

HOW CAN ANTICIPATORY ACTION REACH SCALE AND SUSTAINABILITY? LEARNING FROM CERF IN NEPAL



REPORT

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About the Centre for Disaster Protection

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CONTENTS

| | |
|---|----|
| Executive Summary | 4 |
| Introduction | 7 |
| Background | 8 |
| Methodology | 10 |
| What are stakeholders' visions for the future of anticipatory action in Nepal? | 11 |
| What value has CERF added? | 12 |
| How could anticipatory action be embedded into existing processes and approaches? | 13 |
| Moving to government leadership of anticipatory action | 15 |
| Developing the trigger to support scale and sustainability | 17 |
| Working towards scaled and sustainable anticipatory action funding | 21 |
| Short-term priorities to build scale and sustainability in Nepal | 24 |
| Recommendations for future CERF-funded anticipatory action pilots | 26 |

● EXECUTIVE SUMMARY

Building on growing evidence that anticipatory action (AA) for climate shocks can be significantly faster, more dignified, and more effective than traditional humanitarian response, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) has been facilitating the setup of multiple AA frameworks in different countries. Since 2021, an AA pilot has been operational in Nepal, involving the UN Resident Coordinator's Office (RCO), World Food Programme (WFP), United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA), UN Women, Nepal Red Cross Society and other local organisations. The Centre for Disaster Protection has been supporting OCHA's learning from these pilots. This study takes a deliberately forward-looking perspective, and focuses primarily on the question of how AA can reach scale and sustainability in Nepal.

The pilot aims to provide anticipatory support to vulnerable people in response to floods in two areas of Nepal. If forecast data suggests a flood is imminent and pre-agreed thresholds are met, a funding allocation from the Central Emergency Response Fund (CERF) will be triggered and distributed across the UN agencies involved. A two-stage trigger is in place – the first trigger releases a small percentage of funds for 'readiness' activities such as pre-positioning goods, and a second trigger releases the bulk of the funding to put pre-agreed plans into motion. In Nepal, the largest share is allocated to WFP for cash transfers to affected households, and other activities include distribution of in-kind goods and provision of services.

There is considerable momentum in relation to AA in Nepal. The pilot built on pre-existing capacity and experience in the country, with a wealth of different actors experimenting with the approach from as early as 2014. The CERF-funded pilot has added value by scaling up the approach from very small pilots to a larger order of magnitude, and by proving that forecast-based action and faster response to riverine flooding is possible. An activation in 2022 in the west of the country saw quick support distributed to households within a fortnight of the trigger threshold being reached – much faster than is typical of traditional humanitarian response. It also created an opportunity for agencies and their partners to

identify technical challenges and learn from the experience so that future activations can be even smoother.

Moving to scale and sustainability

There is a consistent vision across actors that leadership of AA in Nepal needs to be passed from the humanitarian community to the government, to reach greater scale and sustainability. However, there is no clear institutional home for AA within Nepal's governance structure, which creates challenges for engagement. A formal coordinating policy, framework and structure for AA are also needed. To date, there has been limited government engagement in the pilot at the federal or provincial levels, beyond a few sporadic consultations between the RCO and different government departments. UN agencies involved in the pilot have had stronger engagement with local government than at federal level, although this has focused on joint implementation rather than co-design. The government is open to AA, and there are positive examples of engagement, but UN agencies believe more advocacy, dialogue and capacity building is needed.

The Nepal government's priorities and approach to AA differs from the approach taken for the CERF-funded pilot. For example, the pilot is designed to trigger exclusively for large riverine flooding; in two areas; and to release funding for UN-led interventions, primarily providing cash to the most vulnerable households. In contrast, the government is concerned with all types of hazards; including small and medium-sized shocks; it supports blanket distribution of anticipatory in-kind support; but is very uncomfortable with cash. These differences in approach and priorities suggest that a different design will be required in future to secure greater government involvement.

Embedding AA in social protection systems and programmes would appeal to government and is a potential route towards future scale and sustainability. One agency within the CERF-funded pilot, UNICEF, linked their planned AA activities to social protection systems, but this was in the east of the country where the AA framework has not yet activated. In the west, agencies chose not to link with the government's social protection programmes, although this may be possible in future.

Developing the trigger

The reliability of forecasts and access to relevant data in Nepal has been limited, making it challenging to develop an accurate trigger mechanism. A discretionary stop mechanism was incorporated, whereby the RCO could pause an activation based on alternative sources of risk information. This has been welcomed. Given concerns over the reliability of forecasts, there is a strong consensus that this discretionary trigger element is a positive and necessary development, with some believing it could be extended further. It also offers an opportunity to bring in other actors, including government, and build ownership. Clear protocols are needed to manage the risks of incorporating greater discretion in the AA trigger process, whether via a stop mechanism or a positive override.

Actors have a long list of requests for how they want the AA trigger mechanism to develop in future, but expressed little appreciation of feasibility constraints and trade-offs. For example, there is demand for a longer lead time, but less appreciation that this would inevitably reduce the reliability of the forecasts used. There is also a strong desire to incorporate multiple hazards, particularly landslides and earthquakes, and extend to nationwide coverage, but little reflection on associated technical challenges, particularly around data availability and accuracy. Several actors called for localised triggers and lower thresholds, to be able to respond to smaller events, without consideration of the technical feasibility of these or of how this would fall outside the mandate of CERF funding.

Flexible and complementary funding

As well as wanting greater flexibility in the AA trigger mechanism, there is also demand for greater flexibility in the funding model used. In particular, actors want combined funding packages that would link funding for AA with complementary funding for the necessary preparedness activities and system-strengthening work that underpins successful AA. For Nepal, this would be particularly useful to improve work on beneficiary databases and verification. However investments in system-strengthening and preparedness would need to be made well in advance of any trigger threshold being reached, and continuously provided. This is currently beyond the scope of the CERF-funded initiative and so alternative funding sources have to be found, or there is a risk that these supporting activities are not carried out.

The lack of preparedness funding underscores a lack of integration between AA and development or climate finance. This is problematic as AA should ideally be linked with wider resilience programmes and embedded within existing planning processes. This would preferably go beyond contingency planning alone to include country-level climate resilience, disaster risk management (DRM), disaster risk financing (DRF) and development partner planning processes. The CERF-funded AA pilot is currently implemented more as a separate, add-on initiative, although plans are now underway to link it to the annual monsoon contingency planning process. Scale and sustainability for AA funding depends on developing stronger links with climate and development sectors. International financial institutions (IFIs) are not yet offering anticipatory finance in Nepal, or elsewhere in the region, but they could potentially offer much larger amounts of finance for AA and preparedness work than it is realistic to expect from stretched humanitarian budgets. There is optimism regarding future government funding for AA, but this is not expected soon on a large scale.

Additionally, agencies are also keen for more flexibility from CERF over the amount of funding made available on the first trigger for 'readiness' as opposed to the second trigger for 'activation'. This would increase the financial risks for CERF in the event of a false alarm. This raises questions about how flexible CERF can be, or what additional sources of funding can be found, given that the split of readiness/activation funding should be determined by operational needs.

Short-term priorities for anticipatory action in Nepal

AA actors in Nepal face a number of technical priorities to facilitate scale and sustainability and ensure the appropriateness of the overall support package. These include improving forecast accuracy so that longer lead times can be used; improving impact and vulnerability data; strengthening the accuracy of local government databases to support targeting in the absence of a national registry; and tackling a significant problem with data sharing between agencies which has hampered collaboration. Review is also needed of whether the overall package of support is appropriate (i.e. whether it matches community needs at the time it is expected to be delivered) and consideration of cash as the primary type of support, given several challenges with this modality in Nepal.

Greater coordination among the agencies involved in the pilot and other AA actors is needed to be able to offer a consistent, multi-sector and harmonised approach to AA at scale in Nepal. While the RCO has been a trusted coordinator for the CERF-funded pilot to date, stronger links with climate and development actors need to be built, including at the local level, to ensure meaningful scale and sustainability.

