PS7 on Anticipatory Financing
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The importance/opportunity of anticipation mechanisms for DRR, Humanitarian Response and Social Protection

Mathieu Destrooper
Regional Anticipation Advisor for LAC
Forecast-based Financing aims to anticipate disasters and reduce human suffering and losses.

**Triggers**
Matching forecasts and risks

**Selection of Actions**
Reducing the impact

**Financing Mechanism**
Automatic allocation of funds

**Early Action Protocol**
Forecast-based Financing aims to anticipate disasters and reduce human suffering and losses.
The implementation mechanism: 7 steps from analysis to activation

1. Risk assessments
2. Identification of Forecasts
3. Definition of Impact Levels
4. Selecting early actions
5. Development of the EAP
6. Validation of the EAP
7. Monitoring of Forecasts

If the danger level IS exceeded, early actions are implemented.

If the danger level IS NOT exceeded, monitoring continues.
Forecast-based Action: the financial mechanism

Forecast Trigger

Preparedness

Early Action between a forecast and a predicted event

DREF

Grants

Emergency Appeal

Loan

Scientific Committee advises
Validation Committee approves (30 days)

Data sharing and learning supports EAP review

Operations Coordination

Emergency Plan of Action (EPoA) for DREF

Emergency Plan of Action (EPoA) for Emergency Appeal
Key features, eligible applicant and funding decision

Key Features of the fund

- Automatic trigger-based decision making process
- Covers costs that are indispensable for preparing and implementing early action
- Focuses on natural hazards and now extended to crisis/conflict
- 5 years

Who can apply?

- Any of the 190 National Societies with developed EAP – directly or with support from Partner National Societies

How are Early Action Plans approved and Funded?

- Based on quality criteria of scientific trigger, early action and implementation capacity
- Validated by a group of experts and decision makers in advance of a potential trigger
Receiving the Red Cross support through livelihood kits and CASH helped me protect our cows from the ashfall and give them food, otherwise we would’ve had to sell our family’s main source of income.

Agustín Avedaño, community member of Laime, Ecuador
PS7: Anticipatory actions in the face of complex risk scenarios in Central America and the Dominican Republic

Claudia Herrera
Executive Secretary
Institutionalization as opportunity for anticipatory financing

Raquel Peña
Emergency and Resilience Specialist, FAO
Relevance of AF for food security and agriculture

• At least half of humanitarian crises are foreseeable / 20% highly predictable (ERC Griffiths).

• Climate emergency and other shocks on the rise= increase in poverty and food insecurity (267 million / 41% en LAC)

• 26% of the total impact of disasters is absorbed by agriculture, 83% in the case of drought (FAO). 80% of people living in poverty live in rural areas and 64% are engaged in agriculture.

• Return on investment (USD 1 = USD 7.1) + benefits beyond the monetary (FSN, resilience, dignity, social cohesion)

• Key elements: temporality, scalability and flexibility, including "no regrets" and multi-hazard approaches.

• Saving livelihoods saves lives!
Institutionalization as an opportunity for AF

- Institutionalization = sustainability, scalability and flexibility

- Possible ways of institutionalization:
  - Development of regulatory frameworks and instruments (decrees, resolutions, laws) that establish leadership and institutional responsibilities and commit resources.
  - Integration in risk management systems, policies and plans with a systemic / multi-threat approach (intersectorality):
    - Public policies of AF or that integrate AF.
    - Social protection as a potential entry point, leaving no one behind!
  - Connected to building resilience and safeguarding long-term development gains (HDP nexus).
    - Linkages to climate change adaptation, migration and conflict.
    - Inclusion of AF in agendas and financing mechanism of sub-regional bodies.

Invest in local capacity, ownership and sustainability!
Some successful initiatives supported by FAO

• St Vincent and the Grenadines: La Soufrière volcano eruption (Ministry of Agriculture)

SOPs, distribution of water tanks, building/retrofitting of emergency shelters for livestock, inventory of livestock and veterinary inputs, procurement plan with the government.

• Colombia: migration and drought in La Guajira

Rehabilitation of water supply systems, establishment of community production centers, animal health campaigns. Focus on asset protection and food production to meet the needs of expected new arrivals and returnees.

• Dry Corridor: AA to face 2021 drought

Provision of inputs, basic grain seeds and tools for growing short-cycle varieties, backyard agriculture and livestock, pasture seeds, animal health, technical assistance, water storage, seed banks, fish farming.

• Paraguay: institutionalization of AA for drought

Inclusion of AA into contingency planning. Ministerial resolution and commitment of government resources at local level.

• Anticipatory Action and Social Protection in LAC

Methodology to understand the feasibility to link anticipatory action to social protection mechanisms integrating gender, intersectionality, top-down and bottom-up approaches.
Scaling anticipatory action: Lessons, barriers and opportunities

Zinta Zoomers
HAO
Bangladesh: Anticipatory Action at Scale

More than 220,000 people received support before peak floods at a total cost of $2.8 million from CERF.

- Multi-purpose, unconditional cash
- Water-tight storage to preserve seeds and documents
- Animal feed
- Hygiene and dignity kits for women, girls and transgender people.
Key Lessons

• **AA is faster:** in Bangladesh action was triggered within 4 hours of the threshold being reached

• **AA is cheaper:** Procuring and distributing aid before peak flood yielded cost-savings. UNFPA saved 12%, FAO increased its reach by more than 10% due to lower unit costs.

• **AA is more dignified:** getting assistance prior to a shock empowers people to take action before loss occurs

• **AA delivers compelling results:** beneficiaries reported better food consumption, lost fewer assets and recorded lower animal mortality, reduced resource-based conflict and migratory pressure.
Member States and partners participated, pledging support for scaling anticipatory action.

"We cannot afford to not make this mainstream by 2025"

Ms. Nena Stojlkovic, Under-Secretary General for Global Relationships, Humanitarian Diplomacy and Digitalization, IFRC

Support is needed for start-up capacity (build), predictive analytics, financing frameworks (fuel), mainstream action and support learning (evaluate).
A way forward towards a systemic and risk-centered disaster preparedness approach in the region

Alvaro de Vicente
HoO, ECHO
Menti Poll

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CLOSING REMARKS
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THANK YOU!
MUCHAS GRACIAS