



FORECAST-BASED FINANCING AND DISASTER DISPLACEMENT: ACTING EARLY TO REDUCE THE HUMANITARIAN IMPACTS OF DISPLACEMENT

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OVERVIEW

This issue brief addresses opportunities and challenges associated with utilizing forecast-based financing (FbF) to support anticipatory humanitarian action in the context of disaster displacement. It includes recommendations to governments, UN agencies, NGOs, the IFRC and National Red Cross and Red Crescent Societies, civil society and donors, as well as community-based stakeholders, on how FbF can reduce risks and address the humanitarian impacts of disaster displacement.

Cover photo:

Farmworkers on the Philippine island of Catanduanes [protectively harvesting abaca trees](#) with German forecast-based financing support ahead of Typhoon Kammuri, ensuring some income after the storm

SECTION I: INTRODUCTION

Displacement due to disasters, including the adverse effects of climate change, is one of the greatest humanitarian challenges of the 21st century.¹

The importance of addressing disaster displacement has been increasingly recognized in a range of legal and policy frameworks at the national,² regional³ and global⁴ levels. These emphasize the need for an integrated and cross-sectoral approach, spanning disaster risk reduction (DRR), climate change adaptation, humanitarian assistance, human rights and refugee protection, and development initiatives.

As part of this cross-sectoral approach, there has been increasing interest in the role of anticipatory humanitarian action in the context of disaster displacement. For example, the UNFCCC task force on displacement⁵ recently called on states to:

“Strengthen preparedness, including early warning systems, contingency planning, evacuation planning and resilience-building strategies and plans, and develop innovative approaches, such as forecast-based financing, to avert, minimize and address displacement related to the adverse impacts of climate change.”⁶

1 The Nansen Initiative, Agenda for the Protection of Cross-Border Displaced Persons in the Context of Disasters and Climate Change, 2015.

2 For example, Bangladesh National Strategy on the Management of Disaster and Climate Induced Internal Displacement (2015); Vanuatu National Policy on Climate Change and Disaster-Induced Displacement (2018); Fiji Planned Relocation Guidelines (2018) and Fiji Displacement Guidelines in the Context of Climate Change and Disasters (2019).

3 For example, The Framework for Resilient Development in the Pacific (2017).

4 Disaster displacement has been addressed, for example, in the [Sendai Framework for Disaster Risk Reduction 2015-2030](#), the [2030 Agenda for Humanity](#), the [2030 Agenda for Sustainable Development](#), the [United Nations Framework Convention on Climate Change's](#) (UNFCCC) 2015 Paris Agreement that established the [Task Force on Displacement](#) (TFD), the [Global Compact for Safe, Orderly and Regular Migration](#) (GCM) and the [Global Compact on Refugees](#) (GCR).

5 The Conference of the Parties (COP), at its 21st session in Paris, established the Task Force on Displacement to develop recommendations for integrated approaches to avert, minimize and address displacement related to the adverse impacts of climate change. (Decision 1/CP.21).

6 This paragraph is included in a set of recommendations by the Task Force on Displacement, which were adopted by the COP at its 24th session (2018). The full set of recommendations are available at: <https://unfccc.int/sites/default/files/resource/10a1.pdf>.

This brief outlines the existing and potential links between forecast-based financing (FbF) and disaster displacement. It concludes with practical recommendations on how FbF can be adapted to further reduce the humanitarian impacts of disaster displacement.

WHAT IS DISASTER DISPLACEMENT?

Disaster displacement refers to

“situations where people are forced to leave their homes or places of habitual residence as a result of a disaster or in order to avoid the impact of an immediate and foreseeable natural hazard”;⁷

it varies across countries, communities and regions.

Disaster displacement also depends on the context of the natural hazard involved – sudden or slow-onset, weather-related or geophysical. It can take the form of short-term evacuation (hours or days) or be much more protracted.

People displaced by disasters may move to evacuation centres, temporary or makeshift settlements, the houses of relatives and host communities, or elsewhere. The humanitarian impacts of disaster displacement also vary widely: needs range from emergency shelter, food, clean water, health care, psychosocial support and protection to longer-term support to recover and rebuild lives and livelihoods. Disaster displacement exists across urban and rural settings, and within and across borders.

