

Annual Report 2018

A year of progress for forecast-based financing



Climate
Centre

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A year of progress for forecast-based financing

JORGE MORAO, A VOLUNTEER AT THE PERUVIAN RED CROSS NAUTA BRANCH, INTERVIEWS ROSA, A MOTHER OF FOUR, WHO SAID 2012 FLOODS INSPIRED THEM TO ADAPT THEIR HOUSE TO STAND ON STILTS SO THE LIVING AREA WAS ABOVE THE NEW DANGER LEVEL. ON THE RIGHT IS CHARLOTTE VON LENTHE, LATIN AMERICA DESK OFFICER WITH THE GERMAN RED CROSS. (PHOTO: CLIMATE CENTRE)



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Acronyms

AMCDRR	Asian Ministerial Conference on Disaster Risk Reduction
AR6	IPCC 6th Assessment Report
BRACED	Building Resilience and Adapting to Climate Extremes and Disasters
DFID	(UK) Department for International Development
D&C Days	Development and Climate Days (at COP meetings)
DREF	(IFRC) Disaster Relief and Emergency Fund
FbF	Forecast-based financing
IPCC	Intergovernmental Panel on Climate Change
IFAD	International Fund for Agricultural Development
NAP Expo	National Adaptation Plans Expo
PfR	Partners for Resilience
SHEAR	Science for Humanitarian Emergencies and Resilience
UR	Understanding Risk
WWA	World Weather Attribution

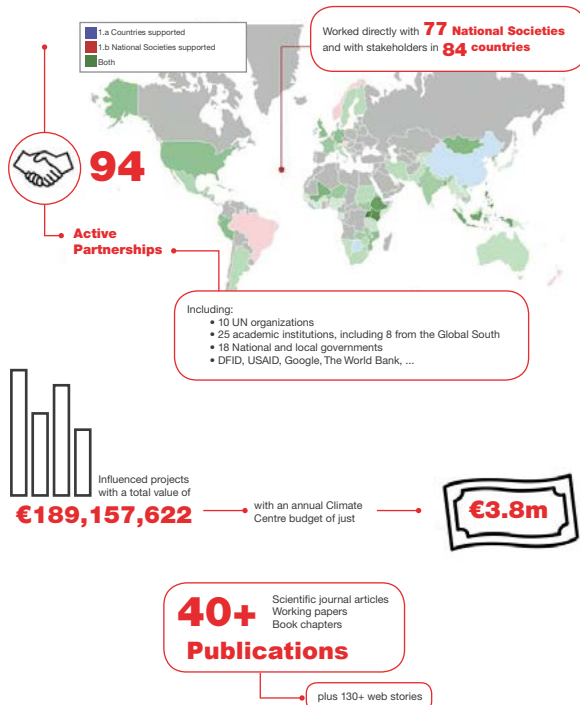
THIS ANNUAL REPORT covers our 2018 investments in science, policy, practice and innovation in support of the Red Cross and Red Crescent Movement's efforts to reduce the impacts of climate change and extreme-weather events on vulnerable people.

The [Climate Centre](#) provides technical inputs to Red Cross Red Crescent actors and their partners in integrating climate risk management into their work. We contribute to discussions on policy and investments by drawing on both practical experience and scientific research; this includes support to the Movement's statutory meetings and processes to promote climate risk management as an area of focus.

The Climate Centre also seeks to advance understanding of climate risks and how these risks impact the most vulnerable, partnering with scientific bodies and sharing Red Cross Red Crescent experiences to shape research agendas and promote evidence-based policy and action.

Climate Centre High-Level Indicators

An overview of 2018 reach and impact



Examples

Led and contributed to **Innovative / Impactful Change** across the practice, policy and science pillars worldwide

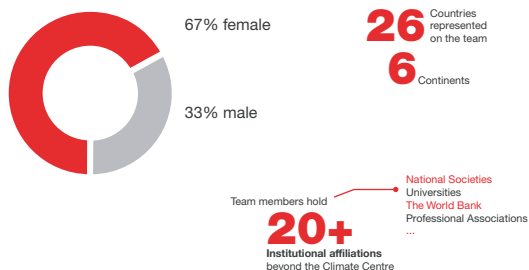
Following Climate Centre engagement, shock-sensitive social protection has become a priority in Malawi

A new early warning system using machine learning increased flood prep. lead times from few hours in 2013 to several days in 2018

Brought together scientists & practitioners to influence IPCC reports to continue to using a risk-farming

Shaped & supported the setup of the forecasts-based action by the IFRC's DREF, making funds for FbF available for all National Societies

Team Diversity



Preface

IN A YEAR OF FIRSTS one stands out: the historic [Climate Science and Humanitarian Dialogue](#) in Geneva – held in the same week of October as the IPCC’s [Special Report on Global Warming of 1.5C report](#) was published. The meeting was intended to unpack the alarming findings of this report and its impact on vulnerable communities and people around the world. IFRC Secretary General Elhadj As Sy stated that for many people climate change had become “a matter of life and death, it’s that simple”.

The timing was no accident. The dialogue was the fruit of months of work by officials from Switzerland, Fiji and the Netherlands, as well as the IFRC, the Climate Centre, the Intergovernmental Panel on Climate Change (IPCC) itself, and the Climate Action Network. The meeting hosted representatives of nearly 30 states as well as UN agencies, international organizations, NGOs, and academic staff and students.

It formed the centrepiece of our latest efforts to bring humanitarian perspectives and a framing on risk to bear on the IPCC process, and in one significant achievement [three scientists](#) from the Climate Centre were last year selected to be Coordinating Lead Authors for Working Group II on impacts of the IPCC’s next assessment report.

Yo me adapto workshop, Guatemala, that also included a strong message on rolling back plastics pollution, November 2018



Such impacts, of course, that are slowly but surely [becoming more evident](#) in our daily work, including for the ICRC; identifiable impacts of climate *change*, not just extreme weather. An attribution study released to the world's media in July, for example, said man-made climate change made the [drought in South Africa's Western Cape province](#) about three times more likely.

