

# IFRC Funding Mechanisms for Anticipatory Action

## Frequently Asked Questions

### What is the mechanism for a National Society to conduct anticipation action without EAP?

Any National Society can access DREF to do early action. A DREF allocation can be requested in advance, for an imminent crisis, up to one month in advance for a sudden onset crisis and up to four months for a slow onset disaster. This type of allocation uses a phased trigger approach, and a National Society can plan and budget for readiness and prepositioned stock, as well as early action activities.

If the National Society doesn't have the lead time to plan for 'phased trigger' DREF, a NS can still request a DREF allocation immediately in advance of a hazard, for example, a cyclone forecasted with a three-day lead time. A National Society can do early action activities within the three-day lead time, based on their existing capacity and their existing stock, which can be replenished using DREF funding.

Unlike an Early Action Protocol or a simplified Early Action Protocol, a DREF for an imminent event is not pre-agreed funding. This means that a National Society will need to do a DREF request. The request will need to be reviewed and approved and a project agreement needs to be signed before funds can be transferred from the IFRC to the National Society.

### What kind of early actions are allowed under DREF if National Society does not have EAP?

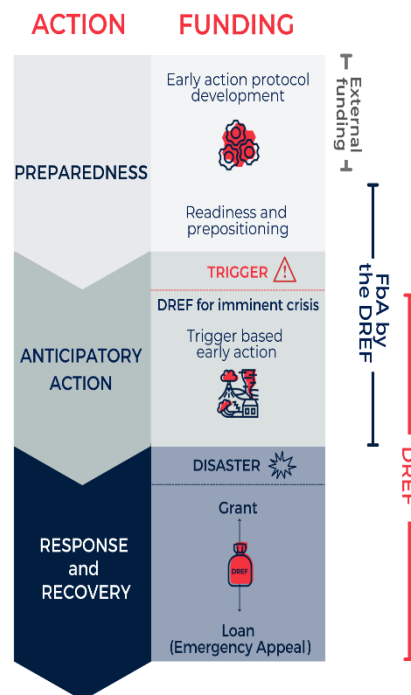
A wide range of early actions are eligible under DREF, however the EAP and simplified EAP does have slightly more eligibility when it comes to early actions related to livelihoods (for example, third party funding for seed banks would not be eligible) and some institutional and infrastructure investments may not be eligible under the DREF for imminent event.

For more details, please see the attached [annex on eligible early action activities](#) for the Anticipatory Pillar of the DREF<sup>1</sup>.

### Could early actions planned under an EAP that has not reached the trigger be funded by a DREF for imminent event?

Yes, a lot (but not all) of the early actions planned under an EAP could be eligible from the DREF. It would be good to review the [DREF guidelines](#) or contact the DREF team regarding eligibility criteria and consult the DREF team (contact details below) if there are any questions regarding eligibility.

### Early action and response could be clubbed into one for imminent events, right?



<sup>1</sup> As of 2022, Forecast based Action by the DREF and the DREF were merged to be one fund with two pillars: an Anticipatory Pillar and a Response Pillar.

*Yes, it is possible to access DREF for early action and response under one allocation (one operation), which can be launched in anticipation of a hazard. Here is an [overview](#) on the expanded use of DREF, published back in May 2021.*

*In addition, a DREF allocation may be made for early actions and can be topped up, via an operations update, with an additional DREF allocation for response activities.*

**What is the difference between contingency activities, readiness activities and early actions/early response in the more 'flexible' DREF for imminent crisis?**

*The main difference between these activities comes when these activities are done on the DRM continuum. Contingency or preparedness activities are done in well in advance. readiness activities are done to ensure that the National Society has the capacity to act early, whereas early action activities (including preparing to respond) are done when the event is predicted. They are done in the lead time between the forecast and the event and aim to save lives, protect livelihoods and mitigate the impact of the hazard.*

*The difference between readiness activities planned under an EAP, the simplified EAP and the DREF for imminent crisis is timing and budget available and in some cases the eligibility of the activities (salaries can be included in an EAP, but not in an imminent DREF allocation).*

- *The full EAP allows for five years of readiness activities, and a NS can use up to 65% of the budget for readiness and prepositioned stock*
- *The simplified EAP allows for two years of readiness activities, and a NS can use up to 65% of the budget for readiness and prepositioned stock*
- *The DREF for imminent crisis allows for readiness activities up to one month in advance of a sudden onset hazard and up to four months in advance of a slow onset hazard.*

