

# Manual Introduction

## Summary

---

This introduction gives you

- A definition of what Forecast-based Financing and anticipatory action is
- Some guidance on how this FbF Manual works and who should read it

Please feel free to reach out to us any time for support! Please reach out under [Contact and contribute](#).

## How Forecast-based Financing (FbF) is strengthening anticipatory humanitarian action in the RCRC movement

Anticipatory action is increasingly recognised as a key solution to reducing the impacts of climate change and weather events; early actions help people and organisations such as national societies build resilience to future shocks by better understanding risk and transforming this risk information into action before a disaster strikes.

Building on decades of experience in disaster preparedness, the IFRC and many other National Societies have pioneered the development of anticipatory action approaches such as Forecast-based Financing (FbF) since 2014. In 2018, IFRC launched Anticipatory Pillar of the Disaster Response Emergency Fund, the fund to provide reliable and predictable financing for National Societies to implement anticipatory action.

### Why anticipatory action?

According to the World Disaster Report (WDR 2020), in the past ten years, 83% of all disasters triggered by natural hazards were caused by extreme weather and climate-related events, such as floods, storms and heatwaves. At the same time, forecasts and early warning for those events are improving, providing information about where and with what magnitude a hazard will strike. With anticipatory action plans, early warning information is linked to early action, allowing timely

implementation of actions before a disaster strikes. While anticipatory action originates from addressing weather-related events, the concept is gradually being expanded to non-weather hazards, such as disease outbreaks and migration.

It is important to note that anticipatory action is not a substitute for longer-term investment in risk reduction. Anticipatory action aims to strengthen the capacity to manage risks and reduce residual risk not addressed by disaster risk reduction efforts.

### **What is anticipatory action?**

Anticipatory action is defined as acting ahead of predicted hazards (both weather and non-weather) to prevent or reduce acute humanitarian impacts before they fully unfold. Anticipatory action serves as an umbrella term that encompasses different approaches such as Forecast based-Financing, Forecast-based Action or Early Warning Early Action.

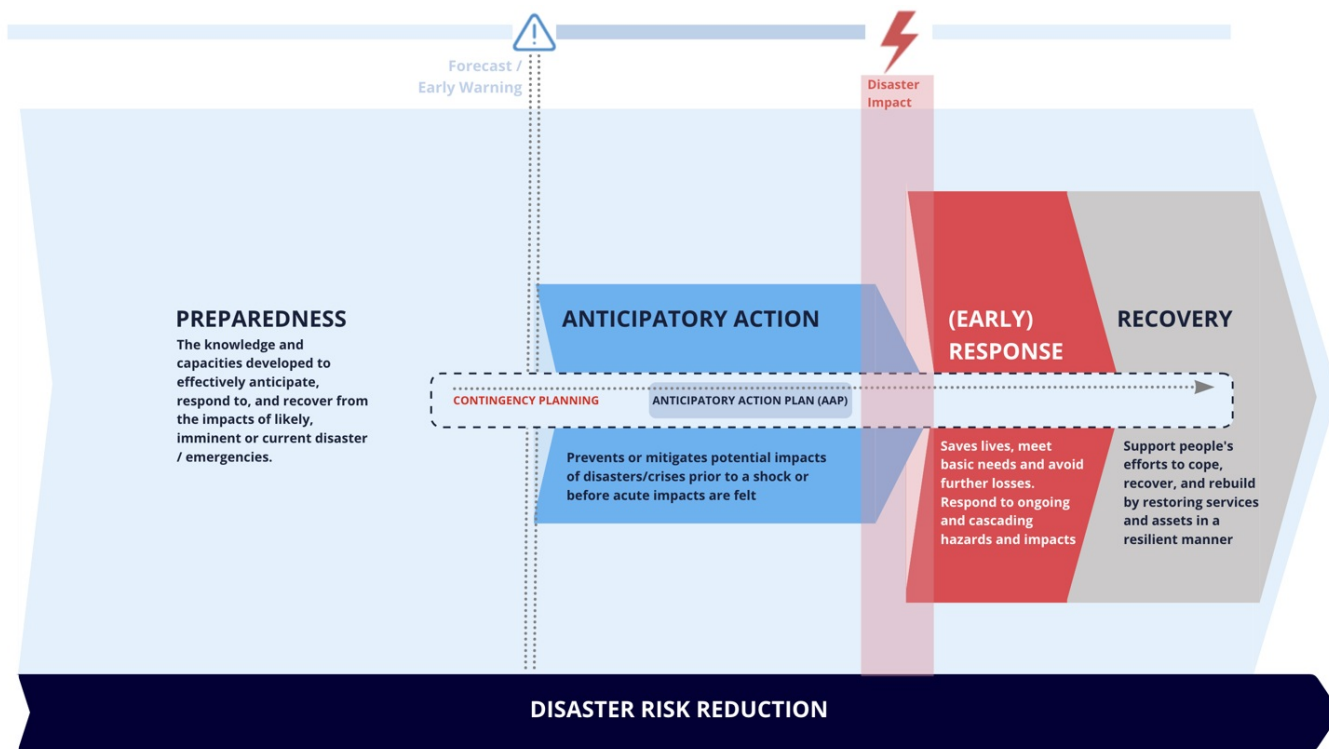
### **What are the common characteristics of anticipatory action?**