Recommendations for OCHA's future engagement in anticipatory action

Experiences in Nepal pose a number of challenges to the AA model that has been used in CERF-funded pilots in similar contexts, and reflection is needed on the following strategic considerations:

- How does the approach need to be adapted given that greater government leadership of AA is the ultimate goal, particularly in higher-capacity contexts? There may well be trade-offs for OCHA and partner agencies to reach this goal – for example, around willingness to switch activities to suit government preferences; giving government a role in decision-making around the trigger methodology and activation; using government systems; and expanding coverage.
- For rapid-onset shocks, is it better to aim for ‘early response’ rather than ‘anticipatory action’? The 2022 activation in Nepal provided early support, but this was not delivered before the shock, and may not have been before peak impacts. OCHA needs to consider what is feasible at scale for AA for rapid-onset shocks and the implications of this; for example, whether adjustments need to be made to the overall support package, the narrative being used about AA internationally, and endeavours to measure impact at the household level.

- Where are the limits to adjusting CERF's parameters? Can changes be made to increase flexibility in line with actors' requests? If not, can additional funding be found to complement, or is there an alternative mechanism that is better suited to funding large-scale AA than CERF?
- How can the pilot better engage with climate actors, development actors, the government and local organisations to facilitate a shift beyond a UN-centric approach? Over the long term this will likely lead to more resources for AA, and will also embed AA within broader resilience and adaptation initiatives. But whose role and responsibility is this kind of crucial outreach and coordination? Should this happen at a global, regional or country level, and are the requisite capacities, relationships guidance and support in place?

Overall, there is a strong case for building on the experience of the CERF-funded pilot in Nepal to develop an evolved AA approach that is more flexible and less focused exclusively on hard triggers and thresholds, enabling AA actors to pivot according to changing dynamics on the ground. Ideally, the advantages of objective triggers and thresholds would be balanced with operational requirements for flexibility, particularly in data-poor environments like Nepal. This would require more emphasis on helping actors to understand and interpret forecasts and models, so they could subsequently make good decisions about useful activities. More focus would also need to be placed on developing robust guardrails to ensure funding is used appropriately and effectively. This would be a significant change to the more rigid, scientific-trigger-based version of AA that is often used in the region, but it offers potential for pragmatic future expansion of the approach.

● INTRODUCTION

This report captures learning from the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) anticipatory action (AA) pilot in Nepal. This is one of a series of pilots that aim to generate further evidence of AA's benefits in decreasing the impact of foreseeable disasters in terms of reducing human suffering, loss of life, and the cost of humanitarian response. OCHA's Humanitarian Financing Strategy and Analysis Unit (HFSA) and Central Emergency Response Fund (CERF) secretariat are leading implementation of the AA pilots in collaboration with key partners. In Nepal, international partners included the UN Resident Coordinator's Office (RCO), World Food Programme (WFP), United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA) and UN Women.

Collective AA is still an innovative space, and therefore the Centre for Disaster Protection (the Centre) is supporting OCHA's learning from these pilots by capturing lessons and benefits that emerge from the process, as well as advising on strategies to monitor and evaluate the short-, medium- and long-term results.

This report differs from other learning outputs produced by the Centre as it takes a forward-looking perspective, and focuses primarily on the question of how AA can reach scale and sustainability in Nepal.

● BACKGROUND

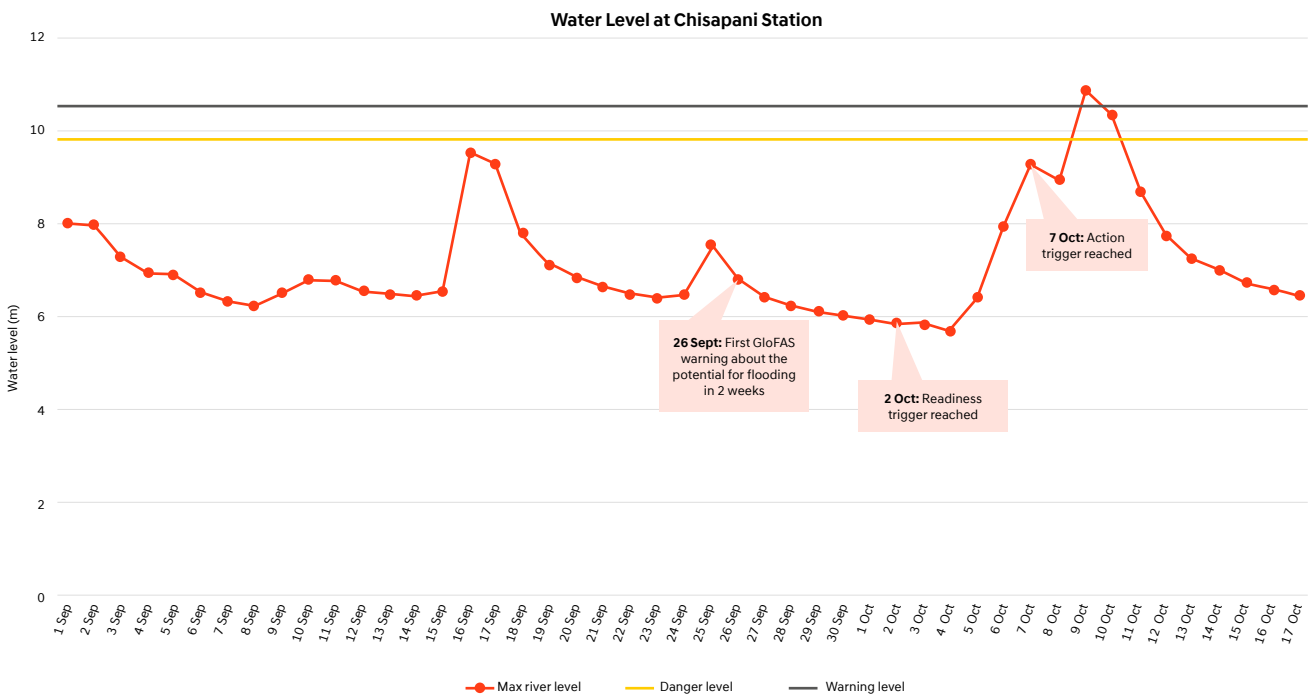
Anticipatory action is designed to reduce the impact of disasters on household welfare. It incorporates a trigger mechanism, which releases money ahead of a shock when pre-set thresholds are met, to activate planned activities to mitigate the shock’s impacts. The Anticipation Hub defines AA as: “actions taken to reduce the impacts of a forecast hazard before it occurs, or before its most acute impacts are felt. The actions are carried out in anticipation of a hazard’s predicted impacts and based on a forecast of when, where and how the event will unfold.”¹

Building on growing evidence that acting before the onset of predictable shocks can be significantly faster, more dignified, and more (cost-) effective than traditional humanitarian response, OCHA has been facilitating the set-up of multiple AA frameworks in different countries. In 2020, OCHA and partners began facilitating the development of pilots in Bangladesh, Ethiopia, Malawi and Somalia, and preliminary work in Chad. In 2021, these efforts were scaled up to include six more pilots – in

Burkina Faso, Madagascar, Niger, the Philippines, South Sudan and Nepal – plus a multi-country cholera pilot.

The AA pilot in Nepal aimed to provide collective anticipatory humanitarian action to people at risk of severe monsoon flooding. There are several major river basins in Nepal, only some of which are linked. Therefore, the pilot set up two separate systems to cover the Karnali river basin in the west, and the Koshi river basin and Saptakoshi watershed in the east. The Emergency Relief Coordinator allocated USD6.55 million from CERF’s Rapid Response Window for anticipatory action to cover both the east and the west. Seven projects were planned with interventions by WFP, UNFPA and UN Women in the west, and the same organisations plus UNICEF in the east. These agencies planned interventions in partnership with the Nepal Red Cross Society, various NGOs and local organisations, as well as some government stakeholders. By far the largest proportion was allocated to WFP for multi-purpose cash transfers: USD2 million for the east and USD2.4 million for the west.

Figure 1: Anticipatory action pilot activation timeline for Nepal's western basin



1 Anticipation Hub (2023) Anticipatory Action in 2022: A Global Overview: [Anticipatory_action_2022_-_Overview-Report_WEB.pdf \(anticipation-hub.org\)](https://www.anticipation-hub.org/anticipatory-action-2022-overview-report-web.pdf)

CERF uses a two-stage trigger design: an initial ‘readiness’ trigger warns agencies to prepare to provide support, and a second ‘action’ trigger subsequently gives the green light for activities to commence. On 2 October 2022, the readiness trigger thresholds signalled heavy flooding in the west of Nepal was likely. CERF distributed USD3.2 million and WFP, UNFPA, UN Women and their partners carried out last minute ‘readiness’ activities, such as pre-positioning goods. By 7 October, high-probability forecasts predicted that heavy flooding was imminent, triggering the AA ‘activation’ phase.