In the [first intervention of its kind at the Security Council](#), the ICRC's Permanent Observer at the UN, Robert Mardini, said the international community "must consider how the simultaneous shocks of climate change and armed conflict affect people's livelihoods". His comments directly reflected the ICRC's new institutional strategy, invoked by Switzerland at the Geneva dialogue in October.

Another first last year, was the integration of the forecast-based financing operating model – with vital ongoing support from Germany and a [major new donation](#) from the Netherlands-based IKEA Foundation – was integrated into the multilateral Red Cross Red Crescent system as a [forecast-based action fund](#) coupled with the [DREF](#). Announced at a news conference in Geneva in May, it was quickly described as a "game-changer" by the IFRC and constituted direct, and arguably prompt, implementation of its own [strategy for climate action](#), finalized a few months earlier at the Bonn COP talks.

Several encouraging firsts last year also from Africa – a continent everyone now agrees is disproportionately affected by climate impacts. [Ten national meteorological services](#) were represented at the first FbF dialogue platform to be held in Africa, for example, which also hosted its [first biennial Adaptation Futures](#) meeting.

We have been stepping up our efforts to help the Red Cross Red Crescent Movement innovate in the climate area, by working with our colleagues at the Global Disaster Preparedness Center on the [Business Preparedness Initiative](#), for example. Programmes like [BRACED](#) and Partners for Resilience ([PfR](#)), meanwhile, continue to demonstrate that it is possible to build resilience in a climate-smart way and, over time, at scale.

So now in 2019 we are gradually gearing up for 2020, when the Paris Agreement enters into force; but as things stand, it's clear we need a massive increase in ambition to address the rising risks, with particular emphasis on local action. Much-needed impetus emerged last year from the Global Commission on Adaptation (GCA), however, and we hope there'll be more this year from the UN climate summit in September. In 2019, we will continue our high-level engagement to spur increased ambition and commitments in resilience, embracing local perspectives and action in the context of both the GCA and the summit.

So let's take all these various cues and make this a year of significantly raised ambition. We have the ideas, we have the volunteers, we have the drive. We can be proud of the groundwork in 2018, and look forward now to serving the humanitarian Movement as it steps up to address the rising risks of climate change.

A stylized, handwritten signature in black ink, consisting of a large, sweeping 'C' shape followed by a smaller, more complex mark.

Ed Nijpels
Chairman

A handwritten signature in black ink, featuring a series of sharp, angular strokes followed by a long, horizontal line.

Maarten van Aalst
Director

Humanitarian diplomacy

THE YEAR 2018 was a pivotal one for global climate action, including some progress in the form of the [rule book](#) for the Paris Agreement, finalized at the COP24 meeting in Katowice, but also a scientific wake-up call with the [IPCC's 1.5 degrees report](#).

The Climate Centre continued to support the Movement's engagement in discussions around these events and worked with the National Societies on national and local level linkages, to ensure bottom up messaging is featured in international negotiations and fora.

In collaboration with the IFRC, Switzerland, the Netherlands, Fiji and others we jointly hosted the first ever [Climate Science and Humanitarian Dialogue](#) in Geneva in October (see below, IPCC), where the Haitian Red Cross presented a video with messaging on climate change through the eyes of local people.

The IFRC delegation at COP 24 was led by Under Secretary General for Programmes and Operations and Climate Centre board member, Jagan Chapagain, who memorably [told a high-level round table](#) on climate action that “we need to move from debating value for money to value for people”.

Like earlier COPs the Climate Centre engaged in the technical expert meetings on adaptation (TEM-A), dialogues on loss and damage, and several other agendas. We continue to argue for more local action and increased participation by vulnerable groups in investments in adaptation. (Currently only 10 per cent of climate finance goes to adaptation at the local level.)

Climate change will shape tomorrow's humanitarian needs, tomorrow's conflicts, tomorrow's vulnerabilities, and it will shape tomorrow's humanitarian response

– Monique van Daalen, Netherlands ambassador to the UN in Geneva (opening remarks at the science-humanitarian dialogue)

Once again, the Climate Centre played a lead role in jointly convening the 16th Development and Climate Days, which gathered some 350 policymakers, researchers and development practitioners alongside the UN climate talks in Poland. The interactive D&C Days sessions centred on the idea of delivering climate resilience for all.

In May, while formal negotiations took place in Bonn on operationalizing the Paris Agreement, the Climate Centre [took part in the Talanoa Dialogue](#); we also helped convene a TEM-A session and joined a Suva expert dialogue session on loss and damage.

The IFRC and Partners for Resilience (Pfr) delegations that included the Climate Centre at the July Asian Ministerial Conference on Disaster Risk Reduction ([AMCDRR](#)) in Ulaanbaatar, joined technical sessions on community resilience, risk financing, insurance and early warning, and we contributed to [case studies](#); an IFRC [statement of action](#) for AMCDRR set out actions by National Societies across Asia.

IFRC Secretary General ElHadj As Sy joins other new commissioners at the October 2018 launch of Global Commission on Adaptation, The Hague



The IPCC

IN ADDRESSING RISK, the Climate Centre continues to link scientific advances, practice on the ground, and dialogue on policy. Given the continuing importance of helping scientists frame humanitarian risk in generating projections, forecasts and warnings, we work for better usability and accessibility of the research and data that potentially help humanitarians make life-saving decisions.

Three scientists from the Climate Centre will join more than 700 experts from some 90 countries who will work on the next IPCC assessment of the global climate, the sixth, [it was announced last year](#). They will contribute to chapters on risks, including decision-making for managing risk, and small island states.

The IPCC, meanwhile, released a [special report](#) setting out predicted impacts of 1.5°C and 2.0°C rises in the global temperature, discussed in detail at the [Climate Science and Humanitarian Dialogue](#) in Geneva.

