



## Moving beyond Disaster Response to Risk Management

There are 795 million hungry people in the world. The large majority live in Asia and Africa. They very often live in degraded, fragile, and shock-prone environments, with an alarmingly low asset base. Environmental degradation, resource scarcity, climate change and price volatility, together with other risks, make food and nutrition security a hard goal to accomplish. Increasing levels of risk have resulted in repeated needs for humanitarian emergency response to address the impacts of climate and other shocks. Shifting towards more comprehensive efforts to build resilience and manage risk is critical to achieving food security in these areas.

WFP works with governments, international partners and local communities to develop new tools and innovations that help communities improve their capacity to prepare for, respond to and recover from climate-related disasters, so that food security is no longer an elusive goal.

WFP's priority actions in this area include:

### **African Risk Capacity (ARC) Replica Policies.**

WFP is transforming the way we assist vulnerable communities cope with natural disasters from disaster response to risk management. Countries themselves need to own and manage their disaster risk first and foremost. To this end, WFP helped the African Union create a sovereign disaster insurance pool, the African Risk Capacity (ARC), in 2012. 32 African states adhere to the ARC treaty, insuring their natural disaster risk for close to US\$300m. For countries having demonstrated their long-term

commitment to this mutual insurance system by renewing their policies for the third year running, WFP will help scale up their national disaster management programme by taking out matching policies, replicating the countries' own efforts (Replica). In so doing, WFP aligns its financing and operational response with the government-led efforts, doubling the coverage available to vulnerable populations. The ARC and WFP jointly can reach the Elmau G-7 Climate Insurance targets of 180 million people protected in Africa by 2020. By 2030, WFP aims to have insurance finance for half its overall natural disaster aid expenditures in Asia as well as in Africa.

### **The Food Security Climate Resilience (FoodSECuRE) Facility**

is a multilateral, multi-year, replenishable fund being developed by WFP to financially and programmatically support community-centered action to reinforce and build climate resilience. This groundbreaking instrument specifically links climate and hazard forecasting with flexible multi-year financing, providing governments the means to quickly unlock funding to scale-up food and nutrition responses as well as disaster risk reduction activities before climate disasters occur.

FoodSECuRE will: i) trigger action based on climate forecasts, to reinforce community resilience before shocks occur; ii) complement early response mechanisms, and iii) provide multi-year financing to deliver high-quality resilience-building activities that are undertaken during post-disaster recovery operations.

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## Facts and figures

Climate change has a disproportionately negative impact on food-insecure people, **80 percent** of whom live in countries that are prone to natural disasters and face high levels of environmental degradation.

### **Climate-related disasters are stretching the system financially and operationally.**

In 2013, **over 90 percent** of natural disasters were climate-related, primarily floods, storms and droughts. Under climate change, the frequency and intensity of climate-related disasters are expected to increase.

**High costs of climate disasters.** In 2014, **83 million** people were affected by climate-related natural disasters, and an estimated **US\$20.8 billion** in humanitarian aid was requested to address climate-related disasters. Average annual direct damages, largely encompassing losses to the built environment, and production losses to agriculture, add **US\$71.3 billion** to the total economic cost of climate-related natural disasters. The total cost of climate-related natural disasters in 2014 was **US\$92.1 billion**.



The **R4 Rural Resilience Initiative (R4)** is a comprehensive risk management approach to help communities be more resilient to climate variability and shocks. WFP and Oxfam America launched the R4 Rural Resilience Initiative in 2011 to enable vulnerable rural households to increase their food and income security in the face of increasing climate risks. R4 has broken new ground in the field of rural risk management by enabling the poorest farmers to pay for crop insurance with their own labour. Protected by insurance, families facing a drought or other shock, no longer find themselves forced into desperate measures, such as selling their farm animals or taking their children out of school. The first major impact evaluation of R4/HARITA in Ethiopia shows that insured farmers save more than twice than those without any insurance, and they invest more in seeds, fertilizer and productive assets, such as plough oxen. Farmers in one cluster of villages tripled their grain reserves compared with uninsured farmers. Women, who often head the poorest households, achieved the largest gains in productivity, through investing in labour and improved tools for planting.

**Climate Services.** WFP has developed extensive experience in using, developing and translating climate information. Our emergency preparedness and support response team collaborates with world-renowned research and modelling centres to provide the latest immediate and seasonal weather hazard information to support government and humanitarian actors in deciding appropriate action. WFP's food security analysts translate climate and weather information into early warnings of drought events and potential production shortfalls. Coupled with detailed analyses of household vulnerability, WFP and partners use this information to assess how droughts or floods will affect people's food security to ensure an early response.

## Climate and Disaster Risk Reduction Programmes (OSZIR)

Policy and Programme Division

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