Most of the money was distributed as cash transfers by WFP, reaching 12,275 households. An additional 66 cash transfers on behalf of UNFPA went to selected beneficiaries to help them access services related to sexual and reproductive health (SRH) and gender-based violence (GBV). UNFPA also distributed 12,855 dignity kits and 37 reproductive health kits. Twelve community-based psychosocial workers reached 3,400 people, and Nepal Red Cross female community health volunteers reached 20,000 people. UN Women distributed 250 relief packages containing essential food and non-food items, and 114 people accessed its counselling services.

METHODOLOGY

This study differs from other process learning reports on CERF pilots completed by the Centre for Disaster Protection, in that it is a forward-looking analysis, focused on the central question of how to build scale and sustainability of AA in Nepal. A more retrospective analysis was completed by the OCHA CERF team in an After Action Review Workshop, conducted in Kathmandu in February 2023, with most of the UN agencies and some implementing partners present.

The study focuses on the question: **‘How can AA reach scale and sustainability in Nepal?’** The following areas were specifically investigated:

- What is the overall vision for AA reaching scale and sustainability in Nepal, and how does this differ across actors?
- How could AA be embedded in existing planning and related processes in the country?
- How could and should the trigger design evolve in future to reach scale and sustainability?
- How could and should funding for AA evolve in future to reach scale and sustainability?

This report on Nepal is complemented by a similar study on the CERF-funded AA pilot in Bangladesh that was

conducted concurrently, using the same overarching questions and data collection tools.²

Data collection for this study included a desk review of relevant literature, including review of jointly collated notes from the After Action Review, as well as CERF documentation and other reports sent by key informants (KIs). Semi-structured interviews were conducted with 25 KIs, with individuals initially selected by the CERF team, and subsequently added to by the CDP research team. Most interviews were conducted remotely, but some, including all the government interviews, were conducted face-to-face.

The study had a number of limitations. Firstly, most interviews had to be carried out remotely, which can create a barrier to understanding and rapport-building. Five interviews were held face-to-face. Due to time and resourcing constraints, no interviews were conducted with local government to verify information provided by partner agencies, and there was limited data collection in relation to wider work in Nepal on early warning, disaster risk reduction (DRR), disaster risk financing (DRF) and social protection. In addition, despite the research team’s best efforts, it was not possible to interview a representative from the Ministry of Home Affairs, or attend the After Action Review in person.

Table 1: Key informant interviews

| KI Stakeholder Group | Organisations | No. of KIs interviewed |
|--------------------------|--|------------------------|
| CERF/OCHA team | | 4 |
| UN agencies | Resident Coordinator’s Office, WFP, UNICEF, UNFPA, UN Women | 14 |
| AA implementing agencies | Start Network, Nepal Red Cross | 2 |
| Government | Department of Hydrology and Meteorology; National Disaster Risk Reduction and Management Authority | 3 |
| Donors | UK Government’s Foreign, Commonwealth and Development Office (FCDO) | 2 |
| TOTAL | | 25 |

² Scott, Z. (2023) *How Can Anticipatory Action Reach Scale and Sustainability? Learning from CERF in Bangladesh*, Centre for Disaster Protection.

● WHAT ARE STAKEHOLDERS' VISIONS FOR THE FUTURE OF ANTICIPATORY ACTION IN NEPAL?

There is a common vision across actors that, for scale and sustainability to be achieved, leadership of AA needs to be passed to government. Interviewees consistently described a future for AA in Nepal that depends on government taking full ownership and leadership of AA. This was seen by almost all those interviewed as being crucial to reach scale and sustainability. AA is regarded as worthy of scaling up, and important in a disaster-vulnerable context like Nepal. The vision of government leadership was consistently articulated across agencies and stakeholder groups, to a surprising extent, given that AA has been a broadly humanitarian-led agenda to date. As Nepal has a well-functioning government, actors feel it should fully own and lead AA, with gap-filling and technical support from external agencies as required. Linking with social protection was proposed by some agencies as both a strategy for building government ownership and a way of effectively reaching scale and sustainability.

Scale and sustainability also depend on linking AA with other phases of the resilience continuum and mainstreaming the approach. The AA pilot has been run as a separate initiative, rather than being embedded into existing programmes, or approached as a link in the chain between climate change adaptation (CCA), DRR, disaster response and recovery. Most people see an immediate connection between AA and preparedness and response. Some go further to say that AA should be tied to broader resilience and positioned within core disaster management, rather than being seen as only a form of 'early response.' Integrated thinking is not currently the norm amongst the agencies involved in CERF in Nepal: instead, there is a more siloed approach to CCA, DRR and response activities, with AA appearing to fall between the gaps. Although interviewees noted the need for greater mainstreaming to reach scale and sustainability, very few mentioned increased joint working and collaboration with climate and development actors as part of their vision. This suggests a lack of clarity about the necessary steps and stakeholder engagement that would be essential to facilitate this aim.

Many actors want to see greater flexibility of the approach, although this was described in different ways, including the flexibility to cover different areas, respond to different hazards and implement different activities, as appropriate to the situation on the ground. Interviewees spoke of wanting a more localised approach, where they could pivot to cover smaller floods that may happen in a localised area but do not trigger the entire CERF-funded AA response. Some are keen to be able to offer nationwide coverage rather than just the two river basins currently covered by the CERF-funded pilot. Many requested an expansion to cover multiple hazards, including landslides, drought, wildfire and glacial lake outbursts, despite recognising that the data and forecasts for these are not yet reliable. There is appetite for this kind of flexibility, even if it means substantial change to the approach.

Greater coordination is needed to be able to offer a consistent, multi-sector and harmonised approach to AA at scale. This includes greater coordination amongst UN agencies working together under this CERF-funded pilot, to be able to offer a 'One UN' approach, with a multi-sector response that meets diverse humanitarian needs in an efficient and effective way. For example, some agencies are keen to incorporate more sectors, such as health or shelter. Greater coordination is also needed between organisations working on CERF-funded AA activities and those conducting their own AA activities, sometimes in different areas or on other hazards.

Localisation has a role to play in building scale and sustainability in Nepal. Some interviewees described a future vision for AA in Nepal that focused on integrating more local organisations, NGOs and civil society to facilitate a more bottom-up approach. A limited number of NGOs and organisations have been involved in this CERF-funded Nepal pilot, predominantly on implementation rather than design, and they have a good presence across the country and experience of working to reduce the impact of shocks. Pivoting to incorporate these organisations more could help to link with wider resilience, build in indigenous practices, develop household and community-level capacities, and generate greater ownership of AA.

● WHAT VALUE HAS CERF ADDED?

Interest in AA, and delivery of anticipatory programmes, pre-dates and extends beyond CERF in Nepal.

Organisations such as WFP were already working on AA before the CERF pilot started in 2021. Nepal Red Cross have been implementing AA since 2014. Many other organisations are currently working on AA, without being part of the CERF pilot or receiving any funding for AA through that mechanism. These include Start Network, Save the Children (STC), Oxfam, Mercy Corps, Practical Action and various other national Red Cross societies.

Nepal is therefore a country with significant momentum in relation to AA, and agencies are keen for a Phase 2 of the CERF pilot.

No interviewees believed that their organisation would stop working on AA if CERF ended the pilot in the country. However, many UN agencies argued that it is too early, after just one activation, to wrap up the pilot. There was a strong desire amongst participating agencies to reflect, learn from the activation and build on the lessons learned. Several noted that the government is not yet ready to take over AA, seeing this as a longer-term vision rather than something that can be achieved immediately.