*We encourage National Societies to develop a contingency plan for the whole continuum and then the DREF team can help to identify which funding mechanism fits best at what time.*

**For an imminent DREF: what does 'goes beyond weather events' mean? Could you give examples.**

*The most common DREF allocations for imminent non-weather related events include population movement, for election preparedness and for epidemics. However, other types of hazards may potentially also be eligible for a DREF for imminent crisis.*

**Can the DREF for Imminent events be accessed to support NS (particularly those without their own local Emergency Fund), to do anticipatory actions for small to medium scale and more frequent events (e.g. seasonal floods) which do not reach the trigger level set in the EAPs?**

*Yes! DREF for imminent crisis can be used to do short term readiness and early actions focused on mitigating impact, even if the EAP is not triggered. It would be important to consider whether 'all' early actions can be implemented, as per the EAP and this should be negotiated on a case-by-case basis.*

*For example, prepositioned stock under an EAP is earmarked for an EAP activation. The NS may request IFRC to use the stock in order to act early, but this would mean that the EAP could not be activated later in the season. Rather the DREF for imminent crisis could focus on activities that don't require stock, for example, alternatively the NS may use their own stock and the DREF can replenish the stock, or it might be agreed that the NS can use the EAP prepositioned stock and DREF can replenish the stock. It is important that this plan is discussed as much as possible in advance.*

**If an EAP is in place, could National Society still apply for the Imminent DREF in parallel?**

*Yes, it is possible for a National Society to have an EAP and an allocation from DREF (imminent, or response) at the same time.*

**Scenario one:** The EAP is triggered, the NS decides to scale up the early actions in advance of the hazard, based on, for example, the forecast of a super typhoon. The NS can access a DREF allocation as well as funding from Anticipatory Pillar of the DREF for early action activities.

**Scenario two:** The NS triggers the EAP and implements the early actions as planned but sees that the disaster has caused impact, the NS may request a DREF allocation for response on top of the allocation from the Anticipatory Pillar of the DREF and may also scale up the response with an Emergency Appeal, if required.

**Scenario three:** The NS has an approved EAP. The hazard is forecast, but is not extreme enough to trigger the EAP, however vulnerable communities are still at risk and require early actions. The NS may request an imminent DREF to do some of the eligible early actions within the lead time.

**Scenario four:** The NS has been working on a simplified EAP; however, it has not been finalised, and has not been approved (none of the readiness or prepositioning has been done). A NS can use their partially developed plan/contingency plan as the basis for a DREF request for imminent crisis.

*For more information on these scenarios, see [this](#)*

**Can we use the imminent DREF for small and medium emergencies and not only extreme weather events?**

*Yes! A DREF for imminent crisis does not have to have a one in five-year return period, however it should not be used for annual, reoccurring events.*

**Prepositioning: does this include cash, or does it only cover in kind items?**

*At this stage, under IFRC procedures, only stock can be prepositioned. In addition to stock, costs related to warehousing, insurance and transportation can be planned and included in the full and simplified EAP. National Societies can plan for cash as part of their readiness and prepositioning activities. For example, readiness activities could include identification and agreement with preferred financial service provider, salary for the cash officer and annual refresher training for staff and volunteers on rapid market assessment etc. Prepositioning activities could include procurement of SIM cards or design and print of vouchers.*

**Would it be possible to get refunds for prepositioned goods?**

*Yes! If a NS uses their own stocks to act early or as part of a response, the stock can be replenished by the DREF.*

**If there is a remaining (unused) balance from the DREF for Imminent Events, can this be carried over and used for response actions (topping up the DREF response amount)?**

*Yes, this is also possible, however this needs to be agreed (at the time) with the DREF team, and needs to follow the DREF procedures, and an operations update published to announce this change.*

**Is there any risk that the DREF for imminent crisis may reduce the interest from NSs to go through the process of FbF?**

*There are 3 key differences between a EAP (full or simplified) and a DREF for an imminent crisis.*

1. **When the planning takes place:** For FbF, the National Society develops the plan when the event is not yet on the horizon. For a DREF for an imminent event, the National Societies develop the DREF application once they receive a forecast/indication that an event might be forthcoming.
2. **Eligible activities:** The EAP (full and simplified) has more flexibility in terms of the type of actions that can be included.
3. **Timeframe to get ready:** Because the EAP is approved before the event is forecasted, a National Society has more time to implement readiness activities and pre-position stock required for the early action.

