

# Quick and reliable funding: how FbA by the DREF supported a shift from reaction to anticipation in 2020



## FbA by the DREF

The year 2020 was exciting for anticipatory action. It was the first to see activations of the Forecast-based Action by the Disaster Relief Emergency Fund (**FbA by the DREF** [\[1\]](#)),<sup>1</sup> a newly established funding mechanism from the International Federation of Red Cross and Red Crescent Societies (IFRC). This briefing examines each of the four activations that took place in 2020 – two in Bangladesh, and one each in Ecuador and Mongolia – to highlight the many ways in which FbA by the DREF (Box 1) has contributed to the gathering momentum behind a shift from reaction to anticipation in humanitarian action.



*A Bangladesh Red Crescent Society volunteer speaks with a woman and child who have been affected by Cyclone Amphan.*

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## Box 1. The FbA by the DREF funding mechanism

### What is it?

FbA by the DREF is an innovative funding mechanism that was introduced by the IFRC in 2018. It is complementary to other DREF funding mechanisms, but specifically designed to fund interventions that take place before a hazard occurs. It provides National Red Cross Red Crescent Societies with a designated ex-ante fund for anticipatory action.

### How does it work?

National Societies collaborate with technical and academic stakeholders, as well as local governments, communities, Partner National Societies and other humanitarian actors to develop an early action protocol (EAP). These documents include, among other details:

- 1 analysis of the hazard risk
- 2 agreed early actions, to be undertaken before the hazard strikes
- 3 forecasts and triggers (i.e., thresholds) that will be used to activate the release of funding for early actions
- 4 beneficiaries to be targeted by the early actions
- 5 roles for each stakeholder
- 6 timelines.

EAPs act as a formal plan of what to do – and who will do it – in the lead up to an impending disaster. By outlining roles, responsibilities and thresholds for action, different stakeholders can act very quickly, as everything has been prenegotiated and preplanned. In short, an EAP outlines a prearranged funding mechanism for preagreed early actions.

Once an EAP has been agreed upon by all stakeholders, it is submitted to the FbA by the DREF's validation committee for revisions and/or approval.

### Why is it important?

The main benefit is that once an EAP has been approved, National Societies know that they have secure financing to prepare early actions (e.g., conducting readiness activities, prepositioning goods). Furthermore, when the trigger for a hazard is reached, they know that up to 250,000 Swiss francs<sup>2</sup> (277,900 US dollars / 230,250 euros) will be automatically released to implement their actions (**IFRC 2021** [\[2\]](#))<sup>3</sup>. This automatic release of funding, paired with the rigorous and well-defined plans in the EAP, mean that all actors can implement anticipatory actions immediately, without having to worry about funding or negotiating who does what.

<sup>1</sup> In 2022, this was renamed as the Disaster Response Emergency Fund.

<sup>2</sup> As of December 2020. All historical exchange rates in this briefing are taken from [www.exchangerates.org.uk](http://www.exchangerates.org.uk) [\[3\]](#) and given for the date of the activation.

<sup>3</sup> This amount has since been increased to 350,000 Swiss francs per EAP, with a maximum 25 per cent going to readiness activities, and a maximum 40 per cent for preparedness activities, with the balance for early actions.


## Mongolia

<b>Hazard</b>	<b><i>Dzud; a severe drought followed by severe cold wave</i></b>
<b>Trigger</b>	Eight provinces passed the threshold of 20 per cent or more of a province being projected as 'high risk'; trigger reached 2 January 2020
<b>Activation</b>	Commenced 8 January 2020; completed 10 February 2020
<b>Amount released</b>	205,643 Swiss francs (212,861 US dollars / 192,400 euros)
<b>Disaster-impacted households targeted / assisted</b>	1,000 / 1,000 (4,052 people)
<b>Early actions</b>	<ul style="list-style-type: none"> <li>● Provision of livestock nutrition kits</li> <li>● Provision of unconditional cash grants of 240,000 Mongolian tugriks (approx. 83 Swiss francs / 86 US dollars / 78 euros) per household</li> </ul>

## Achievements


Just a few days into 2020, the Mongolian Red Cross Society received an updated *dzud* risk map, which showed that the trigger threshold had been surpassed. As a result, Mongolia became the first country in the world to activate its EAP and use FbA by the DREF funds.