The CERF-funded pilot has added value to AA operations in Nepal in several ways. Benefits articulated by interviewees include:

- **Bringing AA to scale.** Previous AA work in Nepal was all very small-scale, with very limited budgets and coverage. The CERF pilot has worked at a much larger order of magnitude.
- **Proving faster action is possible.** The activation of the western part of the CERF pilot was described by some as ‘a great achievement.’ Technically, support was still only provided after the flood (from approximately two weeks after), but this was viewed in many agencies as significantly quicker than the norm of at least two months post-shock. Some interviewees argued that support was only delivered post-shock because the floods coincided with a major festival and so many staff were on leave, including in banks and financial service providers, meaning funds did not flow as quickly as they normally would. Activation proved it was possible to shift away from a wait-and-see mentality and take large-scale action based on a forecast.
- **Generating learning and evidence.** The activation in the west of Nepal provided an opportunity for UN agencies and their implementing partners to try AA at scale, and see the difficulties in implementation and technical challenges, in order to improve. For some of the smaller UN agencies with less AA implementation experience, this was viewed as an important learning opportunity. Some of the more experienced agencies also got an opportunity to refine their approach and generate evidence; for example, WFP is currently undertaking an impact study of its support.
- **Facilitating coordination.** Inter-agency coordination in particular was facilitated by the pilot, although it should be noted that some level of coordination and discussion was already separately facilitated in Nepal via cluster meetings (including with government counterparts) and contingency planning processes. Several people felt that the Resident Coordinator’s Office had played a key AA coordination role, facilitated by the pilot, despite some gaps in service due to staff turnover.
- **Creating opportunities for engagement with local authorities.** Some agencies, including UNFPA, UNICEF and WFP, emphasised that the pilot provided an opportunity for them to engage with local government in joint implementation and planning.

● HOW COULD ANTICIPATORY ACTION BE EMBEDDED INTO EXISTING PROCESSES AND APPROACHES?

The CERF-funded AA pilot is currently implemented as a separate, add-on initiative, rather than being embedded in existing planning processes or programmes. To reach scale and sustainability, and particularly to reach interviewees' vision of government leadership as mentioned above, this obviously has to change. Embedding AA within preparedness initiatives, contingency planning and wider DRR approaches is a crucial next step.

CERF's AA approach could relatively easily be embedded in the annual monsoon contingency planning process. This was suggested by several interviewees across organisations, although obvious limitations to this approach are that it is a humanitarian process (the RCO leads on contingency planning, although it aims to work with government too); it may conceptually link AA with response in people's minds rather than with wider resilience; it focuses on a single hazard; and it is an annual rather than multi-year process. These factors mean the monsoon contingency planning process is not necessarily the only or ideal home for AA, but it is better than AA being completely standalone, as it is currently. The RCO is already working on integrating AA into the monsoon contingency planning process, believing that forecasts have improved sufficiently and there is now enough momentum to move in this direction. The aim is to split the plans into three sections: preparedness, AA and response. This would give AA some prominence, but also emphasise its fit in relation to both preparedness and response. This change is more likely if UN agencies involved in the contingency planning process voice their support for the integration of AA.

A formal coordinating policy, framework and structure for AA is needed in Nepal. There is currently no national framework for AA that international actors can align behind. As mentioned above, the RCO has effectively been playing a coordination role for the UN agencies involved in CERF and their implementing partners. However, wider coordination is needed, including with other NGOs and government. An active Community of Practice on AA exists in Nepal, led by Nepal Red Cross and involving a wide range of organisations such as Mercy Corps, STC,

Practical Action, Danish Red Cross and DanChurchAid. This group has tried to avoid duplication both amongst themselves and with CERF actors. For example, Start chose to focus on different hazards (landslide and cold wave) and shared its tools with Oxfam, Cordaid and PIN. Within the government, there is not yet a clear counterpart at federal level for AA. Neither is there a clear 'whole of government' position or associated national guideline or policy, although the National Disaster Risk Reduction and Management Authority (NDRRMA) reports plans to develop an overarching framework in the future. Because of this gap, there is limited opportunity to integrate AA within relevant different policies and strategies, for example, on CCA and DRR. A clear national guideline on AA could facilitate AA's integration across relevant strategies and policies, and more coordinated action.

Embedding AA in social protection systems and programmes is an important route towards scale and sustainability, and the pilot facilitated some progress in this regard. Many interviewees emphasised the potential of linking AA with social protection. However, this is not without its challenges: according to the National Integrated Social Protection Framework, there are over 70 different social protection schemes in Nepal, often covering only one category of beneficiary, and involving many different ministries. In addition, there is no single registry, and although the World Bank is working on a registry pilot, there is currently very low coverage. The UN agencies involved in this CERF-funded pilot took different views on how far it was possible to link their AA activities with social protection. UNICEF decided to pursue an explicit link, and for its planned activities in the west (which went untriggered), it had intended to pass funding directly to local government to distribute via its social protection programmes. This fits with UNICEF's institutional perspective, which is generally developmental rather than only humanitarian, and seeks to prioritise working with government wherever and whenever possible. UNICEF recognised the limitations of local registries and so worked with local organisations to help people to register and support them to open bank accounts.

However, other agencies deliberately chose not to link with social protection systems. It should be noted that WFP, which also institutionally prefers to work through government systems wherever possible, decided it was not possible to link with a social protection programme. The reasons given were concerns that the registries were too unreliable, the delivery mechanism would be too slow, and there were not regulations in place to enable the social protection system to be used in that way, hence it would be inappropriate. This difference in approach is interesting, and shows the difficulty of assessing a social

protection system. For each organisation, willingness to take this approach will come down to their risk appetite, desire to work with government, organisational mandate and individual perspective. Wider attempts to strengthen social protection in Nepal are underway, and the World Bank has just developed guidelines for shock-responsive social protection, with FCDO support. However, there does not appear to have been any engagement with CERF or UN agencies working on AA, representing a missed opportunity for collaboration.

● MOVING TO GOVERNMENT LEADERSHIP OF ANTICIPATORY ACTION

There has been limited government engagement in the pilot at the federal or provincial levels, which poses a risk to scale and sustainability in a country like Nepal.

The RCO sought federal government agreement to the pilot in 2021, shared the OCHA-facilitated AA framework with the government, and a NDRRMA representative participated in a CERF high-level event in September 2021. The RCO and CERF representatives also met with NDRRMA and other government representatives in May 2022. However, the overall collaboration was limited, in that federal government were kept informed, rather than being co-designers in the AA pilot. Some interviewees expressed strong views that there had not been sufficient consultation, and most accepted that this area needs work in the future.

There is no clear institutional home for AA within Nepal's governance structure. At the federal level, there is a lack of clarity about where different responsibilities lie. In other countries, the national disaster management agency often leads on AA, given its role in emergency preparedness and humanitarian response efforts. In Nepal, NDRRMA is therefore probably the obvious 'owner' of AA, but this is a new organisation, only created in 2019. It is therefore still establishing itself, building capacity, and clarifying how it shares responsibilities with the Ministry of Home Affairs (MoHA), where some responsibilities around coordinating response efforts previously fell. In addition, Nepal has a decentralised governance structure, with three tiers of government (federal, provincial and local), and it is not clear how these three levels inter-relate in relation to AA or how different responsibilities are shared between them. As noted above, a national policy framework or guideline for AA would help.

Different ministries and government agencies have had some engagement with AA actors and involvement in the CERF-funded pilot. For example, forecast information from the Department of Hydrology and Meteorology (DHM) is built into the trigger methodology, and it was consulted in 2022 when the flood warning thresholds for triggering the pilot were met but there were concerns it was a false positive. NDRRMA and MoHA were involved in early discussions with the RCO, and

several UN agencies stated they were told to liaise directly with provincial and local government, developing memoranda of understanding (MoUs) with district management committees to guide implementation.

Agencies involved in the pilot have had stronger engagement with local government than at federal level, although this has focused on joint implementation rather than design. Agencies spoke of working closely with local government on implementing AA, consistently finding them to be motivated partners and appreciative of an anticipatory approach. One implementing partner stated, 'it is very easy and impactful to engage local municipalities.' UNICEF's plan, had the pilot triggered in the east, was to release money directly to local government to channel through its social protection system. This required considerable consultation and government partnership, and is one of few examples of CERF funding for AA being set up to flow through a government social protection scheme (the Philippines being the only other example at the time of writing). As the municipal government beneficiary lists were to be used, UNICEF worked with the government and local NGOs, in weekly meetings, to refine and improve the lists. Similarly, WFP described deliberately involving local government as key partners for the AA activation in the west. Joint activities involved decision-making as well as practical implementation, including defining the standard operating procedures (SoPs), and working on targeting and distribution. In some areas, local government has also been an engaged partner on AA outside of the pilot, for example working with the Red Cross to develop beneficiary lists and provide local government funding to top up assistance.

