



Information Note on the

UNITED STATES OFFICE OF FOREIGN DISASTER ASSISTANCE (OFDA)

FAO-OFDA Annual Global Macro grant mechanism

The USAID Office for Foreign Disaster Assistance (OFDA) is a strong FAO partner. Over many years they have pioneered new ways to address complex crises as well as promote best practices for food and nutrition security among vulnerable communities.

A substantial part of OFDA funding to FAO is provided through the annual Global Macro Grant Agreement, which supports projects in a variety of regions. However, they also fund projects outside of the Macro Grant through direct awards.

- Total funding received in 2014 through the FAO-OFDA Annual Macro Grant: USD 16.4 million, spread among 17 different projects in Africa, Near East and Asia Regions.
- Total funding received in 2014 from OFDA through direct awards: USD 13.6 million spread among 5 different projects in Africa and Near East.

OFDA Mission

The Office of U.S. Foreign Disaster Assistance (OFDA) leads and coordinates the U.S. Government response to disasters overseas. OFDA responds to an average of 70 disasters in 56 countries every year to ensure aid reaches people affected by rapid on-set disasters—such as earthquakes, volcanoes, and floods—and slow-onset crises, including drought and conflict. OFDA fulfills its mandate of saving lives, alleviating human suffering, and reducing the social and economic impact of disasters worldwide in partnership with USAID functional and regional bureaus and other U.S. Government agencies.¹

OFDA's mandate is to save lives, alleviate suffering and reduce the socio-economic impact of disasters, as well as assist communities and governments in building capacity to prepare for disasters and to mitigate their consequences.

OFDA works with the international humanitarian community to give vulnerable populations resources to build resilience and strengthen their own ability to respond to emergencies. They mainly work on:

- Emergency response
- Disaster risk reduction
- Early recovery

¹ <http://www.usaid.gov/who-we-are/organization/bureaus/bureau-democracy-conflict-and-humanitarian-assistance/office-us>

How the FAO-OFDA Annual Macro Grant works

The FAO-OFDA Macro Grant mechanism minimizes the administrative burden on both sides by consolidating multi-country activities under one grant and clearly demonstrates USAID's support for the core coordination function that FAO can fill in emergency agricultural livelihoods interventions. It improves FAOs' overall efficiency for responding rapidly to food crises.

Towards November/December of each year, FAO submits a consolidated document to OFDA which includes the concept notes for the following year. In 2014, concept notes focused around the following themes:

- Global humanitarian issues
- Cluster coordination
- Emergency preparedness
- Country activities to strengthen and diversify livelihoods in crisis situations
- Food security and agriculture coordination
- Strengthening resilience of food insecure households
- Coordinating disaster risk reduction and management responses
- Disseminating good practices such as conservation agriculture
- Improving food security and livelihoods of disaster-affected communities and internally displaced persons with an increased focus on gender and accountability to affected population.

During 2014, the majority of the projects focused in Africa, particularly the Sahel and Horn of Africa regions, addressing root causes of food security and livelihood vulnerability. Some Asian and Near East countries have also been considered. Unfortunately, Latin American countries did not benefit from OFDA's support during recent years.

Steps to take

1. In October of each year, the TCE-Director contacts the FAO Regional Offices to start preparation of concept notes from concerned country offices in the respective Regions.
2. Before preparing a CN, FAO country offices need to initiate discussions with OFDA at the country level to obtain support for the inclusion of the CN in the FAO-OFDA Global Annual Macro grant. This relationship with OFDA should arise from ongoing communications and information exchanges, formal and informal, throughout the year. Should there be no OFDA presence at the country level, USAID should be contacted. The FAO Regional Office and/or the FAO regional emergency office will approach the OFDA Regional Advisors in Bangkok, Dakar, Johannesburg, Cairo/Amman respectively to discuss the concept notes from the countries in the Region for the Global Macrogrant submission.
3. FAO country offices send the technically cleared Concept Note/s to FAO HQ. The deadline for submission of the initial **2 page** notes is usually at the beginning of November. CN should follow the structure of the template as close as possible (see Annex I). The projects are of a duration of 12 months within a calendar-year time frame.
4. CN are sent to FAO HQ for final review and editing and the TCE-Director usually submits the consolidated Global Annual Macrogrant document to OFDA Washington in early December.

