

# One RCRC anticipatory action approach: FbF

How does the RCRC Movement implement anticipatory action?

Forecast-based Financing (FbF) is a methodology that enables National Red Cross Red Crescent Societies to access humanitarian funding for early action based on a combination of forecast information and risk and impact analysis. FbF enables National Societies to anticipate disasters, and prevent or mitigate their impacts, with the aim of saving lives and protecting livelihoods. For early actions to be performed quickly and efficiently before disaster strikes, funds are allocated automatically when a predetermined threshold is reached. The key to this is the Early Action Protocol (EAP), which clearly defines when and where to act as well as who will do what.

What are the key strategy documents for anticipatory action in the RCRC movement?

- IFRC Operational Framework for Anticipatory Action 2021-2025 (see toolbox)
- Council of delegates resolution Strengthening anticipatory action in the Movement: Our way forward (June 2022) (see toolbox)

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

### Triggers

Where and when funds are allocated and early actions are implemented is decided according to pre-agreed thresholds or impact levels that are defined in each protocol. Triggers are determined based on a detailed risk analysis of relevant hazards (both weather-related and non-weather related such as epidemics or locusts), the impact of past disaster events, and vulnerability data.



## Early actions

As soon as a forecast or prediction reaches the specified threshold and activates the trigger, early actions are initiated. These early actions aim to reduce the impacts of the forecasted disaster by protecting people's lives and livelihoods. This can include, for instance, providing veterinary kits, securing house roofs, providing food and clean water, or transferring cash.



## 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 [DREF](#) – a fund that automatically allocates resources when a trigger is reached. The fund is available to all Red Cross and Red Crescent national societies that have developed an EAP and had it approved by the IFRC validation committee.



### Early Action Protocols (EAPs)

The key components (trigger, early action, funding mechanism) are summarized in an Early Action Protocol (EAP). The EAP 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

Templates and guidance on EAPs can be found in [chapter 4](#) of this Manual.

The focus of this FbF Manual is the development of a full EAP, as it is the gold standard of FbF. The simplified EAP is a lighter-touch version of the full EAP and is thus covered inherently.



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