The government is open to AA, and there are positive examples of engagement, but UN agencies argued more advocacy, dialogue and capacity building is needed before fully handing AA over to the government. As noted above, there is more enthusiasm for AA at lower government levels, where they have been more operationally involved, than at the federal level. Many interviewees felt that, particularly at the central level, the government was interested but not fully invested or capacitated. They suggested it would be worth holding

more workshops and strategic discussions to build understanding. AA is a big shift in approach, and it takes time to demonstrate its value, build systems and develop capacity. However, other interviewees presented a different perspective, arguing that the government was already on board with the idea of AA, just not in collaboration with this pilot. They argued that while AA's terminology may not be widely used by government, the concept is familiar. They pointed to concrete demonstrations of government support, such as NDRRMA having publicly joined the Risk-informed Early Action Partnership (REAP), or progress with household vulnerability mapping.

Government priorities for AA differ from the CERF-funded pilot's approach, and so a different design may be useful in future to increase government involvement.

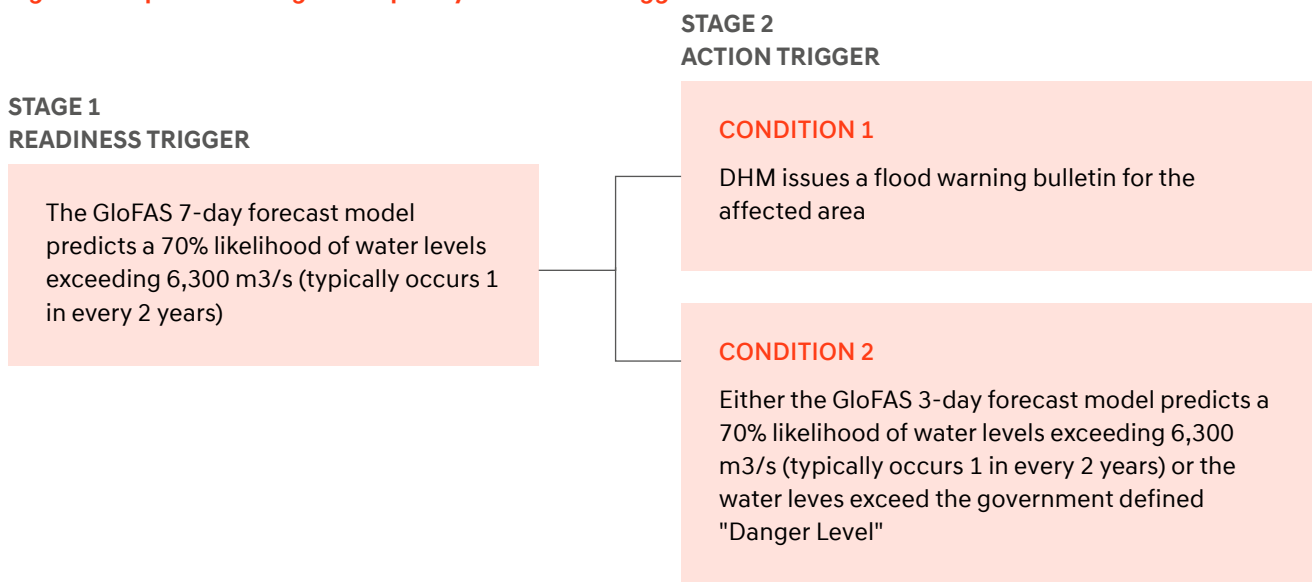
The CERF-funded AA pilot is designed to trigger for large riverine flooding; in selected areas; and to release funding for UN-led interventions including cash. In contrast, interviewees described government as also concerned with smaller and medium-sized shocks; from all types of hazard; supportive of blanket distribution of anticipatory in-kind support; but definitely not cash (see further discussion in the section on short-term priorities below). If the CERF-funded pilot continues in Nepal, it will be important to reflect on how the design can be adjusted to better align with government concerns, whilst still adhering to humanitarian principles and CERF's mandate.

● DEVELOPING THE TRIGGER TO SUPPORT SCALE AND SUSTAINABILITY

The reliability of forecasts and access to relevant data in Nepal has been limited, making it challenging to develop an accurate trigger mechanism. Various types of information are needed to develop a robust AA trigger, including forecasts with sufficient lead time for activities to be implemented, historical data for validation, and impact data to understand how shocks affect people. From the outset, data availability imposed limitations on the pilot. There are three river basins that regularly flood, but only two had sufficient data to be able to cover them for the pilot, and no historical data was available for validation. The pilot has two triggers: the first is for the 'readiness' phase and uses Global Flood Awareness System (GLOFAS) international forecasts, and the second 'activation' trigger uses local forecast bulletins from DHM, combined with some observational data on water levels to improve reliability. Nepal's topography is widely viewed as creating a huge challenge for forecasting early enough to activate AA, as the mountainous landscape makes riverine flooding more like flash flooding in terms of speed and unpredictability.

While most actors expressed concern about the reliability of available forecasts, they believe they are gradually improving. Some interviewees stated they thought the accuracy of the local forecasts to be approximately 30%, which is not unusual for CERF-funded pilot countries. DHM currently acknowledges that accuracy drops considerably beyond three days, but suggests an accuracy of approximately 65% for two days before a flood. DHM was not open to sharing its models with the CERF team during the design phase, and so there was some trepidation regarding using its bulletins as part of the trigger. It was, however, thought to be important to include government forecasts as a way of building its buy-in. OCHA analysed DHM forecast bulletins and data for previous years and found reliability to be better than initially expected. There is a general view that forecasts are improving, and DHM has various projects underway to improve their reliability, including with the University of Lancaster, the World Bank and the University of Oxford, although these have no formal link to CERF.

Figure 2: Nepal's two-stage anticipatory action flood trigger



Source: Adapted from OCHA. (2022) 'Anticipatory Action Nepal'. Pamphlet. OCHA.

Given the uncertainty over forecasts, the pilot integrated a discretionary element within the trigger.

This works as a stop mechanism – when thresholds are met, the RCO has the option of manually overriding the trigger and deciding to pause. This option was used at one point in 2022 when the threshold was reached but some actors felt there was a high chance it was a false positive. The RCO consulted with WFP (which was supporting the RCO with information management due to the absence of core staff in the RCO), DHM and CERF, paused the activation, and, as suspected, water levels receded after two hours. There was still a subsequent flood, but it was small and only affected one of the municipalities covered by the pilot. Given that there were only sufficient CERF resources allocated for one activation, the RCO felt this would largely have been a wasted opportunity in AA terms, with support going mostly to non-flood-affected areas.

Generally, there is a strong consensus that the discretionary trigger element is a positive and necessary development, with some believing it could be extended further.

Given the topography and data context in Nepal, actors were keen for a mechanism that includes more risk-informed decision-making as part of the trigger process, to include scientific evidence and contextual information that it is not possible to easily capture in a model. For example, various dynamic physical factors impact on the model reliability, such as the hardness of the ground, embankment breaches or repairs, and sedimentation levels. Other information, such as on government activities or other humanitarian response locations, could also be meaningfully considered using a discretionary approach. The aim is still for a process that forces decision-making at a useful point where a threat is imminent, but with a discretionary element that allows for some useful flexibility given high levels of forecast uncertainty, and supports the overall goal of providing timely support when needed.

Clear protocols are needed to manage the risks of incorporating greater discretion in the AA trigger process, whether via a stop mechanism or a positive override. The main risks are enabling politicised decision-making; running out of money if the trigger is activated more often; and a reputational risk for AA in that some may interpret greater discretion as a signal the trigger is totally unreliable, or that AA is open to undue influence and cannot be relied upon to deliver when expected. Most people felt these risks could be adequately

managed with transparent protocols for who can override the trigger mechanism; under what circumstances; with what information; and in consultation with whom. In the context of this UN-led pilot in Nepal, it has worked well to have the RCO assume the main decision-making role, in consultation with WFP which was very involved with the trigger design and information management, and with DHM. The RCO has overall responsibility for coordinating UN activities, is well trusted by other agencies and government, and is impartial as it does not receive CERF funds.

Some noted that adding a discretionary element created an opportunity to build ownership and support, especially with the government.