**Can you provide more details of the why the simplified EAP is being launched?**

*The simplified EAP is an additional ex-ante funding mechanism for National Societies and seeks to complement the existing funding mechanisms including the 'longer term' EAPs (i.e., five years) and 'shorter term' DREF for imminent hazards (i.e., 1 to 4 months). The simplified EAP does not aim to replace the full EAP but would rather become a complementary 'medium term' (2 years) funding alternative.*

*Forecast based Financing (FbF) remains the most comprehensive methodology for anticipatory action planning and capacity strengthening. In fact, it is the robust methodology developed through FbF, that has created evidence in the concept that allows us now to innovate and introduce more flexible approaches to acting early.*

**Would the coming of the rainy season be defined as "an event in the horizon"?**

*Ideally the forecast should be a wetter than usual rainy season – that is a more severe hazard than normal, rather than a reoccurring event - to be eligible for a DREF. We recommend that you reach out the IFRC delegation and the DREF team for clarification before drafting the DREF request.*

**What will be the cap for Simplified EAP?**

*The cap for the simplified EAP is CHF 200,000 for a duration of 2 years*

**If I remember correctly the cap for an EAP is CHF 250K, has this changed?**

*Yes, the Anticipatory Pillar of the DREF cap for an EAP was increased in 2021 to CHF 350,000 and has been increase to CHF 500,000 as of 2022. However, the minimum number of households targeted has been increase to 10,000 people or 2000 households (proportional to an additional 100 households for each additional CHF 10,000)*


**Will the full EAP cap be revised to adapt to the NS capacity? i.e., some NS will be ready to deliver to 2000 Households, others are more advanced and ready to assist 10,000 Households.**

*If a NS has the capacity to scale up the early action activities, we recommend that the NS develop a (contingency) plan and budget articulating the sectors/activities where they want to act early. The plan can be used as the basis for a proforma EPOA and discussed with the DREF team, in advance of the hazard. Note that the full EAP cap has been raised in 2022 to CHF 500,000 max.*

## Key takeaways

- IFRC wants to make sure that NS have resources to act early in advance of a hazard – this may be via a full or simplified EAP, however also for NS without FbF, to include DREF for imminent crisis.
- We encourage NS to consider developing a scalable contingency plan for a hazard (which can be based on the EAP, if it exists) and then the IFRC and look for the right funding mechanism to support the NS.
- FbF remains the best option for planning anticipatory action. The FbF project assesses and addresses capacity of the NS to act early and Anticipatory Pillar of the DREF provides consistent funding for prepositioning as well as readiness activities for a NS for a longer timeframe. The plan, budget and project agreement are in place before an event is on the horizon.

See the matrix below for a comparison of the IFRC funding mechanisms for anticipatory action.

		IFRC Funding Mechanism for early action			
		Early Action Protocol		DREF for imminent crisis	
		Full EAP	Simplified EAP	Using triggers	Not using triggers
	Life span	5 years	2 years	Upon application	Upon application

	Lead time	Dependent upon hazard targeted		When crisis is evident 1 month – sudden onset 4 months – slow onset	When the crisis is evident
	Operational timeframe	Around 2 months)	Around 2 months	Up to 6 months (early action plus response)	Up to 6 months (early action plus response)
	Budget	CHF 500,000	CHF 200,000	CHF 150,000	As required
	People targeted	Min 10000 people	Min 2000 people	Min 100 HH	Min 100 HH
	Eligible costs	Readiness, prepositioning – max 65% combined and early action	Readiness, prepositioning – max 65% combined and early action activities	Readiness, prepositioning, early action and response activities Need to be urgent and lifesaving	Early action and response activities National Society can use existing stocks Need to be urgent and lifesaving
	Ineligible costs	Costs to develop the EAP	Costs to develop the EAP	Salaries, running costs, utilities International and potential national level training Some livelihood activities	Salaries, running costs, utilities International and potential national level training Some livelihood activities
	Uses triggers	Yes	Yes	Yes	No
	Preconditions	Prepared and preapproved EAP	Prepared and preapproved simplified EAP	None (contingency plan preferred)	None
	Documentation	EAP and budget	Simplified EAP	DREF request	DREF request
	Project Funding Agreement	Signed project agreement in place	Signed project agreement in place	Not started	Not started

For more information on **DREF** visit the [IFRC website](#) or [FedNet](#) for tools, guidance and resources

For more information on **Anticipatory Pillar of the DREF**, visit the [IFRC website](#) or [FedNet for tools, guidance and resources](#)

[Video promoting the use of Anticipatory Action](#)

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