FINANCIAL FLOW ANALYSIS

for Climate-Related Disasters in Bangladesh
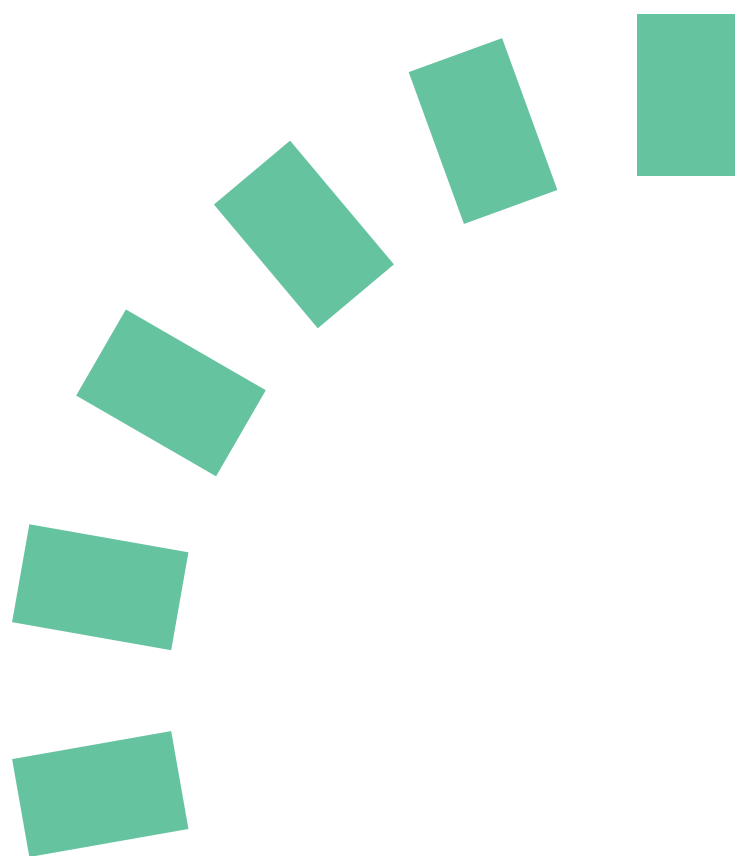
July 2021

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We are grateful for the continuous support provided by the Start Fund Bangladesh secretariat who gave us a clear idea of what was expected, whilst remaining flexible for making additional inclusions that we found appropriate for the study. We are equally thankful to Start Network and Forewarn Bangladesh teams for regularly providing constructive feedback and guiding us to ensure the report's contents are well aligned with the expectations. We have also benefitted from Start Fund Bangladesh members' participation in the initial DRF workshop that provided us with key insights on the current understanding of the funding flows for humanitarian disasters.

We would like to express our sincerest thanks to Bangladesh's HCTT clusters and working groups who allowed us to present the findings of the study in inter-cluster meetings, and who also remained accessible for providing relevant information as and when required during the study. We have taken into account all the feedback that came during our interactions and incorporated them duly in the report.

Finally, this report heavily relied on the engagement of Kazi Shahidur Rahman, Humanitarian Affairs Specialist, Office of the UN Resident Coordinator, Bangladesh, Jafar Iqbal, Advisor-Climate Adaptation (GIZ) and former NAWG coordinator, and Asikunnaby, Assistant Professor, Bangladesh University of Professionals (BUP) who have provided the key guidance, information and analysis support.

The NIRAPAD team hopes this study is relevant for all those working in the humanitarian community of Bangladesh.

PREFACE

Since 2019 Start Network's Crisis Anticipation and Risk Finance (CARF) team, in collaboration with Start Network member agencies around the world, have been at the forefront of the early action humanitarian space advocating for new approaches to get ahead of predictable crises and thereby save more lives. Start Network supports agencies to analyse the risk of crises, and create a suite of timely, and reliable funding options, to disburse for different types of crises. This will enable NGOs to forecast crises, and access timely funding to reduce the impact of those disasters on communities.

In the last three years there has been a considerable amount of work taking place on Disaster Risk Financing (DRF) globally. Risk Financing allows humanitarians to be better prepared in advance of humanitarian events by quantifying risks in advance of crises or disasters, pre-positioning funds, and releasing them according to pre-agreed protocols. These are the three key fundamentals to building a DRF system and has been the focus of the work taking place in Bangladesh over the last year.

Start Network has grouped together the processes and steps that NGOs have established for humanitarian anticipatory action and disaster risk financing under a framework called the Building Blocks. This framework provides a learning resource base for members across the world which outlines the learnings and best practices in developing a humanitarian DRF system. The Start Fund Bangladesh secretariat alongside Start Fund Bangladesh members have been using the 'building blocks' framework while contextualising the steps making it relevant to the Bangladesh disaster management system. The end goal for this year (2022) is the establishment of a locally adapted disaster risk finance system which will model and monitor incoming flood forecasts with a 10-day lead time. Meaning if there is a flood forecast the model will 'trigger' which will release funds to agencies who are well placed on the frontline of communities set to be most impacted by the floods. These agencies will then implement activities which will mitigate the impacts of the incoming flood, thereby protecting more people from the worst effects of the flood.

Bangladesh has an advantage in setting up a DRF system due to the existing structures in place through the Start Fund Bangladesh mechanism which has been operational in country since 2016. This enables a more locally led approach to designing building and manage the DRF system with a network of well-placed humanitarian organisations working alongside forecasting experts who are involved in the set-up of the DRF system in country. These elements are tied up efficiently through the Start Fund Bangladesh secretariat team who's key value add is the humanitarian coordination function in Bangladesh amongst Start Fund Bangladesh members.

Clare Harris
Head of Anticipation and Risk Financing
Start Network

ABBREVIATION

BMD	Bangladesh Meteorological Department
CERF	Emergency Response Fund
CHT	Chittagong Hill Tracts
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DRF	Disaster Risk Financing
ECHO	European Civil Protection and Humanitarian Aid Operations
ECOSOC	Economic and Social Council
EHA	Extended Humanitarian Assistance
FCDO	Foreign Commonwealth and Development Office
FTS	Financial Tracking Service
GFDRR	Global Facility for Disaster Reduction and Recovery
GoB	Government of Bangladesh
HCTT	Humanitarian Coordination Task Team
HRP	Humanitarian Response Plan
INGO	International Non-government organization
JICA	Japan International Cooperation Agency
LDCF	Least Developed Countries Fund
LTWG	Localisation Technical Working Group
MoDMR	Ministry of Disaster Management and Relief
NAPA	National Adaptation Programme of Action
NAWG	Needs Assessment Working Group
NGO	Non-government organization
NPDM	National Plans for Disaster Management
OCHA	Office for the Coordination of Humanitarian Affairs
SFB	Start Fund Bangladesh
SFF	Start Financing Facility
SOD	Standing Orders on Disaster
UN	United Nations
UNFCCC	UN Framework Convention on Climate Change
UNICEF	United Nations Children's Emergency Fund
WASH	Water, Sanitation and Hygiene

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EXECUTIVE SUMMARY

The objective of the study "Financial Flow Analysis for Climate-related Disaster in Bangladesh" has been three-fold. First, it has provided a background of the trend of funding flows entering the country to address climate-related disasters; then the funding gap has been analyzed considering the funding that was applied for collectively by the humanitarian actors and what was subsequently received from different donors; finally, the study explored the crisis anticipation and response mechanisms of *Start Fund Bangladesh* (SFB) to gain a better understanding of its recent activities.

The first part of the report, funding flows into Bangladesh, shows that major disasters in Bangladesh that have been highlighted over the years include monsoon floods, riverbank erosion, cyclones, flash floods, and landslides. Of these, monsoon floods and cyclones have harnessed the majority of the funding due to their widespread impact and increasing frequency over the years. All the mentioned disasters have received their support from institutional, pooled, private funding, with institutional donors providing almost 65% of the total fund. Civil society organizations, meaning NGOs, have been on the receiving end in the majority, with more than 60% of funding going to NGOs (i.e., mostly international NGOs while the residual has gone to UN organizations). These agencies have spent the fund through sector-wide allocations with more than 20% fund being directed for food security followed by WASH, Shelter, Early Recovery, and GBV. Post-disaster management has significantly been undertaken by financial institutional partners who have worked alongside the government to build resilience, infrastructure, and better communication. Among these, the major partners have been the World Bank, Asian Development Bank, and JICA.

The second part of the study analyzes the funding gap considering the HCTT appeals and the subsequent funding that was received. The three major disasters, monsoon floods with riverbank erosion, cyclones and storm surge, and landslides have shown funding gaps of 39%, 44%, and 87% respectively. However, the funding gap has been seen to reduce over the years after the formation of HCTT HRP plans.