5. The proposals submitted to OFDA are carefully selected on the basis of concrete needs on the ground and their merits as humanitarian interventions. They are also prioritized on the basis of their coherence with OFDA's mandate and interests.
6. OFDA Washington carries out a technical review of the received concept notes. In January/February, OFDA usually informs about its first allocation under the FAO-OFDA Global Annual Macrogrant, informing FAO about the concept notes and the respective amounts. With this first allocation, the contribution agreement will be signed. Second and third allocations are usually decided upon around April and September respectively. These additional allocations are approved through a simple modification to the contribution agreement.
7. In addition to the contribution agreement, OFDA sends the Agreement's Officer Representative (AOR) Designation, which informs FAO about the responsible officer within OFDA to receive reports, queries and eventual budget revisions.
8. Once the programme officer in OFDA confirms the funding, FAO can start project implementation immediately. The donor, however, naturally takes several weeks to finalize the contribution agreement and/or the modification. In this case SFERA funds can be requested to start the project immediately. Once funds come through, SFERA will be reimbursed (wording for requesting SFERA funds in Annex II).
9. FAO's Finance Division calls for funds from the donor on a quarterly basis, i.e. the budget holder needs to inform Finance Division about funding requirements at the beginning of the project, and on a quarterly basis.
10. For each approved concept note, a separate project is opened in FPMIS. There is no requirement for an interim report. At the end of the project, a project final report is prepared in line with FAO standard procedures.

Not to forget

- Project concept notes must be a result of preliminary and encouraging contact with USAID/OFDA advisors at the regional and/or country level, as otherwise they stand little chance of being supported or funded.
- Keep FAO HQ informed of your discussions with the donor at the regional and/or country level to help guide our discussions with OFDA at Washington level, in preparation to the Global Macro grant Agreement. Discussion with Washington is ongoing but takes place formally only after FAO HQ receives all the CNs.
- Please keep in mind that OFDA cannot be the only donor to a programme. Part of the funding for the project must come from other donors, OFDA will ask for this information at the moment of funding.
- If needed, a No-Cost Extension can be requested from OFDA Washington up to March of the following year. No extension beyond this 3-months extension is possible. The no cost extension, even if requested only for one project, automatically extends the duration of the entire Macrogrant agreement including all approved projects.

Responsible FAO field officers should contact Angela Hinrichs (angela.hinrichs@fao.org) directly for further guidance or advice.

Somalia

USD 1 500 000

Food Security and Nutrition Analysis Unit for Somalia (FSNAU)

Background

Decades of conflict in the Federal Republic of Somalia have created a situation of protracted and complex emergency which has eroded livelihoods and increased vulnerability to nutrition, food and livelihood insecurity for a significant portion of the population. The situation is aggravated by increasing recurrence and severity of droughts and floods caused by the degradation and mismanagement of natural resources, lack of governance and climate change. Without an effective government, Somalia has very poor infrastructure (roads, water and irrigation), education facilities, health services and skilled personnel. Households' reduced resilience owing to these factors is reflected in high levels of acute and chronic food insecurity, malnutrition and mortality. Somalia has suffered from two famines in the past two decades – in 1991-1992 and in 2011.

The Food Security and Nutrition Analysis Unit (FSNAU) for Somalia provides updated information and analyses on food and nutrition security in the country's complex humanitarian and political environment to a broad range of stakeholders (aid agencies, donors, Government, the diaspora, etc.) to enable effective emergency response and development planning. The relevant information is delivered in a timely fashion and disseminated through briefings, presentations, press releases and media interviews.

The results of the most recent FSNAU-led food security assessment (June-July 2014) indicate that the gradual recovery and gains made since the end of the famine in 2012 are being lost as poor rains, conflict, trade disruptions and reduced humanitarian assistance led to a worsening of the food security situation across Somalia. Acute malnutrition increased in many parts of the country, particularly among children. The situation continued to deteriorate until the start of the Deyr rains in October. An estimated 1 025 000 people are currently expected to experience acute food security at "Crisis" (Integrated Food Security Phase Classification [IPC] Phase 3) and "Emergency" (IPC Phase 4) levels through December 2014 – a 20 percent increase since January 2014. The food security situation of over 2.1 million additional people remains fragile and is classified as "Stressed" (IPC Phase 2). Nutrition surveys conducted between May and July 2014 indicate that global acute malnutrition rates exceed the emergency threshold of 15 percent in 21 out of 50 population groups surveyed. An estimated 218 000 children under the age of five are acutely malnourished – 43 800 of them severely malnourished and facing greater risk of morbidity and death. As a result, lifesaving humanitarian assistance and livelihood support remain vital to help food-insecure populations meet their immediate food needs, protect livelihoods and build resilience, including health and nutrition support to the acutely malnourished. Government staff will be supported to actively participate in FSNAU-led training and assessment in the field.