That meeting, historic in its way, included representatives of nearly 30 states as well as UN agencies, international organizations, NGOs, and academic staff and students. Humanitarian realities were difficult to assess in a report like SR1.5, explained Climate Centre Director Maarten van Aalst, because “so little of it gets formally documented... properly, scientifically written down.”

In addition, in terms of the knowledge gaps the IPCC still faced, it was also the case that “the most vulnerable places had the poorest science”, and more investment in science and scientists in the developing world was essential. He called for humanitarians to be ambassadors for climate action by telling stories of impacts on the ground.



Climate Science and Humanitarian Dialogue, October 2018 (IPCC Working Group II Co-Chair Debra Roberts at far left)

One of the key messages that comes out very strongly from this report is that we are already seeing the consequences of 1°C of global warming through more extreme weather, rising sea levels and diminishing Arctic sea ice

– Panmao Zhai, Co-Chair, Intergovernmental panel on climate change (IPCC) Working Group I (SR1.5 press release)

Programmes

Partners for Resilience

It was another successful year for Partners for Resilience (PfR [annual report](#)), with climate-related dialogues taking place on all levels and leverage from our approaches reflected in policies and outcome documents.

The high-level Global Commission on Adaptation [was launched](#) in October with Elhadj As Sy among nearly 30 commissioners. The Climate Centre supported the IFRC in this process, and initiated dialogue on a GCA action track toward greater political commitment to prevent extreme events from becoming disasters.

PfR educational module, April 2018: [Ashley, Cindy and Irma](#) make souvenirs out of discarded bottles, Instituto Nacional de Educación Básica de Telesecundaria, Las Lisas, Guatemala



PfR supported the organization of a series of [roadshows](#) sharing lessons from programming and emphasizing the scale of the challenges faced, and took similar messages to the major international climate events of the year: the [first Adaptation Futures conference in Africa](#) in Cape Town, the [NAP Expo](#) in Sharm El-Sheikh, [Understanding Risk](#) in Mexico City, and [COP 24](#) in Katowice, where links were consistently made with on-the-ground realities.

At UR, for example, we joined forces with representatives of PfR Haiti and the Haitian and Dominican Republic Red Cross, as well as Haitian environmental officials and staff from the Péligre dam on the River Artibonite to discuss an [early-warning system for the basin](#).

At COP 24, a [special meeting](#) was organized with civil society groups and Sigrid Kaag, Netherlands Minister for Foreign Trade and Development Cooperation, where we argued for a shift to large-scale initiatives to transform whole landscapes.

In South Sudan, PfR [supported](#) development of the government's strategic plan 2018–20 that emphasizes the “integration of community resilience into humanitarian assistance and disaster risk reduction.”

In India, the PfR team contributed to the revision of the National Disaster Management Plan, and new guidance on heatwaves that includes adaptation and reduction of the urban heat-island effect through public parks and ponds.

In Indonesia the PfR team engaged in high-level policy dialogues on climate, disaster management, adaptation, spatial planning and development, while Cordaid and the Climate Centre discussed [tools](#) for local authorities in the Philippines to use with their plans for action on climate change (provincial authorities later allocated nearly US\$ 300,000 for this).

These are only a few of our 2018 highlights, which also included cross-country [learning exchanges](#) and youth empowerment ([Y-Adapt](#)) initiatives.

PfR beneficiaries [Ms Kamann and Ms Boiday](#), fishing and cycle transportation, August 2018



We need large-scale initiatives that can transform whole landscapes, rural and urban, into safer and more prosperous places

– PfR agencies' joint statement for COP 24 in Katowice

Forecast-based financing

Closely interlinked with our humanitarian dialogues, we continue to push for funds to be made available *before* a disaster strikes and we have seen major advances in this area of work, especially with our concept of forecast-based financing. Many donor initiatives and institutional changes within and outside the Movement are turning this concept into reality.

The IFRC launched the [new FbF action fund](#) in May 2018, again supported by Germany, and is now seen as a ground-breaking new humanitarian fund designed to mitigate and even prevent the damage and trauma caused by natural disasters.

National Societies are agreeing protocols on what early action they plan to take using which forecasts, and at least 20 countries were working on FbF by the end of the year.

Red Cross Red Crescent teams are now planning to use forecasts of the movement of volcanic ashfall (in [Ecuador](#)), and cyclones, floods, droughts, cold snaps and heatwaves to reduce the risks of associated disasters and prepare for effective response.



FbF scoping in Ecuador,
volcanic ash hazard, April 2018

In January the Netherlands-based IKEA Foundation [announced](#) it was donating 10 million euros to assist the National Societies of Ethiopia, Kenya and Uganda to develop early-action protocols for droughts and floods, focused on the large refugee populations in the three nations.

With parts of Peru suffering extreme cold and heavy snow in June, the authorities declared a state of emergency in an area that included two districts where the Red Cross had already carried out an [FbF distribution](#).

Earlier FbF operations in [Mongolia](#) and [Bangladesh](#) were detailed at the [Asian Ministerial Conference on Disaster Risk Reduction](#) in July.

Actual implementation of FbF was also accompanied in 2018 by research initiatives, including the [SHEAR](#) programme that's working with more than 30 research institutions and humanitarian organizations.

Three regional dialogue platforms and one global platform were convened in 2018; ten African national meteorological services were represented at the first [African dialogue platform](#) in Nairobi.

At the Berlin platform, Germany [pledged](#) to intensify strategic cooperation on FbF in the Red Cross and Red Crescent Movement.

We think this [new forecast-based action fund] is a game-changer, not only for the Red Cross and Red Crescent, but for humanitarian action as a whole

– Pascale Meige, IFRC Director of Disaster and Crisis Prevention, Response and Recovery

Attribution of extreme events

The Climate Centre has continued to advance its work on attribution of extreme events, work that greatly supports our advocacy and informs practice on the ground.

