



International Federation  
of Red Cross and Red Crescent Societies



German  
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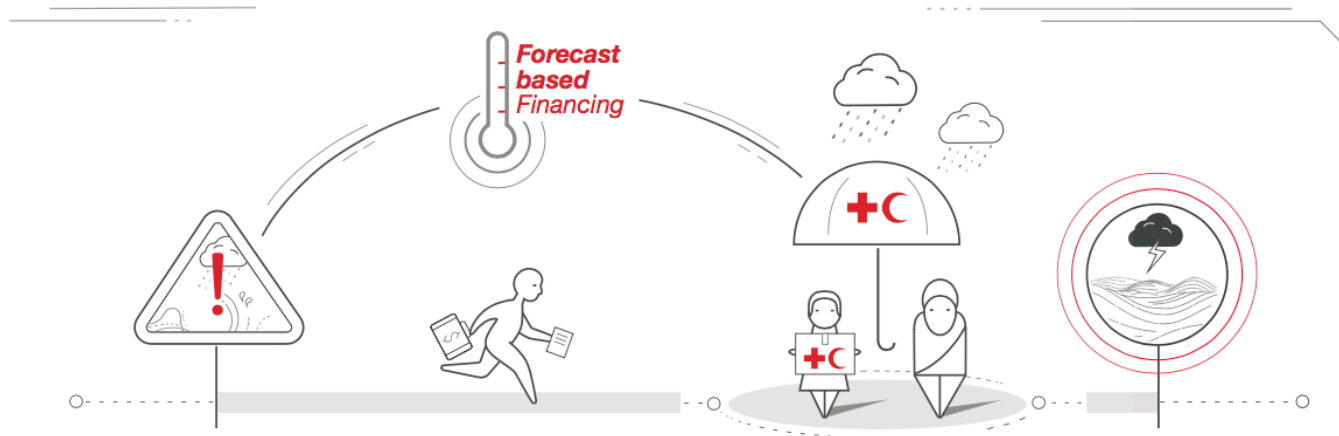
Federal Republic of Germany  
Foreign Office

# Forecast-based Financing: Anticipate, reduce impact and avert disasters

*Regional Conference on Risk Informed Development,  
Bangkok, 27 August, 2018*

 #FbActionDREF

  
Climate  
Centre



# Key components of Forecast-based Financing



Triggers

Matching forecasts and risks



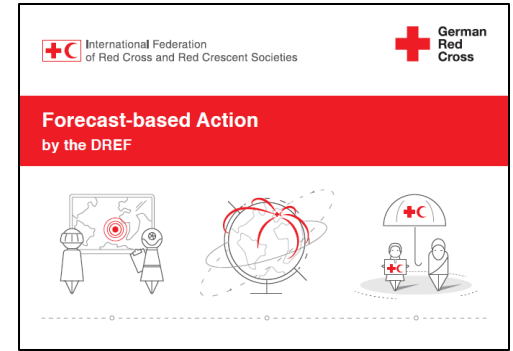
Selection of Actions

Reducing the impact



Financing Mechanism

Automatic allocation of funds

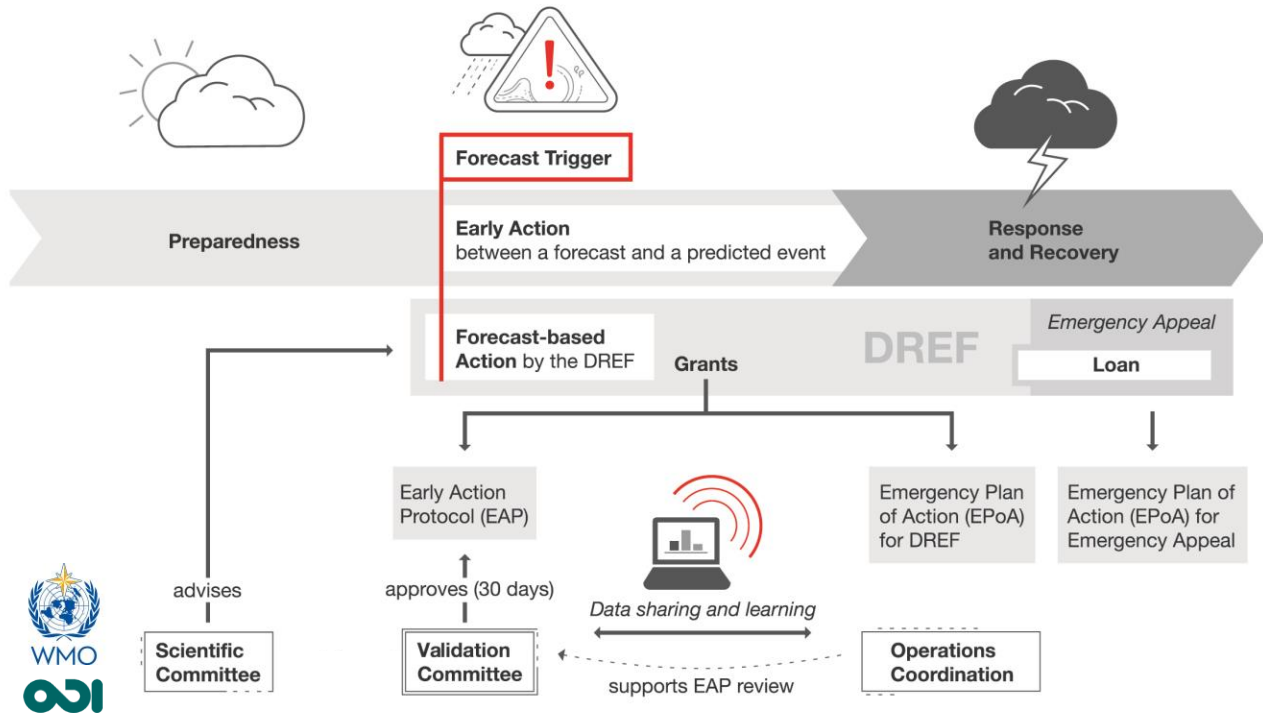


Early Action Protocol (EAP)