The study also explored the SFB mechanism. In the last 4 years since its inception in 2017, the Start Fund has activated 29 crisis alerts and successfully addressed underfunded crises as well as larger disasters which could entail a localized response, spreading its response across 33 districts of the country. The SFB has also implemented 3 anticipatory responses through the prediction of upcoming disasters. While the overall funding scenario of the country's humanitarian architecture shows the majority of funding going to international NGOs, the SFB has allocated 85% of its total funding directly to local and national NGOs who are members of its network. From all the crises the SFB has addressed flood, cyclone, riverbank erosion, recurring disease outbreak (dengue) which are somewhat predictable.

1. INTRODUCTION

Photo Credit: World Vision Bangladesh

1. INTRODUCTION

This study provides an analytical understanding of funding flows that have entered Bangladesh to address climate-related disasters, it is one of three components under Start Network's Disaster Risk Financing (DRF) which will provide the foundation for country-level engagement of Start Financing Facility (SFF). This assignment aims to provide a clear understanding of funds that address climate-related disasters, analyze the funding gap in addressing natural disasters and explore how the *Start Fund Bangladesh* (SFB) has played a role in crisis anticipation and response.

The Ministry of Disaster Management and Relief (MoDMR) in Bangladesh is authorized to drive national risk reduction reform programs to address disaster management issues. The Disaster Management Act passed in 2012 by the government provides the legal framework to the ministry. The GoB has been producing National Plans for Disaster Management (NPDM) since 2010, revised its Standing Orders on Disaster (SOD) in 2019, and enforced its legal framework for disaster risk reduction. Currently, the government has several different funds that are aimed at strengthening vulnerable communities by building resilience and by providing relief after disaster strikes. The government is also involved in anticipatory response which includes preparatory activities before predictable disasters of cyclones and floods are imminent; these activities include evacuation, providing secondary shelter and food support, etc.

Assistance to climate-related disasters come in through a combination of domestic public finance and external international financing in Bangladesh with components of disaster risk reduction, building the resilience of vulnerable communities that have been most prone to disasters, crisis response, and recovery and rehabilitation; Early action initiatives have also recently become an increasingly popular avenue of interest for providing humanitarian assistance before the crisis. However, very few initiatives are being piloted in this window. This avenue is being explored by both development agencies and humanitarian actors, with key initiatives being launched from 2020.

Figure 1 provides an overview of the diverse funding windows currently operational for climate-related disasters and also specifies the source of this financing i.e. whether they are domestically financed or sourced from international financial institutions. The figure also illustrates the funding timeline with respect to the crisis onset. The majority of funds are concentrated in two areas – funds for disaster risk reduction or building resilience, and funds for response and recovery. This indicates the reactive nature of humanitarian action where the emphasis has mostly been on providing support after a disaster takes place. A further explanation of these funding streams can be found in Section 4.5: Wider Sources of Fund.
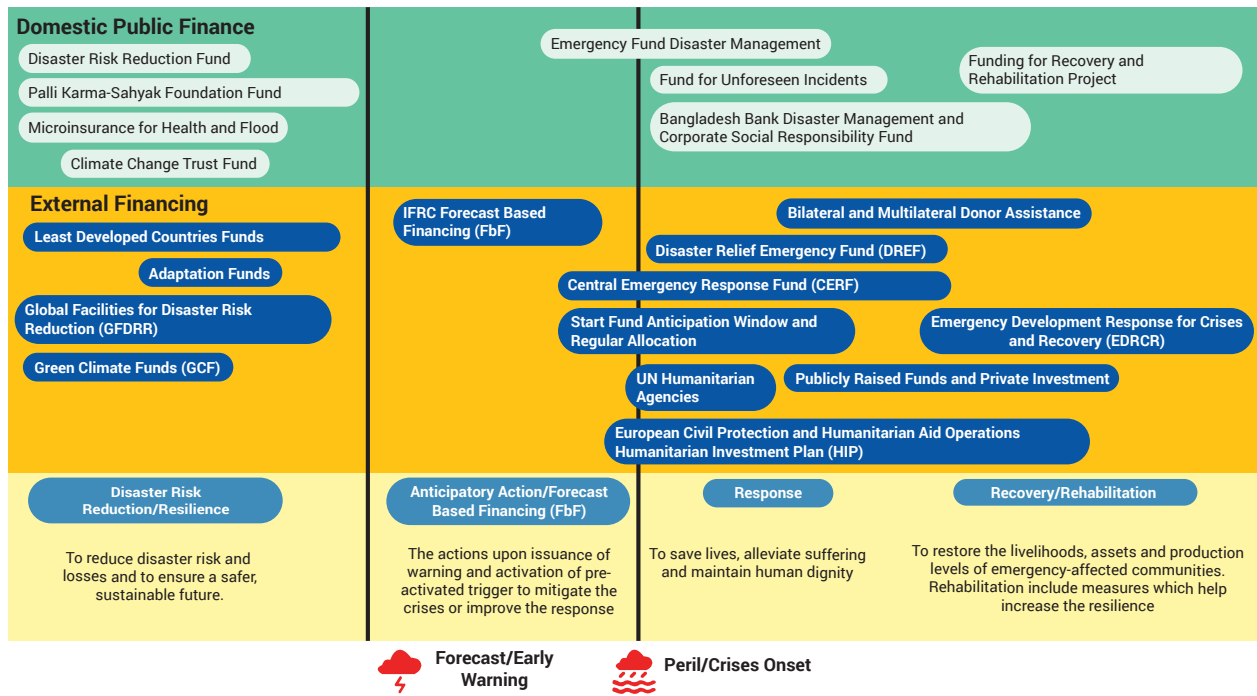
Domestic Public Finance

Disaster Risk Reduction Fund

Palli Karma-Sahyak Foundation Fund

Microinsurance for Health and Flood

Climate Change Trust Fund

Emergency Fund Disaster Management

Fund for Unforeseen Incidents

Funding for Recovery and Rehabilitation Project

Bangladesh Bank Disaster Management and Corporate Social Responsibility Fund

External Financing

Least Developed Countries Funds

Adaptation Funds

Global Facilities for Disaster Risk Reduction (GFDRR)

Green Climate Funds (GCF)

IFRC Forecast Based Financing (FbF)

Bilateral and Multilateral Donor Assistance

Disaster Relief Emergency Fund (DREF)

Central Emergency Response Fund (CERF)

Start Fund Anticipation Window and Regular Allocation

Emergency Development Response for Crises and Recovery (EDRCR)

UN Humanitarian Agencies

Publicly Raised Funds and Private Investment

European Civil Protection and Humanitarian Aid Operations Humanitarian Investment Plan (HIP)

Disaster Risk Reduction/Resilience	Anticipatory Action/Forecast Based Financing (FbF)	Response	Recovery/Rehabilitation
To reduce disaster risk and losses and to ensure a safer, sustainable future.	The actions upon issuance of warning and activation of pre-activated trigger to mitigate the crises or improve the response	To save lives, alleviate suffering and maintain human dignity	To restore the livelihoods, assets and production levels of emergency-affected communities. Rehabilitation include measures which help increase the resilience

⚡ **Forecast/Early Warning**   🌊 **Peril/Crises Onset**

Fig-1: Available Funding Streams in Bangladesh

[Source: Disaster Risk Financing in Bangladesh (ADB, 2018); Early Action to EL Nino/La Nina (Inter-Agency Standing Committee, 2018]

