



Anticipate Crises and Invest According to Risk

Analytical Paper on WHS Self-Reporting on Agenda for Humanity Transformation 4B and 5B

This paper was prepared by:¹



Food and Agriculture
Organization of the
United Nations



Executive Summary:

Two years in, World Humanitarian Summit (WHS) stakeholders have made important strategic and operational shifts to better anticipate and plan for crises and increased investments in analyzing and planning to reduce disaster risks. A significant amount of these shifts have been made by Member States.

This paper examines the second self-reports submitted by stakeholders, including governments, UN agencies, international organizations and civil society on commitments made at the WHS, relating to two of the transformations; 4B - Anticipate Crises and 5B - Invest According to Risk.

The reports point to several positive trends, including increased efforts to strengthen the evidence base around effective disaster preparedness and mitigation, improvements in risk informed decision-making tools and procedures, increased advocacy, particularly around key global platforms and events, growth of investments in disaster risk reduction measures and greater efforts to operationalize concrete multi-stakeholder action at the country level.

Several noteworthy examples of good practice or innovations stood out. Donor countries generally focused on disaster risk financing strategies and innovative forecast-based financing while UN agencies and NGOs focused on the development and implementation of guidelines and standard operating procedures to support early action at the country level.

Despite good practice and positive trends, key challenges remain to fully realize the potential of early action to truly contribute to ending need and reducing risk and vulnerability over the long term. Lack of sufficient funding continues to hinder early action, risk and resilience programming while improved support and incentives are needed to improve coordination, partnering and joint planning and programming at the country level.

¹ This paper was authored by FAO (Indira Joshi, Emergency and Rehabilitation Officer and Elena de Giovanni, Humanitarian Policy and Partnership Officer) and World Vision International (Sheri Arnott, Director of Policy, Disaster Management, World Vision International).

Overview of the current landscape

Anticipating crises and investing according to risk can mitigate damages and losses – the more visible and immediate and measurable impacts of a crisis. However, the benefits of this can extend well beyond reducing loss and damage. By mitigating negative coping strategies, anticipating crises can have long term positive effects on malnutrition, education and health.

There is a growing interest in the potential of anticipating crises not only to mitigate the impact of disasters and thus increase the resilience of vulnerable communities, but also in its potential to improve the cost effectiveness, transparency and accountability of humanitarian decision-making and resource allocation in relation to preventable large scale disaster impact.

Over the past 5 years, the attention for ‘anticipatory’ approaches to crises has been steadily increasing, and a growing body of evidence is demonstrating the cost effectiveness of acting early as opposed to the traditional disaster response. Today, a growing number of international agencies are implementing anticipatory modalities such as Early Warning Early Action/Forecast based Financing, and aligning them to other complementary approaches such as disaster insurance mechanisms. Anticipating crises is increasingly seen as a priority and a responsibility at the highest levels of the inter-agency system.

Data Source

For Transformation 4B, 83 stakeholders reported on commitments. Thirty-two, or 40 percent, of these reports were from Member States, with the remainder coming from UN Agencies, civil society, private sector and/or multi-stakeholder platforms.

For Transformation 5B, 40 stakeholders reported on commitments. Fifty-five percent of reports received were from Member States. Just under 100 per cent of stakeholders reporting on Transformation 5B also reported on Transformation 4B.

Positive trends emerging from self-reporting

Reports indicate that positive trends can be seen in the areas of greater investments in building the evidence base for coordinated and effective disaster prevention and preparedness, increased efforts to support risk-informed decision making, continued investment in risk reduction measures, greater investment in advocacy and awareness raising, and investments in operationalizing multi-stakeholder platforms at the country level. Examples include:

- **Building the evidence base for coordinated and effective disaster prevention and preparedness.** The European Commission’s Disaster Risk Management Knowledge Centre produced its first flagship report "Science for Disaster Risk Management 2017 – Knowing better and losing less". FAO undertook research on the cost effectiveness of early action in Kenya with preliminary results indicating that for every USD \$1 invested in early action livestock interventions there was a return of USD \$3.5.
- **Continued efforts to improve risk informed decision-making:** The governments of Australia, New Zealand and France developed a register of disaster response options for Pacific governments to better target assistance requests, as well, Australia continues to increase its efforts in developing a multi-hazard approach to disaster risk reduction.

Germany continued support to WFP's innovation accelerator and provided institutional strengthening support to WFP's preparedness division.