Although there is a clear diversity of contexts and impacts connected to disaster displacement, it is also important to recognize that the vast majority of recorded displacement is within national borders (internal displacement) and in the context of sudden-onset extreme weather. The latest data shows that on average at least 22 million people per year are newly displaced by disasters, with more than 70 per cent by extreme weather.⁸

⁷ The Nansen Initiative, Agenda for the Protection of Cross-Border Displaced Persons in the Context of Disasters and Climate Change, 2015.

⁸ IDMC Global Internal Displacement Database, 2019.

The majority of internal disaster displacement is also short-term (with many recorded displacements in the context of pre-emptive evacuations); however, there are at least 5 million people in situations of protracted disaster displacement.⁹

WHAT IS FORECAST-BASED FINANCING?

Globally, there is increasing interest and investment in anticipatory humanitarian action – in other words, humanitarian action that takes place before a disaster strikes. Mechanisms to implement anticipatory humanitarian actions are already established or under development in more than 60 countries around the world.

FbF is a specific mechanism to support anticipatory humanitarian action. It works by releasing pre-approved funds for humanitarian actions agreed in advance, based on scientific forecasts and risk analysis. For early actions to be performed quickly and efficiently before disasters hit, FbF automatically allocates funds when a specific forecast threshold is reached. The key to this is the early action protocol (EAP), which defines the most important tasks and responsibilities – including the specific forecast triggers, humanitarian early actions and funding allocation. EAPs have been developed and approved for cyclones, floods, cold waves, extreme winter conditions, and volcanic ashfall; others are under development for drought and heatwaves.

At present, the majority of EAPs have been developed for sudden-onset disasters and at the national level. However, a smaller number of anticipatory humanitarian action approaches have been developed or are under development for slow-onset¹⁰ and geophysical hazards,¹¹ and at the regional level.¹²

9 IDMC, Global Report on Internal Displacement, 2020.

10 See, IFRC Mongolia: Dzud - Early Action Protocol Summary (June 2019).

11 See, IFRC Ecuador: Volcanic Ashfall Early Action Protocol Summary (April 2019).

12 For regional approaches, see for example Mairi Dupar, Emily Wilkinson, Blandine Arvis and Janot Mendler de Suarez, Strengthening forecast-based early action in the Caribbean: Recommendations for the Eastern Caribbean (2019).

SECTION II: FBF AND DISASTER DISPLACEMENT – OPPORTUNITIES TO REDUCE HUMANITARIAN IMPACTS

In supporting anticipatory humanitarian action, FbF is an important approach to reducing the risks and humanitarian impacts associated with disaster displacement. This section of the brief looks at contexts where FbF is already incorporating disaster displacement considerations; these examples provide important opportunities for further analysis and possible enhanced implementation, framed in line with the phases of displacement, including:

1. Analysis of displacement risks
2. Protection against arbitrary displacement
3. Preparedness and response to displacement
4. Durable solutions for displaced communities.

1. ANALYSIS OF DISPLACEMENT RISKS

An important starting point in reducing the humanitarian impacts of disaster displacement is an assessment of the context-specific factors that prompt it, and the identification of who or what would be particularly at risk should displacement occur.¹³ Communities at high risk from displacement include those who are already marginalized or face discrimination and exclusion, and those in informal settlements and with insecure tenure, as well as migrants, refugees and those displaced within and across borders by conflict and disaster.

The process of developing early action protocols is designed to identify context-specific impacts of hazards, as well as the most at-risk people among communities likely to be impacted. As early as the feasibility assessment for an EAP, the FbF manual recommends that an analysis is undertaken of “displacement and

migration insecurity”¹⁴ as a negative impact of historical hazards. It also recommends assessing risk variations across different geographic areas and demographics, assessing existing historical data, and assessing the capacities of relevant national institutions.¹⁵

In the process of developing EAPs, contextual factors relevant to disaster displacement have already been identified. In the context of cyclones in Bangladesh, for example, the EAP was based on an exposure and vulnerability map that estimated the percentage of houses that could be at risk of destruction in a particular area. Areas with more than 25 per cent of all houses at risk of being destroyed were placed on a priority list, and then ranked further according to a vulnerability index.¹⁶

2. PROTECTION AGAINST ARBITRARY DISPLACEMENT

A central principle in the approach to displacement is supporting people to stay in their homes, as long as their safety, physical integrity and dignity are not jeopardized and staying is in accordance with their wishes.¹⁷ This is often referred to as protection against arbitrary displacement. The UN Guiding Principles on Internal Displacement specifically recognize the prohibition against arbitrary displacement in the context of disasters “unless the safety and health of those affected requires their evacuation”.¹⁸

In the context of disasters, initiatives to protect people from arbitrary displacement may take the form of longer-term investment in disaster risk reduction, resilience-building initiatives and climate change adaptation. This may also take the form of “building back better” initiatives in the aftermath and recovery phase of disaster response. However, it is important to recognize that the risk of arbitrary displacement exists within a context of not only vulnerability and exposure, but also urbanization, population growth, development, governance and in many cases politics, discrimination and marginalization.

