

## Disaster Risk Finance Learning Series

*Supporting Pacific Island Countries towards strengthened financial protection against disasters.*

### Virtual Learning Episode 2: Linking early warnings to anticipatory action: changing the way we manage

Date: 7 June 2022

#### Summary

##### Background

Strengthening financial resilience and preparedness for rapid and slow-onset hazard events requires a strategic approach to risk financing. This approach must consider both the potential frequency and severity of different events and risks. The effectiveness of risk financing instruments in relation to different risks can be significantly improved when different types of instruments are combined strategically to help maximise coverage and reduce gaps in protection. These financial resource needs can be broadly broken down into ex-ante financing needs (for which resources are spent in preparedness before an event takes place) and ex-post needs (for which resources are spent after an event occurs). While the cost associated with ex-ante and ex-post financing needs are borne at different points, costs for preparedness and response should both be considered before an event occurs.



##### Summary of Discussions and Interventions from Panelists

Virtual Learning Episode 2, focused on Anticipatory Action, as a preparedness instrument that is seeing frequent use globally. Following the opening and welcoming of participation by Dr. Olivia Warrick, PIFS Resilient Development Adviser Karlos Moresi, provided a brief recap of the [Virtual Learning Episode 1](#) and set the context for this episode, pointing out that the VLEs are crucial to create further understanding on Disaster Risk Financing (DRF) in the Pacific. He further stressed how DRF plays an important role in the overall development of countries and particularly in Pacific Island Countries, which are frequently facing the devastation by disasters. Mr Moresi elaborated on the types of Disaster Risk Financing Instruments are being used in the Pacific, some more used than others. Highlighting that no single financial instrument can address all risks and the importance of identifying the risks a country is exposed to and combining the different Preparedness, Retention, Transfer and other instruments available in the DRF space.



In a joint presentation the Food and Agriculture Organization of the United Nations (FAO) and the International Federation of Red Cross Red Crescent (IFRC) provided an overview of Anticipatory Action, defining it and demonstrated how it is different to the “normal” response. They stressed in particular the advantages of Anticipatory Action as a Disaster Risk Finance instrument. By showing a short animation on Anticipatory Action, the presenters further unpacked how it can help to reduce the humanitarian impacts of slow and rapid onset hazards. Recent examples of Anticipatory Action approaches from Palau and the Republic of the Marshall Islands reinforced that in order for Anticipatory Action to work in the Pacific, people need to be able to access the right information at the right time, need to know what actions at what time to take and to have access to resources in order to take these actions before the event occurs.

Mr. Anare Motokula shared examples from Fiji and Kiribati, how high frequency data collected remotely through WFP’s mobile Vulnerability Analysis and Mapping tool uses household food security, nutrition and market related trend data to inform and complement mid to longer term evidence based Anticipatory Actions.

At the end of the episode, speakers discussed the priorities and pillars needed to ensure financing of Anticipatory Action can work in PICs. Key points of the discussion follow below.

### Key Messages

- All speakers acknowledged the specific nature of the Pacific with isolated and remote islands. And stressed that money is needed to address these challenges to ensure that the right people get access to resources at the right time in order to take anticipatory actions. The discussion pointed out that at the regional and national level more coherence and consistency to Anticipatory Action is needed.
- **Catherine Jones** explained that Anticipatory Action uses early warnings linked to specific trigger points to predict when a hazard may occur, giving time for families to protect their critical assets”. The concept importantly links action to flexible/ex-ante financing arrangements to act upon warnings/ predications, before a hazard comes to fruition, based on pre-planned actions designed to prevent or mitigate the risk on lives and livelihoods. Evidence further shows this approach is working. The impact also goes beyond money as acting early can further increase resilience.
- **Katie Greenwood** and **Raymond Zingg** emphasized the importance of using an inclusive and multi stakeholder approach, where communities, government institutions and organizations are working together to meet peoples need. Key to Early Warning Early Action and Anticipatory Action is to ensure communities know which action needs to be taken at which time and to have access to finance those actions before an events occurs. In order to take Anticipatory Action to the next level, stronger links between grass root level and policy makers need to be build. **Katie Greenwood** highlighted the importance to work with NGOs and CSOs with innovative Community lead programs working with governments to make Anticipatory Action work in the Pacific.



- **Federico Davila Cisneros** said that Anticipatory Action is not a new approach but rather a complementary way of using data and triggering financing to reduce risk and manage disaster. He acknowledged that it is still necessary to add a Pacific lens to the approach. There is also a need to carefully think about roles and responsibilities of various actors included in Anticipatory Actions, not just in urban areas but particularly in semi urban and rural areas.
- **Anare Motokula** stated that in order for Anticipatory Action to work in the Pacific, it is crucial to increase regional and national awareness on the added value of Anticipatory Actions with all stakeholders. Already existing mechanisms need to be adapted and experience and learnings from other disaster risk financing instruments, such as insurances, should be used in the Anticipatory Action space.
- The discussion pointed out that at the regional and national level more coherence and consistency to Anticipatory Action is needed.

To learn more, you can access the recorded Session on VLE 2 [here](#).