Rationale

Given the precarious food and nutrition security and livelihood situation across Somalia, conducting timely assessments and analyses on a regular basis remains vital. At present, the capacity of Government and institutions to collect and analyse data on food and nutrition insecurity and regularly monitor changes is extremely limited. Without FSNAU filling this gap in crucial information, response agencies would lack the evidence to effectively design the appropriate type and scale of interventions required for emergency response and recovery/resilience-building interventions. FSNAU identifies populations in food security crisis by livelihood and by region, identifies the specific challenges of women in achieving food security and reports on the nutritional status of the population to support targeted interventions. In addition to its early warning function, FSNAU carries out relevant livelihood studies and applied research for an improved understanding of the underlying causes of food, nutrition and livelihood insecurity in order to better inform longer-term programme response. Gender analysis is mainstreamed in FSNAU's data collection and analytical processes. FSNAU also provides capacity development support to Somali institutions and implementing partners in food security, nutrition and livelihood monitoring, surveillance and analysis.

Country strategy

In the context of the FAO Somalia 2013-15 Strategy, the overall objective of the FSNAU project is to ensure that Somali food, nutrition and livelihood security is strengthened at the household and community levels, thereby ensuring greater resilience to future shocks such as those caused by conflict, drought, flood, disease or economic crises.

The early warning function of the FSNAU is considered very effective due to the quality and timeliness of the information, which informs a broad range of responses. The FSNAU also has a comprehensive analytical system for livelihoods which allows for a broader analysis of underlying structural issues as well as shorter-term issues impacting food security, nutrition and livelihoods. The Food Security and Nutrition Analysis System (FSNAS) draws upon and integrates multiple methodologies, data sources and sectors to provide evidence-based analysis. Integral to the FSNAS is the IPC, an evidence-based set of protocols to classify the severity of food insecurity in a given area or population and provide actionable knowledge for seasonal assessments and decision-making support. In this context, FSNAU provides technical support to the United Nations Humanitarian Country Team for the development of triggers for early action, an initiative that aims to bridge the gap between early warning and early action.

Gender-informed baseline livelihood studies, regular community-level monitoring of the status of agriculture, pastoralism, nutrition, health, water, markets, climate, civil security and seasonal assessments will provide information on the food and livelihood security situation in Somalia and support the early warning function of the FSNAU. A better understanding of the dimensions of intrahousehold dynamics and community resilience across Somalia will be generated by incorporating additional information and data on assets, income and capabilities into the baseline livelihood surveys and seasonal assessments undertaken by the FSNAU. This will in turn provide opportunities to reassess the livelihood zoning of Somalia and provide essential baseline information for agencies implementing interventions through the Joint Resilience Strategy for Somalia to assess impact over time. The technical rigour of FSNAU's analysis and products will be strengthened through developing new analytical models for crop monitoring, yield forecasting and pasture availability based upon agrometeorology and remote sensing data.

FSNAU will also focus on the capacity development of institutional partners to collect, analyse and disseminate data and statistics on food and nutrition security, working with Government to provide appropriate methods and tools for capacity development including the IPC. The main focus of FSNAU's capacity development effort will be the provision of relevant technical support to the Government for establishing an effective food security, nutrition and livelihood assessment, analysis and monitoring capacity within an appropriate institutional framework.

Results-based management logframe

USD 1 500 000

Food Security and Nutrition Analysis Unit for Somalia (FSNAU)

Objective

To strengthen Somali food, nutrition and livelihood security at the household and community levels, thereby ensuring greater resilience to future shocks such as those caused by conflict, drought, flood, disease or economic crises

Expected result

A broad range of stakeholders and Somali institutions have access and contribute to timely and relevant gender-disaggregated data and information on the food, nutrition and livelihood security situation for improved emergency and longer-term responses, thereby ensuring that Somali communities, agencies and authorities and the international aid community are empowered to respond

Output 1

Technical and organizational capacity of Somali institutions is supported at federal and regional levels to conduct food, nutrition and livelihood security assessment and analysis for policy and programme decision-making

Activities

- Design a strategy for institutional capacity development activities.
- Conduct capacity building and training of Government and non-governmental partners throughout Somalia.
- Conduct capacity building of FSNAU staff.
- Conduct capacity building of regional and other technical partners that operate and provide support in Somalia.

Output 2

Timely and relevant food security, nutrition and livelihood information and analysis provided on emergency situations

Activities

- Carry out semi-annual seasonal assessments.
- Conduct regular monitoring and surveillance of the food and nutrition security situation.
- Conduct interim food and nutrition security assessments.
- Implement a pilot of a trigger for early action based on consistent and regular monitoring of a key set of food and nutrition security-related indicators and associated thresholds.

