

The anticipatory action financing landscape: five theses to advance the agenda

Introduction: five theses to start a discussion

Humanitarian funding fell sharply in 2025, yet recorded pre-arranged financing for anticipatory action continued to grow. At first glance, this looks like a success story. But does it signal a resilient financing structure for anticipatory action, or one still drawing on commitments made before the cuts?

The challenge is no longer simply to increase the volume of anticipatory action financing. Rather, it is to ensure that resources can sustain operational readiness, reach those best placed to act and remain available as humanitarian budgets contract. This requires changes in who finances anticipatory action, how resources are allocated, which instruments can release funds before a hazard's impact is felt, and what evidence informs those decisions.

Drawing on three years of data and analysis of the roles of the major actors financing anticipatory action, this think piece puts forward five theses for debate:

1. Raising pooled-fund allocation targets is the fastest way to increase financing for anticipatory action – but sustained growth requires additional funding from a broader donor base.
2. The increasing institutionalization of anticipatory action does not mean donors can withdraw; it means sharing financing responsibilities differently.
3. Anticipatory action does not need more financing instruments: it needs existing climate and development finance to work differently.
4. Insurance can stretch anticipatory action funding, but it is not 'free' money. Whether it brings additional funding depends on who pays the premium.
5. We do not just need more evidence that anticipatory action works: we need evidence that unlocks funding.



Resilient in the short-term, but exposed in the medium term

For humanitarian actors, 2025 was a bad year on the funding side, and a worse one for the people they are meant to assist. About 300 million people needed assistance by the end of the year, and international humanitarian assistance fell by 20 per cent, to 33.3 billion US dollars. The United States cut its funding from 13.5 billion US dollars to 6.1 billion, and paid nothing into the United Nations Central Emergency Response Fund (CERF) or the Country-based Pooled Funds (CBPFs), both of which are managed by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). Germany's contribution reduced from 2.3 billion US dollars to 1.5 billion, and it dropped from the second-largest humanitarian donor in 2024 to the seventh in 2025. The CERF's funding income fell by 24 per cent, from 576 million US dollars to 436 million. Germany, the United Kingdom and Sweden, which had provided 43 per cent of that income in 2024, provided 32 per cent in 2025¹. These reductions created a much tighter financing environment for humanitarian action.

¹ Data taken from: CERF Annual Results Reports 2024 and 2025 (cerf.un.org); CBPF data hub (cbpf.data.unocha.org). Exact shares are 42.5 and 32.3 per cent; the United States gave 279 million US dollars to the CERF and 41.5 million US dollars to the CBPFs in 2024. The CERF's 10 per cent commitment: OCHA (2025).

Recorded financing for anticipatory action moved in the opposite direction, however. Between 2024 and 2025, reported activations increased from 124 to 146, active frameworks from 154 to 262, and pre-arranged framework funding from 248 million US dollars to 292 million. The CERF's reported pre-arranged portfolio for anticipatory action grew by 12 per cent, to 137.7 million US dollars across 26 frameworks. Recorded pre-arranged framework funding was equivalent to approximately 1 per cent of annual international humanitarian assistance, compared with around 0.7 per cent previously. Reported disbursements for anticipatory action remained equivalent to approximately 0.3 per cent².

Three explanations may help account for this divergence. First, the largest parts of the cuts to humanitarian funding were not going to anticipatory action in the first place. The United States accounts for most of the 8 billion US dollars fall, and it had no strong anticipatory funding footprint. For example, it did not contribute to the CERF or the CBPFs in 2025 and appears in the Anticipation Hub's data as the funder of just one activation, (350,000 US dollars in Mozambique).

Second, the donors that do fund anticipatory action kept their pledges and earmarks in place while cutting elsewhere. Anticipatory action is a small share of their budgets, so protecting it costs comparatively little in absolute terms, and it is protected by percentages: Germany's 5 per cent pledge and the CERF's 10 per cent commitment maintain the relative share, even as the total amounts decline.

Third – and arguably the most important explanation – pre-arranged funding for anticipatory action is a stock, not an annual, flow. Funding committed to a framework is released only when a trigger is reached, typically once in three to five years, so commitments accumulate across years and the stock grows as long as new commitments exceed activation releases. The CERF committed about 44 million US dollars in 2025 (10 per cent of 436 million US dollars) against 37.9 million US dollars released, so its portfolio grew even as its income fell by a quarter. The stock changes through new commitments, releases, renewals, cancellations and other adjustments.