The existing reactive approach of humanitarian action to catastrophes undermines the efforts of tackling crisis which can be minimized through evidence-based early action capitalizing on predictability and the recurrent nature of disasters (i.e., cyclone for Bangladesh). As a United Nations Economic and Social Council (UN ECOSOC) document from June 2019 suggests using forecast-based financing as an example that pre-agreed financing plans of a crisis would enable improved decision making and ensure the greater return of resource investment as well as reduce the suffering of the communities that recurrently face disasters. The attempts for effective risk financing and anticipatory action are relatively new, agencies are still learning through piloting, for example, Central Emergency Response Fund (CERF) advisory group asked OCHA to develop and roll out anticipatory action frameworks in 2018 where Bangladesh was also listed as one of five piloting countries.
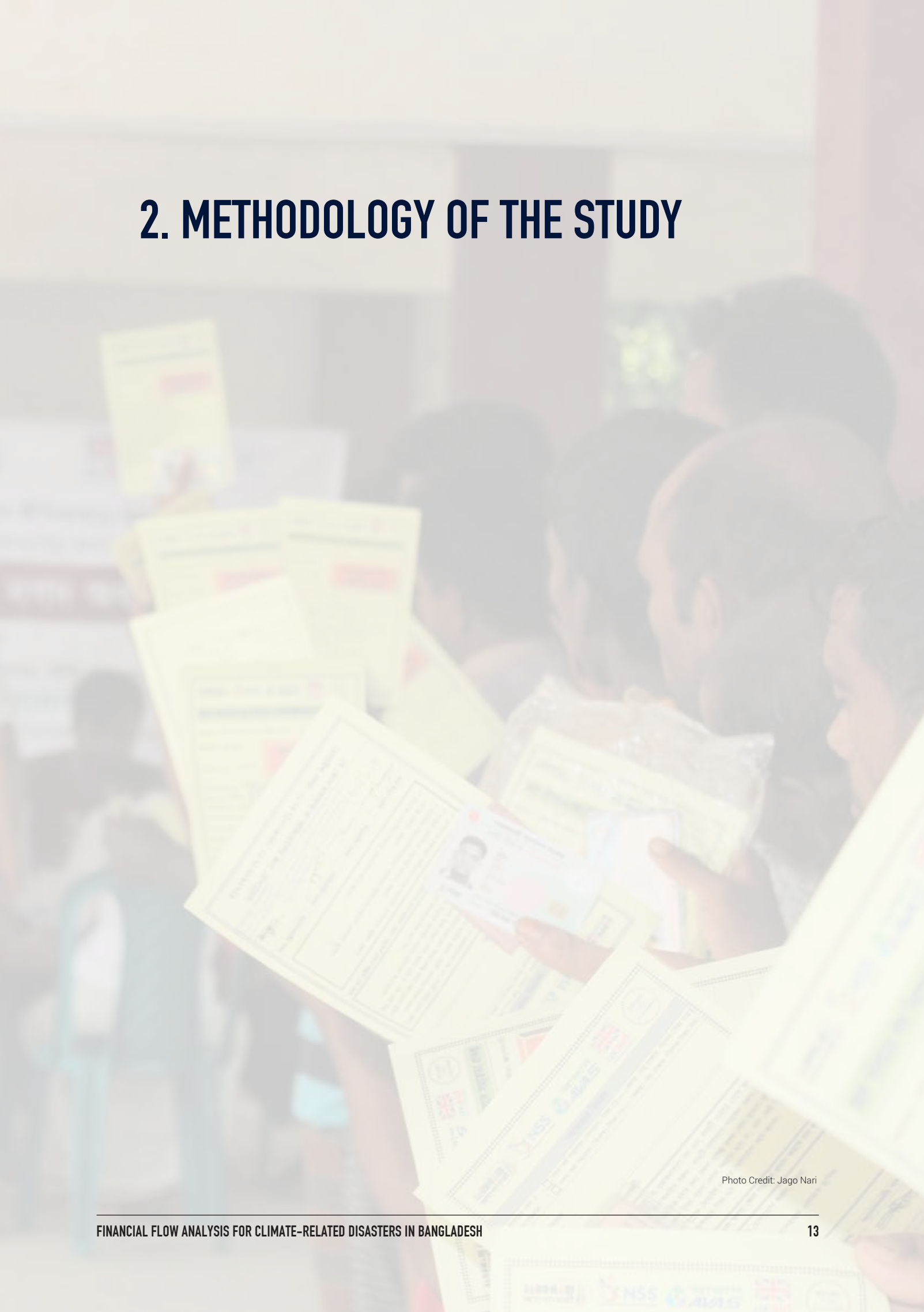
2. METHODOLOGY OF THE STUDY

Photo Credit: Jago Nari

2. METHODOLOGY OF THE STUDY

The study was completed by compiling information on disaster risk management and analyzing the gathered evidence to achieve the objectives of the study. The information was collected majorly through a secondary literature review, with some primary analysis to obtain additional supporting evidence for understanding and interpreting data.

UN OCHA's FTS tracker served as a major source of information, it has been a consistent, reliable, and organized system providing collective information on international aid. Additionally, UN OCHA's humanitarian response information portal has also been significant in providing data related to HRP, Joint Needs Assessments and cluster-specific information. Websites of the World Bank, Asian Development Bank, and Japan International Cooperation Agency (JICA) have also been used to obtain information on funding from international financial institutions. Information on *Start Fund Bangladesh* has been collected from the country secretariat for the third section of this study. All monetary figures have been converted to USD in the majority analyses and have been mentioned as and when appropriate.

3. SCOPE AND LIMITATIONS

Photo Credit: World Vision Bangladesh

3. SCOPE AND LIMITATIONS

UN OCHA's FTS tracker is underreporting the financial flows as all developing partners and organizations fail to report to the system in an appropriate, timely manner. In addition, information on funding agencies such as private organizations, crowdfunding, etc. are not reported centrally or through a common template – which means these have also been under-reported or completely missed.

Photo Credit: Uttaran

4. FUNDING FLOW TO BANGLADESH

Photo Credit: Start Fund Bangladesh

4. FUNDING FLOW TO BANGLADESH

4.1. Overview

Bangladesh has been highly vulnerable to natural disasters. Over the last 7 years, major disasters such as monsoon floods, riverbank erosion, and cyclone have occurred almost every year and a total humanitarian aid of USD 104 million has come in the form of international assistance to address these climate-related disasters. Funding peaked in 2020 when two major disasters of flood and cyclone occurred. This supports the historical trend which suggests the majority of funding going to flood and cyclones with storm surges receiving more than 68% of the overall funding in the last seven years (2014-2020).

However, the total funding has not moved in a linear direction over the years due to fluctuating number of disasters per year and the varying magnitude of each disaster. The larger and higher number of disasters occurred in 2015, 2017, and 2020. While there were no major disasters in 2018, 2019 saw record low funding. This can be somewhat attributable to the influx of Rohingya refugees from Myanmar who entered the country around the middle of 2017 causing a diversion in total humanitarian funding. According to the UNICEF 2017 situation report on Rohingya influx, 646,000 refugees arrived within a short span from 25 August 2017 to 7 December 2017 and this influx from Myanmar around the end of 2017 led funding flows to be diverted to address those displaced population's needs. The funding scenario again improved in 2020 when the highest funding amount of USD 36.5 million was secured.

Table-1: List of Major Disasters Occurred in Bangladesh during 2014-2020

Year	Type of Major Disaster	Total (USD in million)
2014 North West Flood	Monsoon Flood with River Bank Erosion	8.6
2015 Cyclone Komen	Cyclone and Storm Surge	1.2
2015 North West Flood	Monsoon Flood with River Bank Erosion	5.4
2015 South East Flash Flood	Flash Flood	4.7
2016 Cyclone Roanu	Cyclone and Storm Surge	6.5
2016 Norht West Flood	Monsoon Flood with River Bank Erosion	2.9
2017 Haor Flash Flood	Flash Flood	3.9
2017 Northern Flood	Monsoon Flood with River Bank Erosion	13.8
2017 Cyclone Mora	Cyclone and Storm Surge	7.7
2017 South East Landslides	Landslide	1.3
2019 Cyclone Fani	Cyclone and Storm Surge	0.0
2019 Monsoon Flood	Monsoon Flood with River Bank Erosion	11.8
2019 Cyclone Bulbul	Cyclone and Storm Surge	0.0
2020 Cyclone Amphan	Cyclone and Storm Surge	12.7
2020 Monsoon Flood	Monsoon Flood with River Bank Erosion	23.8
	*This table represents the events in which HRP developed	

(Source: UN OCHA FTS, HCTT Monitoring Dashboard and LTWG Financial Tracking Dashboard)

Note: HCTT monitoring dashboard was prepared by United Nations Resident Coordinators Office. The dashboard includes cluster-wise funding against Humanitarian Response Plan (HRP).

LTWG financial tracking dashboard was developed by Localisation Technical Working Group (LTWG). The dashboard includes a descriptive analysis of financial data. Find details, please download- Cyclone Amphan Response Financial Tracking Dashboard and Flood Response 2020 Financial Tracking Dashboard.

