



POLICY BRIEF

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ANTICIPATORY ACTION (AA) AND LOSS & DAMAGE (L&D) – WHERE DOES AA FIT AS PART OF THE CLIMATE GOAL TO AVERT, MINIMISE, AND ADDRESS L&D?

The science is clear. Climate change has led and continues to lead to widespread adverse impacts and related losses and damages to nature and people that are escalating with every increment of global warming. Vulnerable communities that have historically contributed the least to climate change are disproportionately affected and are suffering from increasingly frequent and severe impacts of climate hazards. **Without rapid and sustained mitigation and accelerated adaptation actions, L&D will continue to increase.** This policy brief focuses on the key findings, analysis and recommendations from our upcoming report on Anticipatory Action and Loss and Damage.

Loss and Damage (L&D) refers to the adverse impacts of climate change that occur despite, or in the absence of, efforts to mitigate and adapt to climate change. The impacts of climate change encompass a wide range of economic and non-economic L&D:

- **Economic Loss and Damage** refers to the quantifiable negative impacts of climate change, such as damage to infrastructure or reduced crop yields.
- **Non-economic Loss and Damage** refers to the negative impacts of climate change that are not easily quantifiable or measured in monetary terms, such as the loss of culture, ecosystem services, and displacement.

Global mechanisms and structures have been incrementally established with the aim of mobilising commitments, funding, and technical assistance to avert, minimise, and address L&D. **'Averting'** refers to proactive measures to prevent L&D from occurring, **'minimising'** refers to actions to reduce the impacts of L&D, and **'addressing'** refers to actions to respond to L&D that has already occurred or is occurring. **Anticipatory Action (AA)**, which means acting prior to or earlier in the evolution of a crisis to prevent or reduce humanitarian impacts before they fully unfold, is among many strategies which can be deployed to respond to L&D.



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WHAT IMPACT CAN AA HAVE IN AVERTING, MINIMISING AND ADDRESSING L&D?

- **Managing residual and unavoidable L&D.** The increasing severity and complexity of climate impacts are such that they are deemed 'beyond adaptation and mitigation', meaning that even after mitigation and adaptation action, there will be residual L&D. AA is an effective tool to manage residual risks and L&D that are unavoidable.
- **Averting and minimising L&D.** Whereas traditional humanitarian responses are reactive, by providing assistance and protection to people affected by L&D that have already occurred or are occurring, AA is a form of proactive and protective humanitarian programming which can avert and minimise the L&D associated with a disaster, by enabling people to prepare for its impacts and act ahead of a disaster. The main role of AA is in **minimising** L&D, however evidence from Start Network's programmes demonstrates the growing potential of AA to **avert** L&D.
- **Ensuring effective and dignified approaches.** There is a wealth of evidence on the effectiveness of anticipatory approaches, highlighting the potential for AA as an effective channel for the delivery of L&D funds. The Fund for responding to Loss and Damage (FRLD) recognises this and urges actors to scale up anticipatory approaches.
 - **Averts and minimises L&D:** Start Fund Bangladesh initiated critical disaster AA mechanisms to support communities in southern coastal Bangladesh to respond to the imminent anticipated threat and impact of Cyclone Remal. The increased tidal surge helped to identify weak points in an embankment. The local community and partners rapidly mobilised in the 40-hour lead time to repair the embankment, averting L&D to homes and fisheries and protecting productive assets.
 - **Cost-effective:** AA is a cost-effective strategy for averting and minimising L&D, while yielding substantial resilience benefits. Benefit-Cost Ratio (BCR) estimates vary from context to context, however evidence from FAO calculates that the BCR for AA is potentially as high as USD 7 in avoided losses and added benefits for every USD 1 invested in AA. Evidence from a joint WFP-Government of Nepal FbF project found savings in immediate response costs of USD 34.39 for every USD 1 invested.
 - **Promotes dignity and equity:** AA is a more dignified effective response, allowing people to make choices about how to prepare for a crisis. AA is also an effective way to support L&D efforts in low-income countries. According to the Centre for Disaster Protection's 'The State of Pre-Arranged Financing for Disasters' report, AA coverage is strongly concentrated in low-income countries (48.6%) and in sub-Saharan Africa (54.1%) and South Asia (22.0%).
- **Providing a framework for anticipatory approaches beyond humanitarian action.** AA as a concept can be expanded beyond the humanitarian realm and offer learnings for other actors working to avert, minimise, and address L&D. This includes national governments, local authorities, private sector, financial institutions, research institutions, academia, local communities, Indigenous groups, civil society, and CBOs – among others. Lessons learned from AA in humanitarian response can inform the development of national disaster risk reduction (DRR) frameworks, promote the integration of climate forecasts into planning, provide a business case for funding locally-led anticipatory initiatives, and promote the incorporation of traditional knowledge into L&D strategies.