However, this does not mean, anticipatory action financing is immune from budget cuts. The cuts will show when frameworks come up for renewal and when the pledged percentages are applied to the smaller humanitarian donor budgets. The picture is thus one of comparative short-term resilience, but considerable medium-term exposure. Growing pre-arranged totals alone cannot tell us whether frameworks will still have the resources to remain operational and activate several years from now

Anticipatory action finance is provided by a limited donor base

Anticipatory action remains heavily dependent on humanitarian financing, and on a comparatively narrow set of contributing donors. Reliable cross-donor data are incomplete but, among the four donors reporting both build and fuel funding (see Box 1) under the Grand Bargain process in 2024 – the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO), Germany, Sweden and the United Kingdom – Germany accounted for 58 per cent of the reported build and fuel funding, and 69 per cent of fuel funding alone (Anticipation Hub 2026)³.

This shows concentration within that reporting group, but other data also point to a strong dependency on German humanitarian funding. Preliminary data for 2025⁴, which incorporates data from the CERF, CBPFs and the International Federation of Red Cross and Red Crescent Societies' Disaster Response Emergency Fund (IFRC-DREF), gives a broader picture of who finances anticipatory action than the 2024 reporting exercise⁵. More contributors are captured, but the available data continue to indicate a dependence on a small group of European donors.

Germany is currently the largest single donor of fuel funding, with approximately 43.8 million US dollars, or about 20 per cent of the recorded total (as of October 2026)⁶. In absolute terms, however, recorded German fuel funding fell by 44 per cent, from 94.9 million US dollars to 43.3 million. The Netherlands provided approximately 28 million US dollars (13 per cent), the United Kingdom 24.7 million US dollars (12 per cent), and DG ECHO 14.71 million US dollars (8 per cent). Sweden gained weight in both build and fuel funding, nearly doubling its anticipatory action financing (17.6 million). Other contributors, including philanthropic and private sources, accounted for 87.9 million (30 per cent).

² ALNAP (2026) (assistance, United States, Germany, people in need; anticipatory action 334 million US dollars available, 1 per cent, and 120 million US dollars disbursed, 0.3 per cent). Donor ranks: OCHA Financial Tracking Service, 2024 and 2025 (fts.unocha.org).

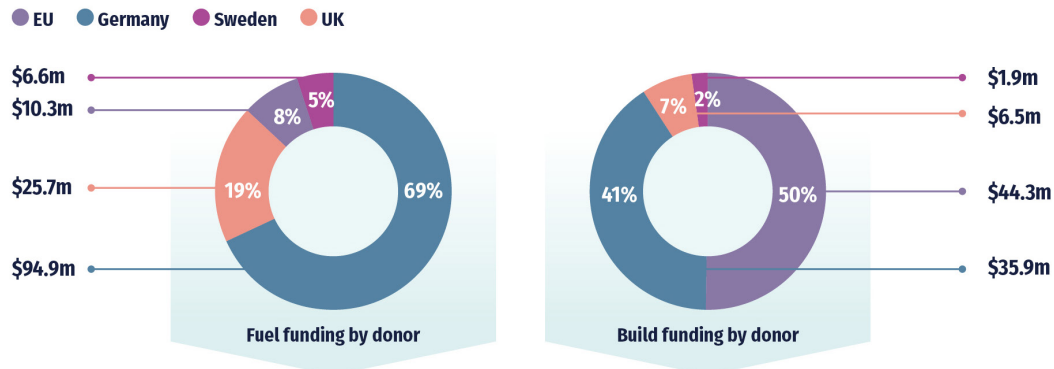
³ This demonstrates concentration within that reporting group, rather than Germany's share of all global financing for anticipatory action. Contributions from other donors, including through unearmarked funding, are not captured with sufficient consistency to establish a complete global distribution. Yet, it is notably that Germany was the largest donor to the CERF in 2024 and to the CBPFs over 2020 to 2024; it is also the largest government contributor to Start Network.#

⁴ The analysis uses preliminary data available as of 13 October 2026. Figures remain subject to revision; the final dataset will be available in May 2027.