It is important to note that in 2016 the Humanitarian Coordination Task Team (HCTT) started appealing through coordinated Humanitarian Response Plans (HRP) after major disasters. Since 2016, out of 15 disasters, eight HRPs have been formulated (Table 1). The HRPs have been a joined effort of Bangladesh's humanitarian ecosystem made up of NGOs working together with HCTT clusters, working groups, and the Ministry of Disaster Management and Relief (MoDMR). Interestingly, almost 77% of total funds received can be attributed to HCTT HRP productions. There were three HRPs in 2017, the highest since the initiation, and it is reflected in the funding amount (Figure 2).
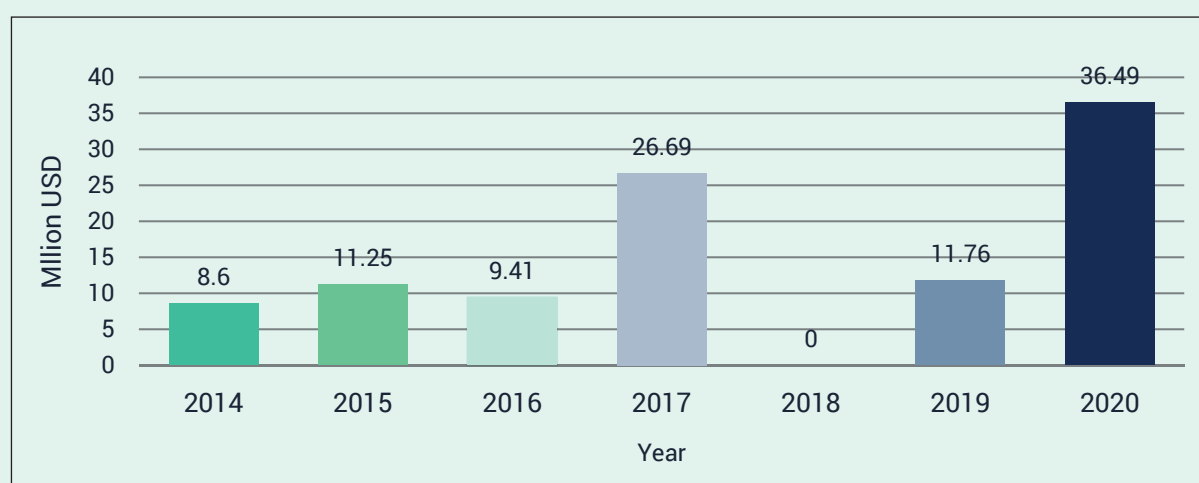

Fig-2: Fund Mobilised by Year (2014-2020)

(Source: UN OCHA FTS, HCTT Monitoring Dashboard and LTWG Financial Tracking Dashboard)

4.2 Funding Flow by Source Type

Funding for climate-related disasters has majorly come from institutional donors, pooled funds, private funds, and other miscellaneous sources that contributed to a smaller segment. The majority of the funding has come from institutional donors (Figure 3) represented by foreign offices of developed nations and economic regional entities. One institutional donor- the Foreign Commonwealth and Development Office (FCDO) out of 17 institutional donors contributed 32% of the overall funding alone, followed by the European Civil Protection and Humanitarian Aid Operations (ECHO) which attributed 14% of the total funding. The Central Emergency Response Fund (CERF) attributed 12% of total funds, the highest contribution from pooled funds. Interestingly, a huge amount of relief funding comes from the country's private organizations spanning across multiple sectors such as Garments, Fast Manufacturing Consumer Goods, Pharmaceuticals, Banks, and other revenue-generating industries. However, there is no formal reporting structure for this type of source which results in underreporting, and it is no different in this study as it also follows the formally reported amounts. Crowdfunding has also become increasingly popular as a source of funding- social initiatives directed towards different ongoing crises, however, there is again no representation of crowdfunding in this report's analysis due to no formal or reliable reporting.
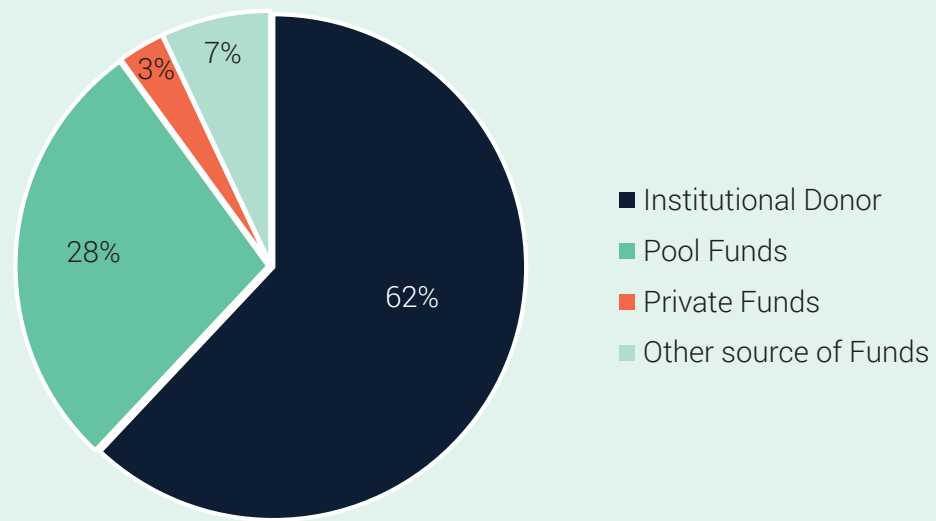
Fig-3: Fund by Type of Donor

(Source: UN OCHA FTS, HCTT Monitoring Dashboard and LTWG Financial Tracking Dashboard)

4.3 Funding Flow to Civil–Society

Civil Society Organizations (CSOs) in Bangladesh have continued to receive the majority of funding over the last few years. Since 2014, most of the funding has gone to CSOs at the first instant, meaning the first recipient have been NGOs and BDRCS as opposed to UN agencies. However, in 2016 when the UN CERF started allocations in Bangladesh, CSO's proportion of total funds saw a small decrease although they can continue to receive the majority of funds. Following the Grand Bargain Commitment of 2016 and increased localization efforts in the subsequent years, CSOs' share of funds reached a record peak of 72% in 2020 (Figure 4). In 2018 Bangladesh was selected as the first "demonstrator country", since then localization and coordination efforts have become increasingly significant with CSOs. The limited funding in 2019 can be explained by the reduced number of high-impact disasters.

Although a further breakdown of funding within CSOs to see what amount of funding went to each of international and local NGOs would be helpful, this has not been tracked over the years until recently. In mid-2020, the HCTT Localisation Technical Working Group (LTWG) was formed and has started tracking these breakdowns through a financial tracking dashboard, completing two such dashboards for flood 2020 and cyclone 2020. The findings suggest an on average, 68% of funding goes to CSOs out of which 31% went to INGOs, 21% went to local and national NGOs and 16% went to Red Cross Red Crescent.
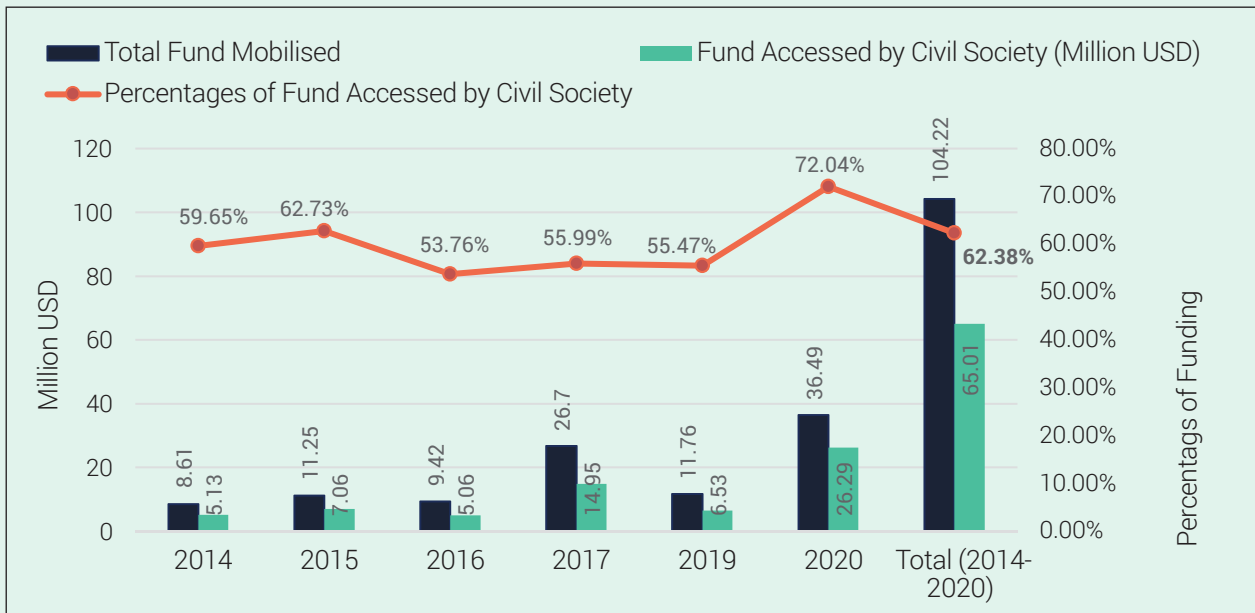
Fig-4: Fund Received by Civil Society

(Source: UN OCHA FTS, HCTT Monitoring Dashboard and LTWG Financial Tracking Dashboard)