One highlight from work on climate attribution last year was a [study](#) of the drought in the Western Cape which found that climate change increased its likelihood by a factor of three. The findings [were shared](#) at the Adaptation Futures conference in Cape Town, resulting in discussions on how best to manage water resources in a changing climate.

Other studies focused on [storms](#) and [heatwaves](#) in Europe in January and cold waves in North America. World Weather Attribution scientists said man-made climate change had made heatwaves in most of northern Europe “more than twice as likely”.

Learning was another focus, with the WWA team documenting lessons from many studies that included input from the Climate Centre on human vulnerability and exposure.

‘The current heatwave is just extraordinary – unprecedented in the historical record’

– Geert Jan van Oldenborgh, Senior Researcher, Royal Netherlands Meteorological Institute (on summer heat in northern Europe)

Italian Red Cross volunteers assist elderly people cope with summer heat, 2018



Building Resilience Against Climate Extremes and Disasters

At the BRACED [annual learning event](#) in Kathmandu, Nepal we heard a multitude of inspiring stories of building resilience on the ground in Africa and Asia. Partners from 13 programme countries shared their successes and challenges through a learning marketplace, a film festival, a photo exhibition, interactive sessions, and a range of field trips that linked grass-roots activities to discussions in the conference.

In April, BRACED entered an 18-month extension phase with the Climate Centre leading on the use of information on climate risk and adaptation.

The Climate Centre plays a key role in a working group on learning and communications which supported the development of strategic plans for engagement with target audiences in science, practice and policy.

In addition, drawing on BRACED experience, the Climate Centre continued to advise the UK Department for International Development (DfID) on preparations for the UN climate summit this September.

In 2018, BRACED hosted 11 [discussion forums and webinars](#), reaching over 300 practitioners and decision-makers. Highlights include [Can we scale up early action through social protection?](#), [Key findings from IPCCs special report on 1.5 degrees](#) and a [High-level panel discussion reflecting on COP 24](#).

Myanmar rice farmers, [BRACED Rapid Response Research study](#), November 2018



[F]indings suggest that enhancing resilience requires a more targeted approach to disseminating climate information and early warning of extreme events

– Juliette Perche, Linking climate and early warning information with resilience: insights from Myanmar, [BRACED Knowledge Manager](#), 2018

Climate risk management in the Pacific

The year saw the early warning early action agenda in the Pacific gain significant momentum, with the IFRC and Climate Centre engaged in relevant dialogues with National Societies, as well as raising the profile of the key concept of [reaching the last mile](#) to communities.

In Kiribati, for example, low-cost and low-tech awareness kits were developed to help Red Cross volunteers prepare communities for drought, while a joint IFRC-Climate Centre brief defined priorities for early warning early action at regional level.

The Climate Centre forged inter-agency partnerships to help Pacific national met services to provide products for the sector.

With the Secretariat of the Pacific Regional Environment Programme and the Australian Bureau of Meteorology, for example, the centre undertook [training on drought](#) with the meteorology services of (alphabetically) Fiji, Papua New Guinea, Samoa, the Solomon Islands, Tuvalu and Vanuatu.

As part of the [Pacific Islands Climate Services Panel](#), we jointly facilitated the annual Pacific Islands Climate Outlook Forum, with training on climate games for met staff.

Now I understand when a drought is likely and I can explain that information to communities in terms they understand

– Fiji Red Cross disaster manager, Maciu Nokelevu (at Pacific National Societies annual forum in Fiji)



Inter-agency workshop on drought monitoring, Solomon Islands, May 2018

Special attention to the cityscape

For several years now the Climate Centre has maintained a special focus on cities, which by 2030, and without significant investment in resilience, studies show may face costs from disasters of more than US\$ 300 billion a year, up from around US\$ 250 billion today; climate impacts may push nearly 80 million more people in cities into poverty.

In 2018, we helped organize the IFRC's annual Urban Collaboration Platform meeting in Nairobi and promoted urban resilience through sessions at D&C Days and with other partners at the [IPCC Cities Conference](#) in Edmonton, Canada.

We collaborated on two research projects in Kampala, Uganda, on flood resilience and, with the local government, on improving understanding of heat risks in the city.

We conducted a [study](#) on the need for better information on adaptation by small and medium enterprises in seven urban areas in Kenya and Uganda, and one refugee settlement.

We continued to engage in learning labs as part of the consortium behind the Future Resilience for African Cities and Lands programme, and our input has now contributed to the development of a new climate strategy for Windhoek and policy discussions in Lusaka.

As a contribution to the IFRC's *Strategy 2030* process we drafted a paper focused on "the future of urban" with the American Red Cross and Institute for Social and Environmental Transition–International.

We've invited people into science and we've also invited science to engage with people

– Dr Debra Roberts,
Sustainable and Resilient City
Initiatives
Unit head,
Ethekwini,
Durban (*at the Cities IPCC conference, March 2018*)

PfR-supported adaptation workshop for
Uganda, Kampala, May 2017



Social protection

The Climate Centre continued to support policy and advocacy on making social protection sensitive to climate. In collaboration with the World Bank, we supported some Sahelian countries in implementing a programme focused on forecast-based action and financing.

In Niger, an analysis of the landscape around early warning early action highlighted the continued need for predictive models for food security and other hazards, and we helped examine the potential for cash-centred forecast-based action to reduce the impacts of floods in Kenya.

We renewed a partnership with the UN Food and Agriculture Organization, and this generated a paper on the contribution of social protection to the management of climate risk that will contribute to FAO's overall strategic thinking.

Bangladesh Red Crescent briefing for cash support, people from Rakhine, October 2018



We also supported the development of interactive learning tools and a training course on social protection's role in climate risk and disaster management.

In June a new brief – [*Resilience, Social Protection and Integrated Risk Management*](#) – concluded that “resilience policy frameworks can be created in tandem with national social protection programmes”.