Even though anticipatory action can be implemented differently across organisations (e.g. humanitarian organisations, but also governments or communities themselves) and with different approaches and methodologies and scales, three key parameters are generally agreed upon:

1. Protective intent: Early actions aim to prevent or mitigate the humanitarian impact
2. Time factor: Anticipatory action is implemented in the window of opportunity between an early warning, forecast or pre-disaster risk assessment and when a hazard occurs.
3. Risk-informed triggers: Early actions are triggered based on a forecast and/or collaborative analyses

See toolbox below for further readings, especially the *A short overview of anticipatory action*.

### **When is anticipatory action implemented?**



## Where is anticipatory action implemented?

To get an overview of anticipatory action initiatives around the world, please visit the [Anticipation Hub](#). The Anticipation Hub is a platform to facilitate knowledge exchange, learning, guidance, and advocacy around anticipatory action both virtually and in-person.



# 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>

## How this Manual works

The FbF Manual is a step-by-step guide for national societies and partners to implement Forecast-based Financing (FbF). It was developed for National Societies, government authorities who are engaged in disaster



risk management, hydro-meteorological agencies, humanitarians, academics and the communities themselves to prepare for enhanced [Early Warning Early Action \(EWEA\)](#) .

For most national societies, the objective of developing a full or simplified Early Action Protocol (EAP) is to access funds from the IFRC's DREF and assist people in mitigating disaster impacts before a hazard strikes. The aim of this Manual is to guide national societies and their partners through the process. Please have the following in mind when developing your FbF programme :

- This Manual is not linear. Though it is organized in chapters and steps, activities will run in parallel, and you may need to revisit certain chapters at different points in the process.
- There is no standard on how long each individual step takes. This will depend on the context, the national society and the partners.
- The Manual addresses you as a reader, but “you” may be an FbF delegate, a project coordinator, a disaster risk management officer or an FbF project team.
- The Manual is based on experience with weather-related hazards (e.g. floods, tropical storms and heatwaves). However, the methodology is also applicable to non-weather-related hazards, such as epidemics and locusts.
- EAPs for FbF are one way to implement anticipatory action and access funds via the anticipatory pillar of the DREF. Additionally, the DREF for imminent crises can be accessed to provide the necessary assistance to people. This Manual will not cover DREF for imminent crises, however, further information can be found [here](#).

The most important EAP documents, which are discussed in detail in [chapter 4](#) , include the following:

- templates for the full EAP and simplified EAP
- EAP and simplified EAP criteria

These can be accessed in the [FbF Manual library](#) under Disaster Response Emergency Fund (DREF).

## Toolbox

[ASEAN Framework \(ASEAN, 2022\)](#)

[G7 Statement \(German Federal Foreign Office, 2022\)](#)

[Practical info on FbF and the DREF \(IFRC, 2022\)](#)  
[Operational Framework for Anticipatory Action 2021-2025 \(IFRC, 2022\)](#)  
[Council of Delegates Resolution: Strengthening anticipatory action in the Movement: Our way forward – Resolution](#)  
[Council of Delegates Resolution: Strengthening anticipatory action in the Movement: Our way forward – Background document](#)  
[World Disaster Report \(IFRC, 2020\)](#)  
[Anticipatory pillar of the DREF \(IFRC\)](#)  
[A short overview of anticipatory action \(Anticipation Hub\)](#)