⁵ These data therefore provide a fuller account of contributors, rather than establishing that the donor base has diversified.

⁶ The fall in Germany's share from 69 per cent mainly reflects this broader coverage and cannot be read as a decline in Germany's relevance.

Figure 1. Fuel and build funding of the four donors that reported under the Grand Bargain, 2024



Source: Anticipation Hub (2026). Figures are in million US dollars; percentage share is for each funding type

Box 1. Build and fuel funding

Funding for anticipatory action is typically distinguished between ‘build funding’ and ‘fuel funding’. Build funding directly supports the enabling and establishment of inclusive anticipatory action frameworks/systems. It typically includes funding for the development of frameworks (e.g., to improve forecasts and underlying data, develop triggers/decision-making frameworks, training and simulations to practice the implementation of actions), the integration of anticipatory action into institutional structures, and monitoring, evaluation and knowledge exchange.

Fuel funding is funding available for release when a specific trigger threshold is reached, which is then used to support the actions to be implemented before a hazardous event occurs, or before its most acute impacts are felt.

The dependency on a small donor base, especially Germany, makes this financing subject to changing political priorities. Germany's 2021 commitment to allocate at least 5 per cent of its humanitarian budget to anticipatory action, which the Grand Bargain Caucus adopted in 2024 as a system-wide aspiration, does not change that. It is expressed as a percentage, so the amount it commits falls when the budget falls, as evidenced by the preliminary data for 2025. A 2026 evaluation of the German Federal Foreign Office's (GFFO) programme recommended to increase the share to over 10 per cent to offset the cuts (GPPI 2026). Yet, any proposal to reserve a fixed percentage of humanitarian budgets for anticipatory action has the same weakness: a percentage protects anticipatory action from being cut more than the rest, but not from being cut. The alternative is a commitment in absolute amounts. Political realities, however, may make the former the best we can hope for at the moment.

Donors also play different roles. In recent years, Germany has increasingly emphasized fuel financing, following earlier investments

in building anticipatory action systems – yet the funding cuts in 2025 led primarily to a sharp fall in its fuel funding. It remains to be seen if this is a strategic decision or an operational consequence, as build funding often flows through multi-year projects while fuel funding is often single-year contributions. The former is therefore more resistant to one-off or short-term fluctuations in the funding base, while the latter immediately pass down changes.

DG ECHO's portfolio has been more oriented towards framework development, building institutional capacities and coordination, in part because annual budgeting and eligibility rules constrain its capacity to commit to uncertain future activations. Yet, its fuel funding share substantially increased in 2025, indicating that it is providing more of the fuel funding needed for the frameworks it has helped to build over recent years.

These roles can be complementary, but they are not systematically coordinated to meet the full costs of anticipatory action. The limited data on build funding points towards an even higher concentration of the small donor base for build funding, primarily being provided by Germany and DG ECHO. This carries a high risk that changes in the funding base, or in the willingness of these two donors to fund the building of systems, could threaten the foundation on which fuel funding is based.

Overall, the resulting build-fuel ratio is shaped by individual donor priorities and rules; no one ensures that it meets the needs of the anticipatory action system as a whole. The reporting gap makes that imbalance harder to address. The Anticipation Hub tracks pre-arranged financing and activation disbursements annually, but reporting on build and readiness financing remains limited. Four donors now report build funding under the Grand Bargain commitment, while other contributions remain less visible. The preliminary 2025 donor data are a step towards closing this information gap. However, without a dedicated Organisation for Economic Co-operation and Development Development Assistance Committee marker, the wider financing picture continues to depend heavily on voluntary reporting. We know more about the money available to activate frameworks than about the investment needed, and provided, to keep them ready.

Anticipatory action finance is dominated by global pooled funds and characterized by unequal access

Pooled funds are the backbone of anticipatory action financing. They administered approximately 99 per cent of the recorded pre-arranged funding in 2024, and 94 per cent in 2025. They also disbursed 92 per cent of fuel funding in 2024 and 70 per cent in 2025⁷, with the decline in the share in 2025 largely reflecting a reporting change rather than a shift in the underlying financing structure⁸. These mechanisms include: inter-agency pooled funds, such as OCHA's CERF and CBPFs; agency-managed financing mechanisms, such as the Food and Agriculture Organization of the United Nations' (FAO) Special Fund for Emergency and Rehabilitation Activities and the World Food Programme's (WFP) Trust Fund; and movement or network mechanisms, such as the IFRC-DREF, Start Network's Start Fund/Start Ready, and Welthungerhilfe's Anticipatory Humanitarian Action Facility (WAHAFA).