As the proportion of people worldwide who live in cities increases, so it's increasingly important to understand how to make social protection work in urban settings. In 2018 we started a review of how social protection can address climate risks.

At the [*Adaptation Futures*](#) conference in Cape Town, we led sessions centred on integrated risk management and a well-attended session on social protection, where Maurine Ambani, Climate Science Research Project Manager with the Kenya Red Cross, said her country had “activated its national social-protection system in response to weather forecasts, but there's still work to be done on impact-based forecasts and what actions to include”.

Despite coverage challenges social protection interventions have grown substantially over the last two decades, especially in developing countries, benefiting 1.9 billion people worldwide

– World Bank, 2015 (quoted in 2018 Climate Centre brief, *Resilience, Social Protection and Integrated Risk Management*)

Exploration through innovation

WORK DURING 2018 further consolidated the Climate Centre's reputation as the go-to partner for innovations in the management of climate risk.

We partnered with NASA on their programme on disasters in a [workshop](#) that improved their scientists' ability to address the needs of local stakeholders, linking remote sensing with disaster management.

In support of IFRC specialists working on global financial innovation, we contributed technical know-how to an exploration of [volcano catastrophe bonds](#).

NASA hyperwall, Understanding Risk Forum, May 2018



We continue to engage in the growing field of geoengineering, and a journal article explored links with human rights.

At the [Understanding Risk Forum](#) in Mexico we jointly facilitated a session with the Carnegie Climate Geoengineering Governance Initiative, and NASA's hyperwall projected our new geoengineering works, an [animation](#) featured art and culture from Easter Island Moai to Monet and *Lord of the Rings*, and there was a [poetic response to Hamlet's existential question](#) and the first-ever [geoengineering crossword puzzle](#).

A workshop in Paris showcased our collaboration with artist Tomas Saraceno, while an interactive video experience shared the stories of eleven Haitians during D&C Days and at the Geneva *Climate Science and Humanitarian Dialogue*.

An exciting new area of work is harnessing humour for humanitarian work, which can address the gap between what is and what could be. Successful humour-infused events included a [session](#) at D&C Days and a youth training in Solferino, which included use of machine learning developed by the MIT Media Lab to read facial expressions.

There is now growing demand for this approach from the ICRC, the World Bank and other partners and in a testament to our growth in this space, the Climate Centre's new business cards carry the statement, *Science Policy Practice Innovation*.

Science and technology are powering the design of innovative financial products... helping developing countries recover more quickly after extreme climates and disasters

– UK Department for International Development press release, 16 April 2018 (*Lloyd's of London, [innovation and finance event](#)*)



Session on humor at
D&C Days,
December 2018

Games and interaction for understanding climate

THE CLIMATE CENTRE'S programming for young people has grown consistently in recent years, and we have created a suite of new tools, infused learning and dialogue with existing tools, and reviewed their effectiveness.

New games include The Island and Decisions for the Season, developed for the EIT Climate-KIC agency to engage the private sector in climate-smart decision-making.

The [Social Protection Shuffle](#) game, developed for the UN Food and Agriculture Organization, lets players experience climate-sensitive social protection. The Climate Centre's collaboration with NASA's programme on disasters (see above) also led to the game Piloting the Perils, linking satellite information with early action.

The games were extremely valuable in drawing the group together and ensured a relaxed atmosphere while illustrating key ideas

– Donald Lemmen, Co-Chair of the UNFCCC Adaptation Committee



A Buzz about Dengue game, Reunion (prefecture chief Marie Amélie Vauthier-Bardinet pointing), September 2018

Within the EU's PLACARD project we have led the creation of Participate – an online training module supporting events centred on science, policy and practice.

Games were also integrated into technical training at 4th Pacific Islands Climate Outlook Forum, and together with the International Fund for Agricultural Development (IFAD) we trained trainers in Kenya who went on to engage with farmers.

Our partners at the Engagement Lab received the award for games at the 2018 International Society for Neglected Tropical Diseases Festival, which recognized the Handwashing with Ananse game for outstanding impact on reducing the spread of diseases associated with poverty, while in Reunion A Buzz About Dengue [was used](#) in a campaign against the disease there.

Y-Adapt was piloted in [Haiti](#), [Guatemala](#) and the Philippines and with partners we created a session on environmental awareness in the context of climate change.

Many international conferences were enhanced with our interactive approaches: Adaptation Futures included a [community kraal](#), while [the role of cooks](#) in eradicating world hunger was highlighted at D&C Days in collaboration with IFAD.

First Adaptation Futures in Africa, the community kraal, June 2018



Communications

AUDIENCE REACH CONTINUED to expand in 2018, quite dramatically in the case of social media, and at the time of writing our [Twitter](#) audience is rapidly approaching 5,000.

Nearly 150 [web stories](#) detailed almost every aspect of Climate Centre work in 2018, including a mix of original content, cross-promoted material generated by the IFRC, and write-ups of external partners' work.

Director Maarten van Aalst continued to be an extremely effective, and increasingly sought-after, spokesperson on the humanitarian aspects of Climate Change for the entire Red Cross Red Crescent Movement, deputizing for Elhadj As Sy when required.

Over the course of the year he engaged directly with Dutch media outlet such as NOS, RTLNews, Nu.nl, BNR, and internationally with the Thomson Reuters Foundation and *The Economist*.

The potential of drone filming, which the Climate Centre began to use three years ago, to meet both operational assessment and communications needs was [further developed](#) by the Sri Lankan Red Cross in May when the National Society used an amphibious drone to help volunteers gauge the full extent of a monsoon flood disaster believed to be the first in the world to do this ([video](#)).

This [drone technology] is something new we are trying in the face of these intense disasters that gain strength each year. We cannot be looking at these future disasters from the same angle we used to. The dynamics are changing and the response should too

– Sri Lanka Red Cross Society Colombo branch chairman, Dr Amila Kankanamge

Message in a bottle, campaign against waste, PFR Haiti, August 2018



Developing areas

Working with the ICRC

In June the ICRC made a new [strategic commitment](#) to “reinforce conflict-affected communities’ ability to absorb the combined consequences of conflict and climate shocks.”

