



GP20 Webinar
**Financing / funding mechanisms available to prevent and address
internal displacement, including to ensure durable solutions**
Thursday 28 May 2020

SUMMARY

This webinar was organized by the GP20 initiative and the International Federation of Red Cross and Red Crescent Societies. It focused on how funding can be agreed in advance to address the conditions that cause displacement and also resolve the consequences of displacement. This is one tool among many on disaster risk management that presents opportunities for partnerships through a package of support to address displacement before and after it happens by ensuring the authorities are better equipped and public services can adapt.

Presenters

1. Barry Maher | WORLD BANK | Senior Risk Financing and Insurance Specialist and
Chris Mahony | WORLD BANK | Senior Political Economy Consultant
2. Matthias Amling | GERMAN FEDERAL FOREIGN OFFICE – Desk Officer
3. Kara Siahaan | IFRC | Coordinator - Early Action and Disaster Risk Financing
4. Tiziana Bonzon | IFRC | Migration and Displacement Lead

References

[Pathways for Peace: Inclusive Approaches to Preventing Violence Conflict](#), UN/World Bank
[The Evidence Base on Anticipatory Humanitarian Action](#), World Food Programme
[Impact Before Instruments](#), Forecast-based Financing Practitioners Manual and other IFRC resources
[Artificial Intelligence-Driven Violence Prediction using Language Data](#), International Growth Centre

Recommendations

Mapping and evidence base

- Compile an overview of the anticipatory financing and funding facilities currently in use and how they link with existing early warning and development mechanisms
- Increase the evidence base on the effectiveness of anticipatory humanitarian action in connection to displacement to meet the needs of communities
- Enhanced evidence should be employed to inform communication to affected communities so that grievances around social group-specific exclusion from services, resources, political power and security are affected alongside objective reality
- Compile the results of pilot anticipatory action programmes to give donors and others a better understanding of the challenges and potential of these financing instruments to address displacement

Integration of displacement

- Ensure displacement is integrated into anticipatory humanitarian action within the broader planning for disaster risk reduction and climate change adaptation

- Agree on thresholds to activate rapid response mechanisms that integrate displacement considerations
- Integrate displacement considerations in forecast-based financing design (i.e. through impact-based forecasting) and monitoring and evaluation Demonstrate how anticipatory financing could be applied by national financial systems of governance

Collaboration across sectors and with communities

- Encourage partnerships and exchange on displacement and anticipatory action across disaster risk reduction, prevention, early warning, early action, migration and displacement communities
- Include considerations of housing, land and property issues of the displaced and host communities in the discussion on anticipatory actions as the loss of housing, land and property is intrinsic to displacement
- Understand the motivations of communities who are considered at risk of displacement and those already displaced before designing anticipatory actions
- Strengthen coordination on data collection to improve the congruency of data collected by humanitarian actors and governments on both the displaced and host communities

Key points

Ex-post financing and action to prevent and address displacement

- To reduce the risk of displacement we need to interrupt the cycle: climatic shocks and manmade crises can trigger forced displacement -- in areas receiving displaced people there can be perceived unequal access to services -- this can increase tensions and drive violence.
- Scaling up service provision, and balancing rapid deployment of resources with long-term ones, in areas that receive displaced people can minimize misperceptions and decrease the risk of tension, violence and secondary displacement, particularly when clear communication as to what has been scaled up and why is communicated to affected communities alongside the scaled up service provision.
- Monitoring and intervening at the point of access to services in host communities has been the focus of the “Development Response to Displacement Impact Project” (DRDIP) implemented by the Government of Uganda and the World Bank.
- A Displacement Crisis Response Mechanism (DCRM) is put in place to support scale-up of service provision in host communities when service thresholds are breached. Indicators and thresholds are agreed in advance on health, education and water (eg. number of people per classroom). When the threshold is breached, resources are disbursed and the programme rapidly scales up.
- World Bank financing usually takes from 6 months to 2 years to be disbursed. The DCRM allows for funding to be disbursed more quickly as criteria is agreed in advance. The funding is essentially a contingent line of credit that can be mobilized rapidly based on thresholds for actions defined in cooperation with communities.
- In Uganda, qualitative and quantitative data on change in number of people in a location and change in level of service provided is collected by ground truthing using tablets with time-stamped geo-located data input, satellite imagery that can show change in number and nature (e.g. thatch roof, iron roof, concrete roof) of housing, biometric data of refugees entering Uganda and registered in settlements, and social media, online news and surveys to glean sentiments about an issue.
- An inclusive approach to a displacement crisis requires the response trigger to be accessible, objective, representative and transparent. The complexity of need demands continual reassessment via monitoring and evaluation of the representativeness,