4.4 Funding Allocation by Sectors

Since floods and cyclones are the two most frequent disasters and the two highest fund receivers, its priority needs have played a major role in attracting sector-specific funding. Food Security, WASH, Shelter, Early Recovery, and GBV are higher in terms of sectoral funding allocation. Multi-sectoral allocations are also within the top five sectors. The priority of funding allocation- 28.72% in Food Security and 14.81% in WASH (Figure 5) can be understood as a reflection of poverty and inherent poor socio-economic condition. It must be noted that a high proportion of funded sectors are unidentified as there was an absence of money mobilization tracking plus information management gap which hindered sector-wise reporting.
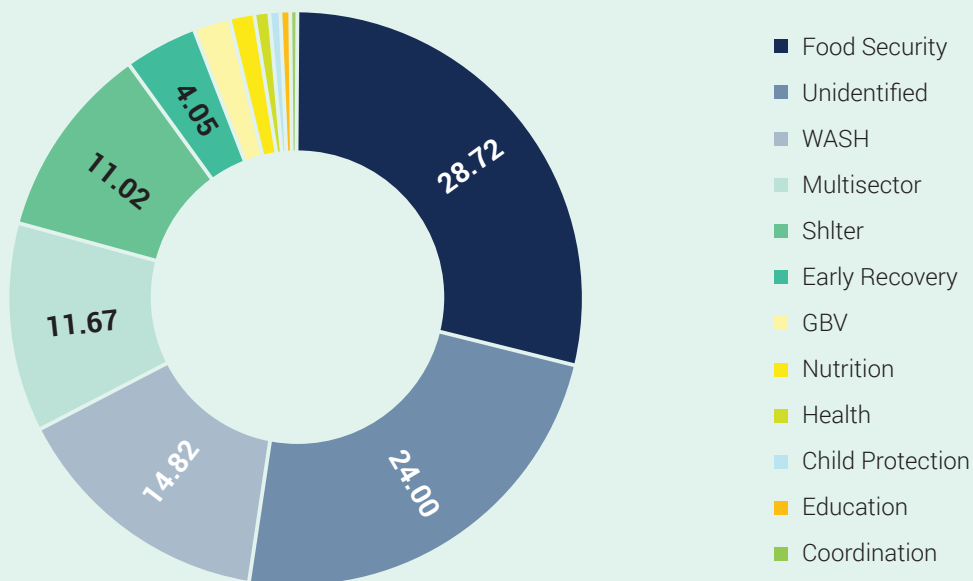

Fig-5: Raised Amount by Sector from 2014 to 2022

(Source: UN OCHA FTS, HCTT Monitoring Dashboard and LTWG Financial Tracking Dashboard)

4.5 Wider Sources of Funding

Several wider funding streams are available in Bangladesh, primarily for building the resilience of vulnerable communities and for ensuring preparedness before disasters. The country is a part of the National Adaptation Programme of Action (NAPA) supported by the Least Developed Countries Fund (LDCF) which includes addressing adverse effects of climate change including variability and extreme events based on existing coping mechanisms and practices. Similarly, the country is supported by Global Facility for Disaster Reduction and Recovery (GFDRR), under the World Bank, and the Green Climate Fund, which is the financial mechanism of the UN Framework Convention on Climate Change (UNFCCC); both of which are engaged in enhancing both urban and rural resilience against climatic hazards and disaster risk reduction.

The Government of Bangladesh (GoB) also has its array of funds that are aimed at building the strength of the coastal communities and addressing their needs who are the most vulnerable to disasters. The GoB also possesses an emergency fund that works before imminent disasters strike, where the funding is mostly used for evacuation, assisting with shelter, food, and WASH support. The government also receives funding from corporate organizations operating in the country as part of their Corporate Social Responsibility (CSR). However, it is important to note that there are no structured trackers available to understand the scope and volume of this funding.

In addition, the *Start Fund Bangladesh* Anticipation window has been working in the country to address the crisis before its onset since 2017, so far it has implemented 4 different anticipatory responses. Furthermore, in 2020, a few initiatives have been launched by several humanitarian agencies to implement anticipatory work. However, these activities are still fewer in number compared to the bulk of activities implemented for either increasing resilience or providing response and recovery support to communities after disasters.
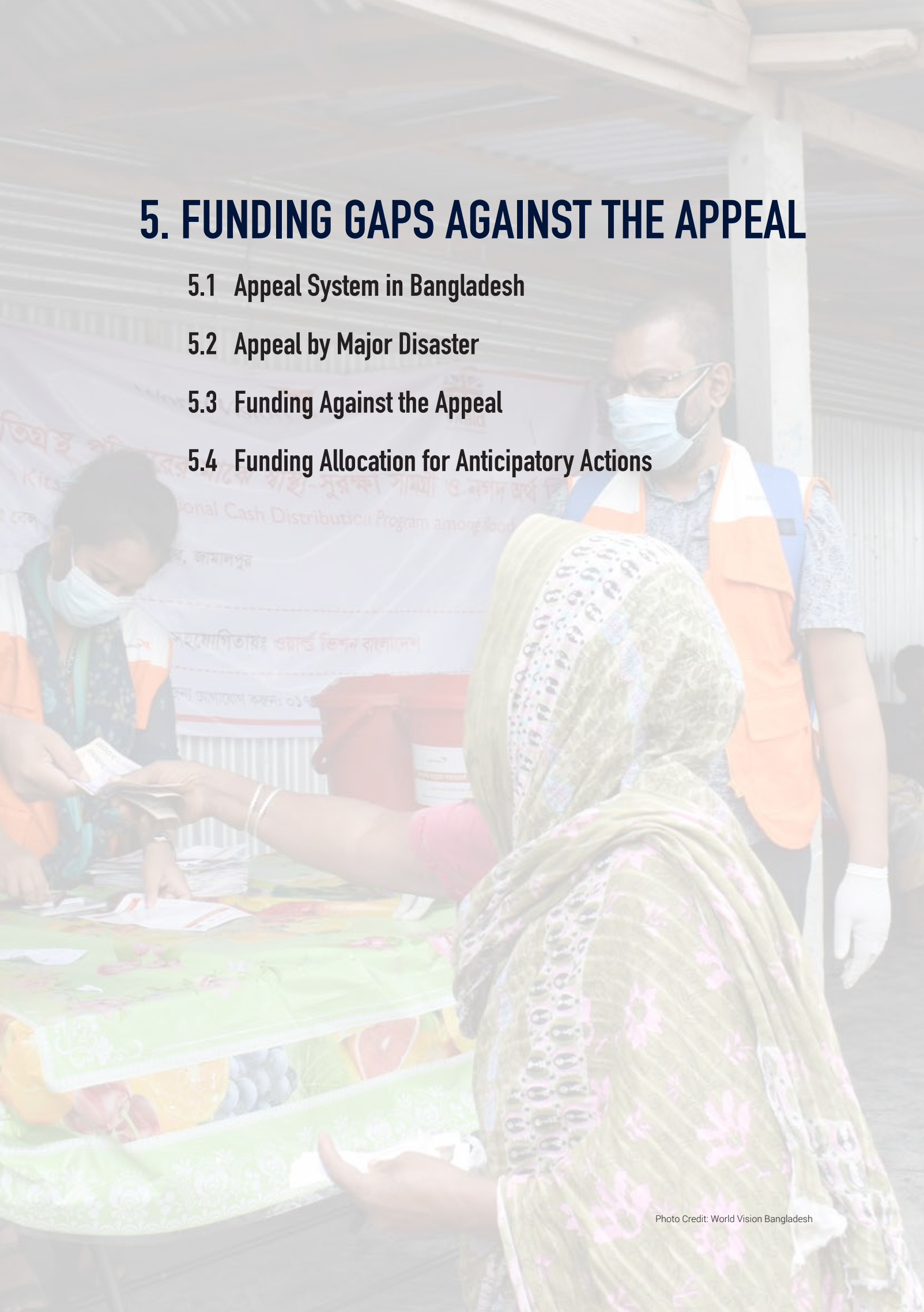
5. FUNDING GAPS AGAINST THE APPEAL

Photo Credit: World Vision Bangladesh

5. FUNDING GAPS AGAINST THE APPEAL

5.1 Appeal System in Bangladesh

The HCTT Humanitarian Response Plan (HRP) has become a strong evidence-based document and a coordinated effort of all humanitarian actors (government, UN Agencies, NGOs. It is produced when protracted or sudden onset emergency occurs that needs international humanitarian assistance. The plan highlights the shared understanding of humanitarian actors of how to respond to the assessed and expressed needs of the affected population. The development of this strategic response plan has become a key step in the humanitarian program cycle and is carried out only when the needs have been understood by Joint Needs Assessment (JNA) led by the Needs Assessment Working Group (NAWG). The HRP has been able to significantly attract funding for major disasters from multiple international donors as seen in the rise of funding over the years after HRPs started being produced.

The plan gives a comprehensive overview of the sector-wise damage and loss and calculates the minimum funding that would be required by each of the sectors to address the crisis. Targets, usually some affected community members are also specified to indicate the value for money which will be created if the proposed funding is received.

