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

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

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?

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

3. Where and when should early action be implemented?

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

5. Development of the EAP

6. Validation of the EAP

7. Monitoring of Forecasts

The implementation mechanism: 7 steps from analysis to activation
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

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