accuracy, transparency and accessibility of the metrics and the data that informs it. Data science methods are then used to better understand and predict a change in levels violence and economic and social vulnerability.

Ex-ante financing and action to minimize and mitigate displacement

- Forecasts of extreme weather events are done with increasing accuracy. When we predict that people will be severely impacted by an extreme weather event, pre-approved plans and financing agreed upon in advance can be disbursed to make use of the lead time before a disaster strikes.
- Forecast-based financing (FbF) emerged from both the success of early warning and disaster risk reduction measures and failure of the wider humanitarian system to act early despite of having data in the past. FbF translates early warning into early action.
- Early Action Protocols (EAP) are financed and agreed in advance with thresholds, actions, responsibilities spelled out. When an agreed threshold is exceeded, funds are released and activities are implemented before the disaster happens.
- The impact-based forecasting approach is applied in FbF whereby forecast is layered with a risk map. Overlaying this data will result in an intervention map that provides information of “where” and “when” to act. This shows a shift in approach from forecasting “what the weather will be” to “what weather may do” (eg. 210 mm of rain vs. where the power will go out).
- Selection of early actions should be tailored to local context and address exposure and vulnerability. Process begins with risk analysis of who and what is vulnerable and why, determine impact level and actions with communities, agree on which forecast to use, and thresholds, all of which is elaborated in the EAP.
- In Mongolia, the “Dzud” is a seasonal phenomenon marked by summer drought, followed by severe winters. This forces herder families to migrate from rural to urban areas as their livestock suffer and die from starvation. There was a need to provide initial feeding and veterinary care for animals before the peak of the Dzud. Cash and animal kits were distributed to prevent livestock mortality and protect herders’ livelihoods.
- Short-term evacuations can save lives and livelihoods. This was shown with the activation of the EAP for Bangladesh when FbF was triggered for Cyclone Amphan in late May 2020. With predictable financing and adaptation of the EAP was adapted to respect hygiene and distancing measures under COVID-19 regulations, actions can be implemented as planned.

Forecast-based action in practice

- More than 60 countries are developing forecast-based early action projects focusing on different hazards through the support of IFRC, WFP, FAO, OCHA and the START Network.
- The following are different types of funding accessible for forecast-based financing:
 1. Red Cross: Forecast-based financing by Disaster Relief Emergency Fund, launched in 2018 by IFRC to include forecast-based actions accessed through Early Action Protocols.
 2. START Fund Anticipation Window: network of 40 humanitarian NGOs established in 2016, 50 anticipation alerts have been raised, not trigger-based or automatic, but by an expert group judgment collating qualitative and quantitative data
 3. Agency-based early action funds at WFP and FAO

4. UN OCHA CERF anticipatory action: six pilots, in Somalia framework against drought started 2019, rollout in collaboration with RC/HC, partners, government, this gives scale in UN system
5. Philippines experience: Local chapters of the Philippines Red Cross set up technical working groups at the provincial level ('the FbF core group'). Members involve all government and non-government agencies relevant to the development of FbF. The close engagement highlighted stakeholders the value of acting based on forecasts and endorsement from government authorities in the anticipatory action concept. Some replicated the concept and allocated own budgets lines from their local Preparedness Fund to complement anticipatory actions.
 - More broadly, organizations are exploring the use of other disaster risk financing instruments (i.e. insurance) for anticipatory action to complement the existing ones.
 - Anticipatory financing can help reduce and mitigate potential displacement and other negative impacts of disasters, as well as allow quicker recovery and avoid protracted displacement.
 - A different form of risk analysis is required for anticipatory action in conflict contexts. Expert decision making, perceptions and qualitative data may be more important or critical in informing the data selected and the data science methods employed.