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Продовольственная и
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Объединенных Наций

Organización de las
Naciones Unidas para la
Alimentación y la Agricultura

منظمة
الغذية والزراعة
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FINANCE COMMITTEE

Hundred and Sixty-first Session

Rome, 16 - 20 May 2016

Report on the Special Fund for Emergency and Rehabilitation Activities

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EXECUTIVE SUMMARY

- The Special Fund for Emergency and Rehabilitation Activities (SFERA) enables the Food and Agriculture Organization of the United Nations (FAO) to take rapid and effective action in response to food and agricultural threats and emergencies. The Fund has three components: (i) a working capital component to advance funds once a donor's commitment is secured toward the immediate procurement of inputs to protect livelihoods, restart agricultural activities or contribute to an immediate response to a crisis; (ii) a revolving fund component to support FAO's involvement in needs assessment, programme development, early establishment and reinforcement of emergency country team capacities, as well as Level 3 emergency¹ preparedness and response activities; and (iii) a programme component, which pools resources in support of a programme framework for large-scale emergencies or strategically complements ongoing programmes through the Agricultural Inputs Response Capacity (AIRC) window.
- From its inception through 31 December 2015, SFERA received USD 193.0 million, of which USD 93.8 million was allocated to large-scale programmes (e.g. sudden onset disasters, the Sahel, the Horn of Africa, Highly Pathogenic Avian Influenza and locust plagues); USD 33 million was disbursed under the AIRC window; USD 20 million was used to set-up or reinforce country office emergency response capacities and support needs assessments and programme formulation; and USD 4.7 million was allocated to the Level 3 emergencies preparedness and response window. Since SFERA's inception, USD 281.6 million has been advanced to fund immediate emergency projects, USD 14.3 million of which was advanced over the reporting period. Outstanding advances as of 31 December 2015 totalled USD 0.9 million, while SFERA's cash balance at 31 December 2015 was USD 40.6 million.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- This document is provided for information.

¹ Sudden onset, large-scale disasters and crises that require a corporate response.

I. Background

1. During its Hundred and Second Session in May 2003, the Finance Committee supported the creation of the Special Fund for Emergency and Rehabilitation Activities (SFERA), with the purpose to "...enable the Organization to rapidly initiate emergency operations by participating in interagency needs assessment and coordination activities, establishing an emergency coordination unit, preparing a programme framework and projects, and providing advance funding for procurement of inputs when a donor's commitment has been obtained"².

2. This annual report provides a brief description of the major operations initiated with SFERA funds for the 12-month period ending 31 December 2015. The report contains financial data for this period, as well as for the 12 years since the Fund became operational.

II. SFERA set-up

3. SFERA has three components: (i) a working capital component to advance funds, once a donor's commitment is secured, toward the immediate procurement of inputs to protect livelihoods, restart agricultural activities or contribute to an immediate response to a crisis; (ii) a revolving fund component to support the Food and Agriculture Organization of the United Nations' (FAO) involvement in needs assessment, programme development, early establishment and reinforcement of emergency country team capacities, as well as Level 3 emergency³ preparedness and response activities; and (iii) a programme component to support work on specific large-scale emergency programmes, or strategically complement ongoing programmes through the Agricultural Inputs Response Capacity (AIRC) window.

Table 1. SFERA components and windows

Working capital component	Revolving fund component	Programme component
	<ul style="list-style-type: none"> • Emergency coordination window • Needs assessment and programme development window • Level 3 emergency preparedness and response window 	<ul style="list-style-type: none"> • Large-scale programme window (e.g. sudden onset disasters, Highly Pathogenic Avian Influenza, Locust, Horn of Africa, Sahel) • AIRC window

4. **The working capital component** reduces the reaction time to emergencies by enabling FAO to initiate activities and purchase the most critical assets before donor funding is received. By enabling a rapid response, this component helps to mitigate the impact of threats and emergencies, and hasten the recovery of those affected.

5. **The revolving fund component** supports the efforts of FAO's emergency country teams to identify the most critical needs of affected populations, strengthen response capacity, and develop and coordinate technically sound response programmes. Through the Level 3 emergency preparedness and response window, FAO can prepare for and respond to the extraordinary challenges facing the agriculture sector during a Level 3 emergency.