The activation took place in the face of a growing threat: the now ubiquitous Covid-19 pandemic. The Mongolian Red Cross Society mobilized quickly to ensure that it could reach herder populations with critical supplies, such as nutrition packs for livestock including horses, camels, goats, sheep and cattle. This helped to increase the survival rates for their livestock, and in turn protected their livelihoods.

Looking back at this activation, the Mongolian Red Cross Society team reflected on the interplay of luck and proactive programming that enabled them to reach *dzud*-affected households before widespread Covid-19 lockdowns took effect. Mongolia's borders began to close on 27 January 2020, with domestic travel restrictions in place by mid-February ([Erkhembayar et al. 2020](#) ). Nyamkhuu Chuluunkhuu, the Mongolian Red Cross Society's emergency response officer and focal point for forecast-based financing, highlighted that the FbA by the DREF framework had enabled them to prepurchase and preposition supplies for the livestock nutrition kits (e.g., hay, medicines, nutritional supplements). This not only expedited quick actions after the trigger was reached, but also avoided the supply chain issues that emerged as borders began to close.

Another success highlighted by the Mongolian Red Cross Society stems from the close coordination that was initiated with other stakeholders. Muugii Sharavnyambuu, the disaster programme manager at the Mongolian Red Cross Society, reflected that "one of the things that actually worked really well is the coordination with other agencies that are doing similar activities". This included the use of existing tools (e.g., government-produced *dzud* risk maps) and continual communication with other stakeholders through a technical working group.

When the Mongolian Red Cross Society announced that the trigger had been reached in early January, there was sufficient trust built up in this process for the Food and Agriculture Organization of the United Nations to announce that it would also act early, even though this had not been prearranged. This is a testament to the close working relationships that enabled these agencies to build on each other's work and strategically avoid the duplication of efforts. It also demonstrates that forecast-based financing projects are contributing to a shift from response to anticipation in humanitarian programmes in Mongolia.

Mongolia's activation highlights the important role that presecured financing plays in enabling actors to take the necessary measures to prevent and mitigate risks from *dzud*, rather than responding once it has happened. These anticipatory actions were effective: households which received support through FbA by the DREF reported livestock mortality rates twice as low as households that didn't receive this support, as well as improved health status among their livestock ([IFRC 2020a](#) ).

**“This [activation] is definitely more effective than post-disaster response. We are trying to [help] the herder families to stay with their livelihood, which is their livestock. Post-disaster response doesn't save their livestock; it just helps them to feed their small surviving livestock. But early action helps them to save their actual livestock; it helps them to stay resilient and become prepared, which is effective to reduce vulnerability and the effects of *dzud*.”**

– Nyamkhuu Chuluunkhuu, emergency response officer,  
Mongolian Red Cross Society

## Bangladesh

<b>Hazard</b>	<b>Cyclone Amphan</b>
<b>Trigger</b>	Forecast wind speeds of >125km/hr; areas with >25% of houses at risk prioritized
<b>Activation</b>	18 May 2020; lead time of 30 hours
<b>Amount released</b>	182,996 Swiss francs (190,316 US dollars / 173,407 euros)
<b>Disaster-impacted households targeted / assisted</b>	20,000 / at least 36,365 people
<b>Early actions</b>	<ul style="list-style-type: none"> <li>• Distribution of 36,365 food packets and water</li> <li>• Distribution of 36,365 masks, mini soaps and hand sanitizers</li> <li>• Evacuation to 192 shelters, using 87 vehicles</li> <li>• Assistance in the evacuation of 4,406 livestock</li> <li>• Mobilization of 484 trained Red Crescent Youth volunteers</li> <li>• Refresher training for staff and volunteers in 10 coastal districts</li> </ul>

## Achievements

Bangladesh's EAP for Cyclones has the shortest lead time of any approved under the FbA by the DREF mechanism. The complexity of cyclone forecasting allows for just 30 hours to implement early actions. Despite this, and the challenges posed by Covid-19 lockdowns in the country at the time of activation, the Bangladesh Red Crescent Society and the forecast-based financing project team in the country successfully carried out a series of early actions before Cyclone Amphan made landfall.