5.2 Appeal by Major Disaster

Since 2016, appeals for eight disasters were made through HCTT HRPs following Joint Needs Assessments (JNA) led by NAWG with total appeals amounting to USD 146.35 million (Table 2). HRPs are not made when the events and their impacts are smaller. Larger appeals were made for large-scale monsoon floods followed by cyclones. The highest appeal was made in 2020 for addressing the monsoon flood.

Table-2: Target and Funded Amount for Disaster Occurred from 2016 to 2020

Impact Level and Name of Disaster	Targeted Amount (in Million USD)	Funded Amount (in Million USD)
2016 Cyclone Roanu	12.00	6.48
2016 North West Flood	13.60	2.94
2017 Cyclone Mora	6.75	7.70
2017 Northern Flood	12.00	13.77
2017 South East Landslides	10.00	1.33
2019 Monsoon Flood	27.00	11.76
2020 Cyclone Amphan	25.00	12.70
2020 Monsoon Flood	40.00	23.79
Grand Total	**146.35**	**80.48**

(Source: UN OCHA FTS, HCTT Monitoring Dashboard and LTWG Financial Tracking Dashboard)

5.3 Funding Against the Appeal

Coordinated appeals through eight HRPs took place since 2016 and these have attracted more funding than in previous years. Over the years following 2016, the funding gaps for major disasters have remained below 50% for cyclones and have significantly decreased for monsoon floods, both of which are the two major disasters recurring in the country. The gaps have also been lower when the magnitude of disaster has been the most profound. For example, the cyclone in 2017 and the monsoon flood in 2020, both affected more than three million people, the highest impact brought about by each of these disasters over the last seven years; these years also show the lowest funding gap which reiterates the finding that larger disasters have received more attention from international institutional donors.

Fig-6: Total HRP Funding Appeal and Gap by Name of Disasters
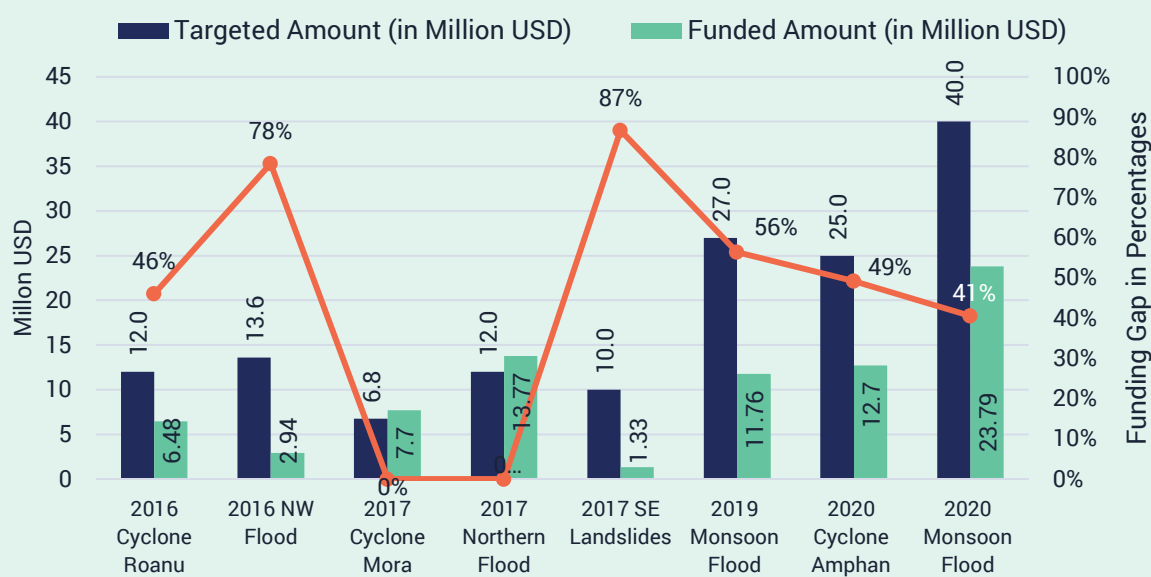
(Source: UN OCHA FTS, HCTT Monitoring Dashboard and LTWG Financial Tracking Dashboard)

Since the funding volume has depended on the disaster's magnitude and impact, disasters such as landslides, which affect less than one million people, have received less attention from the donor community, showing the highest funding gap in the overall funding architecture.

Fig-7: Total HRP Funding Appeal and Gap by Type of Disasters
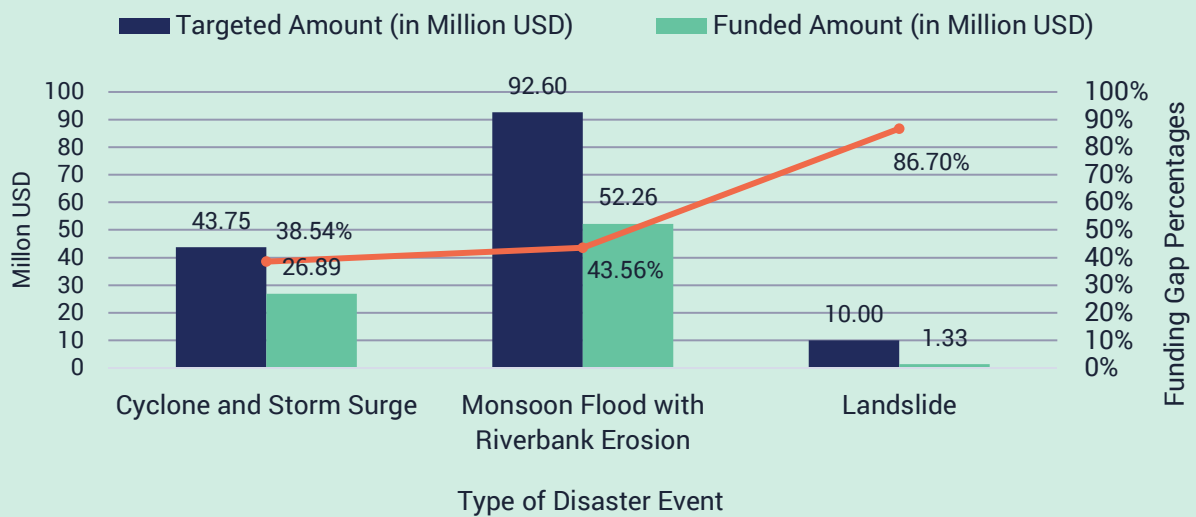
(Source: UN OCHA FTS, HCTT Monitoring Dashboard and LTWG Financial Tracking Dashboard)

5.4 Funding Allocation for Anticipatory Actions

In 2020, significant progress in anticipatory work for addressing the humanitarian crisis came to light. Addressing four different crises - flood, cyclone, riverbank erosion, and disease outbreak, the initiatives were implemented by different partners funded by diverse donors; this signifies the growing interest of both funding agencies as well as humanitarian actors in implementing anticipatory action which may potentially be far more effective in saving and protecting vulnerable communities against recurring crises. Interventions under each of the initiatives spanned from providing evacuation support to risk communication and distribution of Food, NFI, WASH, and Shelter items primarily.

Table 3: Summary of the Anticipatory Initiatives Implemented in 2020

Year	Flood			Cyclone	Riverbank Erosion	Disease Outbreak
Name of Initiative	FbA cash distribution and evacuation support for the 2020 Flood	UN Flood Anticipatory Pilot 2020	Supporting Flood Forecast-based Action and Learning in Bangladesh' (SUFAL) August 2019 – January 2021	Forecast based Actions for Cyclone AMPHAN 2020	Start Fund Bangladesh Riverbank Erosion 2020	Start Fund Bangladesh Dengue Anticipatory Response 2020
Funding Agency	DREF and Swiss RC	CERF	ECHO	DREF	FCDO, UK Aid through Start Fund Bangladesh	FCDO, UK Aid through Start Fund Bangladesh
Fund disbursed (USD)	279,393	5,340,000	1,339,976	203,398	68,365	70,755
Partner	BDRCS	WFP, FAO, UNFPA	CARE, Concern Worldwide, Islamic Relief Bangladesh	BDRCS	CARE	SEEP
Geographical Coverage	Kurigram, Gaibandha, Jamalpur	Bogura, Gaibandha, Kurigram, Jamalpur, Sirajganj	Kurigram, Gaibandha, Jamalpur	Barguna, Patuakhali, Pirojpur, Satkhira, Khulna, Bagerhat, Bhola, Lakshmipur, Noakhali, Jhalokathi	Kurigram	Dhaka
Key Interventions	Cash, Evacuation	Cash, Fodder and Storage, Improved access to services and protection	Risk Communication, Evacuation, Shelter, WASH	Dry Food, Evacuation	Cash, NFI, Hygiene Kit	Risk Communication, Disinfection, Model Simulation

(Sources: FBA/AA Technical Working Group Mapping of Anticipatory Actions 2020)

6. FUNDING FLOW OF START FUND BANGLADESH

Photo Credit: Start Fund Bangladesh

6. FUNDING FLOW OF START FUND BANGLADESH

6.1 Overview

Established in 2017, *Start Fund Bangladesh* has disbursed a total of USD 9.6 million to address underfunded and under-the-radar disasters, as well as large disasters that require small localized responses to address the most vulnerable and isolated communities. The Fund also started a new window called Extended Humanitarian Assistance (EHA) which was piloted in December 2020 through an allocation of an additional USD 707,525 bringing the total amount of fund disbursement to USD 10.1 million. Most of the funding has been awarded to large-scale disasters such as floods and cyclones through localized responses. The fund has also tapped under-the-radar disasters occurring in highly vulnerable and localized communities such as livelihood insecurities in fisherman communities, urban fire, and nor'wester.

