

Introducing Forecast-based Financing (FBF)

In the context of IRM

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An introduction to FBF



1. WHAT

2. WHY

3. HOW

4. FBF - IRM

5. Examples



What are the current early warning systems



Why are the current **Early Warning Systems (EWS)** not very effective?



Working **definition** of Anticipatory Action

Anticipatory action; A set of actions taken to **prevent or mitigate potential disaster impacts** prior to a shock or before acute impacts are felt. The actions are carried out **in anticipation** of a hazard impact and **based on a prediction** of how the event will unfold. (Chapter 4 World Disaster Report, 2020)

Forecast-based actions are a **type of early action**. Forecast-based actions are actions triggered **using climate or other forecasts** prior to a shock or before acute impacts are felt to reduce the impact on vulnerable people and their livelihoods, improve the effectiveness of emergency preparedness, response and recovery efforts and reduce the humanitarian burden. (ODI)

Forecast-based Financing (FbF) is a programme that enables **access to humanitarian funding** for early action based on in-depth forecast information and risk analysis. (FbF Manual)



Why do we need **anticipatory action?**



Anticipatory Action in the news



Climate
Centre

Policy paper

G7 famine prevention and humanitarian crises compact

Published 5 May 2021

World

Emergencies do not rest, neither can we, Secretary-General stresses, in message for High-Level Event on Anticipatory Humanitarian Action

 News and Press Release • Source: [UN SG](#) • Posted: 9 Sep 2021 • Originally published: 9 Sep 2021 • Origin: [View original](#) 

SG/SM/20888

9 SEPTEMBER 2021

Following is the text of UN Secretary-General António Guterres' video message for the high-level event on Anticipatory Action, held today:

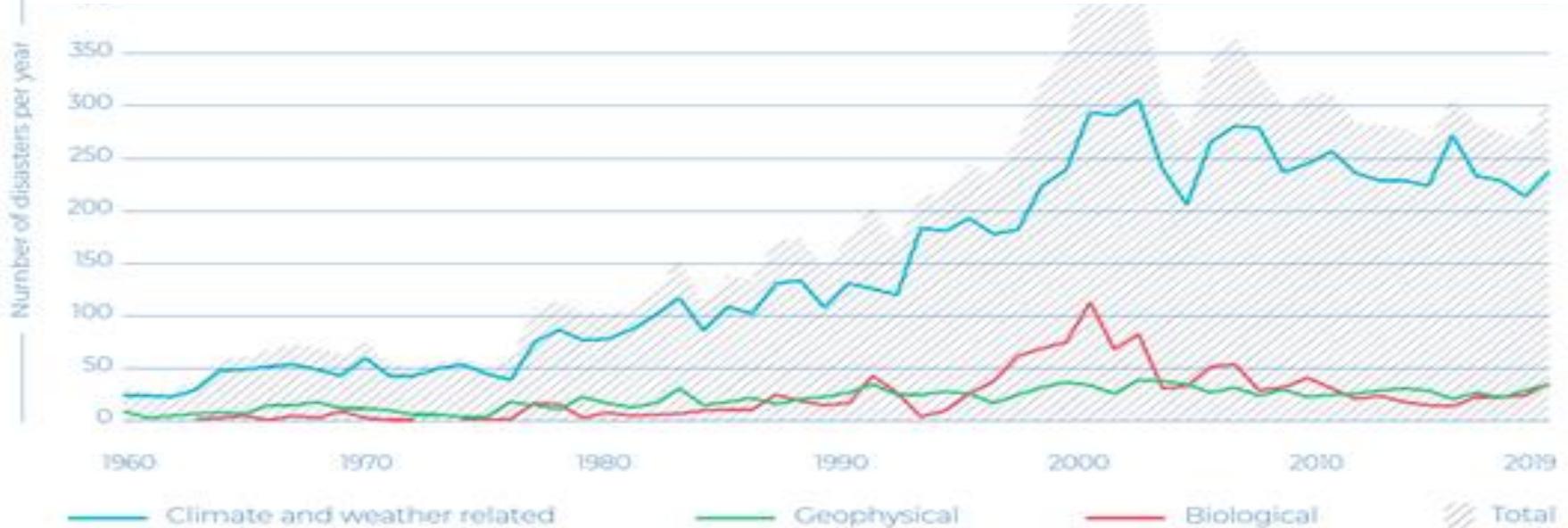
Primary country:

World

Source:

UN Secretary-General

Comparison of different types of disasters triggered by natural hazards, 1960–2019

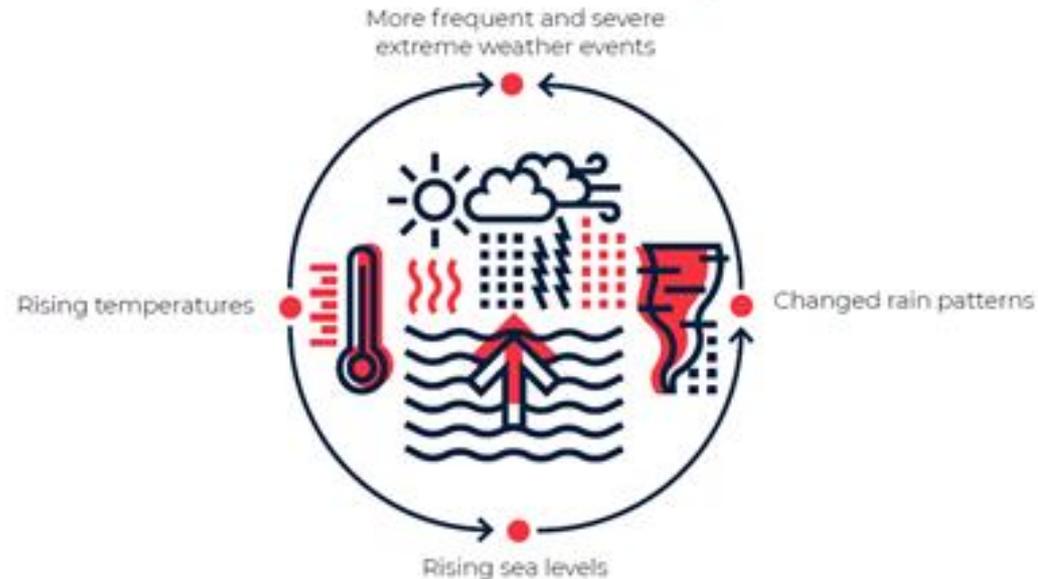


Climate change as a risk magnifier

“Climate change is increasing not just the **number** of potentially deadly weather events but also their **ferocity** . . .

Existing weather records are being broken by new extremes with every passing year.”

by *Global Commission on Adaptation*



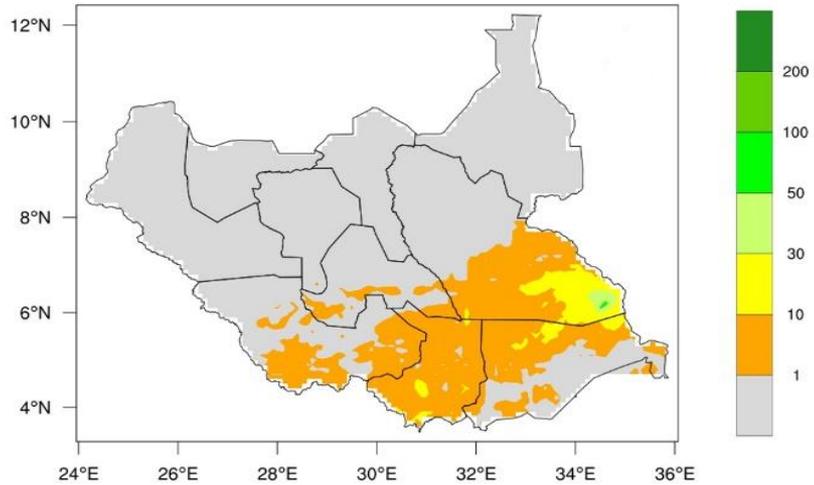
With forecasts, early actions can save lives.