The Climate Centre increased its collaboration with International Committee operational teams through its briefing of the annual meeting of economic security coordinators in March, and contributing to their thinking on the intersection of climate, conflict and resilience [in the Sahel](#).

We moderated a session on resilience in fragile and conflict-affected states at the [Africa-Arab DRR Platform in Tunis](#) that included Red Crescent speakers, and we helped organized an [event](#) at D&C Days on climate and conflict that included the ICRC’s Alima Arbodou, a specialist in its Policy and Humanitarian Diplomacy Division.

Short-term humanitarian problems caused by conflict and violence are made worse by longer-term trends like climate change, population growth, urbanization and uneven economic development

– ICRC Strategy 2019–2022



ICRC President Peter Maurer visits Chakmarkul camp, Cox's Bazar, July 2018

Heatwaves

In 2018 the Climate Centre increased its focus on extreme heat, as [heatwaves](#) gripped many countries during the northern summer; working with the WWA team we found the [risk of deadly heatwaves](#) is increasing in Europe with climate change.

At the [Adaptation Futures](#) conference, for example, the Climate Centre facilitated a ground-breaking session highlighting extreme heat as a growing risk, as well as another at ICLEI's Resilient Cities conference in Bonn.

The Climate Centre has been helping to develop a guide for municipal authorities to help them reduce the risks to human health risks associated with extreme heat, and in Hong Kong we helped organize the first-ever [global expert forum](#) on heatwaves in December.

Urbanization is exacerbating global warming and cities like Hong Kong are heating up fast. And the most vulnerable, such as elderly people, are paying the higher price of hotter weather

– Elena Pedrazzani, IFRC, in 'Hong Kong: mega cities, mega heat'



Hong Kong Red Cross beneficiary
Lee Kit-wan, [IFRC case study](#), 2018

Annual accounts 2018

Balance sheet as at 31 December 2018 (in euro)

After appropriation of the result					
Assets	12/31/18	12/31/17	Liabilities	12/31/18	12/31/17
Fixed assets					
Tangible fixed assets (1)	25,551	19,118	Unrestricted reserves		
Current assets			– going concern reserve (4)	628,224	627,177
Accounts receivable			Restricted funds		
and prepayments (2)	915,384	1,077,003	– donor restricted funds (5)	-	-
Cash and cash			– mission reserve (6)	6,088	24,539
equivalents (3)	1,908,664	83,501	Total equity	634,312	651,717
			Short-term liabilities (7)	2,215,287	527,905
Balance	2,849,599	1,179,622		2,849,599	1,179,622

Statement of income and expenditure for 2018 (in euro)

Income	Actual 2018	Budget 2018	Actual 2017
Income from own fund-raising			
Gifts and donations (8)	946,800	1,218,659	1,298,960
Government grants (9)	2,477,173	2,597,139	2,501,598
Other income and expenditures	8	-	1,789
Total available for Climate Centre's objectives	3,423,980	3,815,798	3,802,348
Expenditure			
Climate Centre operations			
– own activities (10)	3,374,485	3,260,235	3,793,869
– general operating costs (11)	66,900	530,000	29,227-
Total expenditure for Climate Centre's objectives	3,441,385	3,790,235	3,764,642
Balance for the year	17,405-	25,563	37,706
Appropriation of balance for the year			
– donor restricted funds	-	-	22,566-
– mission reserve	18,452-	-	15,339
– going concern reserve	1,047	25,563	44,932
Total	17,405-	25,563	37,706

Brief summary	Actual 2018	Budget 2018	Actual 2017
Donor restricted funds			
– Addition to Mission reserve	-	-	22,566-
	-	-	22,566-
Mission reserve			
– Addition from Donor restricted funds	-		22,566
– Income		-	1,990
– Expenditure	18,452	-	9,217
	18,452-	-	15,339
Going concern reserve			
– Income	3,423,980	3,815,798	3,800,358
– Expenditure	3,422,934	3,790,235	3,755,425
	1,047	25,235	44,932
Total	17,405-	25,563	37,706

Notes

The 2018 financial statements have been prepared in accordance with the provisions of the Guideline for annual reporting C1 “small not-for-profit organizations” (*Richtlijn voor de Jaarverslaggeving Kleine Organisaties-zonder-winststreven*) edition 2017. They aim to give an understanding of income and expenditure and the overall financial position of the International Red Cross/Red Crescent Climate Centre.

Principles of valuation and presentation

General

The financial statements have been drawn up on the historic costs. Unless stated otherwise, the assets and liabilities are posted at nominal value. Balance-sheet items in foreign currencies are converted at the rate on the date of the balance sheet, and the ensuing gains or losses in exchange are recorded in the statement of income and expenditure under the heading “investment revenues”. Unless stated otherwise, all amounts are given in euros.

The Climate Centre is statutory based in The Hague, The Netherlands and is registered with the Chamber of Commerce under number 27267681.

Change in estimate

In 2018 there has been a change in estimation concerning the tangible fixed assets. The time of depreciation has been changed from three years to five years. The total positive effect on the financial statements is € 5.792.

Financial Instruments

Financial instruments of the entity include receivables, cash items and also trade creditors and other payables. Financial instruments are initially stated at fair value, including discount of premium and directly attributable transaction costs. After initial recognition financial instruments are valued in the manner as described below.

Tangible fixed assets

These are stated at acquisition cost less cumulative depreciation. Depreciation is calculated as a percentage of the acquisition cost, according to the straight-line method on the basis of useful life. During 2018 the depreciation rate been reduced from 33.33% to 20% to align with the standard Dutch tax requirements.

Accounts receivable

Receivables are carried at amortised costs using the effective interest method (for the entity equalling the nominal value) less any bad debt provision deemed necessary.