Disaster displacement can be a secondary impact from primary impacts such as damaged or destroyed housing, loss of land or livelihoods, food insecurity and/or disruption to essential services and infrastructure. Although FbF focuses on the

14 FbF Practitioners Manual, 2020.

15 FbF Practitioners Manual, 2020.

16 IFRC Bangladesh Cyclone Early Action Protocol Summary (2019).

17 For the International Red Cross and Red Crescent Movement, the protection of people against arbitrary displacement and the reduction of the risk of displacement caused by natural and man-made hazards is recognised as the “primary goal” in the 2009 Movement Policy on Internal Displacement.

18 See for example the Guiding Principles on Internal Displacement, “The prohibition of arbitrary displacement includes displacement: (d) In cases of disasters, unless the safety and health of those affected requires their evacuation”. IFRC Philippines Typhoon Early Action Protocol Summary (2020).

preparedness and response phase rather than on longer term DRR and resilience-building measures, a number of FbF initiatives address some of these primary impacts, which can intentionally or inadvertently also protect against arbitrary displacement. For example:

- In the Philippines, in the context of typhoons, early humanitarian actions supported by FbF include strengthening and protecting shelters and housing.¹⁹ The EAP also identifies the need to strengthen livelihoods and minimize the loss of income in advance of typhoons. Identified early actions include the early harvesting of matured crops and the evacuation of livestock and assets. These actions are designed to minimize the loss of livelihoods as well as to motivate the community to leave areas at risk of flooding or landslide. Cash for work is also considered in the Philippine EAP to mobilize local workers to implement these early actions, and to provide temporary employment for vulnerable farmers and fisherfolk.²⁰
- In Mongolia, in the context of severe winter (*dzud*), early humanitarian actions are designed to protect livelihoods through reducing livestock mortality. The early actions include distribution of livestock nutrition kits as well as unconditional cash transfer, which could be used for hay and fodder or medicine.²¹
- In Mozambique, in the context of cyclones, anticipatory humanitarian actions include strengthening houses and shelters as well as reinforcing education infrastructure. This includes supplying essential tools and basic materials for communities to strengthen the most at risk houses and schools.²²



FbF operation by Mongolian Red Cross for extreme-winter conditions 2017-18: animal welfare kits

19 IFRC Philippines Typhoon Early Action Protocol Summary (2020).

20 IFRC Philippines Typhoon Early Action Protocol Summary (2020).

21 IFRC Mongolia Dzud Early Action Protocol Summary (2019).

22 IFRC Mozambique Early Action Protocol Summary (2019).

3. PREPAREDNESS AND RESPONSE TO DISPLACEMENT

Where the risk of arbitrary disaster displacement cannot be further mitigated – or indeed where displacement in the form of evacuation is required to protect health and safety of communities – then disaster preparedness and response is critical to reducing humanitarian impacts.

The Sendai Framework on DRR, emphasises the importance of “regular disaster preparedness, response and recovery exercises, including evacuation drills, training and the establishment of area-based support systems to ensure rapid and effective responses to displacement, including access to safe shelter, essential food and non-food relief supplies, as appropriate to local needs”.²³

Disaster preparedness initiatives in the context of disaster displacement may also include identification of adequate, accessible, and safe evacuation sites to promote risk knowledge and timely early warnings. These initiatives can be complemented with practical advice to reduce displacement-related risks, such as the need to carry legal documents, secure productive assets left behind, and bring essential medication.²⁴

In certain contexts, disaster preparedness initiatives should also consider potential cross-border displacement, including cooperation with neighbouring countries based on relevant legal and policy frameworks, including humanitarian protection, human rights, refugee and other frameworks. The Sendai Framework, for example, highlights the need to “promote transboundary cooperation to enable policy and planning...to build resilience and reduce disaster risk, including... displacement risk”.²⁵