Governments are likely to prefer more control over activation than a purely science-based trigger allows them; hence a discretionary design is likely to appeal. Although AA should be insulated from political influence, the government could be one of the actors consulted on whether to pause activation or not. This would help build a stronger connection with federal-level actors and may be a more realistic model for the future. Although DHM was consulted in the false-positive case, this was more on technical aspects of the forecast than for wider reflection and contribution to decision-making. As noted above, the government has different priorities from UN agencies regarding emergencies and this may present a challenge; for example, it may be keener to trigger for a middle-sized crisis. Again, the key would be having clear protocols and criteria – for example, one criterion could be that the government agrees the imminent flood will be a major event.

Should CERF decide not to allocate further funding for AA in Nepal, it is unclear who would own and further develop the trigger mechanism.

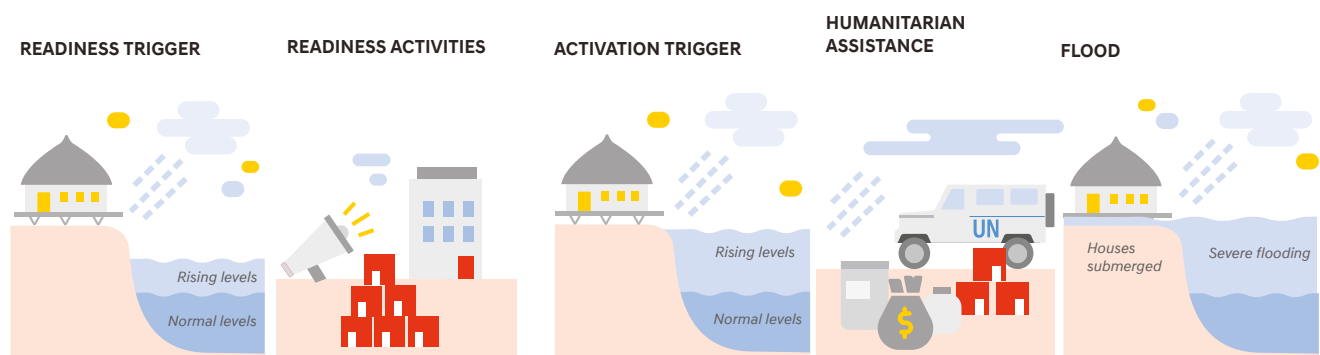
Some interviewees argued that in the long term, the model should be jointly developed by the RCO, DHM and NDRRMA, whereas others felt there was no obvious owner. Although DHM forecasts are used in the trigger methodology, DHM was not brought into the CERF-funded pilot as co-designers, just as providers of information, so transferring responsibility for the model's development would not be straightforward.

Actors have a long list of requests for how they want the trigger to develop in future, but little appreciation of feasibility constraints and trade-offs. There is a paradox in that people want a highly sophisticated trigger but also

want simplicity, so that it can be easily explained and understood. In order to reach scale and sustainability, people identified the following priorities for trigger development:

- **Longer lead time.** Many actors asked for longer than three days for activation. Because AA is designed to be delivered prior to a shock, having a very short lead time for activation reduces the scope of possible activities. The activation in the west took longer than expected to implement and ended up being post-shock support rather than anticipatory. Actors are keen to extend the lead time but expressed little awareness or concern that this would inevitably reduce the reliability of forecasts. Reducing the confidence level would also require donors like CERF to increase their financial risk tolerance level.
- **Incorporate multiple hazards.** Another common request was for multiple hazards to be incorporated into the trigger mechanism. Riverine flooding is only one hazard in Nepal – flash flooding, landslides and earthquakes are also major risks. There is also an issue of compounding or cascading hazards, where impacts pile up and lead to a greater disaster overall; for example, if flooding leads to subsequent landslides and cholera outbreaks. While there is a clear demand to move beyond a single hazard in order to scale AA, multi-hazard triggers are technically challenging and have not been used elsewhere in the region or for other CERF-funded pilots.
- **Extend to nationwide coverage.** To scale AA, it will be necessary to cover more geographical areas. Currently, only two river basins are covered, partly due to forecast data availability and partly because these were where agencies were already operating. Some interviewees expressed frustration that most AA activity has been focused on the west, resulting in less equitable coverage. Extending to nationwide coverage may not be technically feasible – some people argued that even with a single hazard, there are just too many rivers and too many variables – and it would definitely be time-consuming and costly.
- **Flexible, localised triggers.** Many interviewees requested a different approach, where AA could be triggered for localised floods which may have major household impacts but only in a small geographical area, and do not affect all the municipalities covered by this pilot. Some recounted a scenario where there had been major flooding in an area next to a municipality covered by the pilot, and expressed frustration that they could not also offer support in that area. Nepal Red Cross is much admired for its ability to respond to localised flooding, in contrast to this CERF-funded pilot which can be described as an all-or-nothing approach.
- **Lower thresholds.** Some interviewees requested that the trigger thresholds should be recalibrated to also activate for mid-level crises, as these are also a concern for implementers and government, and more frequent activations would help to build the case for, and awareness of, AA. Given that CERF’s mandate is limited to the more extreme events, alternative sources of funding would need to be identified for smaller-scale activations, such as one-in-two- or one-in-three-years events. However, it is not clear where this additional funding might come from, or whose responsibility it is to attract this.

Figure 3: Nepal anticipatory action timeline infographic



Source: Adapted from OCHA. (2022) 'Anticipatory Action Nepal'. Pamphlet. OCHA.

These suggest that scaling an AA trigger mechanism requires a greater focus on flexibility, and less emphasis on a technically rigorous approach. There was great enthusiasm and demand for all of the trigger developments outlined above, even when it was noted that it would be technically challenging or even a world first. One possibility for reaching scale would be to connect organisations working on localised AA in different geographical locations or for different hazards – in effect to create a nationwide patchwork blanket of AA coverage. However, coordination and communication would likely be a challenge with this approach. There is much support instead for a harmonised, joined-up approach, but with much greater flexibility than the CERF-funded pilot provided. As one interviewee stated,

‘flexibility is the key to scaling up.’ Several others requested a more ‘trusted’ approach that shifts from a single-hazard automatic trigger to a risk-informed decision-making process that allows agencies to pivot their resource mobilisation to different areas and activities as credible threats arise. This would be a very different model from the AA approach being pursued by CERF-funded pilots in Nepal and by many other AA actors across the region. It suggests a shift from a ‘purist’ approach to AA, based on carefully calibrated triggers and pre-agreed plans, to an arguably more pragmatic one that empowers implementers to pivot as new information and risks arise.

● WORKING TOWARDS SCALED AND SUSTAINABLE ANTICIPATORY ACTION FUNDING

Besides CERF, other donor funding is available for AA in Nepal, although humanitarian budgets are under pressure. One aim of the CERF-funded pilots is to crowd in other funding for AA. Few examples were given of this happening, and it is likely too early to draw conclusions. Other funds are available in the region for AA, including from European Commission Humanitarian Aid (ECHO), Australia's Department of Foreign Affairs and Trade (DFAT) and German Federal Foreign Office (GFFO). Nepal is currently developing an Early Action Protocol with International Federation of Red Cross and Red Crescent Societies (IFRC)'s Disaster Response Emergency Fund (DREF), building on the work of several national Red Cross societies, including the German and Danish Red Cross. There are also relevant global initiatives such as Early Warnings for All (EW4All), which encourage funding for related activities. Most interviewees felt that funding for AA was increasing, and some expressed concern that routine response activities were being rebranded as AA purely to access funds. However, any increase in the share of funding for AA is in an overall context of shrinking global humanitarian budgets, in part due to the war in Ukraine. FCDO is the largest bilateral donor in Nepal and has cut its aid budget repeatedly since 2020. This has resulted in subsequent reductions to spending in Nepal which have directly impacted AA programmes, for example those implemented by Start Network.

Within the pilot, CERF funds readiness and activation costs, but not associated costs for preparedness activities such as longer-term system-strengthening costs. As in other countries, CERF AA funding only covers the 'fuel' costs of AA, for example pre-positioning goods once the forecast threshold has been reached, and then distributing them to households. However, there are also associated 'build' costs that are necessarily incurred when designing, preparing and implementing AA. For example, building beneficiary registries; training implementers; and staff time for design, system-strengthening work and government liaison.

Agencies were well aware that preparedness activities would not be covered by CERF, but it has still created challenges. Some felt that other preparedness funding

was available, with most organisations saying they used their core funds or regional funds from ECHO to pay for activities to complement CERF-funded AA. However, others complained that it was difficult to access complementary funding. This appeared to be a bigger challenge for the smaller agencies who had not previously worked on AA, as they did not have existing programmes that could support, or did not have broad organisational support for AA generally.