Trade creditors and other payables

Trade creditors and other payables are carried at amortised costs using the effective interest method (for the entity equalling the nominal value).

Principles for determination of the result

Costs and revenues are allocated to the period to which they relate. The entity's pension plan is based on defined contributions. Obligations for the contribution to this plan are recognised as an expense in the statement of income and expense as incurred.

Government grants

Grants that the provider has made dependent upon the costs of a project are included in the statement of income and expenditure for the year in which the subsidized expenditure was incurred.

Salaries

The Red Cross Red Crescent Climate Centre follows the Dutch Red Cross collective agreement (CAO).

The Dutch Red Cross has its own collective agreement (CAO) that is concluded with trade union FNV Abvakabo since 2006. Regarding the remuneration of employees the following is set: The starting point for determining the salary scale function is the function. To this end, all the functions arranged into a number of groups, called functional groups. Each function contains a number of features that are approximately equivalent. The severity of a function is determined by a job description. For each function there is a certain salary scale with a minimum and maximum salary. The Red Cross Red Crescent Climate Centre scales have been developed with the Dutch Red Cross and have been approved by the board.

Pension

The employees' pension plan is administered by the industry-wide pension fund Stichting Pensioenfonds Zorg en Welzijn. The retirement pension is a defined benefit plan based on (conditionally) indexed average salary. Indexation of the pension rights depends on the financial position of the pension fund. The premium to be paid to the pension provider is recognized as an expense in the income statement and, to the extent that the premium to be paid to the pension provider has not yet been paid, it is recognized as a liability in the balance sheet. The Climate Centre has no obligation to make additional contributions in the event of a deficit for the industry-wide pension fund, other than paying future higher premium contributions. For this reason, the premium contributions relating to a period are charged to the result in that period.

Notes to the balance sheet as at 31 December 2018 (in euro)

Tangible fixed assets (1)	2018	2017
Book value at 1 January	19,118	13,079
Investments (computers)	13,389	14,035
Disinvestments	800-	-
Depreciation charged for year (33.33%)	6,155-	7,996-
Book value at 31 December	25,551	19,118
Accounts receivable and prepayments (2)	2018	2017
Receivables activities	853,766	1,010,525
Pension	435	-
Accrued interest and other receivables	61,183	66,478
Total	915,384	1,077,003
Almost all receivables have a remaining term of less than 1 year.		
Cash and cash equivalents (3)	2018	2017
Current accounts	1,908,664	83,501
Total	1,908,664	83,501

The cash and cash equivalents are at the Climate Centre's free disposal.

Equity

In accordance with the aforementioned guidelines, the Climate Centre's equity is broken down into restricted funds and unrestricted reserves. Restricted, earmarked funds are that part of equity to which a third party has dictated a specific use, and the Climate Centre can only use these funds for that purpose. The remaining equity is reported as unrestricted. The going-concern reserve will be allocated as unrestricted funding to carry out activities according to the mandate of the Climate Centre, as described in the articles of association.

Going concern reserve (4)	2018	2017
Balance at 1 January	627,177	582,245
Appropriation of balance for the year	1,047	44,932
Balance at 31 December	628,224	627,177
Restricted funds (5)	2018	2017
Donor-restricted funds		
Balance at 1 January	-	22,566
Appropriation of balance for the year		22,566
Balance at 31 December	-	-
	Balance 1 Jan 2018	Addition to Mission reserve
IASC	-	-
Audiovisuals	-	-
Total	-	-

The donor-restricted funds include the portion of equity that may be used only for certain purposes, either because a third-party (donor) has stipulated the restriction or because the money was collected for a specific purpose. Allocations to the donor-restricted funds are determined according to the specific purposes for which gifts and donations are given.

The Climate Centre's policy is to spend the restricted funds within three years of the stipulation being made.

The transfer to the mission reserve in 2017 is permitted because the conditions of the mission reserve terms matches with the purposes of the donor.

Restricted reserve (6)	2018	2017
Mission reserve		
Balance at 1 January	24,539	9,200
Appropriation of balance for the year	18,452-	15,339
Balance at 31 December	6,088	24,539

The mission reserve is a reserve for the mission of the Climate Centre, particularly focused on policy, innovation, and analysis. The funds placed in this reserve will be used for unfunded activities that further the mission of the Climate Centre, and it is our aim that funds invested in this reserve should be spent within 5 years of being invested in the reserve.

The board has stipulated the restriction of the mission reserve. The appropriation of the balance 2018 is due to a return of funds to the Danish Red Cross for a project in 2011. This amount was transferred from the Donor Restricted Funds in 2017 to the Mission Reserve.

Short-term debts (7)	2018	2017
Accounts payable	128,960	155,656
Taxes and social security premiums	31,550	30,427
Pension	-	20,784
Other creditors	200,261	242,202
Project related funds	1,854,516	78,836
Total	2,215,287	527,905

Project related Funds	Balance 1 Jan 2018	Received	Expenditure	Balance 31 Dec 2018
PFR II	-	3,270,911	1,617,813-	1,653,098
Plan Games	307	-	307-	-
IFAD I	25,817	11,679	37,496-	-
PLACARD	-	48,543	46,619-	1,924
Chronic Crisis	37,418			37,418
Danish Red Cross National Allocation Plan project	5,208		5,208-	-
FBFII Mongolia	10,088	62,245	36,138-	36,195
36 195 2038 - ZFRA Zurich Flood Resilience Alliance		121,356	1,563-	119,793
4238 - FBF Zimbabwe Feasibility Study		7,321	1,234-	6,087
Total	78,838	3,522,055	1,746,377-	1,854,516

Assets and liabilities not recognised in balance sheet

Liabilities not recognised:

At the time of issuing the financial statements an (internal) investigation is ongoing if the Foundation is an entrepreneur for the VAT.

The outcome of this investigation is still pending.