Pooled funds offer important structural advantages. First, they can support multi-year commitments. Bilateral anticipatory action projects often run for one to four years, frequently at the shorter end of this range, while most frameworks are designed to activate only every three to five years. In an ideal scenario, bilateral grants finance the development of frameworks, while activation funding is held in a pooled mechanism.

Second, pooled mechanisms can improve financial efficiency. A fund covering multiple hazards and countries does not need to hold the full reserves required for every individual framework, as simultaneous triggers across all frameworks remain unlikely. The reduced need for individual reserves also creates opportunities for risk-transfer mechanisms, such as insurance, to cover years when multiple activations exceed available funding capacity. This is what the CERF did in 2026 and Start Ready has been doing since 2025.

Pooling also comes with a political cost, however, for example when allocation decisions move further away from the operational level. While pooled mechanisms improve predictability and allow resources to be held for future triggers, decisions on who can access funding and where it is allocated are often made through global governance structures, frequently at the headquarters level. This creates a distance between those managing pooled resources and those responsible for anticipating and responding to risks on the ground.

Access is also shaped by institutional eligibility criteria: UN agencies can access the CERF, National Red Cross and Red Crescent Societies can access the IFRC-DREF, and selected non-governmental organizations (NGOs) can access mechanisms such as Start Ready or WAHAFA. Among these channels, CBPFs offer broader direct access at the country level, including for national and local NGOs. In the dataset reviewed here, however, only five CBPFs finance anticipatory action: those in Afghanistan, Nigeria, Somalia, South Sudan and Yemen. Eligibility for

funding does not automatically give local actors influence over priorities and activation decisions.

Furthermore, access to pool funding does not necessarily mean predictable for readiness funding. The CERF provides fuel funding, leaving build and readiness costs to agency budgets or other sources, including CBPFs in some countries. By contrast, the IFRC-DREF's Anticipatory Pillar covers anticipatory or early actions, stocks and readiness activities. Start Ready allocates around 17 per cent to pre-season readiness. Access to a financing mechanism therefore shapes not only how much funding a framework can secure, but also which functions it can finance. Practitioners often have to combine several sources to keep frameworks operational between activations.

The result is a fundamental tension in anticipatory action financing: the mechanisms arguably best suited to providing predictable fuel funding are often those furthest removed from operational decision-making, while mechanisms closest to affected contexts generally have more limited access to pre-arranged financing.

Figure 2 illustrates this tension, showing substantial differences in reported pre-arranged financing across organizations. In 2025, the average reported pre-arranged budget varied considerably: from 1.97 million US dollars for UN-coordinated frameworks (CERF, inter-agency pooled funds) to 0.09 million US dollars for NGO-coordinated frameworks outside Start Network. Among the 86 NGO-coordinated frameworks outside Start Network, 26 reported no pre-arranged budget, suggesting a greater reliance on ad hoc financing.

Figure 2. Active frameworks in 2025 by coordinating organization

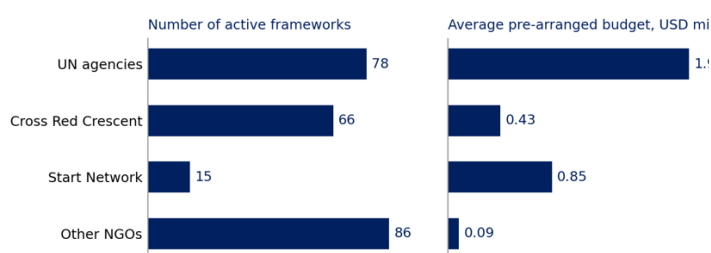


Figure 2: Figures are number of frameworks and average pre-arranged budget. Frameworks coordinated by governments are not shown.

Source: authors' calculations, from the Anticipation Hub's 2025 global dataset.

