2. The ability of NS to demonstrate leadership is closely related to their capacity and operational confidence. Based on feedback from the NS involved in this review, it appears that their leadership capability increases with more experience and exposure to the IFRC-DREF itself. However, it’s important to note that each crisis response presents unique operational challenges and opportunities, which can inherently limit this growth in leadership.
3. It is too early to tell if changes made as part of the IFRC-DREF evolution are resulting in an increased coverage of needs, linked to NS operational engagement or access to crisis-affected populations.

Recommendations

1. Reporting on numbers of people reached is needed to determine if and how NS are expanding coverage to reach the communities most in need due to NS proximity, leadership and management. The IFRC and NS might also explore the extent to which there is a correlation between NS access to flexible resource and improved outcome-level change for people as part of the localisation evidence base.

This information would also reinforce IFRC’s policy decisions underpinning the IFRC-DREF evolution.

⁴³ The Bangladesh Red Crescent Society activated its EAP for Heatwave in Dhaka on 21 April 2024.

⁴⁴ How coordination between the Red Cross Red Crescent and the World Food Programme in Bangladesh set the stage for scaling-up: Anticipatory action in Bangladesh | World Food Programme (wfp.org)

Conclusion

The review considers the changes identified and implemented through the IFRC-DREF evolution, during the review timeframe, to have contributed to a more efficient and responsive pooled funding mechanism. In particular, they have enabled the IFRC-DREF to respond to a broader range of complex humanitarian needs and crises which NS are working to address. As a result, NS report the IFRC-DREF enables greater flexibility and choice on how it might engage with crises across the globe.

The IFRC has bolstered IFRC-DREF resources, placing designated focal points in each geographical region and making solid progress in strengthening risk management, due diligence and compliance components to mirror an increased funding ceiling that permits higher allocations to individual NS.

There remain some systematic challenges for the IFRC to address which relate to the functionality of the IFRC-DREF in application appraisal and monitoring. With increased IFRC-DREF resourcing capacity, there is an opportunity to work with NS on improved needs analysis, strengthen the quality of reporting and ensure a focus on impact. To reflect localisation aims, there remains opportunity gains for the IFRC and NS to work together to outline how the IFRC-DREF is enabling devolved decision-making and locally led response action.

Annex 1 DREF Review Matrix

Review matrix			
Review lines of enquiry	Indicators	Criteria	
Source: All lines of enquiry will be addressed through a combination of information sources: literature review (global and case study NS) and KII's with internal and external stakeholders.			
Ways of achieving results to strengthen effectiveness and maintain relevance			
EQ1	To what extent do the IFRC-DREF strategy, guidance and operating procedures provide an enabling environment for localisation and locally led responses?		
1.1	Guidance and procedures: To what extent has the IFRC-DREF responded to identified constraints or limitations for NS to access and autonomously use the IFRC-DREF within a locally led response?	<ol style="list-style-type: none"> Evidence that guidance and procedures are perceived to support and promote NS use of the IFRC-DREF. The extent to which obstacles, barriers or challenges to access and transfer IFRC-DREF funds are identified or addressed, including NS capacity assessment. Evidence that the IFRC provides more direct transfers, including % increase, to NS. 	Effectiveness and relevance
1.2	Reporting and risk mitigation measures: To what extent has the IFRC identified and responded to fund management and risk mitigation measures to ensure as many direct funds as possible are channelled to NS through IFRC-DREF?	<ol style="list-style-type: none"> Evidence that the IFRC identifies challenges or obstacles (including accountability, compliance and absorption issues) in transferring direct funding to NS through risk assessment and mitigation measures. 	

