FORECAST-BASED FINANCING FOR LOCAL ACTION

Lessons and Potentials in Addressing Displacement

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1 | ABOUT FORECAST-BASED FINANCING
WHAT IS FbF?

**Forecast based Financing**

**Forecast Trigger**

**Preparedness**

**Early Action**
between a forecast and a predicted event

**Disaster**
Response and Recovery
KEY COMPONENTS OF FbF

- Triggers: Matching forecasts and risks (exposure, impact, vulnerability)
- Selection of Early Actions: Reducing the humanitarian impact
- Financing Mechanism: Automatic allocation of funds before the disaster strikes
- Early Action Protocol (EAP)
STEPS TO DEVELOP FBF

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.
8. Early Action
   - If the danger level IS exceeded
The selection of early action intervention areas is based on an impact-based forecasting analysis that combines the forecast data and a risk map.

Overlaying this data will result in an intervention map that provides information of where and when the predefined early action should be implemented.

An evolution from “what the weather will be” to “what the weather will do.”

World Meteorological Organization
FORECAST-BASED EARLY ACTION

Source: ODI 2019. Scaling FbF in Kenya study
2 | IN PRACTICE
Mongolia | Dzud

Dzud is a Mongolian term for a unique climatic phenomenon where severe drought is followed by an extreme winter. Over 70 per cent of the country was experiencing severe drought in the summer of 2017. This left herders without reserve fodder and hay. Continuous harsh conditions put at risk millions of livestock, which are the only source of food, transport and income for almost half the population of Mongolia.
Mongolia Red Cross Early Action Protocol

Triggered in January 2020

Prioritized impact
Mortality of livestock

Trigger: 20% more of province land area is indicated to be at very high risk from the DRM

Lead time: 2 months

Target: 1,000 HH

Budget
36.000 CHF Readiness
214.000 CHF Activation
Total: CHF 250.000

Impact Evaluation of Past Activation 2017/2018: “Significant effects of reduced mortality and increased offspring survival in some types of livestock, ... the timing of FbF assistance is crucial, as reported early assistance correlated to positive outcomes on reduced animal mortality”.

Readiness activities
Annual refresher training Branch, bags for kits and workshop with stakeholders

Early Action
- Cash grant to allow herders to stock hay and fodder
- Distribution of veterinary kit
Over the last 10 years, cyclones have affected more than a million people in Bangladesh when they have made landfall in the region. Historically, the Bay of Bengal has witnessed many cyclones causing enormous disruptions, damages and remarkable number of casualties. As one of the major hazards in Bangladesh, cyclones cause loss of life and livelihoods in the coastal area with 35 million people.
Bangladesh Red Crescent Early Action Protocol
Triggered in May 2020 (while COVID19 restrictions are in place)

Prioritized impact
1. Loss of livelihoods
2. Mortality of livestock
3. Injuries due to non-evacuation

Trigger: forecasted windspeed at landfall 125km/hrs

Early actions
• Provision of tractors to transport people with their livestock and movable assets at the community level
• Distribution of food and water at the cyclone shelter level
• Provision of first aid service for injuries at the cyclone shelter level

Readiness activities
Orientation to BRCS and CPP volunteers on the EAP prior to cyclone season

Prepositioning
First aid kits for shelters

Target: 4,000 HH
Lead time: 48 hrs
Budget
43,700 CHF Readiness
5,000 CHF Pre-positioning
134,500 CHF Activation
Total: CHF 183,200

COVID19 Adaptation Measures in coordination with government and the Cyclone Preparedness Programme
• Distribution of PPE for Staff and volunteers
• Augmented cyclone shelters capacity to enable distancing
• Provision of hygiene sanitation
• COVID19 risk communication
• Cleaning and disinfection of cyclone shelters
A MULTI-STAKEHOLDER STRATEGY