These differences likely reflect multiple factors. Some relate to scope: UN-coordinated frameworks often operate at larger scale or across broader mandates, bringing together different UN agencies and sectors. However, financing architecture and access to pooled mechanisms are also likely to be among the factors shaping which organizations can secure predictable pre-arranged resources. Of the reported pre-arranged funding, UN agencies account for 72 per cent; the DREF accounts for 13 per cent, while NGOs, including Start Network members, coordinate 101 of the 262 frameworks but account for only around one tenth of reported pre-arranged funding.

⁷ Authors' calculations, based on Anticipation Hub datasets on corrected framework totals. 'Pooled' means multi-organizational and agency-internal funds, counting headquarters' allocations not yet assigned to countries and National Society contributions pre-approved under IFRC-DREF protocols. Without the latter, this figure is 92 per cent; on country-assigned budgets alone, 94 or 88 per cent.

⁸ WFP entered its Trust Fund as the funder of 10 of its 14 activations in 2024 and named the donors behind its 17 activations in 2025, so the same funding moved from the agency-internal to the bilateral column (authors' calculations).

Governments coordinate around 15 frameworks, primarily financed through international partners; domestic government funding is reported as a financing source in only three frameworks⁹.

The build side shows a different pattern. Preliminary reporting for 2025 from DG ECHO, Germany and Sweden points to a larger share of recorded build funding reaching NGOs and the Red Cross and Red Crescent Movement than in 2024, while the share received by UN agencies is lower. NGOs are currently the largest recipient group within this reporting sample. However, additional submissions may change this distribution, and differences in reporting coverage limit comparisons between years.

These findings do not yet establish a structural shift or a deliberate change in donor strategy. Nevertheless, they raise an important financing question: is investment in these actors' capacity matched by predictable resources to maintain readiness and fuel funding? If access to fuel funding does not catch up, this investment risks building the capacity of actors who will not have the financial means to activate the frameworks that donors supported them to build, at least on a large scale. The latter is necessary if the sector wants to leave behind small-scale activations and move towards an efficient scale up of this approach.

The current financing architecture for anticipatory action may therefore reproduce some of the structural inequalities of humanitarian financing: organizations with direct links to national and local implementation do not necessarily have the same access to predictable financing mechanisms as larger international actors.

These figures only tell part of the story. For locally led anticipatory action, the relevant questions go beyond which organization coordinates a framework. Internationally administered financing can enable locally implemented action, while direct access to funding alone does not necessarily translate into local decision-making power. Understanding whether anticipatory action financing is becoming more locally led therefore requires going beyond funding recipients and distinguishing between direct access, onward transfers, decision-making authority and sustained financing for readiness.

⁹ This is discussed in more detail in the section 'Beyond humanitarian budgets'.

More frameworks – but who pays to keep them ready?

The composition of fuel funding has changed considerably between 2023 and 2025 (Table 1). The average recorded activation fell from about 2 million US dollars in 2023 to 0.8 million in 2025. On its own, this could be interpreted as more activations are competing for less funding. The underlying data suggest a more nuanced picture, though. The decline primarily reflects a change in the composition of recorded activations rather than a reduction in framework-based financing.

In 2023, 33 ad hoc activations accounted for 142.9 million US dollars, approximately 72 per cent of reported activation funding. By 2025, ad hoc activations represented around 22 per cent. The transition towards CERF-supported, OCHA-coordinated frameworks appears to have contributed to both changed financing pathways and the classification of some activations. Meanwhile, framework-based fuel funding increased from 55 million US dollars to 89 million, and average framework-based activation size remained broadly stable at around 0.85 million US dollars. This trend points to a gradual shift from large, exceptional ad hoc allocations towards more predictable framework-based financing. Whether this represents a more mature system will depend on whether these frameworks can sustain readiness, access and financing between activations. The next financing question is therefore simple: if the system becomes more framework-based, who pays for keeping those frameworks alive between activations?

Without renewal and readiness financing, investments in triggers, protocols and operational capacity risk losing their value. The reporting raises questions about this continuity. Of the 107 frameworks listed as active in 2023, 86 remained listed in 2024 and 76 in 2025; 29 per cent were no longer listed two years later. Separately, 17 per cent of frameworks listed in 2024 were absent from the 2025 dataset. These changes may reflect discontinuation, replacement, integration or reporting changes and should not be read as an attrition rate. It nevertheless makes the case for longitudinal tracking of framework continuity.