<p>1.3</p>	<p>Transparency and accountability: To what extent are the IFRC and/or NS able to demonstrate impact reporting in line with localisation aims to make flexible predictable funding available going forwards?</p>	<p>1. The extent to which case study NS have been able to deliver impact reporting which in turn strengthens the evidence for NS to access and expand their use of the two IFRC-DREF pillars.</p>	<p>Effectiveness and relevance</p>
<p>EQ2 To what extent has the IFRC-DREF delivered localisation results in line with the 2021–2025 strategic plan and annual plans? What factors influenced these results?</p>			
<p>2.1</p>	<p>Access and delivery against the two IFRC-DREF pillars: To what extent have the changes made to the IFRC-DREF contributed to a more localised delivery of the IFRC-DREF?</p>	<p>1. The extent to which NS have access to one of the two IFRC-DREF pillars in a timely way to deliver a response, that is 'as direct as possible'. 2. The extent to which IFRC champions and contributes to providing quality and quantity of IFRC-DREF funding in support of the localisation commitments, and how this might help position NS to attract more funding.</p>	<p>Effectiveness, efficiency and timeliness</p>
<p>2.2</p>	<p>Lessons and comparative advantages of the IFRC-DREF and other pooled funds: Are there lessons and findings which will strengthen the localisation aims of the IFRC-DREF?</p>	<p>1. The extent to which NS understand and have a positive perception of engagement with the IFRC-DREF and/or other pooled funds, including evidence of comparative advantages where available. 2. The extent to which the IFRC promotes and translates localisation principles and good practices on funding through the IFRC-DREF mechanism.</p>	<p>Effectiveness, efficiency and timeliness</p>

<p>Ways of achieving results to deliver effectiveness at the national level</p>			
<p>EQ3</p>	<p>To what extent has the IFRC supported strategic changes or modifications to promote localisation through the IFRC-DREF to NS?</p>		
<p>3.1</p>	<p>Localisation and capacity building: To what extent do the IFRC and case study NS perceive the IFRC-DREF as a vehicle for improving or increasing participation and autonomy of leadership and decision-making?</p>	<p>1. Evidence that case study NS have benefitted from IFRC-DREF engagement and perceive improved participation and leadership in decision-making when delivering an IFRC-DREF response.</p>	<p>Relevance and effectiveness</p>

Annex 2: Key informant interview list

Name	Position	National Society (NS)
Etienne Berges	Senior Humanitarian Policy Advisor	British Red Cross
Luke Tredget	Head of Emergencies, Surge and Technical Advisory	British Red Cross

IFRC staff	
Adrienne Mbarga	DREF Delegate Africa
Angela Eaton	Senior Officer
Eszter Matyeka	Response Pillar DREF Senior Officer
Ivana Mrdja	Lead Finance Business Partner
Kristina Szalai	Partnerships and Resource Development Senior Officer, DREF
Malika Noisette	Anticipatory Action Senior Officer
Melanie Ogle	Anticipatory Action, DREF Capacity strengthening
Mais Abdel Halim	DREF Officer MENA
Marilia Arantes	Officer, DREF MEAL and Content Creation
Nenad Matejic	Senior Officer, DREF Accountability and Compliance
Nicolas Stéphane Boyrie	DREF Lead
Rachel Lee	DREF Coordinator Asia Pacific
Rachel Fowler	Programme Manager, Mozambique and Angola
Rassul Nassigo	Risk Management Delegate

DREF Council Members

Fiona Tarpey FCDO	Localisation Advisor	UK Government,
Alessia Veri	Localisation Focal Point	Belgium Government, Ministry of Foreign Affairs
	Humanitarian Director	Australian Government, DFAT
	Deployments Lead	Australian Government, DFAT
Laura Brinks	Humanitarian and Protection Lead	Dutch Ministry of Foreign Affairs

DREF Advisory Group NS

Kim de Vos	Disaster Response Coordinator	Netherlands Red Cross
Tage Zeineldin	Senior Disaster Management Advisor	Swedish Red Cross
Maria Alsalem	Manager, International Emergency Response	Canadian Red Cross

Case study NS

Mr Saju Shahjahan	Assistant Director and Project Coordinator, FBF Project	Bangladesh Red Crescent Society
Bassel Horanieh	Director, Performance and Partnerships	Syrian Arab Red Crescent
Tammam Muhrez	Head of Operations	Syrian Arab Red Crescent
Mohamad Hamadeh	Area Manager/Operations Manager	Syrian Arab Red Crescent
Dickinson Tevi Society	Secretary General	Vanuatu Red Cross
Augustine Garae Society	Disaster Coordinator	Vanuatu Red Cross

Start Network

Serena Suen	Head of Start Funds
Mark Weegmann	Start Ready Advisor

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IFRC Emergency Response Framework

IFRC-DREF Annual Plans, 2020–2024

IFRC-DREF Annual Reports, 2020–2022

IFRC internal anticipatory action documents, presentations and brochures

IFRC-DREF for imminent analysis frameworks

IFRC-DREF Procedures, 2019; Guidelines 2020; Organisational Chart, 2024

IFRC-DREF Advisory Group meeting minutes, 2023 and associated notes.

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For more information [redcross.org.uk](https://www.redcross.org.uk)

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