MONGOLIA
Information and research institute of Meteorology, Hydrology and Environment / NAMEN, publishing the dzud risk map since 2015
National Emergency Management Agency / NEMA; first responder to disasters in Mongolia and coordinates humanitarian assistance
Mongolian RC: national humanitarian organisation, auxiliary role, experience with FbF in 2017
IFRC supporting the MRC with an operational funding mechanism, technical assistance
Red Cross Red Crescent Climate Centre: provides assistance to develop the EAP, trigger mechanism and activation
UN Food and Agricultural Organization
Khan Bank: The financial service provider supporting the cash programme
Local municipality: engaged at local level to provide beneficiary data and contribute to beneficiary selection

BANGLADESH
Government of Bangladesh Department of Disaster Management / DDM
Cyclone Preparedness Programme CPP – Joint government and BDRC programme. Largest humanitarian presence in the coastal districts through its community-based volunteer system, the CPP volunteers will be crucial in implementing the EAP’s early actions at the community and cyclone shelter level Bangladesh Meteorological Department
Bangladesh Red Crescent Society
German Red Cross
American Red Cross
Red Cross Red Crescent Climate Centre
IFRC
UN World Food Programme
Food Security Cluster
Local government unit
Forecast-based Action by the Disaster Relief Emergency Fund (DREF)
Forecast-based Action by the DREF

- Approved: 8 Early Action Protocols
- Under review: 3 Early Action Protocols
- Under development: 25

1,922,044 Total Budget CHF
15,375 # of Households targeted
3 | RELEVANCE TO DISPLACEMENT
Lessons & Opportunities

Forecasting
The vast majority of internal displacement connected to disasters is weather related - and are to an extent forecastable / able to be predicted.

Prevention of conditions leading to internal displacement
FbF can potentially support communities to avoid displacement and stay in their homes if they choose to (e.g. livelihoods support and shelter repairs)

Preparedness for internal displacement
FbF supports people who would be displaced (e.g. provision of food and water in evacuation centers) in an anticipatory manner. Plans are pre-agreed. Funding is guaranteed.

FbF should not disincentize change. It should be a tool for people to have “choice”

Potentials to include displacement considerations in Impact-based Forecasting

Scenario 1: Integrate data on population that has been already displaced by previous disasters.
E.g: Designing early action for populations in makeshift settlements or settled permanently in high risk area

Scenario 2: Help people avoid non-nonvoluntary displacement or ensure that displacement – if inevitable – is managed properly before people gets displaced.
Preventing the conditions of internal displacement is complex, as many factors play a role (climate change, eroding resilience, social and economic issues).

Resilience, DRR and CCA strategies do not always include displacement as a specific “risk”.

Absence of coherent data on displacement to assess historical impact.

Complexity of needs and motivation of communities at risk to be displaced.
4 | SCALING-UP FINANCING
Scaling up Financing

Government Funding

Disaster Risk Financing Mechanism (e.g. SEADRIF)

Internal IFRC - FbA by the DREF

Dedicated Early Action Funds

Social Protection

OCHA CERF Anticipatory Action Framework
5 | MAIN TAKEAWAYS
- Strengthen displacement-sensitive FbF design and MEAL

- Clear communication on the value of FbF as only “one” out of the wider suite of tools for disaster risk management

- Build evidence and minimize knowledge gaps with targeted research and expertise including on data and risk modelling

- Encourage partnership and cross-thematic exchange on displacement and anticipatory action/FbF (e.g: Anticipation Hub, Global Dialogue Platform on Anticipatory Action, Early Action Focus Task Force, Risk-Informed Early Action Partnership, Platform on Disaster Displacement)
Welcome to the Forecast-based Financing Practitioners Manual. It has been developed from the lessons and experiences of several ongoing FbF projects, making this manual a living document. As FbF grows, so too will the good practices and sub-chapters of guidance offered.

CHECK OUT OUR RESOURCES

https://www.forecast-based-financing.org/
Thank you!

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