Table 1. Recorded anticipatory action activations and frameworks, 2023–2025

Indicator	2023	2024	2025
Recorded activations	98	124	146
Of which ad hoc	33	42	38
Total activation funding (US\$, million)	198.1	110.7	119.9
Ad hoc activation funding (US\$, million)	142.9	50.9	26.3
Framework-based funding (US\$, million)	55.1	59.1	88.9
Active frameworks	107	154	262
Pre-arranged framework funding (US\$, million)	179.7	248.0	292.3

Beyond humanitarian budgets: important contributions, weak connections

A recurring proposal is to treat anticipatory action finance as an ecosystem, one spanning humanitarian, domestic, climate, development and private finance. These sources can contribute in different ways. Humanitarian, domestic and private funds could provide fuel funding, while climate and development finance could support build funding; that is, provide the longer-term investments in forecasting, institutions and public systems on which effective anticipatory action depends. The data show some emerging connections, but not an established complementary financing structure.

For instance, the Green Climate Fund (GCF), the Systematic Observation Financing Facility and the Climate Risk and Early Warning Systems (CREWS) initiative, alongside a number of multilateral development banks such as the Asian Development Bank, are strengthening the build side through hydrometeorological modernization, multi-hazard early warning systems and last-mile dissemination; this is seen, for example, the Global Observatory for Early Warning Systems (UNDRR nd). Such investments can strengthen the capacity to act early. Yet almost all traceable fuel funding still comes from humanitarian budgets, with none of the climate or development instruments reviewed releasing funds at scale against forecast-based triggers. This creates a disconnect.

Climate and development partners also treat early warning systems as long-term infrastructure. Because these systems are expensive to build, investments are increasingly tied to medium- to long-term funding commitments to keep them operational. Anticipatory action frameworks are also costly to build, in funding as well as in political will and trained staff, yet humanitarian financing rarely secures their operation beyond a short-term project cycle. We argue that the same principle should apply, as our sector cannot afford to build frameworks that are never activated or discontinued shortly after their completion.

Some development programming provides possible routes towards earlier action. Shock-responsive social protection connects warning information to established transfer systems. The World Bank's Crisis Response Window-Early Response Financing offers examples of releasing resources against projected deteriorations in food security, rather than waiting for fully realized impacts. The Famine Action Mechanism and subsequent preparedness approaches for food security crises also illustrate attempts to link risk analysis to advanced financing, although their current scope and operational status require careful distinction. These are promising connections, showing practical feasibility, but not proof that development finance has taken the strategic decision to fund anticipatory action.

Domestic financing for anticipatory action remains under-recorded. The Philippines' Republic Act No. 12287, adopted in 2025, is a significant example of legislation establishing a route for using national and local disaster-risk-reduction and -management funds before impact (see Thesis 2).

Insurance is another emerging option, but it has played a limited role to date. Anticipatory insurance at the country – and hence operational – level is still small and in its pilot phase, with donors paying most of the premiums (Scherer and Shumba 2025). Pooled funds are also looking into insurance. For example, OCHA has designed an indemnity cover for the CERF's anticipatory action portfolio that pays out in years when activations exceed about 55 million US dollars; this is due to start in October 2026.

The overall challenge is one of connection. Systems may be built without reliable fuel funding and/or resources to maintain them, while pre-agreed resources may exist without reaching local actors quickly enough. The five theses set out on the following pages address the governance, financing and evidence choices needed to close these gaps.



“My funding only kicks in after they fall.”

Five theses

Thesis 1. Higher anticipatory action targets in pooled funds quickly provide more funding – but they do not fix a dependence on a few European donors.

Where contributions to pooled funds are unearmarked, raising a fund's anticipatory action target can mobilize a larger share of an existing funding envelope without requiring a separate pledge for anticipatory action from every contributor. A higher percentage of a shrinking humanitarian budget may still mean less money and, within a fixed envelope, higher allocations for anticipatory action can leave fewer resources available for other humanitarian priorities.

Higher targets will achieve little if donors reduce contributions, restrict flexibility or leave readiness costs unfunded. Equally, additional donor contributions will not necessarily expand anticipatory action unless allocation decisions support it.