Roles and responsibilities



# Forecast-based Action integrated in the Disaster Relief Emergency Fund (DREF)



# The implementation mechanism: 7 steps from analysis to activation

1. What kinds of impacts can be expected from a particular type of hazard, and what types of vulnerability and exposure can combine with the hazards to cause impact?



Risk assessments

1

3. Where and when should early action be implemented?



Definition of Impact Levels

3

2. What are the potential forecast products available? What is the most appropriate forecast product we can use?



Identification of Forecasts

2

4. What are the early actions that have the most potential, and are feasible, to reduce the impact identified?



Selecting early actions

4

4. What are the early actions that have the most potential, and are feasible, to reduce the impact identified?



Development of the EAP

5

6. Validation of the EAP



6

7. Monitoring of Forecasts

If the danger level IS exceeded, early actions are implemented.  
If the danger level IS NOT exceeded, monitoring continues.



7

# Red Cross Red Crescent Forecast-based Financing Initiatives in the Asia Pacific



Developing Early Action Protocol, to be eligible for FbA by the DREF

Other FbF initiatives



## Mongolia RC/Dzud FbF (national):

- EAP pilot activation Nov 2017 and its impact evaluation (on-going)
- Trigger review and EAP update (before end Nov 2018)

## Philippines RC/Typhoon & Flood FbF (national/sub-national):

- Pilot program started in 2017
- Based on Risk Assessment, Typhoon (Panay & Agusan River Basin) & Flood (Bicol Region and Samar Island) EAPs being developed/tested and submitted for validation by Oct 2018

## Vietnam RC/Heatwave FbF (urban/Hanoi):

- Risk assessment (on-going) & Identification of forecasts (on-going)
- Selections of actions (on-going)

## Solomon Islands RC/Drought FbF (national/sub-national):

- Scoping of FbF feasibility study in 2016 and a Roadmap for FbF for Drought Preparedness developed in 2017/18 to take EWEA/FbF to scale
- EAP development in 2019

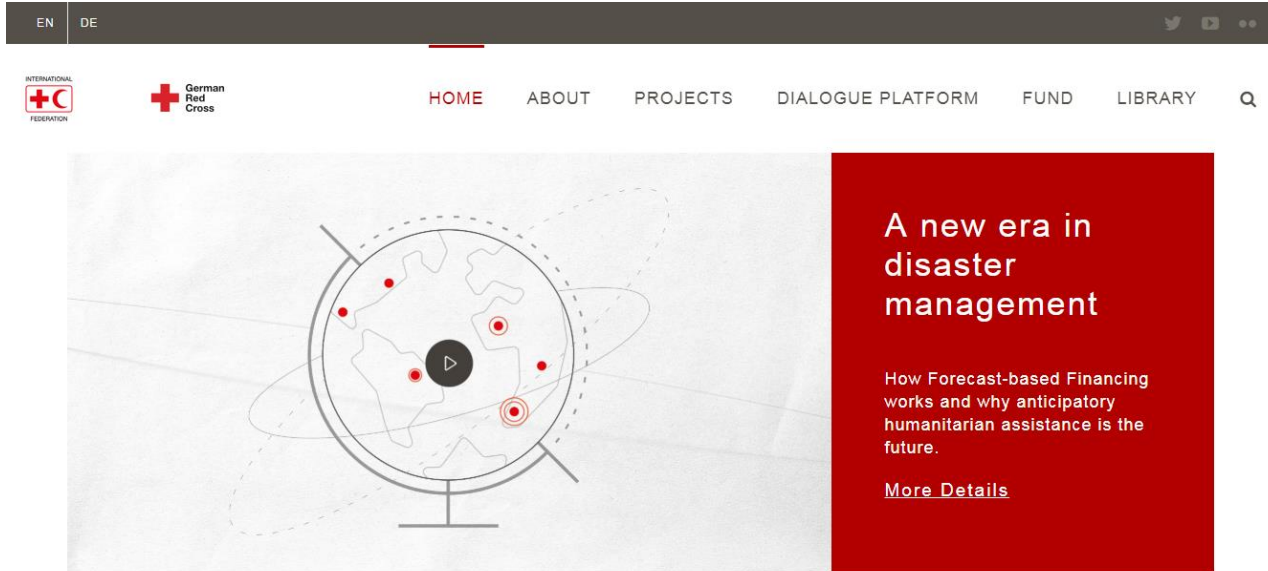
## Bangladesh RC/Flood & Cyclone FbF (national/sub-national):

- Pilot program started in 2015
- Flood EAP Activation in July 2017
- Cyclone EAP & Flood EAP being developed/tested and validated

## Indonesia RC/ Flood & Drought (TBC):

- Scoping of FbF feasibility for floods and droughts study in Aug 2018

*For more information, please visit*  
[www.forecast-based-financing.org](http://www.forecast-based-financing.org)



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