² FC 102/14.

³ Sudden onset, large-scale disasters and crises that require a corporate response

6. **The programme component** facilitates faster and more programmatic assistance that can be tailored to evolving needs on the ground. SFERA's pooled funding approach provides the flexibility to adjust activities and support according to the geographical and thematic areas of greatest need. Likewise, the programme approach enables operations to adapt as the situation changes, streamlining activities to ensure the most appropriate assistance reaches affected populations sooner. The programme component also includes the AIRC window, which channels pooled funds towards the immediate procurement and delivery of time-critical inputs.

III. SFERA resources

7. **Receipts** – Since SFERA's inception in April 2004, the Fund has received a total of USD 193.0 million. Of this amount, USD 134.8 million was provided by the member countries listed in the following table, including USD 6.3 million provided by donors⁴ that transferred the balances of closed emergency projects to SFERA. During the 12 months that ended on 31 December 2015, deposits to SFERA totalled USD 9.4 million.

Table 2. SFERA funding receipts

Contributors	12 months to 31 December 2015 (USD 000)	From inception through 31 December 2015 (USD 000)
Belgium	1 686	36 594
Norway	2 549	28 825
Sweden	-	23 659
United Kingdom	-	9 339
France	-193**	8 413
Finland	2	7 473
Canada	-	7 225
Switzerland	-	4 893
Italy	-	1 456
Saudi Arabia	-	1 375
Germany	-	1 304
Austria	-	1 125
Ireland	-	998

⁴ Andorra, Australia, Belgium, Brazil, Canada, Chile, Colombia, Democratic Republic of the Congo, Ecuador, Finland, France, Germany, Greece, Ireland, Italy, Jordan, Kuwait, Lao People's Democratic Republic, Luxembourg, Mexico, Moldova, Netherlands, Norway, New Zealand, Peru, Monaco, Saudi Arabia, Slovakia, South Africa, Spain, Switzerland, Sweden and the United Kingdom.

** Includes accounting adjustments from locust operations in Madagascar.

Spain	-	520
China	-	500
South Africa	-	452
Greece	-	227
Australia	-	107
Jordan	-	60
Monaco	-	59
Kuwait	-	50
Czech Republic	36	36
Netherlands	-	21
Lao People's Democratic Republic	-	14
New Zealand	-	13
Luxembourg	-	8
Chile	-	5
Others ⁵	-	34
Total members	4 081	134 786
OPEC Fund	-	481
World Bank	-	21
Others including from emergency project support costs reimbursements	5 298	57 756
Total received	9 379	193 043

As at 31 December 2015 – Source: compiled from subsidiary records and agreed to the general ledger.

IV. Use of SFERA funds

8. Under the working capital component, USD 281.6 million was advanced to projects after donors' commitment, but before receiving the cash contributions. Of this amount, USD 0.9 million remains outstanding, pending receipt of donor funds.

9. Of the USD 193.0 million contributed, USD 24.8 million was approved under the revolving fund component (USD 6.5 million during the reporting period). A total of USD 126.9 million was

⁵ Including USD 31 000 from online donations.

allocated under the programme component, of which USD 8.7 million was provided during the reporting period. The use of the funds is detailed in Table 3.

Table 3. Funding components

	12 months to 31 December 2015 (USD 000)	Since inception (USD 000)
ADVANCES		
Working capital component		
Total advances made during the period	14 260	281 643
Refunds on advances paid during the period	14 323	280 763
Outstanding advances		880
APPLICATIONS		
Revolving Fund component		
For emergency coordination unit set-up and reinforcement	2 000	11 250
For needs assessment and programme development support	3 000	8 753
For L3 emergency preparedness and response	1 500	4 747
Total revolving fund component	6 500	24 750
Programme component		
AIRC	6 102	32 998
Avian influenza campaign	-	45 928
Sudden onset disasters	2 567	15 598
Regional programmes (Horn of Africa)	19	13 521
Tsunami campaign	-	10 002
Locust campaign	-	4 982
Regional programmes (Sahel)	-	2 642
Initiative on Soaring Food Prices	-	1 168
Total programme component	8 688	126 840
Grand total applications	15 188	151 590

As at 31 December 2015 – Source: compiled from subsidiary records and agreed to the general ledger.