When risks are reduced before, during and after the disaster, people suffer less and development gains such as health improvement and poverty reduction can be protected.

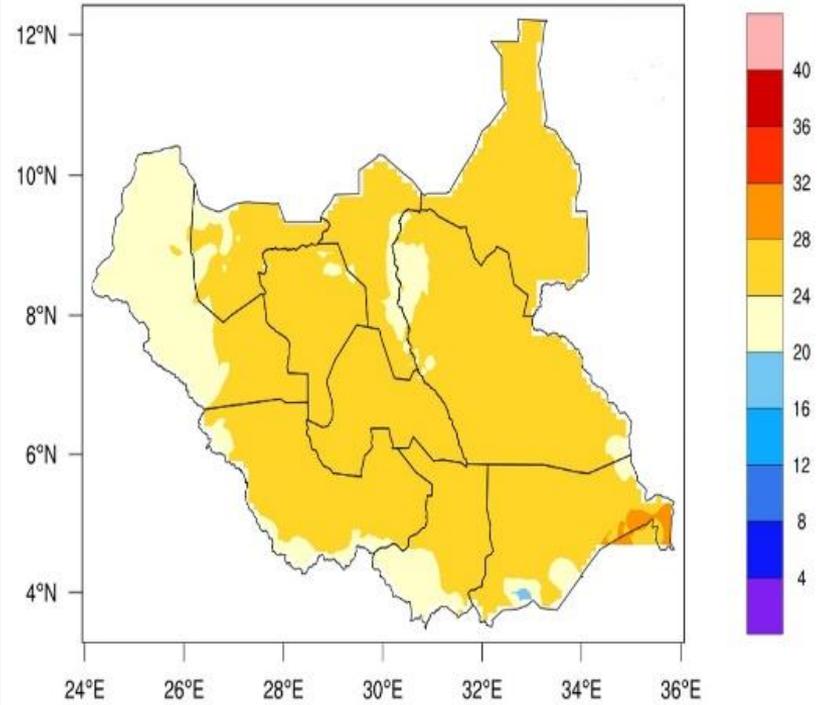


Weather info forecasted

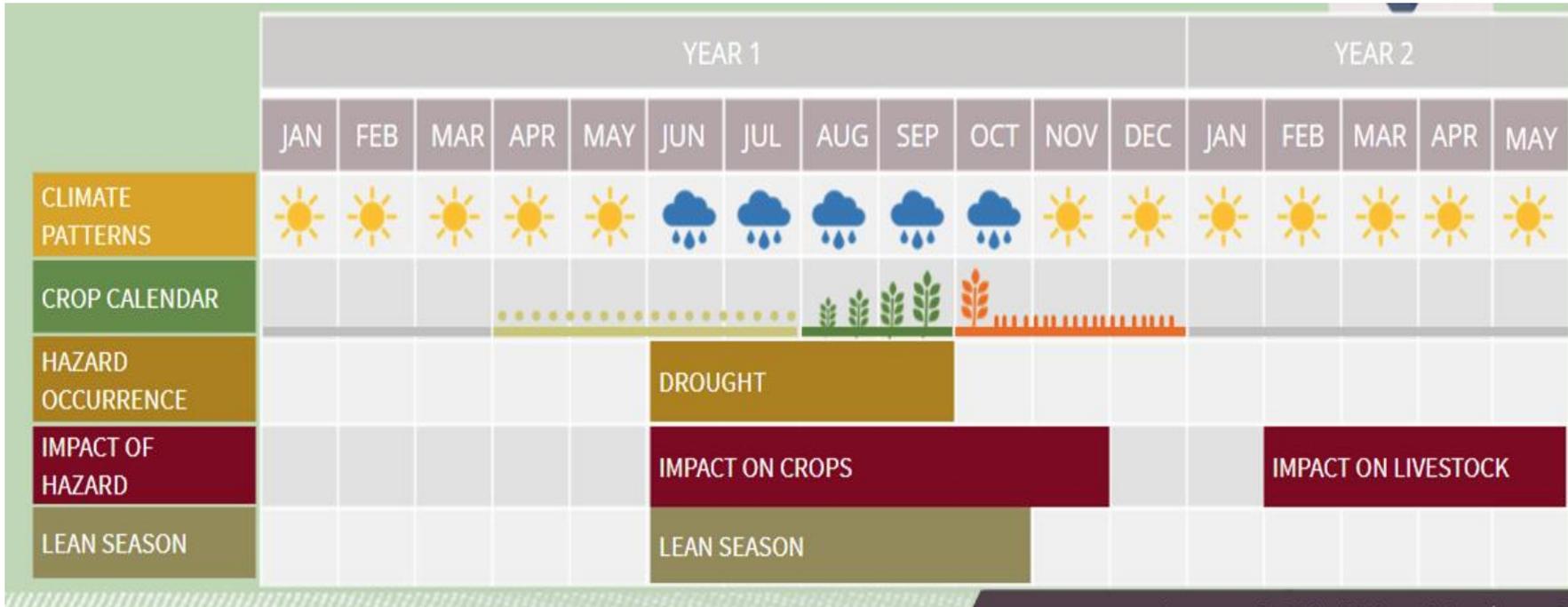
Total Rainfall (mm) for 01-08 Dec 2020



Mean Temperature (C) for 01-08 Dec 2020



Sudan example



**What do you think are
key risks that can be
addressed with
anticipatory action?**



Key risks include

- Flooding
- Droughts
- Livestock diseases
- Human diseases
- Conflicts,
-



Warning system building blocks:

Understand hazards, exposure, likelihood, vulnerability to define priorities

- **historical knowledge** of disasters that have occurred in the past  ;
- **an understanding of the current situation** that may suggest the occurrence of new disasters (e.g. new conflicts); and
- **climate projections**, as an indication of areas that are projected to become drier or wetter in the future. For coastal areas, sea-level rise projections can also be an important consideration.



What does FBF look like?



What is needed for Early Warning, Early Action

Analyze the following

- **WHO** should be part of EWEA decision-making and action-taking.
 - **WHAT** warning information is available and appropriate for the hazard context.
 - **WHICH** actions will the warning information trigger.
 - **WHEN** will the actions will be taken.