The Bangladesh Red Crescent Society proactively communicated and coordinated with the government and other humanitarian actors in the lead up to the cyclone season in Bangladesh. This contributed to increased adaptive capacity and coherent plans for how to tackle the emergent multi-hazard scenario of Covid-19 coupled with cyclones. In particular, collaboration with the country's Cyclone Preparedness Programme contributed to increased coordination at local and national levels.

Due to newly established Covid-19 guidelines in Bangladesh, the early actions could not proceed as outlined in the EAP for Cyclones. For example, the team had to shift rapidly to virtual training, procure personal protective equipment (PPE), adapt their early warnings to include public health guidance for Covid-19, and increase training efforts so that staff and volunteers in affected districts could activate the early actions without on-the-ground support from staff at the Bangladesh Red Crescent Society headquarters.

The pandemic led to additional demands on the time and resources needed for early actions. These included fewer evacuees per vehicle (due to the need for social distancing), a need to check people's temperature on arrival at cyclone shelters, and the need to explain Covid-19 protocols and guidelines. To address these, the team identified additional shelter sites to increase the possibility for social distancing, as required by Covid-19 restrictions. They did this by compiling a detailed database of information, such as suitable sites for shelters, vehicle suppliers and drivers. Completing these early actions – and making the necessary adjustments – in advance of Cyclone Amphan making landfall was a major factor behind the success of this activation.

Another factor was preparedness. In the lead up to Cyclone Amphan making landfall, technical experts from the forecast-based financing team provided daily synoptic reports to complement national forecasts. These impact-based analyses increased the specificity of the information available, for example detailing which districts and populations were most likely to be affected. They also opened up conversations between the various actors involved, encouraging more of them to act early. Some actors have now formalized these lessons within their own disaster planning, for example through creating 'pre-trigger' phases in their plans. This recognizes the importance of discussing and planning for an impending event well before an early warning is issued.

**“With [forecast-based financing], people had the opportunity to make informed decisions on what to do to save their lives and livelihoods; [it] provided not only information, but also the option to save themselves when they were faced with two threats arising from Cyclone Amphan and Covid-19.”**

– Damodar Kanel, project delegate, German Red Cross


## Bangladesh

<b>Hazard</b>	<b>Flood</b>
<b>Trigger</b>	Ten-day <a href="#">Global Flood Awareness System</a>  probabilistic forecast; five-day <a href="#">Flood Forecasting &amp; Warning Centre</a>  deterministic forecast
<b>Activation</b>	25 June 2020 (pre-activation); 28 June 2020 (activation)
<b>Amount released</b>	249,862 Swiss francs (263,804 US dollars / 234,820 euros)
<b>Disaster-impacted households targeted / assisted</b>	3,300 / 3,289 households (approximately 16,500 people reached with cash transfers; 150 with first aid support; 350 with evacuation by boat)
<b>Early actions</b>	<ul style="list-style-type: none"> <li>● Unconditional cash grant of 4,500 Bangladeshi taka (53 US dollars; approximately one month's salary)</li> <li>● Evacuation transport by boat for people, livestock and assets</li> <li>● Provision of basic first aid and PPE</li> </ul>

## Achievements

When hit by widespread and extreme flood events in June, Bangladesh earned the unenviable status of being the first country to activate two EAPs in a year. This second disaster occurred just six weeks after Cyclone Amphan in May, while the country was still grappling with the uncertainty caused by sweeping new restrictions to combat the Covid-19 pandemic.

Despite this continuation of interventions across multiple hazards, the Bangladesh Red Crescent Society successfully carried out a series of early actions for floods. They adapted the EAP for Floods to reflect the additional challenge of Covid-19, for example including the need for PPE and restructuring distribution centres to allow for social distancing to ensure the early actions were carried out safely. These adaptations demanded additional resources, as well as more space and time. However, the Bangladesh Red Crescent Society and the forecast-based financing team still managed to complete them prior to the onset of the floods.