10. As of 31 December 2015, SFERA's cash balance was USD 40.6 million, calculated as follows: cumulative receipts of USD 193.0 million, less applications of USD 151.6 million, less outstanding advances of USD 0.9 million.

A. Working Capital component

11. **Advances** – During the reporting period, 95 percent of SFERA advances were in support of projects funded from five resource partners, as shown in Table 4.

Table 4. SFERA advances from resource partners

Donor	Advances (USD 000)	Refunds (USD 000)
United States of America	6 305	4 070
Common Fund For Humanitarian Action in South Sudan	3 000	3 000
France	1 620	3 240
United Kingdom	1 428	1 428
European Community	1 151	1 151
Italy	715	1 143
Colombia	41	41
Germany		100
Brazil		150
Total	14 260	14 323

12. Advances mainly supported major country programmes in six countries, (i.e. South Sudan, the Central African Republic, Madagascar, Sudan, Somalia and Niger), representing over 70 percent of all advances between 1 January 2015 and 31 December 2015.

Table 5. SFERA advances for country programmes

Countries	Advances (USD 000)	Refunds (USD 000)
South Sudan	3 600	3 600
Global	1 700	600
Central African Republic	1 651	1 651
Madagascar	1 620	3 240
Regional Africa	1 224	1 029
Sudan	1 215	1 115
Somalia	1 128	1 128
Niger	951	951
Indonesia	300	
Egypt	200	
Micronesia	150	150
Myanmar	150	
Afghanistan	100	100
Yemen	90	90
Ethiopia	90	
Mali	50	50
Colombia	41	41
Haiti		150
Syria		428
Total	14 260	14 323

13. SFERA advances enabled FAO to address Food Security and Livelihood Cluster priorities in South Sudan, strengthening coordination, and contributing to needs assessments and response planning. These advances were critical for the timely procurement of livelihood inputs for people displaced by the conflict, the communities hosting them, as well as for food insecure vulnerable households, to enable them to engage in productive activities such as cropping and fishing. In addition, FAO supported the establishment of an efficient system for delivery of animal health services and conducted timely livestock disease surveillance, vaccination and treatment campaigns in at-risk areas.

14. In the Central African Republic, SFERA advances provided livelihood support and strengthened the productive capacities of small-scale farmers affected by continued security crises. FAO helped vulnerable communities to regain self-reliance by providing seeds and hand tools for the 2015 main agricultural season and supported quality seed multiplication by farmers' groups. In addition, women's resilience was strengthened through training on sustainable production, combined with financial support – through a saving and loan system – to engage in income-generating activities and diversify livelihoods.

15. SFERA advances enabled FAO's timely delivery of its locust plague response programme in Madagascar. The advances were critical to provide technical support activities and pre-position the necessary material for monitoring and surveillance of the plague. The advances covered the extension of helicopter services to avoid the ending of aerial survey and control operations. This contribution was critical to prevent a rapid deterioration of the locust situation resulting in the start of a new plague.

16. In Sudan, FAO enhanced smallholder farmers and pastoralists' productive capacities through improved access to new technologies and sustainable agricultural and livestock husbandry practices, together with the promotion of natural resource management. In the Darfur region, vulnerable host communities, newly displaced persons and returnees – mainly women – received training on vegetable production, post-harvest handling and integrated pest management.

17. As part of FAO's El Niño Response Plan in Somalia, SFERA advanced funding to strengthen the ability of vulnerable households in potentially flood-affected areas to prepare for, respond to and recover from possible high to severe flooding associated with the El Niño event. Riverbanks and embankments were reinforced, livestock health activities carried out to build the resilience of animal stocks and livelihood support provided to riverine fish farming communities.

18. In Niger, SFERA advances supported improved Food Security Cluster coordination and facilitated the kick-starting of interventions with the World Food Programme to support government-led resilience efforts. In this regard, FAO's agricultural and pastoral activities strengthened the productivity of land rehabilitated by WFP through the provision of timely quality agricultural inputs and extension services. Training through farmer and pastoral field schools was initiated to improve capacities on agricultural practices, water management techniques and livestock management.