During the response phase, it is essential that all displaced communities are able to access assistance, protection, and basic services, including those at risk of discrimination, marginalization or exclusion.²⁶ This includes displaced communities outside of formal evacuation and camp settings, including people in informal settings, those staying with host communities and those who leave the geographic region of the disaster. The location of displacement can prompt specific considerations, including, for example, urban areas that experience overcrowding or overwhelmed services, facilities and infrastructure that affect displaced and host communities alike. This can negatively affect social cohesion and create tensions. In both rural and urban areas, especially in informal

23 Sendai Framework for Disaster Risk Reduction, 2015-2030.

24 Words into Action: Disaster Displacement, How to Reduce Risk, Address Impacts, and Strengthen Resilience, 2019.

25 Sendai Framework for Disaster Risk Reduction, 2015-2030.

26 See for example the IASC Operational Guidelines on the Protection of Persons in Situations of Natural Disasters (2011).

settlements, a pre-existing lack of services and facilities also needs to be considered in preparedness and humanitarian response to displacement.

Displaced people without identification and other relevant documents should not be excluded from assistance and should be supported to recover lost documents.²⁷ Assistance and protection should take specific needs for displaced communities into account, including resolving housing, land and property issues.

FbF supports a number of anticipatory humanitarian actions relevant to preparedness and response to disaster displacement. For example:

- In Mozambique, in the context of cyclones, anticipatory humanitarian actions include mapping and training volunteers in first aid and shelter and settlements, the creation of community working groups, and memorandums of understanding with community radio.²⁸
- In Bangladesh, in the context of cyclones, early humanitarian actions include the evacuation and transportation of people with their moveable assets and livestock to shelters. Early actions also include the distribution of food and drinking water, the installation of artificial light, and first aid in evacuation centres. The early actions are aimed at providing support to people who are evacuated, protecting livelihoods, and incentivizing evacuation. This approach is based on a survey of impacts and community consultations in which community members stated that a lack of transportation to, and food and water in, cyclone shelters would deter them from evacuating.²⁹
- In Bangladesh, in the context of floods, early humanitarian actions include dissemination of awareness raising messages on evacuation.³⁰

²⁷ Words into Action: Disaster Displacement, How to Reduce Risk, Address Impacts, and Strengthen Resilience, 2019.

²⁸ IFRC Mozambique Early Action Protocol Summary (2019).

²⁹ IFRC Bangladesh: Floods Early Action Protocol Summary (2020).

³⁰ IFRC Bangladesh: Floods Early Action Protocol Summary (2020).

FbF AND DISASTER DISPLACEMENT IN THE ERA OF THE COVID-19 PANDEMIC

In advance of Tropical Cyclone Amphan, the Bangladesh Red Crescent Society worked closely with the Cyclone Preparedness Programme and local authorities to adjust early actions under FbF to reflect concerns related to Covid-19, including:

- Personal protective equipment to protect communities, volunteers and staff against Covid-19 was distributed;
- The capacity of cyclone shelters was increased by making alternative spaces such as schools and government buildings available, to allow for social distancing;
- Additional hygiene items for hand sanitation were provided at the cyclone shelters;
- Covid-19 risk communication and health promotion for evacuees was distributed;
- Additional cleaning and disinfection of cyclone shelters was prioritized.

4. DURABLE SOLUTIONS FOR DISPLACED COMMUNITIES

Durable solutions, whether return, local integration or settlement elsewhere, are achieved when displaced communities “no longer have any specific assistance and protection needs linked to this displacement, and can enjoy their human rights without discrimination on account of their displacement”.³¹ For all communities who are displaced, it is essential that steps should be taken to move towards a durable solution as quickly as circumstances allow. Understanding and action to support durable solutions can be taken even prior to displacement occurring, as part of preparedness activities, for example.

Barriers to durable solutions, and the potential for protracted displacement should be identified early in the process of risk analysis. Situations of protracted displacement can have critical impacts on displaced and host communities, including when related to services, shelter, livelihoods, protection, education and mental health.

There are limited examples of FbF supporting displaced communities to achieve durable solutions. However, early humanitarian actions in the Philippines and Mozambique to strengthen shelter and schools prior to cyclones could have an

impact not only in protecting against arbitrary displacement, but where displacement does occur they could minimize damage and facilitate faster return and recovery. In the Philippines EAP, such initiatives are specifically designed to promote a faster return to normality.

