



R4 Rural Resilience Initiative

Linking Agricultural Insurance and Social Protection in developing countries: Experiences from Ethiopia and Senegal



What do we mean by Social Protection?

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- Social protection consists of policies and programs designed to reduce poverty and vulnerability
- Often includes:
 - Social Assistance (Social Safety Nets)
 - Social Insurance
 - Labor Market Interventions
- In developing countries, used to address issues of persistent and structural poverty by:
 - Providing relief during shocks (protection)
 - Providing protection against contingencies (prevention)
 - Moving people out of poverty (promotion)
- Insurance can support these three functions

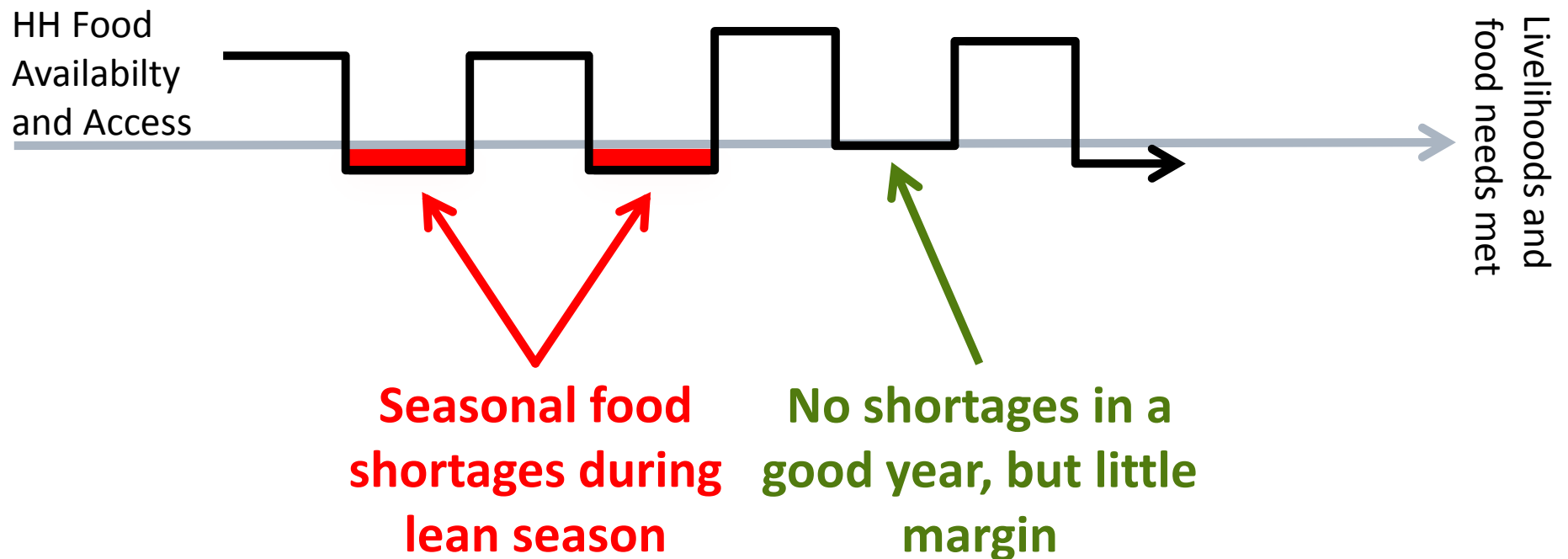
Why linking agricultural insurance and social protection?