B. Revolving fund component

19. **The emergency coordination** window of SFERA's revolving fund component facilitates the rapid deployment of emergency experts, as well as the reinforcement of existing teams to support additional activities or fill short-term funding gaps. During the past year, allotments were approved to support: (i) the rapid deployment of key emergency staff and reinforcement of capacities in decentralized offices; (ii) the setting-up of office space and logistics; and (iii) the provision of basic communications, computer and other office equipment. The following table shows the allocation of resources by country.

Table 6. Emergency coordination

Country	Approved allocation (USD 000)
Burundi	38
Cameroon	36
Central African Republic	52
Chad	18
Democratic Republic of the Congo	224
Ethiopia	167
Iraq	94
Jordan	100
Lebanon	75
Lesotho	82
Madagascar	12
Myanmar	381
Nepal	100
Niger	79
Nigeria	91
Papua New Guinea	53
Somalia	50
Syria	80
Ukraine	100
Vanuatu	100
West Bank and Gaza Strip	99
Regional Africa	74
Eastern Africa	100
Southern Africa	40
Total allotment – Rapid deployment	2 245

20. **The needs assessment and programme development** window of the revolving fund finances needs assessment activities at the onset of a crisis to support FAO and its partners in obtaining the

information needed to formulate a rapid response programme. During the reporting period, needs assessment and programme formulation exercises were implemented in the countries shown in Table 7.

Table 7. Needs assessment mission allocations

Country	Approved allocation (USD 000)
Afghanistan	170
Albania	57
Benin & Togo	43
Burkina Faso	28
Cabo Verde	13
Cameroon	49
Chad	38
Democratic Republic of the Congo	20
Ethiopia	90
Cameroon	10
Guinea Bissau	21
Iraq	50
Jordan	12
Kenya	30
Liberia	72
Libya	39
Madagascar	45
Malawi	57
Mali & Côte d'Ivoire	83
Mozambique	40
Myanmar	150
Namibia & Angola	76
Nepal	100
Niger	43
Nigeria	49

Pakistan	50
Papua New Guinea	100
Paraguay	8
Philippines	20
Sierra Leone	40
Somalia	52
Sudan	43
Swaziland	25
Syria	51
Ukraine	108
Vanuatu	76
West Bank and Gaza Strip	100
Yemen	20
Zimbabwe	43
Regional Africa	110
Central America	86
The Pacific	30
Total allotment- Needs assessment	2 343

21. **The Level 3 emergency preparedness and response window** was established under the revolving fund component following the Finance Committee’s endorsement at its Hundred and Forty-Seventh Session⁶. This window is focused on the following six areas: (i) development and maintenance of appropriate L3 emergency procedures; (ii) capacity building for L3 emergency preparedness; (iii) organizational preparedness; (iv) participation in L3 interagency processes; (v) L3 simulations; and (vi) L3 emergency response.

Preparedness

22. Under the “Development and maintenance of appropriate L3 emergency procedures” area, standard operating procedures (SOPs) for Level 3 emergency responses, the “FAO Handbook for Emergency Preparedness and Response”, and the tools and guidelines needed to facilitate a Level 3 emergency response were developed through extensive consultation processes. These materials were essential in framing FAO’s L3 activation for the Philippines (November 2013), Central African Republic (December 2013), South Sudan (February 2014) and Yemen (July 2015).

⁶ FC147/8

23. Resources under the “Capacity building for L3 emergency preparedness” area supported activities to identify and detail the “building blocks” of preparedness, i.e. the key functional areas around which organizational preparedness should be built. They also contributed to the definition of a broad framework for an emergency response roster (ERR), which was further developed under the “Organizational preparedness” area with the goal of enabling the rapid identification and mobilization of qualified human resources to support emergency response. This area also enabled FAO to launch its Early Warning Early Action framework within the context of the El Niño/El Niña crisis.

24. Under the “Participation in L3 interagency processes” area, funding enabled FAO to participate in all relevant interagency processes, as well as fulfil its responsibilities as a member of the Inter-Agency Standing Committee (IASC) and co-lead agency of the Food Security Cluster. Under the “L3 simulations” area, FAO contributed to the global Food Security Cluster simulation exercise aiming at improving the efficiency of responses to food security emergencies and preparing personnel capable of being deployed in field environments as food security cluster coordinators or information management officers.