 - **WHO** is responsible for taking actions at national, sub-national and community level.
- 

Key components of Forecast-based Financing



Triggers

Matching forecasts and risks



Selection
of Actions

Reducing the impact



Financing
Mechanism

Automatic allocation of funds



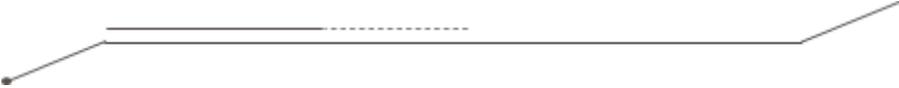
Early Action Protocol (EAP)

Why do we need anticipatory action? in South Sudan



In summary: why AA and FBF?

Because climate change is real. there are many reasons to undertake EWEA,

- Climate and weather information can help **anticipate, reduce and prepare for changing risks.**
 - Having **effective early warnings, enables early action.**
 - Taking **early action can reduce human suffering and economic losses.**
 - Taking **early action can protect development gains** through reducing the impact of hazardous events.
- 

Funds and organisations involved in FBF



Climate Finance | Systems



Implementing FBF

1
PRIORITIZING RISKS

2
ESTABLISHING AN EARLY WARNING SYSTEM

3
IDENTIFYING ANTICIPATORY ACTIONS

4
PREPARING AN ANTICIPATORY ACTION PLAN

5
APPLYING FOR ANTICIPATORY ACTION FUNDS

6
IMPLEMENTING AND EVALUATING ANTICIPATORY ACTIONS



Developing an Anticipatory Action System

Acting early before a disaster has actually happened or reached its peak is critical: it can save lives and protect livelihoods from the immediate shocks, as well as protecting long-term development gains by increasing the resilience of local communities over time.