The FbF team in Beira, Mozambique [advise residents](#) the day before Cyclone Idai hit



CONCLUSIONS AND RECOMMENDATIONS

FbF is already supporting a number of anticipatory humanitarian actions in the context of disaster displacement. However, it is clear that more could be done. The following recommendations are designed to inspire practical action to enhance FbF in addressing humanitarian risks amid displacement. In line with Section II, these recommendations are framed across the phases of disaster displacement.

For all recommendations, it is essential at the outset to recognize that FbF needs to be part of a broader integrated and holistic approach to addressing disaster displacement. FbF should complement broader resilience-building measures, and address the various causes of disaster displacement.

ANALYSIS OF DISPLACEMENT RISKS

FbF has a strong emphasis on risk and impact analysis with specific guidance on assessing displacement and migration insecurity as a negative impact of historical hazards. However, it is recommended that such risk analysis could go further to integrate displacement through:

- Acknowledging that an absence of information and data on displacement does not mean there are no risks. Such an absence can be influenced by the more general lack of recognition of displacement considerations, including assessments and data, in disaster risk management.³² More specifically, the absence of information or data on cross-border displacement could be due to such movements taking place outside of formal channels – for example, people moving as undocumented or irregular migrants, rather than indicating that such movements are not occurring. Communities may not feel comfortable discussing cross-border displacement, and in many cases there would be no official records.

³² For example, “while displacement is taken as a given in conflict situations, many actors engaged in disaster risk management and response may not recognize disaster displacement as a phenomenon. Displacement, protection and human rights considerations are not yet comprehensively mainstreamed in disaster risk reduction laws and policies...many disaster response actors fail to consider the specific needs and risks people may face due to displacement”, Platform on Disaster Displacement, Internal Displacement in the Context of Disaster and the Adverse Effects of Climate Change, Submission to the High-Level Panel on Internal Displacement by the Envoy of the Chair of the Platform on Disaster Displacement (2020).

- In assessing the risks associated with displacement, the perspectives of people who have previously been displaced should inform the development of early humanitarian actions. The risk and impact analysis for FbF should also seek out and include the perspectives and needs of those communities at higher risk of arbitrary displacement in future disasters – for example those with insecure tenure, including those in informal and marginal settlements, as well as (undocumented) migrants, refugees and people already displaced by conflict or disasters.

PROTECTION AGAINST ARBITRARY DISPLACEMENT

Supporting people to remain in their homes in safety and dignity is the primary aim in any approach to displacement. Many initiatives to protect against arbitrary displacement will fall outside of the scope of FbF – including longer-term resilience building, DRR and climate change adaptation.

However, FbF is addressing risks that have not been managed as part of these longer-term processes and specifically during the window between a forecast and a potential disaster. Examples include early actions to strengthen shelters and protect livelihoods, and education that may forestall displacement. It is recommended that these initiatives continue, and where possible are enhanced using risk and impact analysis.

PREPAREDNESS AND RESPONSE TO DISPLACEMENT

In many ways, the core of FbF is disaster preparedness. Recommendations for strengthening FbF to reduce humanitarian impacts for displaced communities during the preparedness and response phases include:

- The existing examples of promoting risk knowledge and awareness of early warning mechanisms should be promoted across more FbF initiatives. Initiatives to enhance the knowledge of risk can also include practical advice for communities in the context of displacement, including carrying relevant documents, securing productive assets, and bringing essential medicines.
- Evacuation centres need to be safe, dignified places, accessible to all – including communities who may face marginalization and discrimination, including migrants and refugees. When such conditions exist, this can promote safe evacuation, and in turn the protection of lives and livelihoods. Although there are some early humanitarian actions that address conditions in evacuation centres, including the provision of water, food, lighting and first aid, they could be further strengthened with a focus on safety, dignity, protection and inclusion for the most at risk.

- Beyond evacuation centres and other formal displacement sites, FbF initiatives could increasingly support actions for people who are displaced to other locations, including host communities, informal displacement sites, and others beyond the area of the disaster altogether.

DURABLE SOLUTIONS

Many initiatives to support durable solutions for communities displaced by disasters will be outside of the scope of FbF. However, a strong analysis of the factors that influence prolonged displacement, including specific barriers to durable solutions, should form an important part of the risk and impact analysis phase. These can include, for example, permanent loss of land as a result of specific hazards such as erosion of river banks, or post-disaster land grabs. Where it is not possible for FbF to address these factors, cooperation, partnerships and dialogue with actors who could contribute to durable solutions should be encouraged.

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