25. The resources allocated as per progress achieved are reflected in Table 8.

Table 8. L3 emergency preparedness window funding

L3 emergency preparedness window	Allotment USD (000)
Development and maintenance of appropriate procedures	330
Capacity building for L3 emergency preparedness	350
Organization preparedness	420
Participation in interagency processes	400
L3 simulations	200
Total allotment	1 700

Response

26. Funds allocated under the “L3 emergency response” area supported FAO’s immediate response actions on a ‘no-regrets’ basis, which is defined as the commitment of resources in the absence of detailed needs assessments and response plans. During the reporting period, resources were approved on a ‘no-regrets’ basis for emergency response activities in Yemen.

Table 9. L3 emergency response funding

L3 Emergency response	Allotment USD (000)
Yemen	500
Total allotment	500

27. The conflict in Yemen has escalated since March 2015, compounding an already severe protracted humanitarian crisis. Around 21.1 million people require humanitarian assistance, out of a population of 26 million. The ongoing conflict is seriously impacting food imports, transportation networks and market supply. Following the declaration of an FAO Level 3 Emergency Response for Yemen in July 2015, SFERA funds were allocated to support procurement activities, community mobilization and Letters of Agreement with partners. FAO supported local food production and protected the livelihoods of highly vulnerable rural populations. The priority areas of intervention until December 2015 included the provision of livelihood inputs for poultry production, backyard gardening, fisheries and livestock production. In addition, activities were undertaken to strengthen water supply and the rehabilitation of water infrastructure, as well as cash and voucher transfers to support income-generation activities linked to the production of food with high nutritional value, focused on women's groups.

C. Programme component

28. Under the SFERA programme component, USD 8.7 million was allocated as follows during the reporting period:

- USD 6.1 million under the AIRC window; and
- USD 2.6 million for the sudden onset disasters programme.

Agricultural Inputs Response Capacity window

29. Under the AIRC window, USD 6.1 million was allocated to 14 countries to support time-critical, emergency agricultural assistance while developing a more programmatic response to crises.

Table 10. Funding provided under the AIRC window

Country	Type of intervention	Allotment USD (000)
Cabo Verde	Emergency support to restart production of households affected by the volcanic eruption on the island of Fogo through the provision of essential agricultural and livestock inputs	210
Central African Republic	Emergency assistance to vulnerable farming households in areas most affected by the crisis in the Central African Republic	548
Democratic Republic of the Congo	Increasing the resilience of communities affected by armed conflict in North and South Kivu through improved preparedness and response capacities to face sudden threats and crises	419
Lebanon	Emergency assistance to vulnerable Lebanese farmers affected by the Syria crisis and to displaced Syrians to enhance their food security	300
Madagascar	Emergency support to the Locust Campaign 2014/2015 in response to the locust plague in Madagascar	620
Malawi	Emergency assistance for resuming smallholder crop production in flood-affected districts of Malawi	550
Nepal	Emergency assistance for the restoration of earthquake-affected agriculture system in central Nepal for food and livelihood security	500

Regional Africa	Emergency assistance to vulnerable households affected by North-East Nigeria crisis	520
Rwanda	Rapid emergency response to Cassava Brown Streak disease outbreak in Rwanda	30
Sudan	Emergency food security and livelihood interventions for vulnerable conflict- and disaster-affected populations in West and South Darfur and Blue Nile States	300
Ukraine	Emergency assistance for immediate food security and nutrition through provision of critical livestock inputs in the conflict-affected areas of Donetsk and Luhansk regions	300
Vanuatu	Emergency support to re-establish food security in communities affected by Tropical Cyclone Pam	330
West Bank and Gaza Strip	Emergency support to low resilience and food insecure urban and peri-urban livelihoods in the Gaza Strip	475
Yemen	Improving vulnerable households, food and nutrition security status in Sa`ada Governorate	1 000
Total		6 102

30. Small-scale food production is an increasingly vital lifeline for food insecure families affected by the conflict in Yemen. Since March 2015, conflict escalation and displacement have severely disrupted market, trade and livelihood activities, exacerbating an already dire food security situation. SFERA AIRC funds enabled affected families to preserve their access to nutritious foods, such as meat and dairy products, and related incomes. The project's interventions, including poultry and honey production, focus on livelihood activities where women play an active role.