Diversifying the donor base must therefore become an explicit strategic objective for donors. The preliminary 2025 data show that several donors beyond Germany already provide substantial fuel funding, but every named large donor remains European. So far, the Grand Bargain Caucus on Anticipatory Action outcome document (IASC 2024) has not translated this need into a concrete diversification strategy: which additional donors should be engaged, what would enable them to contribute and how to ensure that their investments are coordinated and complementary to existing contributions. In return, current donors should plan build and fuel funding together, so that investments in frameworks are matched by resources to maintain and activate them.

Thesis 2. Humanitarian funding remains essential where state capacity is limited; where national capacity grows, domestic, development and climate finance should assume a greater role.

The components of institutionalizing anticipatory action in government systems – policies, early warning systems, operational capacities and plans, as well as financing arrangements – rarely advance at the same pace. A country may adopt a national policy and strengthen operational arrangements without having sufficient public resources to maintain readiness or pay for activations. Conversely, strong institutions do not automatically translate into a dedicated or accessible anticipatory action budget. Legislation, such as that seen in the Philippines, creates a legal route to financing before impact; it does not by itself ensure sufficient budgets or timely implementation.

There is no single pathway from international support towards full domestic financing. Responsibilities should evolve according to fiscal space, institutional capacity, humanitarian needs, delivery arrangements and the population groups reached.

The practical proposition is to agree financing responsibilities by function, rather than by an assumed stage of institutionalization: who finances initial system development, who maintains forecasts, protocols and readiness, and who pays when a severe event exceeds normal budget capacity. Humanitarian financing will likely remain essential in fragile and conflict-affected settings; elsewhere, domestic budgets, social protection and disaster risk financing, supported by development and climate finance, may take a larger role. International support should be reduced only when alternative arrangements demonstrably sustain coverage and operational capacity, not simply when a strategy, law or framework has been approved.

In short, institutionalization should mark a transition in the financing partnership, not automatically its conclusion.

Discussion question

Which combination of donor commitments and fund allocation policies would expand anticipatory action financing, while preserving the capacity to respond to unforeseen emergencies and improving local access to financing?

Discussion question

How should international and domestic financing responsibilities evolve across contexts without creating gaps in readiness or excluding people whom public systems do not adequately reach?

Thesis 3. Early warning systems get financed for decades, but the anticipatory action frameworks that act on them only for a project cycle. Climate, development and humanitarian actors need to fix this gap jointly.

Calls for climate and development actors to finance anticipatory action have become familiar. The more difficult question is which existing instruments can pay for which functions. Building better forecasts or developing an anticipatory action framework leaves an unfinished investment if the institutions responsible lack the resources to act. When new investments are developed, national authorities, climate and development partners and humanitarian actors should agree how systems will be maintained, who will cover recurring readiness costs and who will provide fuel funding. CREWS' ambition to link its services to the development of anticipatory action frameworks offers an entry point for making these connections more explicit (CREWS 2025), while the GCF-SAP CREWS Scaling-Up Framework for Early Warning (GCF and CREWS 2023) gives the GCF a route to scale this up.

Instruments already used for crisis finance, such as early response financing, contingency funds and shock-responsive social protection, may also provide routes to earlier action, provided decisions can be made on forecast information, funds authorized before impact, and transfers delivered within the relevant lead time.

The Fund for Responding to Loss and Damage presents another avenue, if anticipatory action becomes explicitly eligible. Further, the country-led processes of the Global Shield against Climate Risks could match anticipatory action with contingency finance, insurance and social protection, if anticipatory action is considered more explicitly within them. Rather than reproducing humanitarian funding models, climate and development actors could add greatest value by financing the long-term capabilities and recurrent costs that humanitarian grants struggle to sustain, while selectively adapting their instruments to provide timely and additional activation resources where mandates and country conditions allow.

Discussion question

Which existing climate and development financing instruments can be adapted, and what specific rules and operational processes would need to change?

Thesis 4. Insurance paid from humanitarian budgets is not new money.

Insurance can help an anticipatory action financing mechanism to manage the risk of an unusually costly activation year. It lets a fund commit more of what it holds, because it no longer needs to retain the full reserve for an exceptional year. However, insurance is not 'free' money. The premium has to be paid in years without a payout, and premiums also cover administration, uncertainty and profit. Insurance therefore has a cost that must be justified by the protection and financing flexibility it provides. As long as humanitarian donors or the fund's own income pay the premium, insurance is primarily a way to make existing funding work differently.