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- In the developing world, a great majority of food insecure people in rural areas are smallholder farmers
 - They are exposed to regular seasonal risks and constraints limiting their ability to maintain livelihoods and assets
 - They are exposed to low to medium frequency severe shocks that have long lasting negative impact
 - They have limited access to markets, finance, quality inputs, or financial services such as insurance

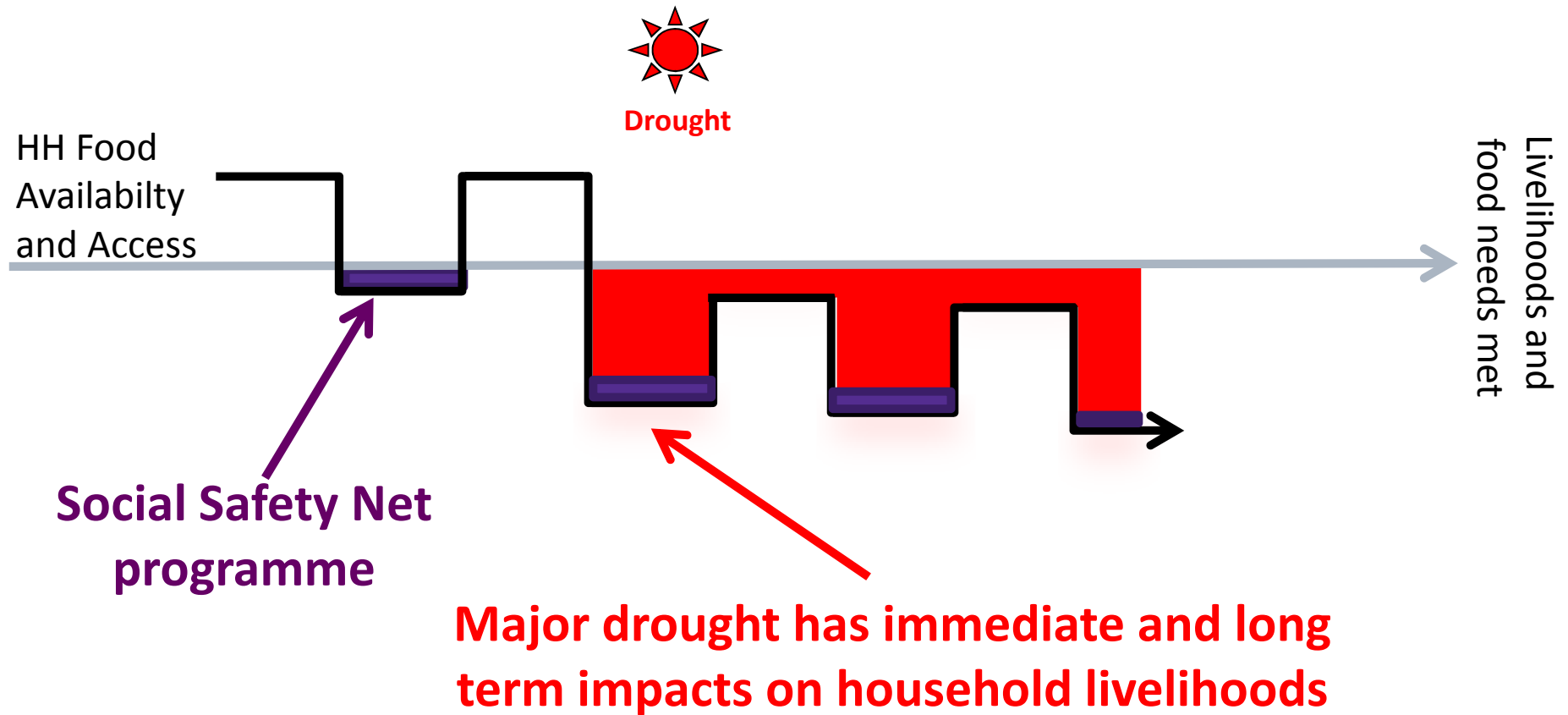
Cycle of livelihoods decline

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Cycle of livelihoods decline

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Why linking agricultural insurance and social protection?

