

Anticipatory Action Mechanisms in Latin America and the Caribbean

Bolstering nationally owned anticipatory systems to reduce climate impacts on food security



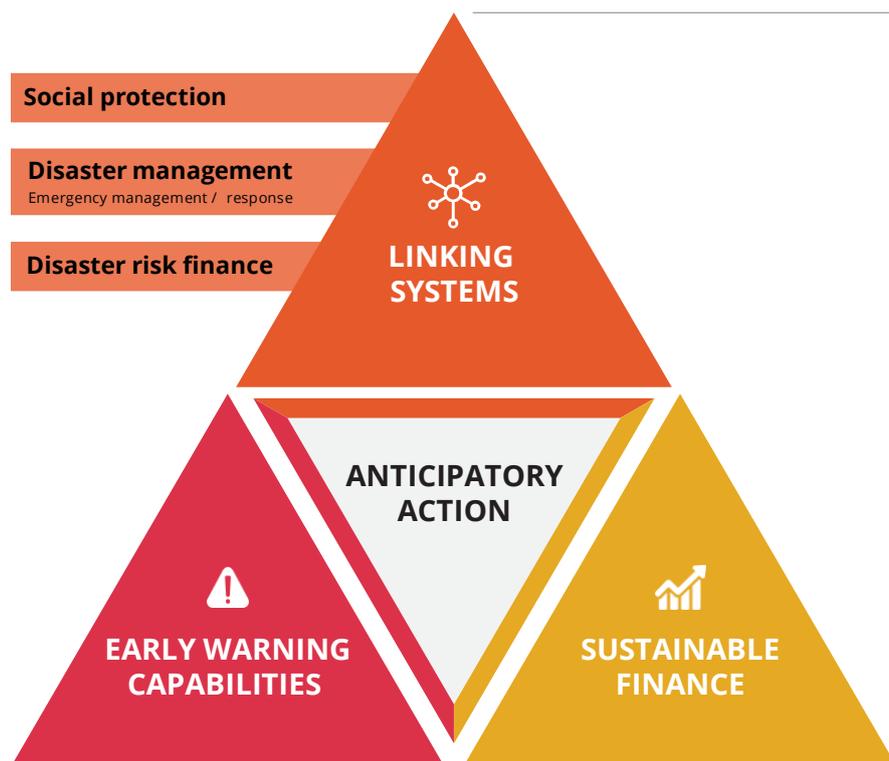
Climate extremes are a key driver of food insecurity. At the same time, the climate crisis is intersecting and compounding other drivers of hunger, including conflict and economic downturns. To successfully manage these interlocking problems and avert cascading humanitarian disasters, traditional **humanitarian response systems need to evolve from crisis response to forward-looking risk management.**

Recognizing the urgency of the problem, WFP works with governments around the world that are investing in early warning systems, disaster management and social protection systems to better anticipate and respond to hazards. Leveraging these investments, **Anticipatory Action (AA) offers an innovative approach that enables the implementation and financing of actions triggered by weather forecasts**, and before an extreme weather event has occurred. These anticipatory actions aim to prevent and mitigate – to the extent possible – the effects of extreme weather on the food security and nutrition of highly vulnerable people.

Latin America and the Caribbean is highly vulnerable to climatic impacts. Climate events are impacting food security and livelihoods, as dramatically demonstrated in Central America by the devastating impacts of Hurricanes Eta and Iota (2020) as well as the droughts of 2015-2016 associated with an intense El Niño cycle. Record-breaking fires across South America have also been triggered by unprecedented heat and dryness. Likewise, the disruptions to ecosystems is impacting the lives and livelihoods of many smallholder farmers and indigenous populations in the region.

The financial cost of these events can be catastrophic. For instance, Hurricanes Eta and Iota resulted in losses of more than \$7 billion dollars across Nicaragua, Honduras, El Salvador and Guatemala (approximately 5% of the gross domestic product in the Central American countries) and where more than 8 million people required humanitarian assistance. The impact on food security and livelihoods is significant: rising temperatures and changing rainfall patterns decimate agricultural production across the region.

WFP's approach to anticipatory action in Latin America and the Caribbean



WFP's objective is to generate nationally owned systems that incorporate anticipatory action to protect the region's most at-risk populations.

Leveraging WFP's expertise in strengthening systems across Latin America and the Caribbean, anticipatory action can provide an additional layer of protection against climate risks.

WFP is already working with governments to bolster existing disaster management and social protection and disaster risk finance systems, offering a unique opportunity to scale up anticipatory actions.

WFP's approach to anticipatory action in Latin America and the Caribbean



Strengthening national early warning capabilities

Building on already established and robust early warning systems, WFP is collaborating with climate service providers (principally national hydrological and meteorological agencies) to develop more skillful forecasts that can be used to inform decisions at all levels – including when to plant certain crops, when and where climate hazards are likely to hit, and where humanitarian and other food assistance is needed. Crucially, WFP is working with governments to strengthen early warning capabilities and mainstream anticipatory action into national systems emergency response and for disaster management.