Views differ on the appropriate split between readiness and activation funding, largely affected by what activities are planned. To reduce potential wastage, CERF has encouraged a small amount of funding to trigger for readiness, as little as 5%, with the bulk of funding flowing on activation. CERF relied on this approach to minimise its financial exposure in the event of a false alarm (i.e. to ensure that as few funds as possible would be wasted if the first threshold was met but the forecasted flood subsequently failed to materialise). Some organisations described doing as little as possible in the readiness phase because of trigger uncertainty, and not wanting to incur costs without being sure that activation would go ahead. This obviously introduces a risk of slowing down the overall AA implementation. Whilst it may be possible to only release a small percentage of the overall funding for the readiness phase if cash or voucher assistance (CVA) is being provided, this has presented challenges for agencies providing in-kind transfers that include items with short expiration periods, as organisations want to hold off buying these for fear that they will expire before they can be used. Even organisations planning cash transfers argued that 15-20% would be more appropriate for the readiness phase, given the need to validate beneficiaries during this time, which incurs significant costs.

CERF's funding approach seems better suited to larger organisations who can stockpile and finance an activation themselves, and rely on subsequent reimbursement. This limits the opportunities for smaller organisations to be involved and may affect use of local implementing organisations. Once triggered, money has to be transferred from New York to Kathmandu, and then onto local organisations, which can take longer than a

week. Organisations therefore have to use their own funds before being reimbursed. Interviewees expressed the view that CERF's funding model (no money for preparedness and a small amount for readiness) was easier for bigger players who have existing preparedness programmes, can stockpile goods, and have the capital to pay for activation upfront.

Overall, actors would like greater flexibility with the funding model. Requests for greater flexibility with CERF AA funding included flexibility over the readiness/activation percentage split and inclusion of preparedness activities. Some interviewees had a more radical proposal, suggesting that if thresholds are met, this triggers an 'offer of money' that agencies can choose to draw down from to implement some or all of the pre-arranged activities, rather than an automatic flow of money. However, increasing flexibility in the ways that actors requested funds would be challenging for CERF, given the constraints it operates under and its specific response mandate. For example, increasing funds for readiness would increase financial risk, which may not be acceptable to CERF's donors. This raises questions about whether CERF is the most appropriate funding mechanism for large-scale AA.

There is strong demand for combined funding packages for preparedness and AA. Interviewees argued that it does not make practical sense to split funding for AA from complementary preparedness, and that doing so positions AA as a siloed activity rather than as part of a wider approach or programme. Several interviewees suggested a multi-donor preparedness fund, potentially managed by the RCO, should be set up to pay for preparedness activities to complement CERF AA funds. Humanitarians make a joint plan for response and fundraise against it, so potentially a similar approach could be taken for preparedness activities. Others suggested simply that CERF should follow DREF's lead and include funding for preparedness. As mentioned above, if this is simply not an option for CERF given its constraints and mandate, it raises questions about whether CERF is actually the most appropriate financing instrument for AA, or whether an alternative mechanism can be found that can blend preparedness and AA funding. Alternatively, donor partners could be identified for a preparedness component that would formally link with CERF AA funding. However, it is not clear whose responsibility this would be to identify

and develop (whether at country level, regionally or globally), or what donor appetite might be.

AA preparedness costs are relatively small, and mainly relate to collective public goods that require considerable lead times and should be put in place well in advance of a shock. Different actors use the term 'preparedness' to cover different types of activities. For smooth AA operations, certain supporting preparedness activities are essential to support specific planned activities; for example, stockpiling relief supplies, training and updating SoPs.³ The biggest AA build costs in Nepal appear to have been staff time to develop and improve beneficiary lists and create databases. Not having specific funding for these activities creates a risk they will be overlooked or rushed, despite having valuable long-term benefits. For example, WFP is funding an impact evaluation of the Nepal AA activation. This kind of evidence generation is useful across the sector. Build costs do not need to increase in correlation to fuel costs, and most appear to be relatively small, in the order of tens of thousands of dollars, rather than millions.

The lack of preparedness funding underscores a problematic lack of integration between AA and development or climate finance. Preparedness costs have a clear link to wider DRR and resilience work, and yet AA funding in Nepal appears to exclusively come from the humanitarian sector, with no links to development or climate funding. International finance institutions (IFIs) are strikingly absent from discussions on AA in Nepal, despite them being a major source of post-disaster finance and having relevant programmes with government. For example, DHM has received support to improve forecasting from World Meteorological Organization (WMO), United States Agency for International Development (USAID), World Bank, Asian Development Bank and United Nations Development Programme (UNDP), and is in the process of developing a Green Climate Fund (GCF) proposal. NDRMMA has just finished developing a Disaster Risk Financing Strategy with the World Bank and is developing a proposal for technical assistance support from the Global Shield Financing Facility. Should this funding be approved from climate and development sources, it is unlikely to be well-connected with the fragmented AA provision in the country, given the lack of collaboration between the sectors to date.

3 As opposed to how development actors may use the term 'preparedness,' to include wider DRR and resilience-related endeavours such as developing early warning systems and evacuation centres.

Scale and sustainability for AA funding depends on developing stronger links with climate and development sectors. IFIs are not yet offering anticipatory finance in Nepal or elsewhere in the region. Some interviewees called for stronger international advocacy for this, from the likes of REAP, in order to generate potentially much larger amounts of finance for AA and preparedness work than is realistic to expect from stretched humanitarian budgets. Others argued that the government should push IFIs for anticipatory finance and that this would be a more effective route to increasing sustainable funding for AA. Some noted that as the government does not benefit directly from CERF funds,⁴ it is less interested in the approach or collaboration with CERF-funded pilots. Shifting AA from humanitarian funding to other sources of finance could catalyse government interest and unlock greater government ownership, embedding AA in wider resilience financing and programming.

There is optimism regarding future government funding for AA, but this is not expected soon on a large scale.

Several agencies are advocating for government resources to support AA. Anecdotally, interviewees told of some sectoral local government resources being used for AA, for example in relation to tourism, agriculture and transport. However, there are no budget codes for anticipatory disaster spend, so this is difficult to track or verify. Some agencies spoke of local palikas (municipalities) co-funding the preparedness activities for the pilot; for example, developing guidelines and SoPs on targeting, simulations and early warning communications. While this is an encouraging step, funding is currently all small-scale and accessed at the local level. An additional barrier to use of government resources to AA is that response funds are not currently set up to release funding prior to a disaster. Work is therefore required to facilitate this, as has been necessary in other countries, such as the Philippines.

4 Governments can receive CERF funds indirectly via sub-grants from UN agency funding recipients.

● SHORT-TERM PRIORITIES TO BUILD SCALE AND SUSTAINABILITY IN NEPAL

Partners identified several priority technical areas that need to improve to facilitate scale and sustainability.

These were mainly around improving the trigger methodology with more accurate forecasting at a longer lead time, and improving the availability and accuracy of impact and vulnerability data. In addition, partners saw a need to improve targeting in the absence of a national registry, by strengthening the accuracy of local government databases.

Problems with data sharing between agencies have hampered collaboration, and need resolving. UNICEF initially wanted to join the western part of the pilot as well as the eastern basin, providing additional in-kind support to complement WFP's cash transfers. However, it was not possible to share beneficiary data to facilitate collaboration. Data sharing has been a problem in other CERF-funded pilot countries, and a global solution needs to be found that ensures beneficiary details are protected and handled appropriately, but that AA is not negatively impacted. WFP was able to share data with UNFPA and identify common beneficiaries, in part because of a global data-sharing agreement in place between the two agencies. Similar agreements need to be developed between the other agencies involved in CERF-funded pilots. The key is to agree details ahead of time on beneficiary criteria and the collection, storage and sharing of data; and develop formal agreements.

Attention needs to be paid to ensuring the package of AA support is appropriate, including consideration of whether it matches community needs for the pre-shock phase. The orthodoxy on AA states that support should be focused on mitigation and reducing the impact of the crisis, given that support is intended to be delivered before the peak impacts of a shock.⁵ Some of the items offered for support in Nepal under the pilot do not fit this criterion, and are the same as organisations' general response activities. For example, the provision of dignity kits, SRH support, radios and cooking stoves. As noted above, the AA activation in October 2022 actually resulted

in post-shock support, and so it was fortuitous that support was not tightly focused on prevention and mitigation. However, it highlights what some actors described as a lack of understanding of the specific niche value add of acting in anticipation of a crisis, as opposed to responding to it.