31. Time-critical SFERA AIRC funds avoided disruption of the large-scale locust control operations during the 2014/2015 campaign in Madagascar. At the end of January 2015, the three-year programme was facing a shortage of funds that could have caused a premature termination of the large-scale survey and control operations. At this critical moment, SFERA funds allowed FAO to maintain operations on the ground and avoid programme interruption. This contribution was essential to prevent rapid deterioration of the locust situation resulting in the start of a new plague.

32. Thanks to SFERA AIRC contributions, FAO was able to provide immediate agricultural support to flood-affected households in six districts of southern Malawi. The provision of inputs for seed replication, the distribution of seed vouchers and targeted small livestock interventions ensured that the productive capacity of the affected farming households was restored. As well as meeting the immediate critical needs of vulnerable households, the project also carried out training-related activities, in particular for women-headed households, to strengthen their capacities and build resilient livelihoods.

33. The ongoing conflict and instability in the Central African Republic has heavily affected production capacities and undermined livelihoods. SFERA AIRC funds enabled immediate assistance to the most vulnerable households – particularly women, girls and households affected by HIV/AIDS – by providing crop and vegetable seeds together with small tools to boost their production. Women's associations and youth groups in rural areas were supported to increase their resilience through enhanced productive skills and improved income-generation, which contributed to improving social cohesion at the community level.

34. Boko Haram attacks since the start of 2015, have left North-East Nigeria, Niger and Cameroon facing complex and multifaceted challenges, with increased pressures of population movements contributing negatively to the already dire food and nutrition security. Contributions through SFERA have allowed a fast-track provision of agricultural inputs, veterinary supplies and animal feed to vulnerable refugees and host communities in order to support their livelihoods.

35. The SFERA AIRC supported FAO's response to the urgent needs of earthquake-affected smallholder farmers in Nepal to ensure a quick resumption of their agricultural activities and prevent further damage to livestock and poultry production. The provision of time-critical inputs for crop production and emergency livestock health assistance were complemented by training on the use of improved seeds and agronomic practices.

36. Funding under the AIRC window also provided essential support to the following activities:

- In the Gaza Strip, vulnerable families in urban and peri-urban settings received support to establish small-scale agricultural production units to diversify their diets and income sources. FAO supported the Ministry of Agriculture's veterinary and animal health services to better monitor, control and respond to avian influenza;
- Vulnerable internally displaced persons (IDPs), returnees and host communities in North and South Kivu in the Democratic Republic of the Congo received support in the form of agricultural kits composed of seeds and tools, as well as training on good agricultural practices. Strategic seed stocks were pre-positioned in case of sudden threats and crises;
- SFERA funding supported Vanuatu's recovery from Tropical Cyclone Pam, restoring agricultural production by distributing vegetable seeds and increasing knowledge of food production and preservation;
- Time-critical emergency livestock assistance was provided to conflict-affected families in Donetsk and Luhansk in Ukraine. Small-scale households received animal feed to ensure the survival of essential livestock assets;
- In Sudan, emergency agriculture and livestock inputs were provided to conflict-, drought- and flood-affected households, mainly vulnerable IDPs, returnees and host households in West and South Darfur and Blue Nile States to improve their food and nutrition situation. The capacity of community animal health workers was strengthened to make livestock health services more sustainable;
- Vulnerable Lebanese farmers affected by the Syria crisis received high quality hybrid seeds to enhance their small-scale vegetable production, as well as training for improved milk production;
- More than 150 households affected by the impact of the volcanic eruption in Cabo Verde were supported to restore their livelihoods. They received vegetable seeds, small irrigation tools, small livestock and cheese production kits. These inputs were complemented with technical training for improved production skills; and
- In Rwanda, vulnerable smallholder cassava producing farmers benefited from the multiplication of selected disease-resistant varieties to respond to the outbreak of Cassava Brown Streak disease. A livestock vaccination campaign protected livestock keeping households at the border with Burundi to prevent the spread of animal diseases.