Linking systems to reach scale

The climate crisis is impacting lives at an unprecedented scale. WFP sees integration with existing systems as key to reaching scale. WFP's technical support to governments in the region to strengthen social protection systems offer strong opportunities for anticipatory action, as they already have key elements: a vulnerability analysis that informs targeting and an operational protocol to disburse funds (or other assistance). The missing piece has been integration with early warning systems. Forecasts – whether they are seasonal or sub-seasonal – offer an early indication of the types of events that may negatively affect a given population. If, for instance, a severe drought is forecast in a region where people rely heavily on social assistance to meet their essential needs, anticipatory action can provide additional protection before an event - quickly and at scale. WFP advocates for social protection structures that incorporate multiple benefits to anticipate and manage climate and other risks. Such approaches can likewise be integrated into disaster management and disaster risk finance systems.



Sustainable financing

Anticipatory action is still relatively young and innovative for many governments and institutions. Even though there is substantial evidence to suggest that acting before a humanitarian event unfolds is cost-effective, governments with limited fiscal space are not always ready to invest in new approaches to manage climate risks. Scalable solutions also means establishing blended financing models to allow for long-term sustainability. WFP is working closely with private sector actors – such as insurers and reinsurers – to complement government financing for anticipatory action. WFP in Latin America and the Caribbean advocates for such public-private partnerships and to explore a range of other financial mechanisms, including forecast-based insurance, contingent financing linked to national disaster management systems, social protection programmes, and sovereign/regional risk finance pools that governments can access to support at-risk populations.





In LAC, WFP is supporting Anticipatory Action through a wide range of activities

THE CARIBBEAN

CARIBBEAN MULTI-COUNTRY OFFICE

WFP's Caribbean Multi-Country Office (MCO) is exploring options to set-up an anticipatory action mechanism to disburse cash through already existing social protection structures to reduce the impact of an impending hurricane or tropical storm on individual households. Dominica, Saint Lucia, Saint Vincent and the Grenadines, Belize, Jamaica and Barbados have been selected for further discussions.

DOMINICAN REPUBLIC

A comprehensive mechanism for anticipatory action for flood risk has been developed in the Dominican Republic. The mechanism was activated for the first time in September 2022, following heavy rainfall events triggered by Hurricane Fiona. Following this initial activation, and the lessons learnt, WFP is working with the Government's disaster management authorities and social protection agencies to develop protocols for mainstreaming AA.

HAITI

WFP has been focusing on strengthening capacities of the Civil Protection Agency and the national meteorological services to provide a foundation on which to build an AA mechanism. Moving forward, the emerging social safety net and national registry offer great potential to link AA with social protection and mainstream into larger programmes – thereby ensuring sustainability of the AA portfolio in a context of increasing uncertainty and higher magnitude of climate events.

CENTRAL AMERICA

GUATEMALA

WFP is developing an anticipatory action mechanism focusing on the *canícula*, a rainfall deficit that can occur during the rainy season. The objective of the AA programme is to increase coordination between scientific organizations (like the national meteorological agency, INSIVUMEH) – as well as implementers, such as the Ministry of Agriculture and civil society organizations, to mainstream AA into local drought management plans.

EL SALVADOR

In El Salvador, WFP is supporting the Government in the development of a comprehensive AA system to address the impact of excess humidity on key crops, including coffee and maize. WFP is leading workshops to coordinate efforts between the Ministries of Environment and Agriculture to (1) map at-risk areas, (2) identify appropriate forecast-based thresholds for triggering action, and (3) identify adequate interventions to be implemented before the impact of a climate hazard.

HONDURAS

WFP in Honduras has been spearheading efforts to formalize a National Framework for Climate Services – a forum to review climate information (including forecasts) and provide actionable recommendations to manage adverse impacts of climate events. This forum will serve as a starting point to decide if/when to implement anticipatory actions to manage the impacts of drought on vulnerable populations of the Dry Corridor.

NICARAGUA

Building on partnerships with national drought management agencies, WFP is working with the government to implement anticipatory actions ahead of droughts. WFP is also exploring the feasibility of developing thresholds for anticipatory risk transfer for fast-onset events.

SOUTH AMERICA

PERU

WFP is supporting the Ministry of Social Development and Inclusion and national disaster management authorities to better link shock-responsive social protection with anticipatory action mechanisms for heavy rainfall in San Martín and Amazonas region.

ECUADOR

WFP in Ecuador is conducting climate risk analyses to support the design of anticipatory action mechanism. The focus of the mechanism is to address drought impacts in coastal regions.



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