This activation also increased awareness of forecast-based financing and its success acted as a powerful advocacy tool. For example, the World Food Programme used the same triggers to activate its own early actions for 6,000 additional vulnerable households ([Tozier de la Poterie 2021](#) ). This is indicative of the growing coordination and trust around early actions that is building between humanitarian actors in the country. Furthermore, the Bangladesh Red Crescent Society improved local coordination for early warnings and actions, shifting coordination from the national level to engaging with all key stakeholders – including the government, non-governmental organizations (NGOs), international NGOs and United Nations organizations – in both localized and high-level arenas.

Community members living in areas about to be hit by Cyclone Amphan receive support from the Bangladesh Red Crescent Society.  
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## Ecuador

<b>Hazard</b>	<b>Volcanic ashfall</b>
<b>Trigger</b>	<ul style="list-style-type: none"> <li>● Volcanic unrest (weeks of lead time)</li> <li>● An increase in volcanic activity (seven-day lead time)</li> <li>● Eruption and ashfall forecast (hours to activate, three days to carry out all early actions)</li> </ul>
<b>Activation</b>	20 September 2020
<b>Amount released</b>	246,586 Swiss francs (270,825 US dollars / 228,585 euros)
<b>Disaster-impacted households targeted / assisted</b>	1,000 households (5,000 people) / 1,000 households
<b>Early actions</b>	<ul style="list-style-type: none"> <li>● Distribution of health kits, including N95 masks (a respiratory protective device) and protective eyewear</li> <li>● Distribution of livelihood kits, including tarpaulins and tools to protect livestock and crops</li> <li>● Cash transfers of 200 US dollars (169 euros)</li> </ul>

**“FbA by the DREF cash assistance allowed people to choose the early action they needed most – [and] with dignity and flexibility.”**

– Afroza Haque, senior project officer, German Red Cross

*The Ecuadorian Red Cross activates its EAP for Volcanic Ashfall.  
© Fernanda Ayala, Ecuadorian Red Cross*



## Achievements

The eruption of Sangay volcano spewed ash up to 12.2km into the atmosphere and across several provinces ([Volcano Discovery 2020](#)). This affected agriculture and livestock, contaminated drinking water sources, and caused concern that the depleted air quality would compound respiratory problems related to Covid-19. Within hours of the eruption, and with up to 30mm of ash forecast to fall in some areas, the Ecuadorian Red Cross became the first to activate an EAP for Volcanic Ashfall under FbA by the DREF ([IFRC 2020b](#)). These efforts focused on the Chimborazo region ([Monzon 2020](#)).

The team managed to successfully complete all the agreed early actions, while also following the Covid-19 protocols set out by the Ecuadorian Red Cross. However, some lessons emerged from this activation, which included:


- the need for more time to conduct training in financial literacy for small groups (e.g., in the use of ATMs<sup>4</sup> for cash transfers)
- fewer volunteers being mobilized to take part, due to fears of Covid-19
- the need for increased personnel on the ground, for example to assist in maintaining social distancing, and to explain distribution and Covid-19 protocols.

Prior to this eruption, the forecast-based financing team in the country had worked closely with the Geophysical Institute in Ecuador. Together, they created and trained a network of citizen observers over several months and installed 151 ash meters. These on-the-ground observers proved invaluable when Covid-19 restricted people's movements in the country. Using the ash meters, they were able to report back ashfall measurements and other data critical to informing the activation and improving forecasts for ashfall. This was exceptionally helpful in the case of the Sangay eruption, which is in a remote region where there is a lack of ground-based measuring instruments.


**“Trying to do Covid-19 and the activation within three days was new to us, and it caused a lot of adrenaline and stress in the field. We are proud of what we pulled off. People felt supported by the Red Cross and very thankful.”**

– Fernanda Ayala, geographic information systems specialist,  
Ecuadorian Red Cross

<sup>4</sup> An automated teller machine, commonly known as a cash machine.


For more information about anticipatory action, please visit the **Anticipation Hub**. 


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