Output 3

Increased understanding of opportunities to reduce chronic food and nutrition insecurity through improved gender and livelihood analysis and applied research on underlying causes

Activities

- Carry out applied research in food security, nutrition and livelihoods.
- Improve methods and tools.

Output 4

Baseline livelihood information and analysis generated to inform the design of early response and longer-term interventions aimed at improving household resilience and livelihood security

Activities

- Conduct baseline livelihoods analysis.
- Conduct livelihood re-zoning and updating.

Output 5

Information is further organized, developed and incorporated into a data warehouse and made accessible through managed information and communication systems

Activities

- Update and improve information management system.
- Conduct user survey and update existing communications strategy.

Budget item	Total (USD)
Personnel	740 000
Contracts	75 600
Training	52 706
Travel	350 000
Expendable equipment	12 800
Non-expendable equipment	15 230
Technical support services	11 300
General operating expenses	106 000
Support costs (10% of subtotal)	136 364
Total	1 500 000

Annex II: Language of Funding Commitment

From: TCE-Director

Sent: 17 October 2014 16:35

To: DL-FAO-Reps-Africa-List; DL-FAO-Reps-Asia-List; DL-FAO-Reps-NearEast-List

Cc: DDG-O (DDO); RNE-ADG (FAORNE); RAF-ADG; RAP-ADG; Gilmozzi, Dario (OSD); Vinet, Rodrigue (OSD); Nylander, Velda (CSFE); Dowlatchahi, Mina (OSP); Mwangi, Terence (OSP); CSF-Director; LEG-Director; OSD-Director; TC-ADG; TCE-Director; TCE-List

Subject: USAID/OFDA-FAO Annual Macrogrant Agreement - Language of Funding Commitment - #TCE-GENERAL

This message is sent on behalf of

Mr Rodrigo de Lapuerta, Director *ad interim*, OSD and

Mr Dominique Burgeon, Director, TCE

Dear Colleagues,

Every year, the USAID/OFDA-FAO Annual Macrogrant Agreement provides funding to FAO's emergency and rehabilitation programme in the range of USD 15-25 million, mostly for Africa, the Near East and also for Asian Region. A consolidated document with project proposals is submitted to OFDA towards November/December of each year. Projects approved under the Macrogrant have a duration of 12 months (the calendar year), with a possible extension of three months, until March of the following year. This funding mechanism between OFDA and FAO has been in existence since more than ten years. The vast majority of the projects funded through the Macrogrant support time-critical emergency activities to assist crisis-affected population, e.g. provision of agricultural inputs before the onset of the next planting season. The donor, however, naturally takes several weeks to finalize the contribution agreement.

It is in the interest of both Organizations that FAO can start project implementation immediately once the programme officer in OFDA is in a position to confirm the funding. Against this, in April 2013, OFDA and FAO agreed on a standard language for confirming new funding commitments under the Macrogrant. Since its inception in April 2013, this arrangement has allowed FAO to start implementation of emergency projects funded through the OFDA/FAO Annual Macrogrant without delay. Through the mechanism which has been established, OFDA Washington informs FAO about a new funding commitment under the Macrogrant, using the following agreed wording:

QUOTE

Please see the below breakdown for XXX to be funded under this round of Macro-Grant. As a matter of policy, USAID/OFDA does not provide Pre-Award Letters to public international organizations. However, we confirm that USAID has committed USD XXX within USAID/OFDA's financial system for the 2014 FAO Macro grant. Generally, funding commitments lead to a funding obligation through finalization of an award by the Agreement Officer.

Note: *This notice of intent to commit funding does not constitute an award or obligation of funds. Please note that the FAO Macro award through which we anticipate funding this project runs from 1 January 2014 through 31 December 2014. In the event that funding for the project referenced*

above is obligated by the Agreement Officer, any allowable, allocable, and reasonable expenses incurred during the period of performance of the Macro award will be reimbursed.

UNQUOTE

This email message is to be used by the budget holder as supporting documentation to open the project in FPMIS, and request the use of SFERA advance funding from the TCE-Director for immediate action.

Once OFDA has issued the signed Macrogrant agreement and/or modification, the Assistant Director-General, Technical Cooperation Department countersigns the agreement. The budget holder asks CSF to call the first tranche of funding from the donor, and upon crediting of the funds to the project account, the SFERA advance will be reimbursed.

This arrangement is limited to the OFDA/FAO Annual Macrogrant only, and does not apply to any other USAID or OFDA contribution outside of this funding mechanism.

Thank you.

Dominique Burgeon

Director, TCE

Rodrigo de Lapuerta

Director *ad interim*, OSD