Using a series of examples and case studies from different countries and contexts, this course provides guidance to set-up an anticipatory action system, i.e. a set of provisions to link early warning signals to anticipatory action options and implementation arrangements.

The course focuses on anticipatory action in the context of food security and agriculture.

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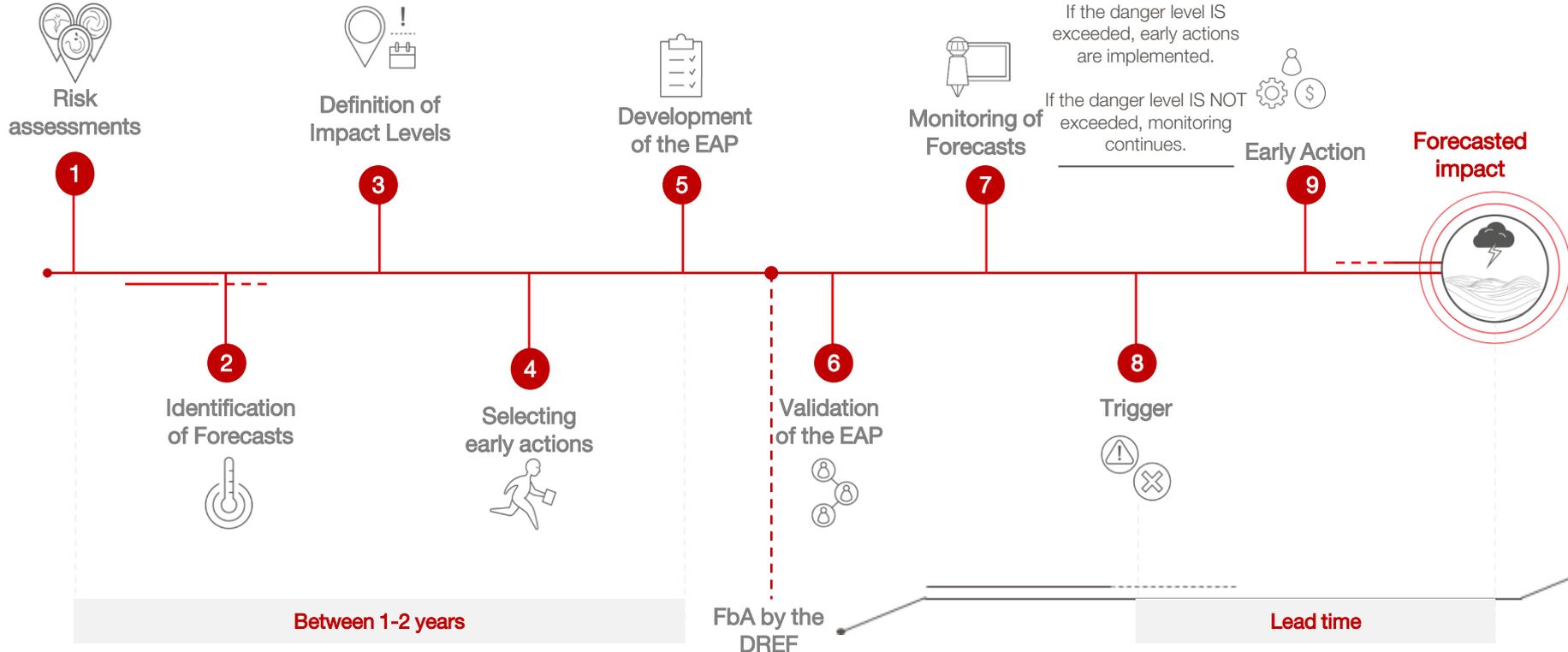
Released in: NOVEMBER 2020

