



FORECAST-BASED FINANCING



An innovative mechanism considered to reverse the trend of an increasing number of natural disasters by addressing the gap between forecasts and response. It releases humanitarian funding automatically, based on scientific forecast information, to allow implementation of planned activities (indicated in an Early Action Protocol) before disaster strikes: to reduce risks, enhance preparedness and response, and to reduce economic impacts to the population.



>> FbF shall improve Early Warning / Early Action in disasters by ensuring fast and timely financing of Early Actions before disaster happens.

KEY COMPONENTS



EARLY ACTION PROTOCOL (EAP): serves as a guideline for National Societies and partners which delineates roles and responsibilities for quick action. This ensures full commitment of implementation among the involved stakeholders.

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TRIGGER: region – specific “impact levels” are identified based in the detailed risk analysis of relevant natural hazards, impact assessments of past disaster events, and vulnerability data. A trigger model is subsequently developed according to an impact-based forecasting approach. It determines priority areas where the impact of an extreme weather event is anticipated to be most severe.

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EARLY ACTIONS: a pre-agreed set of early actions will be implemented at the time of a triggering forecast, with the aim of reducing the impact of the predicted event on human lives. Such early actions provide assistance to people at risk and help them take action to protect their families and livelihoods.

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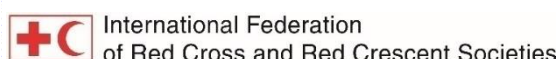
FINANCING MECHANISM: an ex-ante financing mechanism automatically allocates funding once a forecast trigger has been reached, enabling the effective implementation of the early actions. In December 2017, IFRC established Forecast-based Action as a dedicated and sustainable financial mechanism. Key features include: (1) automatic trigger-based decision-making process, (2) covers costs that are indispensable for preparing and implementing early action, and (3) focuses on natural hazards. Any of 190 National Societies with developed EAP can apply.

IN PARTNERSHIP WITH :



REFERENCES:

Red Cross Red Crescent Climate Centre (RCCC)
German Red Cross
International Federation of Red Cross and Red Crescent



FORECAST-BASED FINANCING IN THE PHILIPPINES

WHY?

TROPICAL CYCLONE IS THE MOST FREQUENT HYDRO-METEOROLOGICAL HAZARD THAT RESULTS IN 80% ADVERSE ECONOMIC IMPACT IN THE COUNTRY. IT EXPERIENCES AN AVERAGE OF 19 – 20 TROPICAL CYCLONES EVERY YEAR, WITH 10 OF THEM MOSTLY LIKELY TO HAVE A DIRECT IMPACT. MOREOVER, 50% OF FLOODING IS DUE TO OTHER WEATHER SYSTEMS. IT WREAKS HAVOC IN VULNERABLE COMMUNITIES, RESULTING MAINLY IN DISRUPTION OF LIVELIHOODS AND DAMAGED HOUSES. FBF SEEKS TO ADDRESS THIS BY CRAFTING EARLY ACTIONS PRIOR TO IMPACT IN COLLABORATION WITH KEY ACTORS.

WHAT IS HAPPENING?

<< 2018 INTERVENTION

1. Initial field visits: Regional government office and provincial government units (April - May 2018)

2. Regional launch and creation of core group for EAP development (May - June 2018)

3. Capacity building for chapters - levelling workshop (June - July 2018)

4. Gather additional risks data, which includes site visits. Also, early action identification (July 2018)

5. EAP developed and presented to core group (August 2018)

6. EAP tested, finalized, and submitted (Sept-Dec 2018)

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EARLY ACTION PROTOCOLS



TYPHOON EAP (5 - 3 DAYS LEAD TIME)



HOUSE STRENGTHENING



CASH FOR WORK



FLOOD EAP (3 - 2 DAYS LEAD TIME)



MULTIPURPOSE CASH GRANT



SUPPORT TO EVACUATION

VISAYAS: Capiz (situated in Panay River Basin)

MINDANAO: Compostella Valley, Agusan del Norte, Agusan del Sur (situated in Agusan River Basin)

WHERE IT IS HAPPENING?

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TARGET PROVINCES



SIMULATION



TYPHOON EAP (5 -3 DAYS LEAD TIME)

Distribution of Shelter Strengthening Kit + Cash for Work

Tested for 3 days, in Municipality of Marabut, Western Samar in 2 identified high risks barangays.

Date: October 23 – 26, 2018



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- 1 household received 1 shelter strengthening kit
- In total, there were 40 households received shelter strengthening kit.



FLOOD EAP (3 - 2 DAYS LEAD TIME)

Distribution of Multipurpose Cash Grant

Tested for 3 days, in Municipality of Panitan and Mambusao, Capiz in 4 identified high risks barangays.

Date: October 16 – 18, 2018



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- 1 household received the multipurpose cash grant
- In total, there were 200 households received multipurpose cash grant
- Mode of transfer: PHLPost



WHAT IS HAPPENING?

<< 2019 INTERVENTION

1. Selection of new target provinces for EAP expansion (January 2019)

2. Courtesy visit + orientation of chapter staff & volunteers (peer to peer approach) (February 2019)

3. Regional Launching and Levelling workshop (March - April 2019)

4. Gathering of data and prioritizing high risks areas (May - June 2019)

5. Updating EAP and presentation to core group (June 2019)

6. Simulation (July 2019)

WHERE IT IS HAPPENING?

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NEW TARGET PROVINCES



Typhoon EAP

Luzon: Cagayan, Isabela, Aurora, Albay, Sorsogon, Masbate

Visayas: Leyte, Southern Leyte, Cebu

Mindanao: Surigao del Sur, Surigao del Norte, Davao Oriental



Floods EAP

Luzon: Cagayan, Isabela (situated in Cagayan River Basin)



Drought EAP: will be develop for areas at risks of drought

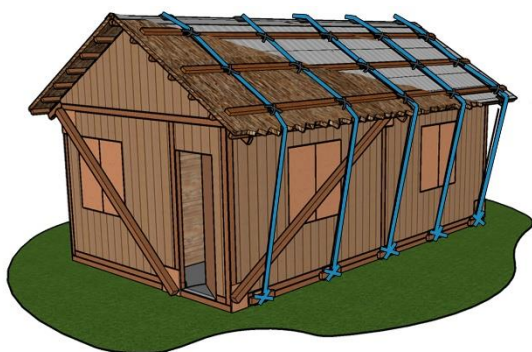


WHAT WILL HAPPEN IN JULY 2019?

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SIMULATIONS

Distribution of Shelter Strengthening Kit (Updated Design) + Cash for Work



Cash for Work – Harvesting of Abaca

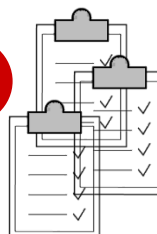


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EARLY ACTION PROTOCOL (EAP)
SUBMITTED IN 2019