

# How FbF works

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## Key components of Forecast-based Financing (FbF)

### Triggers

Where and when funds will be allocated and assistance will be provided is decided according to specific threshold values based on weather and climate forecasts, which are defined for each region. To establish these, experts analyse the relevant natural hazards, assess the impacts of previous disasters, and look at vulnerability data.



### Early actions

As soon as a forecast reaches the specified threshold value and activates the trigger, early actions are initiated. These early actions aim to minimise the impacts of extreme weather events and save human lives.



### Financing mechanism

A dedicated financing mechanism is the key for taking fast and effective action before a disaster strikes. Funding for EAPs is available from the IFRC's Disaster Response Emergency Fund (DREF) – a fund which automatically allocates resources when a trigger is activated, and early actions are necessary. The Fund is available to all Red Cross and Red Crescent national societies, which have successfully developed an EAP.



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### Early Action Protocols (EAPs)

The key components (trigger, early action, funding mechanism) are summarized in an Early Action Protocol (EAP). The EAP serves as a guideline that delineates roles and responsibilities for quick action when a trigger is reached. National societies can access DREF funds for FbF with a



- full EAP
- simplified EAP

Note that the focus of this FbF Manual is the development of a full EAP, while requirements for the simplified EAP are touched upon.

Video: <https://www.youtube.com/watch?v=UjhFfbQpPf8>