The benefits of AA can be expanded when the concept is applied across different sectors and levels of society.

- o **Example:** Shock-responsive social protection systems, which can be triggered pre- and post-disaster to reach a wider population for a longer duration than a humanitarian response.

Overall, AA is an effective, efficient, dignified approach that can avert and minimise L&D. It should not be seen as a panacea, **but part of a broader disaster risk management continuum**. AA should be viewed as part of a comprehensive approach to managing climate risks and connecting climate adaptation with resilience-building, early response, and recovery. When linked to resilience-building, AA can lessen the need for external compensatory measures by enabling communities to withstand climate impacts more effectively.

WHAT ARE THE LIMITATIONS OF AA IN AVERTING, MINIMISING, AND ADDRESSING L&D?

- **Lack of AA funding and risks of double-counting.** Currently, the impact of AA in averting and minimising L&D is limited by the lack of funding for AA. Funding available to existing AA frameworks made up 0.7% of international humanitarian assistance in 2023, meaning there is a significant gap between the resources available for proactive disaster preparedness and response, and the substantial funding needed to respond to crises. Without greater financial commitment, AA can have only a limited role in the L&D agenda. It is critical that existing support for AA is not double-counted or re-packaged as L&D finance, which would undermine demands for new and additional commitments for L&D.
- **Economic v. Non-Economic Loss & Damage (NELD).** AA focuses on economic losses while non-economic L&D are not prioritised in AA frameworks and initiatives (e.g., biodiversity loss, loss of cultural heritage etc.). AA frameworks could be designed to address NELD, e.g., establishing triggers to activate conservation efforts or preserve/relocate cultural sites. However, further research to assess the effectiveness of AA for averting, minimising, and addressing NELD should inform if and how AA is incorporated into efforts to mitigate NELD.
- **Locally-led AA.** The lack of progress in ensuring that AA is locally-led, including the ability of local actors to lead and/or engage in the development of AA frameworks, design AA programmes, and access funding for AA, constrains its effectiveness as a tool for averting and minimising L&D. In cases where local actors have been able to access funds, evidence suggests that there are further barriers to investing in AA and local-level AA initiation, including concerns that resources might be wasted if predictions do not materialise.

- o **Nepal example:** AA initiatives were ineffective as local communities in affected areas did not trust the early warnings ahead of post-monsoon unseasonal heavy rainfall. Consequently, local residents did not evacuate or take measures to prepare for floods and landslides. In subsequent years, AA initiatives were more effective as early warnings were tailored to communities' needs, including combining communication channels (central sources and municipalities' paper-based and door-to-door outreach).

WHERE SHOULD RESOURCES AND ACTIVITIES FOR AA BE FOCUSED FOR L&D?

- **Prioritise locally-led AA.** This means ensuring that local and national actors' expertise and needs are prioritised, and that they are involved in the planning and coordination of AA, to allow for collective understanding of risks, coordinated and localised alert systems, and quality forecast information that is developed with end users. This will ensure AA programmes are more effective, and target affected populations.