It broadens the funding base only when premium support comes from outside the humanitarian system and is genuinely additional. Development and climate finance already support disaster-risk insurance premiums through the KfW, the African Development Bank's Africa Disaster Risk Financing Programme and the Global Shield Solutions Platform. Extending that support to anticipatory action would require explicit eligibility, evidence that payouts meet operational needs, and predictable, sustained premium commitments. Its value therefore depends on whether it meets needs more reliably than retaining reserves or arranging contingent funding. A suitable contract can help a fund maintain commitments during exceptional years; an ill-matched contract can absorb scarce resources without providing liquidity when it matters.

Discussion question

Under which conditions does insurance offer sufficient timely financing and risk-management value to justify its costs relative to other financing arrangements?

Thesis 5. Evidence that anticipatory action can work will not convince a finance ministry; the cost of its last response to a disaster might.

Global evidence has been indispensable in establishing that acting before a hazard's impact can protect lives and livelihoods. Yet evidence that an intervention is effective does not automatically generate additional funding. Budget rules, annual funding cycles and political incentives also shape funding decisions. Costs and benefits may fall on different institutions and/or budget years, and disaster response is visible, whereas losses avoided through anticipatory actions are harder to observe.

The next evidence priority, particularly for domestic public financing, is therefore nation- and decision-specific. What did the last disaster response cost the treasury and the relevant ministries? What would acting earlier have cost, including annual readiness and build costs? Which fiscal losses or public expenditures might have been realistically avoided? And what if a forecast-triggered activation occurred, but the anticipated impacts did not materialize?

Even convincing evidence of economic or humanitarian benefits may not result in funding in countries where governments lack fiscal space, or face debt obligations and competing priorities. Budget classifications and expenditure rules determine whether money can be allocated and released before a disaster. Different institutions may bear the costs and receive the benefits: a disaster management authority might finance anticipatory action, while the savings accrue to health, education or infrastructure budgets. Benefits may also materialize outside the budget year in which costs are incurred. These features shape the feasibility of financing anticipatory action, even where aggregate benefit–cost ratios are positive

Who finances the evidence – and whose questions it answers – matters. Research designed to demonstrate an agency's results may differ from analysis needed by a finance ministry deciding whether to fund readiness or authorize early expenditure. Both have value. The proposition is to direct more evaluation funding towards nationally owned analysis tied to identifiable budget and operational decisions. Evidence cannot remove fiscal constraints or competing priorities, but it can make the choices, costs and trade-offs clearer.

Evidence cannot eliminate fiscal constraints or political trade-offs. It can, however, make financing choices clearer.

Discussion question

What evidence would change a specific, nationally owned anticipatory action financing decision, and who should fund, produce and use it to secure sustained and equitable investment?

Conclusion: finance the whole system, not only the next activation

The growth of anticipatory action frameworks and pre-arranged funding demonstrates significant progress. But the developments of 2025 also expose the limits of measuring success primarily through recorded framework budgets and activation volumes. International humanitarian budgets are shrinking, the donor base remains concentrated, and the costs of keeping frameworks ready are too often left between financing instruments and institutional mandates.

There is no single instrument capable of resolving these challenges. Pooled funds can make advanced commitments more predictable, but their allocation policies must be backed by adequate contributions and equitable access. Institutionalization can establish the rules and capacities for action early, but it does not automatically generate fiscal space. Climate and development finance can sustain underlying systems and, with appropriate changes, may support readiness and earlier disbursements. Insurance can help manage exceptional demand, but only where its timing, coverage and cost fit operational needs. Evidence can guide these choices, provided it answers the questions faced by those making actual financing decisions.

The priority, therefore, is to finance the whole anticipatory action system: its initial development, recurring readiness and timely activation. This requires explicit agreements about which actors finance each function, how those responsibilities evolve, and how funds and decisions reach national and local actors. It also requires a clearer account of what existing mechanisms already provide, where gaps persist and whether frameworks remain operational after their initial funding cycle.

The question is not just how to mobilize more money for anticipatory action. It is how to build a financing architecture that keep anticipatory action possible, even when budgets tighten, forecasts are uncertain and the next crisis has not yet arrived.

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