

Forecast-based Financing within the Red Cross and Red Crescent Movement: Persisting barriers and ways forward.

Forecast-based Financing (FbF) is a new approach to humanitarian action that wants to address recurring challenges humanitarian practitioners in the field experience. In particular, response to emergencies is often affected by early warnings not leading to early actions and delays in access to funding, resulting in a difficulty to meet the needs of the populations at risk. Through systematic use of forecasts, pre-positioned funding and planned early actions FbF is aiming at tackling inefficiencies. While the concept is gaining momentum across the humanitarian sector, practitioners face presenting barriers for fast implementation, advocacy efforts and extending its in-country coverage.

Background

Developed in 2013 by a group of humanitarian organizations including the Red Cross and Red Crescent (RCRC) Movement, FbF is currently being implemented in 16 countries. FbF springs from the realization that humanitarian action should be done in anticipation, as opposed to the inherently reactive humanitarian response. There is an opportunity to reduce fatalities and impacts on livelihoods as well as infrastructure by implementing early actions in the time between a natural hazard is forecasted and has occurred. For example, in the case of a hurricane, to reduce the impact early actions may include tying down rooftops, evacuation of families and livestock to cyclone shelter, and planning for needs in food, water and hygiene of the evacuated population.



Purpose

The purpose of this research is to uncover challenges and opportunities associated with FbF, as perceived by staff of the Red Cross Red Crescent (RCRC) Movement. Eleven interviews were conducted with international, regional and national actors.

Key findings from this study

The research shows that within the FbF community, the disparate use of terminology and disagreement about what FbF should cover becomes a barrier for advocacy of the approach, limiting new potential funding and buy-in. Additionally, respondents have expressed concerns regarding the reluctance to act without having certainty of the hazard's impact, this can have a negative impact on the funding availability, something that could be addressed through improvement of forecasting capacity of local Meteorological Organizations and of data collection methods. Additionally, ensuring that local actors i.e. Governmental actors and the local Red Cross or Red Crescent, have full control and responsibility over choosing early actions, danger levels and funding opportunities is a prerequisite for achieving sustainability and scaling up of the approach. However, this process still lies to a large extent within the supporting RCRC partners. Some of the opportunities brought up include mainstreaming FbF into other programs, investing into organizational and individual skills development of the local Red Cross or Red Crescent and wider collaboration with authorities and external humanitarian partners.

Future area of research

FbF is a promising tool with the potential to shift the humanitarian focus from reaction to anticipation, while also promoting an alternative to the current humanitarian funding mechanisms. There is a need for further research to evaluate FbF adaptability towards complex humanitarian emergencies and a wider range of hazards.