A total of 35 alerts were raised by Start Fund's member NGOs, which included local, national, and international entities. In its continuing life span of almost four years now, Start Fund has activated 29 out of the 35 alerts raised. The majority of the alerts were raised in 2019 and 2020, following the inclusion of local and national NGOs as members of SFB, with 31% of alerts in 2019 and 45% of alerts raised in 2020. This is a strong example of how the Fund has been able to drive progression towards localization by directly funding national and local NGOs. In 2020, 85% of SFB's funding went directly to local and national organizations (the global equivalent in 2019 was only 0.5%) improving both effectiveness and efficiency. The Fund also shows strong evidence that when local organizations take the lead, emergency assistance reaches communities faster and incurs lesser operations and management costs.

A total of six alerts out of 35 raised alerts were deactivated, meaning the fund was not allocated for these disasters. There were three main reasons for this. One, the Start Fund has a limited scope of responding to disasters since it targets only early action activities to address small to medium and underfunded disasters; therefore, when the funding is comparatively low concerning the size of the disaster where one or a series of early action activities will not be effective, the fund is not activated. Two, the funding allocation decision are evidence-based; therefore, there is a strong requirement for alert notes to have sufficient and reliable data sourced from government bodies-for example, JNA reports. When critical information related to the affected population, degree of damage, and current response capacities are missing, the alert is again deactivated. Finally, disasters that have strong evidence of receiving sufficient funding by the time the alert is raised were not been awarded.

Table-4: Details of Deactivated Alerts and Reasons

Alert Number	Alert Date	Type of Disaster	Type of Response (Anticipatory/Rapid)	Reason for deactivation
B004	9/25/2017	Influx of Refugees	Rapid	Beyond the funding scope of the Start Fund as refugee influx is a relatively large crisis that cannot be addressed through small localized responses
B011	5/8/2019	Cyclone	Rapid	Lack of evidence on the extent of damage from the cyclone making allocation decision making difficult; there was also a strong indication of other funding support coming for the affected population which will be sufficient to address needs
B017	10/13/2019	Riverban Erosion	Rapid	Lack of evidence on the extent of damage from the cyclone making allocation decision making difficult
B022	2/10/2020	Fire	Rapid	Strong evidence of other funding support for the affected population which will be sufficient to address the needs
B023	3/14/2020	Fire	Rapid	Political influence and biased interests
B028	4/10/2020	Disease Outbreak (Covid 19)	Rapid	Beyond the funding scope of the Start Fund as the alert raised conflicted with SFB's funding strategy during the time

(Source: Start Fund Bangladesh)

6.2 Funding Flow by Disaster Type

Start fund has responded to large-scale disasters affecting a series of districts through rapid localized responses – usually in the early stage of disaster impact when other funding sources are still pending; these included cyclones, floods, COVID-19 outbreak, and riverbank erosion.

On the other hand, Start Fund has distinctly addressed under-the-radar crisis affecting minority communities where no other funding sources are usually available – these include urban slum fire, a disease outbreak in CHT, nor'wester, and livelihood insecurities due to impending fishing ban. Owing to the scale and impact of the disaster, larger disasters have received higher allocation with most of the funding going to flood (46%).
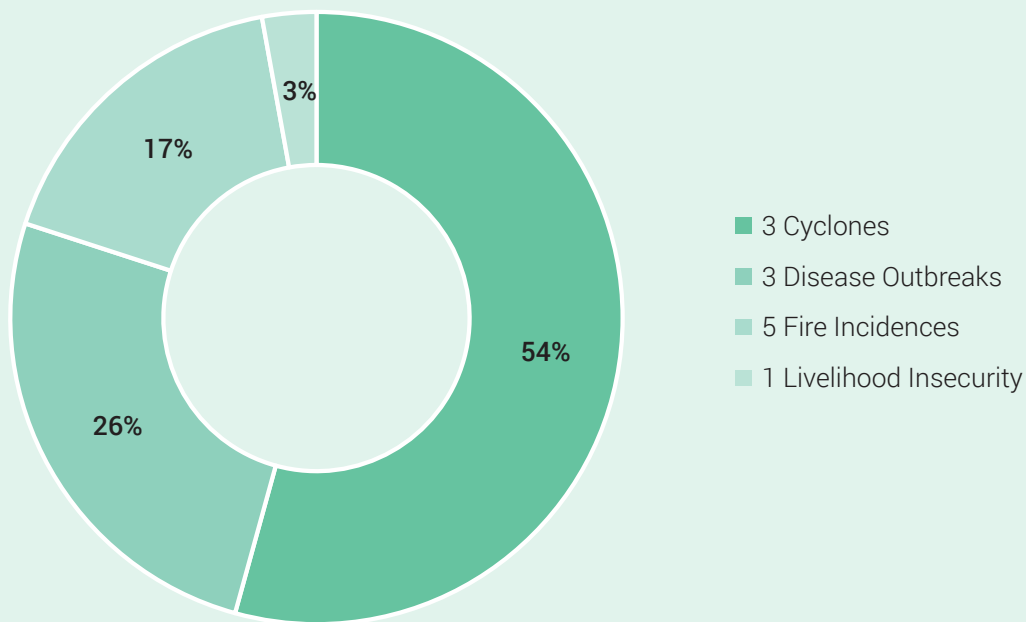

Fig-8: Start Fund Disaster-wise Allocation

6.3 Geographical Coverage of Funding

While addressing disasters, the fund has reached a total of 33 districts through its responses with the majority responses covering flood-prone, cyclone-prone, and urban-fire vulnerable regions. The concentration of more vulnerable communities who Start Fund has reached lie in cyclone-prone and flood-prone areas. However, although the number may be lower, the fund has covered isolated and difficult to reach geographical areas such as chars, tea gardens, and Chittagong Hill Tracts (CHT).