3 h 30 m of learning

[Access online version](#)

[Download course \(20Mb\)](#)

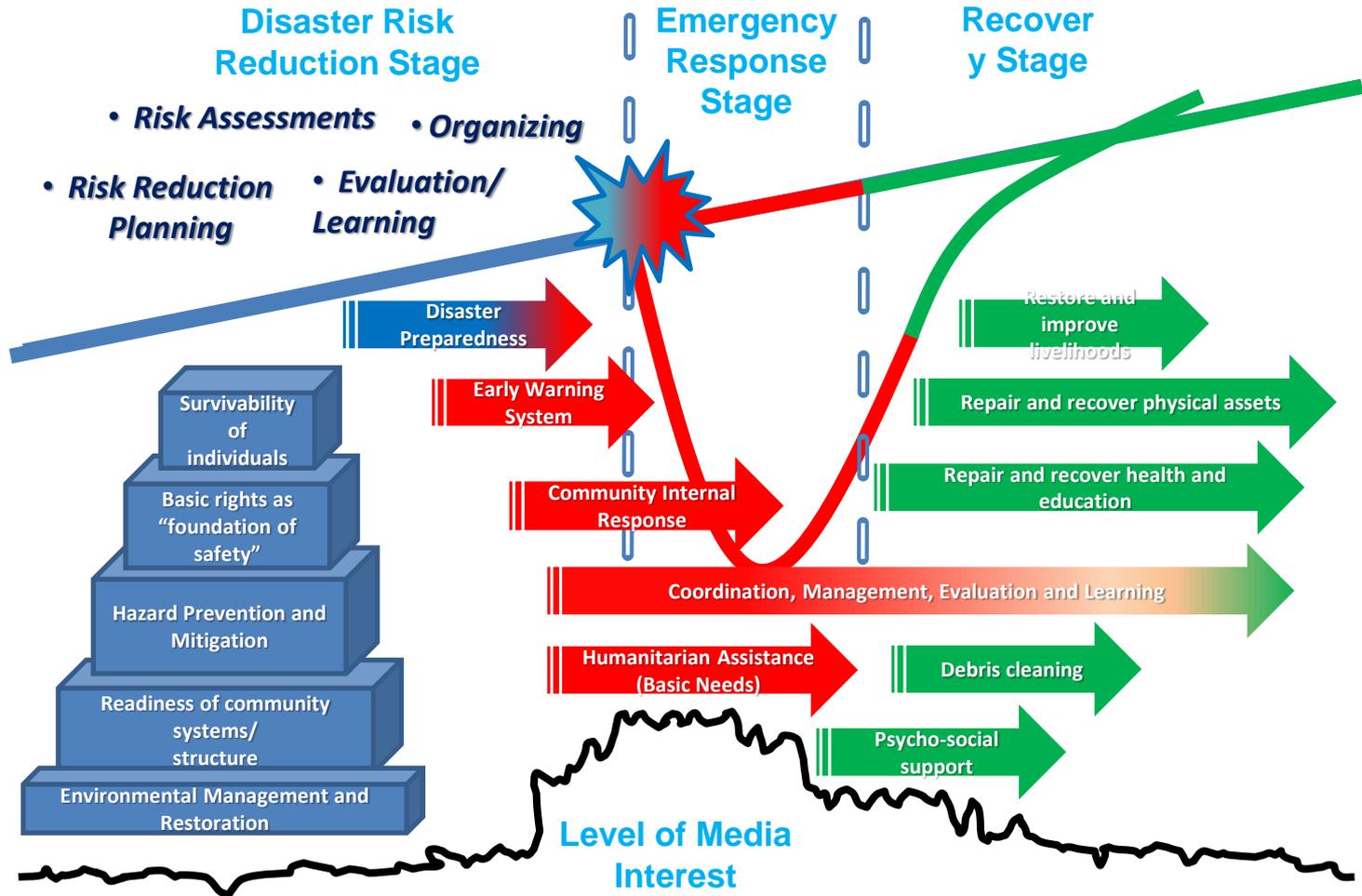
The implementation mechanism: 9 steps from analysis to activation