- **Increased advocacy:** Australia led an event with partners from Mexico, Indonesia, Korea, and Turkey at the Global Platform for Disaster Risk Reduction (GPDRR) event in Mexico which focused on accelerating implementation of the Sendai Framework. Germany provided support to the GPDRR with the view to ensuring greater coherence between the implementation of the Sendai Framework, the Paris Agreement, and the SDGs.
- **Investment in disaster risk reduction measures:** Germany continues to strengthen local capacities for disaster risk reduction through its support to the Global Facility for Disaster Risk Reduction's Inclusive Community Resilience initiative and to the Global Network of Civil Organisations for Disaster Risk Reduction. Through its ACP-EU Natural Disaster Risk Reduction programme, the EU funded 10 new projects on disaster forecasting and early warning, risk mapping and assessment, assessment of the impact of disasters on social vulnerability, and disaster risk management integration in development and recovery planning. Canada is supporting a multi-year Resilience Initiative implemented by FAO, WFP and IFAD which aims to meet immediate food needs while simultaneously addressing longer-term resilience of vulnerable populations in Somalia, Democratic Republic of Congo, and Niger.
- **Operationalising multi-stakeholder platforms at the country level:** OCHA and World Vision International organized a simulation exercise of the Connecting Business initiative (CBI) that identified clear entry points in the humanitarian coordination system for the private sector to participate in disaster management and response. It also introduced tools and mechanisms for private sector to gather real-time data to aid in response. The START Network's Innovation Labs programme launched 4 Innovation Labs in 2017, run by a variety of traditional (both INGOs and NNGOs) and non-traditional actors (e.g. local trust, private sector, academia). The labs are located in vulnerable communities in Bangladesh, Jordan, Kenya and Philippines with two out of the four labs led by national and local organisations.

New, innovative or unique programmes or practices from the self-reports

A review of the reports from stakeholders including UN agencies, NGOs, private sector and Governments shows that there are several noteworthy examples of good practice or innovations to be shared. Generally speaking, donor countries are focusing more on disaster risk financing strategies and innovative Forecast-based Financing while UN agencies and NGOs are focusing on the development and implementation of guidelines and standard operating procedures to support early action at country level.

A few specific examples include:

- **Start Network** have further adapted their Start Fund so that members can access funding and implement projects before a disaster is forecast to strike. The anticipation window has been operational ever since, working with forecasting agencies and crisis monitors to act early and avoid the unnecessary loss of life all over the world. In 2017, following feedback from projects, the anticipation window was adapted in terms of timeliness and flexibility. Welthungerhilfe together with ACTED and Mercy Corps through this fund, implemented

projects to anticipate flooding and landslides in Tajikistan. The three responding agencies focused their individual projects on two main points – building infrastructure to alleviate the severity of flooding and educating the public in the Rasht Valley on how to respond in the event of a mudslide or flood².

- **Germany** launched innovative Forecast-based Financing pilots to anticipate risks and implement humanitarian early actions based on risk thresholds. Welthungerhilfe received support from Germany to implement an early action programme. Germany also supported, data sharing with the hydro-meteorological service to improve flood risk management and climate change adaptation in the Western Balkans.
- **FAO**, together with OCHA has co-led an initiative to develop the IASC EWEA Standard Operating Procedures (SOPs) for El Niño/La Niña events which have been submitted to the IASC Principals endorsement in early 2018. The Global ENSO Analytical Cell which implements the SOPs has been activated once in response to an El Niño warning in 2017, warning the Resident Coordinators (RC) of high risk. In addition, FAO has created a funding window under the FAO Special Fund for Emergency and Rehabilitation Activities (SFERA) to implement early actions at field level as a result of an early warning alert, to lessen the impact of the disaster. This Fund has allowed early action implementation triggered by early warnings in seven countries to date: Kenya, Ethiopia, Somalia, Madagascar, Sudan, Mongolia and Niger. As of 2018, this funding window is being supported by the governments of Belgium and Sweden³. Every 3 months FAO issues an Early Warning Early Action (EWEA) report on food security and agriculture through its EWEA system. At country level, the EWEA team works closely with country offices to develop EWEA systems tailored to the local context. These systems enable FAO to monitor major risks and to act early to mitigate its effects on the agriculture sector and livelihoods through an operational tool, the EWEA plan.

Obstacles/impediments to collective progress

Funding

Stakeholders converged around the need to have greater donor buy-in for investing in early action, risk and resilience programming. The potential for strengthening public-private partnerships to support disaster relief, response, and resilience building at the country level should also be explored.

In concrete terms, various stakeholders recommended changes to existing funding mechanisms, such as the establishment of a substantial global early warning/early action funding facility and broadening the use of forecast-based financing.