- **Promoting AA at the community-level:** This should include community-based networks and households, which constitute a significant source of climate finance. For example, in Bangladesh, climate and disaster-related spending by rural households accounts for the most significant proportion of overall climate and disaster-related expenditure, totalling more than double government expenditure on these initiatives and twelve times the level of multilateral international financing provided to the rural Bangladeshi population. There is clearly significant potential to promote locally-led AA and support community-based networks to invest in collectively identified AA activities – as in the embankment repair example above.
- **Understanding local priorities:** Cash transfers to at-risk communities, intended for activities such as reinforcing infrastructure against flooding. However, cash was often used for unanticipated purposes, such as buying locks for security. This highlights the importance of putting communities at the centre of the design phase of AA programmes and listening to communities' priorities, which may differ from what the programme designers envision or expect.

- **Embed AA into national frameworks and institutions.** Institutionalising AA and establishing early action frameworks in consultation with local actors will promote sustainability and expand the reach of AA to ensure the most vulnerable and crisis-affected people are covered. This will also ensure that AA complements existing L&D programmes and mechanisms. Systems need to be developed and strengthened to enable this, including governance frameworks, financial mechanisms, and participatory structures.

- **Nepal example:** Danish Red Cross (DRC), Nepal Red Cross, and other partners have been working on forecast-based action and shock-responsive social protection for flood hazards in the Karnali and Babai River basins. An Early Action Framework (EAF) was developed in consultation with local actors to define impact thresholds and preventative measures for weather events. The institutionalisation of the EAF has promoted the sustainability of AA efforts; the EAF is activated each monsoon season, and the DRC has worked to institutionalise it for flood preparedness.

KEY RECOMMENDATIONS

POLICY & PRACTICE

- Strengthen dialogue, coordination, and collaboration between climate, humanitarian, and development actors and programming to ensure integrated and coherent approaches across to disaster risk management, avoid siloed ways of operating, and provide a framework for anticipatory approaches beyond humanitarian action.
- Focus on immediate actions to maximise the effectiveness of AA as a key tool to avert and minimise L&D, such as pre-positioning resources, enhancing early warning systems, and implementing community awareness programmes. Consideration of the post-disaster context will create the enabling conditions to kickstart action to address L&D.
- Scale up predictable humanitarian funding for AA in recognition of its critical role in averting and minimising L&D.

STAKEHOLDERS:

UN Member States

- Identify and enhance linkages between AA and existing programmes/ mechanisms, for example by layering AA with government-led social protection programmes to expand the coverage of AA frameworks and provide rapid, predictable, coordinated support at scale to avert, minimise, and address climate-induced L&D.

UN mechanisms

- Global negotiations that will shape the Fund for responding to Loss and Damage and the Santiago Network must be country-led and facilitate community-level engagement to ensure support reaches frontline climate impacted communities.
- AA actors, particularly local and national actors, should participate in the L&D institutions under the UNFCCC, including by:
 - Engaging in the high-level dialogue on complementarity and coherence, which will be launched at COP 29 with the inaugural dialogue to be held in 2025.
 - Engaging in the discussions to operationalise the Fund for responding to Loss and Damage.
 - Advocating for openness and transparency in the development of the L&D policy space to strengthen participation across the whole of society, particularly for people who are impacted by climate-induced L&D.

- o The Santiago Network should invest in capacity-building initiatives, as well as offering direct technical assistance.

- **Civil Society Organisations (CSO)**

- o Advocate for negotiations and decision-making processes to involve local and national non-governmental organisations (LNGOs) to ensure the needs and priorities of affected communities are prioritised.
- o Becoming members of the Santiago Network and the thematic groups of the WIM Executive Committee, particularly the technical expert group on comprehensive risk management and the expert group on action and support. Amplify calls for an ambitious new climate finance target as part of the discussions for the New Collective Quantified Goal (NCQG) and for all climate finance to be new and additional to existing Official Development Assistance (ODA).
- o Explore innovative sources of funding to meet these targets, such as a Climate Damages Tax.

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