Sudden onset disasters window

37. During the reporting period, Norway contributed USD 2.6 million to the SFERA sudden onset disasters window.

Table 11. Funding provided under the sudden onset disasters window

Beneficiary country	Donor	Amount received (USD 000)
Nepal	Norway	2 549
	Total	2 549

38. In April 2015, an earthquake of 7.8 magnitude struck central Nepal, causing human casualties as well as the destruction of agricultural seed stocks, livestock and other livelihood assets. Funding provided under the sudden onset disasters window was critical to ensure emergency assistance to restore the agricultural-based livelihoods of vulnerable earthquake-affected smallholder farmers in six of the most affected districts. Timely funding through SFERA enabled the provision of inputs and technical support to approximately 130 000 vulnerable households to resume agricultural production and protect livestock assets.

Early action window

39. Between 2003 and 2013, disasters triggered by natural hazards are estimated to have caused USD 1.5 trillion in economic damage worldwide. In developing countries alone these disasters cost about USD 550 billion in estimated damage and affected 2 billion people. The majority of those most vulnerable to natural hazards, including climate extreme events, are food insecure, poor families and small-scale farmers, herders, fishers and forest dependent communities, who derive their livelihood from renewable natural resources. An FAO study found that in developing countries, the agriculture sector absorbs an average of 22 percent of the total damage and losses caused by disasters triggered by natural hazards, rising to 25 percent when considering just climate-related disasters, such as droughts, floods, hurricanes, typhoons and cyclones. Climate change and increasing climate variability further aggravate the impacts of shocks, which are becoming more frequent, intense and costly.

40. An early action window is being established to enable the Organization to work with national governments and civil society to initiate anticipatory early action, specifically for the agriculture-, food- and nutrition-related sectors. The objective is to protect at-risk communities, by increasing the resilience of the livelihoods of small-scale farmers, herders, fishers and forest dependent communities and of food systems. The expected outcomes include reduced emergency caseloads and costs of response and averting disaster losses. The early action window will anticipate natural disasters, including climatic anomalies (e.g. droughts, floods, temperature extremes), pest and disease outbreaks (e.g. livestock and crop disease, locusts) and complex emergencies.

41. The window will support early actions defined as activities taken once an impending threat has been identified, but before disaster losses are sustained in the agriculture sector or livelihoods compromised. The window will finance early actions that (i) prevent an unfolding disaster from happening; (ii) mitigate the impacts of an anticipated event; or (iii) strengthen emergency response capabilities for a specific, imminent threat through targeted preparedness investments.

42. The window will protect and mitigate impacts on livelihoods by safeguarding key livelihood assets. Examples of eligible early actions include support to: livestock (de- and restocking, disease control, water supply, nutrition, shelter and conflict mitigation to reduce livestock theft); crop production (forecast-based climate advice, adapted agronomic practices, water resource management, input supply, plant protection, crop storage); fisheries and forestry (supply of fishing gear, fire risk management); and rural income and employment (safety nets; employment generation and livelihood grants). In addition, investment in information and analysis will support anticipatory policy positions on food stocks, markets and trade.

43. Support will be provided for necessary preparatory activities to enable a rapid response if conditions should deteriorate, including; putting human resource systems in place; proposal development and liaison with donors; developing agreements with suppliers and starting tender processes; strengthening the capacity of local partners; surveillance, assessments and analysis; coordination support. Funding will be provided to initiate appropriate interventions on the basis of forecasts. The window will also finance the analytical capacity to support decisions on the allocation of early action grants.

44. The early action window has a target level of USD 40 million.

V. CONCLUSIONS

45. SFERA is essential to FAO's continued ability to provide rapid, high-impact emergency assistance to the most vulnerable populations affected by disaster. It enables FAO to be quicker and more flexible in its response and be in a position to quickly up-scale its operational capacities at time when needs increase rapidly and exponentially after a disaster. SFERA plays a critical role in strengthening country office operational capacities, as well as country office preparedness. The Fund enables the Organization to be in a position to play its role in L3 emergencies. Moreover, access to SFERA funding enables FAO to successfully deliver its Strategic Objective, "Increase the resilience of livelihoods to threats and crisis", which aims to improve the capacities of highly vulnerable populations to withstand and adapt to shocks. SFERA also plays a critical role in coordinating a collaborative, longer-term response focusing on people's livelihood and resilience strategies, as well as improving the capacity of their local institutions to prevent, protect and restore.