Notes to the statement of income and expenditure for 2018 (in euro)

Gifts and donations (8)		Actual 2018	Budget 2018	Actual 2017
PNSs:	Netherlands Red Cross	25,000	25,000	25,000
	German Red Cross	10,000	10,000	30,099
	Danish Red Cross			43,678
	American Red Cross			-
	Swiss Red Cross	12,510	15,000	13,914
	British Red Cross			39,185
	Norwegian Red Cross			151,083
	Other			750
		47,510	50,000	303,710

In addition to the funds received we also received a non-monetary contribution from New Zealand Red Cross in the form of staff on loan to the value of NZD 230.000 (ca. EUR 135.500).

040 - IASC	18,452-		
IDAMS (European Commission)	918-	-	-
2028 World Bank NDC	12,464	-	51,310
IFAD	38,014	-	13,003
ASSAR		-	22,757
PLACARD	46,619	40,075	29,849
Proud of my Purok NPL		-	14,147
DRR		60,000	
3501 - RPII	82,523	132,500	117,644
4012 - WB challenge fund Dar Es Salaam	4,337	-	
5020 - Fractal II	50,311	42,945	89,885
5001 - Attribution	-	-	330,113
5003 - ASP Sahel Adaptive Protection Program	88,494	181,558	131,419
5004 - Malawi Social Protection	-	-	40,054
5005 - FOA SP Games	-	-	26,682
4200 - FBF II German Private sector	38,094	42,379	73,912
3013 - Y Adapt Iran (IFRC)	3,700	19,940	10,060
4015 - Fathum	53,980	59,950	37,394
4017 - Fathum Shear CCT	11,277	9,500	1,028
4018 - Fathum Shear KB	36,265	30,000	5,994
4111 - FBF Togo		11,441	
2035 - C2G2 Geoengineering animation project	7,853	-	
2036 - GFDRR Geoengineering Art Understanding Risk Project	5,062	-	
2037 - Climate KIC GAMES	18,193	-	
2038 - ZFRA Zurich Flood Resilience Alliance	1,563	-	
4223 - FbF II Mongolia (BRC)	36,138	72,350	
4230 - ODI WISER (ODI)	31,237	32,539	
4235 - FbF Ikea (NRK)	181,732	251,369	
4236 - FBF Indonesia Workshop (Australian Red Cross)	5,677		
4237 - FBF Niger Mali (Belgian Red Cross)	15,440	54,864	
4238 - FBF Zimbabwe Feasibility Study (British Red Cross)	1,234	-	
4300 - NASA (American Red Cross)	15,748	-	
5008 - FAO SPCC	79,890	77,249	
5021 - Climate KIC SME	52,814	-	
Total	946,800	1,168,659	1,298,960

Government grants (9)	Actual 2018	Budget 2018	Actual 2017
Partners for Resilience (Dutch Government)	1,617,813	1,800,000	1,590,426
Forecast Based Financing (German Government)	-	-	182,125
Forecast Based Financing II (German Government)	347,067	316,781	211,256
Strengthening community resilience Ethiopia (Dutch Government; Chronic Crisis)	-	-	121,838
BRACED (UK Government)	96,010	122,108	353,877
BRACED X (UK Government)	315,901	328,250	
El Nino research (UK Government)	-	-	831
Other Government grants (1013)	100,382	30,000	41,245
Total	2,477,173	2,597,139	2,501,598

Climate Centre operations (10)

Own activities	Actual 2018	Budget 2018	Actual 2017
Salaries attributed to projects	2,153,082	2,308,270	2,130,340
Other employment expenses	328,495	479,286	414,249
Consultants/volunteers	672,731	168,953	876,309
Office and housings costs	202,293	229,000	349,329
Campaign materials	15,227	74,726	23,642
Other direct costs	2,657	-	-
Total	3,374,485	3,260,235	3,793,869

Climate Centre Operations (11)			
General operating costs	Actual 2018	Budget 2018	Actual 2017
Employment expenses			
Salaries	438,919	557,649	454,650
Salaries foreign staff	1,444,099	1,834,736	1,307,772
Social security charges	68,588	87,141	57,880
Pension contributions	65,914	83,744	58,827
Attributed to projects	2,153,082-	2,308,270-	2,130,340-
	135,563	255,000	251,211-
Other employment expenses	15,922	15,000	75,880
Consultants/volunteers	115,669	145,000	78,910
Office and housings costs	65,914	110,000	59,669
Other general costs	5,318	5,000	7,526
	202,463	275,000	221,984
Total	66,900	530,000	29,227-

During the financial year, the average number of FTE excluding long term consultants amounts to 7.4 (2017: 7).

No board member has received a salary, loans or guarantees.

The Hague, 28th of June 2019

Board of Governors

Mr E.H.T.M. Nijpels	<i>Chairman</i>
Mrs M. van Schaik	<i>Treasurer</i>
Mr Jagan Chapagain	<i>Member of the board</i>

Other information

Independent auditor's report

To the board of governors of the Red Cross Red Crescent Climate Centre:

A. Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the accompanying financial statements 2018 of the Red Cross Red Crescent Climate Centre, based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Red Cross Red Crescent Climate Centre as at 31 December 2018 and of its result for 2018 in accordance with the Guideline for annual reporting C1 “small not-for-profit organizations”.

The financial statements comprise:

1. the balance sheet as at 31 December 2018
2. the statement of income and expenditure for 2018, and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing.

Our responsibilities under those standards are further described in the ‘Our responsibilities for the audit of the financial statements’ section of our report.

We are independent of the Red Cross Red Crescent Climate Centre in accordance with the *Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten* (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the *Verordening gedrags- en beroepsregels accountants* (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the board report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements. We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information, including the board report in accordance with the Guideline for annual reporting CI "small not-for-profit organizations".

C. Description of responsibilities regarding the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting CI "small not-for-profit organizations". Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the board, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

The Hague, 28 June 2019

MDM accountants B.V.

W.S.

R. Munnikhof AA

Colophon

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