6.4 Funding Flow by Response Modalities

Start Fund's niche lies in early action to disasters. This, therefore, constitutes responding right after the disaster or even before the disaster strikes (i.e., in anticipation of the disaster). According to Start Fund's latest reports, it takes the fund an average of only 10 days to reach affected communities after an alert is raised. Although most disasters are rapid onsets, most of the fund receiver- flood, has been the only slow-onset disaster that SFB has responded to. Other slow-onset disasters such as heatwaves and drought are yet to occur significantly in Bangladesh.
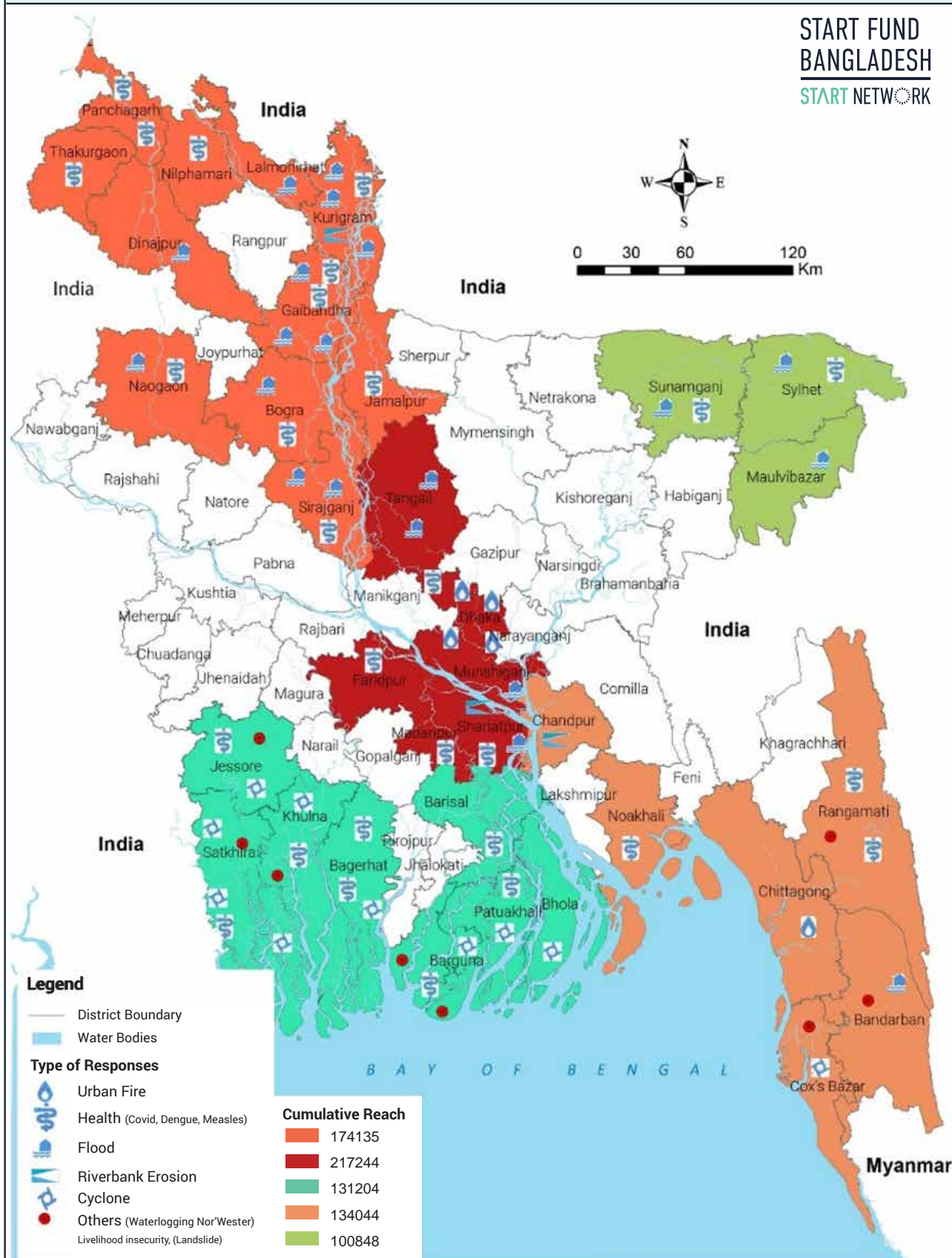
Map-1: Area of response by *Start Fund Bangladesh*

Response Modality	Crisis Covered	Number of Responses	Fund Allocation (in Million GBP)	Proportion
Rapid Onset Anticipatory	Disease Outbreak	1	70,752.50	2% of the total fund
	Fishing Ban	1	70,739.76	
	Riverbank Erosion	1	68,362.48	
Rapid Onset Rapid Response	Cyclone	3	1,972,040.57	53% of the total fund
	Disease Outbreak	4	864,884.22	
	Fire	5	586,935.85	
	Landslide	1	272,658.91	
	Nor'wester	1	101,586.44	
	Riverbank Erosion	2	452,107.06	
	Waterlogging	2	438,059.86	
Slow Onset	Flooding	8	4,754,101.03	46% of total fund
	Grand Total	**29**	**9,652,228.68**	
*A full table showing Start Fund's full list of activated alerts can be found in Annex				

Table-5: Modalities of SFB Responses

(Source: Start Fund Bangladesh)

6.5 Response to the Climate–Related Localised Disaster

There are other disasters than the major ones mentioned in section 2 (see Table-1) which lead to loss and damage, within the considered period 2014-2020, there were 162 hazard incidents including cold wave, heatwave, hailstorm, heavy rainfall, nor'wester, tornado, windstorm, and waterlogging. These hazards caused 471 deaths and damaged 144,040 houses either fully or partially (Figure 9) which resulted in total damage to the national economy of approximately $35 million. Among these events, *Start Fund Bangladesh* responded to only three climate-related localised disasters that included waterlogging 2018, waterlogging 2020, and nor'wester 2019.
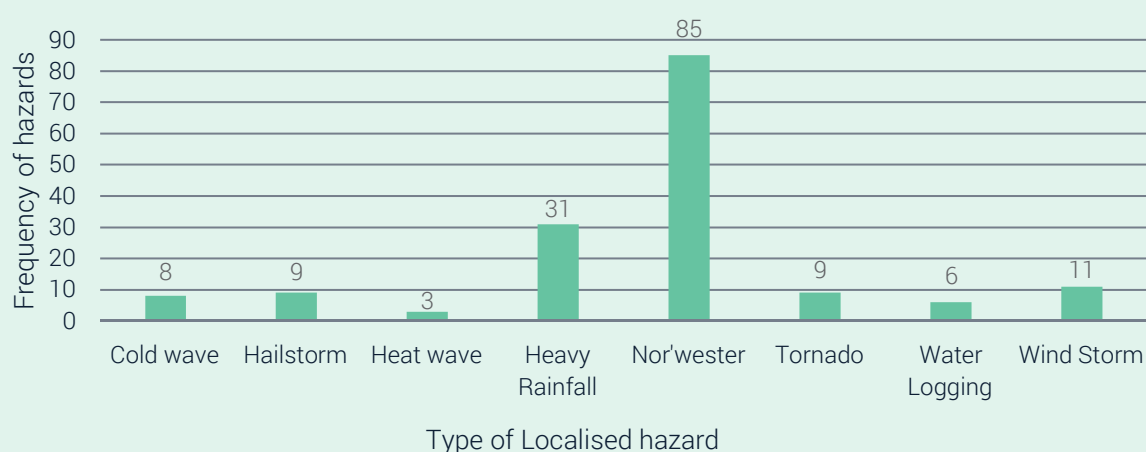

Fig-9: Frequency of Localised Hazards (2014-2020)

(Sources: Emergency Events Database (EM-DAT), National Disaster Coordination Centre (NDRCC), Health Crises Management Centre, Director General Health Services (DGHS), International Displacement Management Centre (IDMC), NIRAPAD Hazards reports and Start Fund Bangladesh)

6.6 Scope for Funding for Predictability of Disaster

15 out of 29 alerts successfully raised in Start Fund have been predictable in nature – this means there was some scope of pre-planning that could have taken place for the majority of the crisis addressed by Start Fund given the nature of the disasters being recurrent and having some warning triggers before the crisis onset. These primary include flood, cyclone, riverbank erosion, recurring disease outbreak of dengue. However, floods have a higher degree of predictability since several global efforts are being made to model this disaster, with anticipatory initiatives in 2020 being successfully launched by s few humanitarian agencies as mentioned in the earlier section (See Section 5.4 Table 3).

The remaining alerts which include crises such as fire, Nor'wester, waterlogging, disease outbreak of COVID-19, measles outbreak, human-induced landslides have to be classified as "unknown-unknowns" as these occur without any anticipatable or predictable triggers.

Three out of 31 alerts raised were anticipatory in nature which addressed crises of dengue, livelihood insecurity due to a fishing ban, and riverbank erosion. These disasters were apt for early anticipatory action as it was possible to extrapolate the disasters based on historical evidence and outline key triggers that showed evidence of upcoming impact on vulnerable communities.

Table-6: Definitions Used to Assess Types and Predictability of Crises

'Known knowns': events where we know what will happen, when, and what the impact will be, meaning they are highly predictable and allow for extensive advance planning.	Flood	28% of total alerts of SFB and 49% of total fund allocated by SFB have been for highly predictable disaster
'Known unknowns' / 'unknown knowns': events that we generally know are possible, but at least part of the critical information about the timing, location, or impact is missing. These events are partly predictable and allow for some level of advance planning.	Cyclone, riverbank erosion, recurring disease outbreak (dengue)	24% of total alerts of SFB and 36% of total fund allocated by SFB have been for somewhat predictable disasters
'Unknown Unknowns': events where all critical information is missing, meaning they come as a surprise, have impacts beyond what was previously thought possible or are difficult to plan for in advance for other reasons.	Fire, Nor'wester, waterlogging, COVID-19, measles outbreak, human-induced landslides	48% of total alerts of SFB and 15% of total fund allocated by SFB have been for disasters that are very difficult to be predicted

(Source: Start Fund Bangladesh)

It must be noted that the degree of predictability of crisis is subjective to opinion and the above predictions have been made in line with the type of anticipatory actions taking place in the country as well as feedback from *Start Fund Bangladesh* members. For example, Nor'wester has been classified as "unknown-unknown" although Bangladesh Meteorological Department (BMD) has given out predictions of this type of rainfall. However, given its rapid onset and lack of stronger prediction models such as those existing for flood and cyclones, this has been classified in the category of unknown-unknown.

It is evident, however, that a majority of crises that Start Fund addresses are in fact predictable with the scope of anticipatory early action with relevant pre-planning in place before the occurrence of the crisis itself.

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