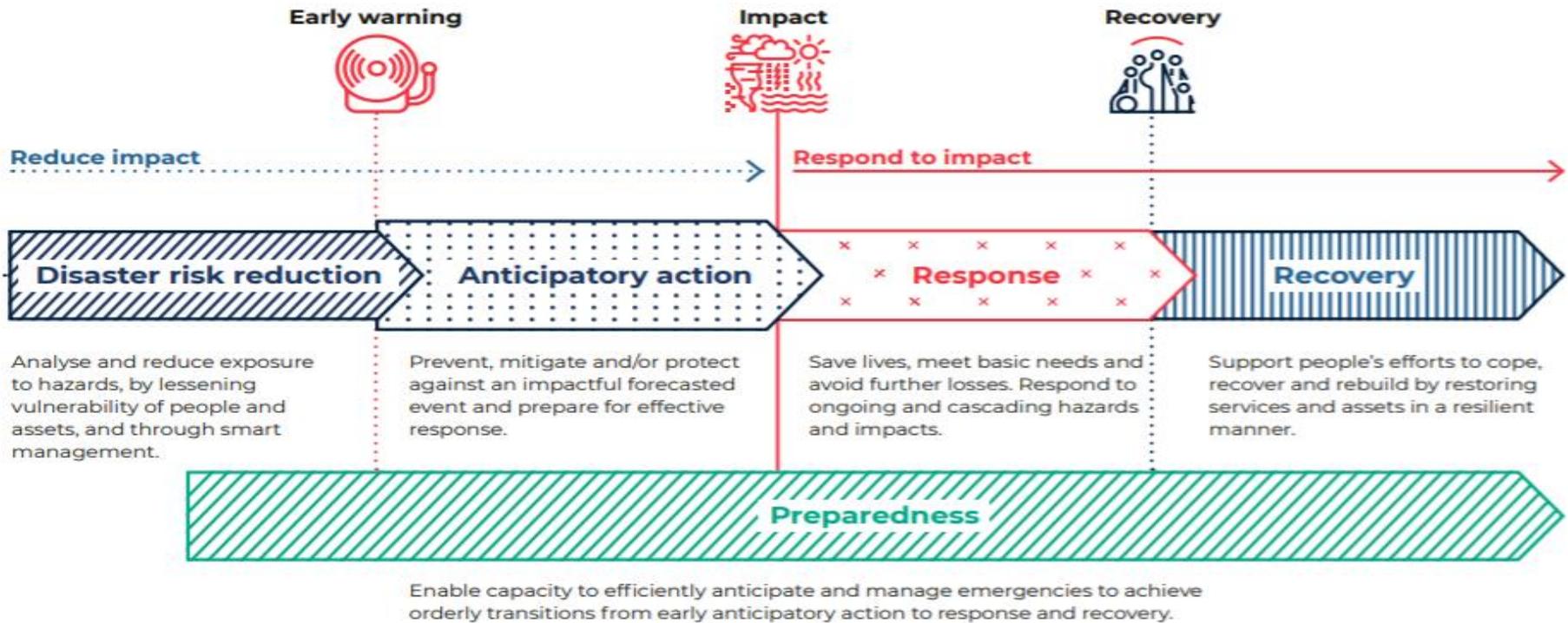


FBF in the disaster management system



Disaster Risk Management Framework





Source: Anticipation Hub (IFRC, German Red Cross, Red Cross Red Crescent Climate Centre)

Key messages

- FBF can contribute to disaster risk management components of IRM
- FBF uses forecasts and risk information to automatically trigger predefined actions to reduce disaster impacts
- Both NGOs, government and International Organizations have an important role to play in an anticipatory action system



What is your role in Anticipatory Action?

- CSO?
- Government?
- Media?