A stronger understanding and appreciation of the benefits of investing in early action (including preparedness), risk and resilience programming is needed. In this regard, a positive signal comes from Australia, which is enriching its investments in the Pacific to ensure they are better designed to act early to the Pacific's growing exposure to disaster risk and not only on disaster response.

² <https://start-network.app.box.com/s/5dr4zh0ng0sze2pdlvjfya4b594f1qf>

³ <http://www.fao.org/emergencies/about/funding/sfera/it>

Dedicated funding for innovation also needs to be made available. Innovative multi-hazard early warning/early action approaches, including forecast-based financing, need to be strengthened to operationalize an anticipatory humanitarian system, as well as reducing disaster risk in development cooperation and support this paradigm shift. Preparedness and risk reduction measures need to be further supported and improved to address rising humanitarian needs. Furthermore, cooperation and synergies between humanitarian assistance and development cooperation have to be further enhanced.

Coordination and Partnerships

Collective progress against this transformation requires successful coordination between different types of organisations, donors, humanitarian and development actors, and the private sector especially at country level. The international community must work collectively, and across mandates, to effectively monitor and prioritise risks, evaluate potential impact as well as reduce vulnerability.

Working with partners, governments as well as multilateral organisations will be crucial to achieving the commitments under these transformations.

In line with the United Nations Development Assistance Framework (UNDAF) priority to promote 'risk-informed programming', greater coherence and coordination between UN agencies in terms of risk analysis and assessment is needed.

The increasing need to work closely with local actors and strengthen their capacities in early action (e.g. in local contingency planning) is of paramount importance since they possess local knowledge and are usually the first responders.

In addition to sharing risk analysis, it is critical that shared mechanisms are established to allow organisations to agree on thresholds for mitigating and preventing the impact of disasters on communities (i.e. early warning triggers).

Planning and programming

The low priority and interest of many donors in investing in early action makes it challenging to focus on designing and programming early actions in order to reduce the impact of disasters once they strike.

Another key challenge remains the need to move towards a broader system-wide shift to anticipating crises if we are to truly see a transformation at scale where disasters are prevented and not continuously reacted to when it is too late and humanitarian needs are immense.

In order to ensure greater harmonization and quality standards, there is an increasing need to develop and promote global Standard Operating Procedures for early action.

The learning generated from lessons learned and good practices should be widely shared in order to feed into better programming and highlight the value of investing in EA. Where possible it will be strategic to show case the return of investment of early action.

In line with the spirit of transcending the humanitarian-development divide, development and humanitarian partners need to work together and ensure strong policy dialogue, analysis and coordination also with national and local institutions, government and other stakeholders.

Strong country level coordination should be encouraged among humanitarian and development actors not only for common risk monitoring, but also to design and implement complementary anticipatory (early) action plans. This would significantly increase the effectiveness of early as well as later response, and potentially cut costs and time.

Recommendations

- (i) To have a significant impact, forecast-based financing will need to be adopted at scale, building on existing delivery channels and strengthening these, and draw on a range of financing mechanisms. For these mechanisms to expand and become a core component of humanitarian action and disaster risk management, some fundamental principles are needed. Existing donor and government funds and other financing mechanisms will need to be expanded to support Early Action funds linking where possible to existing early warning systems and contingency planning processes.
- (ii) In line with the Grand Bargain's workstream on localization, it is important to channel the funds provided by donors to strengthen local capacities to support the involvement of all stakeholders in this work. Importantly, local leadership should be included in determining priorities based on the practicalities and realities on the ground.
- (iii) Increased investments in research and evidence-building is needed to continue to strengthen the business case for greater support to early action including preparedness, risk-informed planning (particularly multi-hazard assessments, including conflict) and resilience programming, particularly for actors outside the humanitarian ecosystem.

About this paper

All stakeholders who made commitments at the World Humanitarian Summit (WHS) in support of advancing the Agenda for Humanity were invited to self-report on their progress in 2017 through the Platform for Action, Commitments and Transformation (PACT) (agendaforhumanity.org). The information provided through the self-reporting is publicly available and forms the basis, along with other relevant analysis, of the annual synthesis report. The annual synthesis report will be prepared by OCHA and will highlight trends in progress, achievements and gaps that need more attention as stakeholders collectively work toward advancing the 24 transformations in the Agenda for Humanity. In keeping with the multi-stakeholder spirit of the WHS, OCHA invited partners to prepare short analytical papers that analyze and assess self-reporting in the PACT, or provide an update on progress on initiatives launched at the World Humanitarian Summit. The views expressed in this paper are those of the authors and do not necessarily reflect the views of the United Nations Secretariat.