Part of the discussion over the support package should be around the appropriateness of cash, given numerous challenges with this modality. Nepal has a common cash framework and many of the UN agencies participating in the pilot, in accordance with the Grand Bargain and international best practice, advocate for and use cash in AA.⁶ However, there are the following challenges to using cash in Nepal:

- Some argue that cash is less relevant for rapid-onset anticipatory action, as people do not have time to spend it, especially if it is distributed just hours ahead of a flood.
- Community consultations in Nepal have shown there is greater demand for in-kind goods such as sandbags and waterproof storage, or pre-shock activities such as clearing drainage channels or supporting evacuation.
- The federal government does not support pre-disaster cash distribution. The Prime Minister has publicly spoken against cash for AA, concerned it will create dependency and conflict, potentially undermining government legitimacy. In addition, there are no laws, guidelines or policies for cash distribution at any level, and the government argued that this meant it could not monitor and hold international partners to account. Agencies agreed that the government did not like cash, but generally felt it had begrudgingly 'turned a blind eye' to the pilot using cash. It therefore reduces the potential for government ownership and increases the sense that AA is an internationally led approach.
- If underlying systems are in place, then CVA is likely

⁵ See for example, the [ASEAN Framework on Anticipatory Action in Disaster Management](#).

⁶ See for example, the Asia-Pacific Technical Working Group on Anticipatory Action and the Asia-Pacific Regional Cash Working Group (2022) [Anticipatory Action and cash transfers for rapid-onset hazards: Practitioners note for field testing](#).

to be quicker and easier to implement. However, if they are not, as in Nepal, then a huge registration effort is needed, including opening bank accounts, validating beneficiaries and establishing (ideally digital) payment mechanisms. Without a coordinated and funded programme to manage this preparedness work, there are risks of omissions, duplication and corruption.

The RCO and UN agencies involved in the pilot should deliberately consider how to advocate for AA and develop stronger links with climate and development actors in country, who have influential relationships with government. There is already a significant amount of activity related to AA from development and climate actors in Nepal, and reason to believe that more funding and investment is likely in relation to DRF and early warning in the coming years. The World Bank in particular has climate and DRR programmes; supported

development of a government DRF strategy; and has been working on shock-responsive social protection; all with no overlap with the CERF-funded pilot or apparent conceptual overlap with AA. A more joined-up approach with these actors could be an interim step to creating greater government buy-in, given that they have influential relationships with and offer considerable resources to the government. Engaging them also offers potential for better integration into wider resilience, preparedness and response activities. This is not to suggest it will be an easy next step; indeed, a few actors shared examples of trying to reach out to IFIs on AA and being largely ignored. The RCO is keen to work more on disaster risk management (DRM) and could lead a strategic coordination process with development and climate actors, involving UN agencies, bilateral donors and government. Early warning, forecasting and social protection programmes could provide entry points for discussions and collaboration.

● RECOMMENDATIONS FOR FUTURE CERF-FUNDED ANTICIPATORY ACTION PILOTS

OCHA should clarify AA's specific nature and contribution as opposed to earlier action, and ensure that expectations, modalities and marketing materials reflect realities on the ground. The Anticipation Hub definition of AA⁷ allows for support to be provided before peak impacts of a shock. Given that the CERF-funded activation in Nepal delivered assistance two weeks after the shock, the response could in principle still fit this definition. However, it seems unlikely that the peak impacts of the flood were two weeks later, and no evidence was provided to support this view. Attempts to measure the impact and cost-effectiveness of this activation should therefore not be confused with AA that was delivered before the shock. Ultimately, any support that can be provided in a timely fashion, matched to the needs of communities, is very welcome, but OCHA should be clear about what is actually being achieved, and likely to be achieved elsewhere, in terms of timescales and impacts. This is not just a matter of semantics – if support prior to a shock is definitely the focus, then CERF should be more rigorous about the type of activities and modalities that are allowed in pilots, as some are clearly response activities, rather than aiming to reduce losses or mitigate impacts. If forecast-based support or early action is actually what is intended, CERF should clarify this and be careful about what claims are made about the pilots' intentions generally.

OCHA needs to consider how funding for preparedness activities, which are a core part of AA, can be integrated with the funding for AA. This funding is needed well before a shock, and continuously. The current situation with all the CERF-funded pilots is that only readiness and activation costs are covered, without complementary commitments from other donors for preparedness activities. This creates a risk that the vital preparedness work does not happen adequately, such as developing and sharing databases. Incorporating funding for AA preparedness would help to clarify what is needed and who is responsible for building systems for AA and coordination. It could also incentivise some of the long-term political and technical capacity building and liaison with government that is necessary for reaching scale and

sustainability with AA, but has not been prioritised to date. A concerted effort is needed to identify and approach potential donors to provide this complementary funding. This will require strategic thinking as to whether this should happen at a global or regional level, or whether it is the responsibility of RCOs in country, and whether they have the requisite capacities and relationships. These roles and responsibilities should be made clear, along with the necessary guidance and support.

In countries where actors have a clear vision for greater government leadership of AA, OCHA and the UN agencies should adjust the pilot's design to facilitate this as the ultimate exit strategy. There was strong consensus amongst interviewees in Nepal that the government should ultimately lead AA in the country. Nepal is not a major recipient of CERF funding, had pre-existing AA programmes, and has a fully functioning government that is broadly supportive of AA. As a pilot, it was able to demonstrate what was possible in a high-capacity country, and in an Asian context (alongside Bangladesh and the Philippines). A clear longer-term strategy is needed, both in Nepal and in similar countries where the government is well-positioned to lead, e.g. Bangladesh. There also needs to be greater clarity about the responsibilities of the country-level actors versus the OCHA team. CERF, the RCO and the UN agencies should collectively consider their respective roles and how to re-orientate the pilot design, so that this aim becomes more quickly achievable, and assess whether the right skills and relationships are in place to facilitate this. It seems likely that a different model will be suitable for these high-capacity countries going forward, and there may well be trade-offs for CERF and partner agencies to make to reach this goal. For example, around willingness to switch activities to suit government preferences; giving government a role in decision-making around the trigger methodology and activation; using government systems; and expanding coverage.

The goal of greater scale and sustainability will require a shift beyond a UN-centric approach to AA, with

⁷ <https://www.anticipation-hub.org/about/what-is-anticipatory-action>

deliberate engagement of climate and development actors, including local organisations. The current CERF-funded pilot model is unlikely to facilitate future government leadership of AA – a wider array of actors need to be engaged. Bringing in IFIs, development organisations and climate actors has the added benefit of also appealing to government, given that it will likely lead to more resources for AA. It will also enable AA to be positioned within broader resilience and adaptation initiatives. Ideally, the aim is to embed AA within those actors' own programmes, not to fundraise for CERF from different sources. Possible entry points for Nepal include linking with programmes aiming to support social protection systems strengthening (particularly for social registries), developing early warning infrastructure, or investigating options for adapting disaster risk financing instruments included in the new strategy or the potential Global Shield proposal.

Introducing greater flexibility in the trigger methodology and funding approach would be popular, including with the government, and would therefore contribute to scale and sustainability. However, it would also require a shift in the focus of the pilot and level of

technical rigour. There is no doubt there is appetite for an expansion of AA in Nepal to cover more areas and more hazards. Yet this would necessarily require a step away from a strictly scientific-trigger-based approach, where funding is released only when thresholds are met and only for pre-agreed activities in pre-selected areas. Both CERF staff and UN agencies were enthusiastic about the benefits a more flexible approach would bring, particularly for countries like Nepal with high forecast uncertainty and nationwide vulnerability to multiple hazards. This would require more discretion to be embedded within triggers and less reliance on hard thresholds. If AA became more about an 'offer of money ahead of time' and a coordinated decision-making process, then more emphasis would be needed on helping actors to understand and interpret forecasts and models, so they could subsequently make good decisions about useful activities. More focus would also be required on developing robust guardrails to ensure funding is used appropriately and effectively. This would be a significant change to the more rigid, trigger-based version of AA that is currently being presented and pursued by a number of international actors, but it offers great potential for pragmatic expansion of the approach.

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