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- Insurance can reinforce social protection and increase productivity when linked to improved rural services.
- It is complementary to traditional risk management and to government disaster risk reduction (DRR)
- The R4 Rural Resilience Initiative is an innovative combination of these measures designed to improve livelihoods and community resilience

The Rural Resilience Model

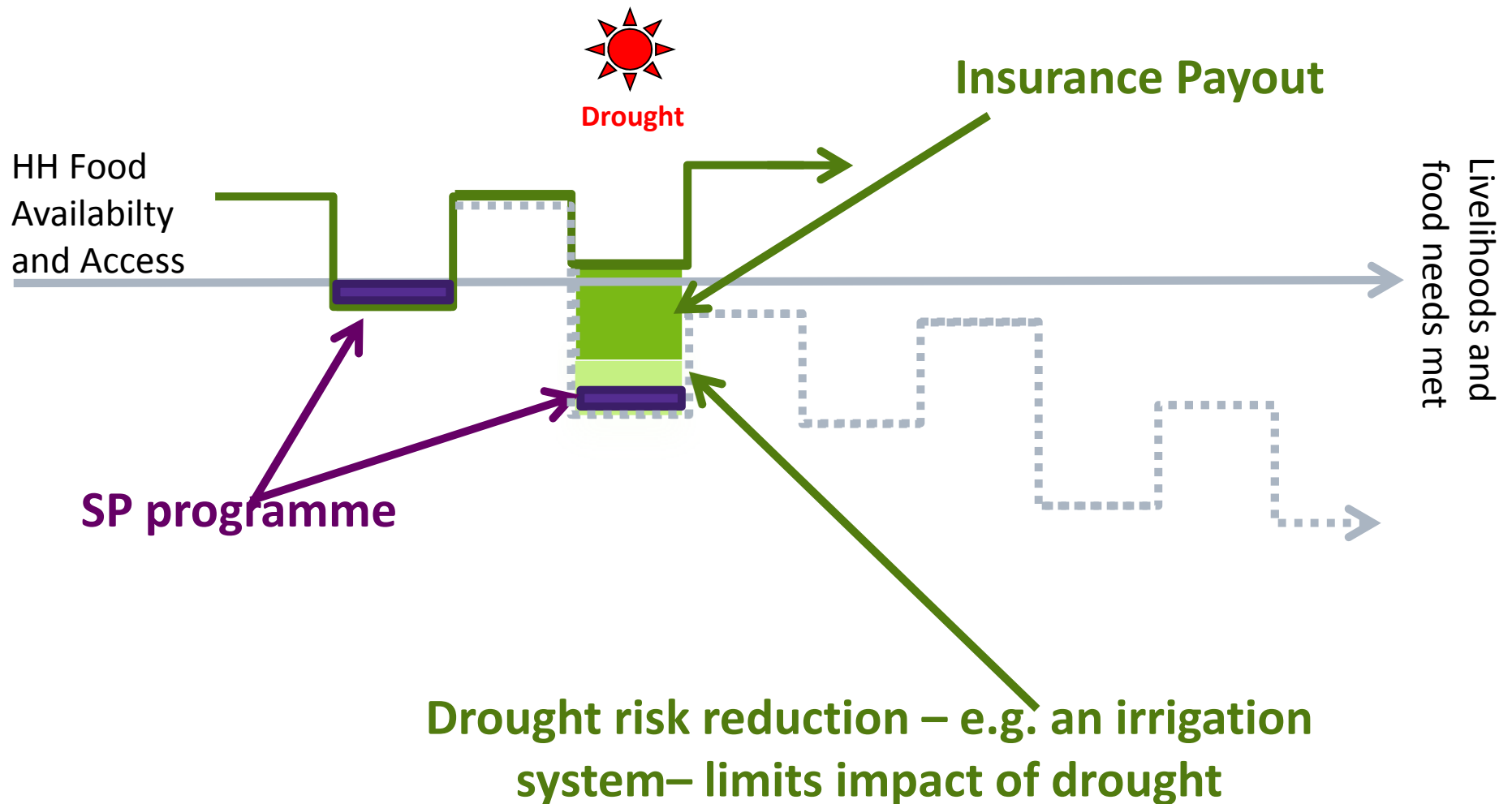


- Build the resilience of food-insecure rural households through integrated risk management:
 - Protect livelihoods and provide guaranteed transfers through integration with Safety Nets
 - Reduce risks by contributing to community assets
 - Protect the gains households make through insurance and other financial services
 - Enable farmers to pay with insurance through innovative mechanisms (insurance for work)
- Build WFP and government's capacity to develop and implement integrated risk management programmes



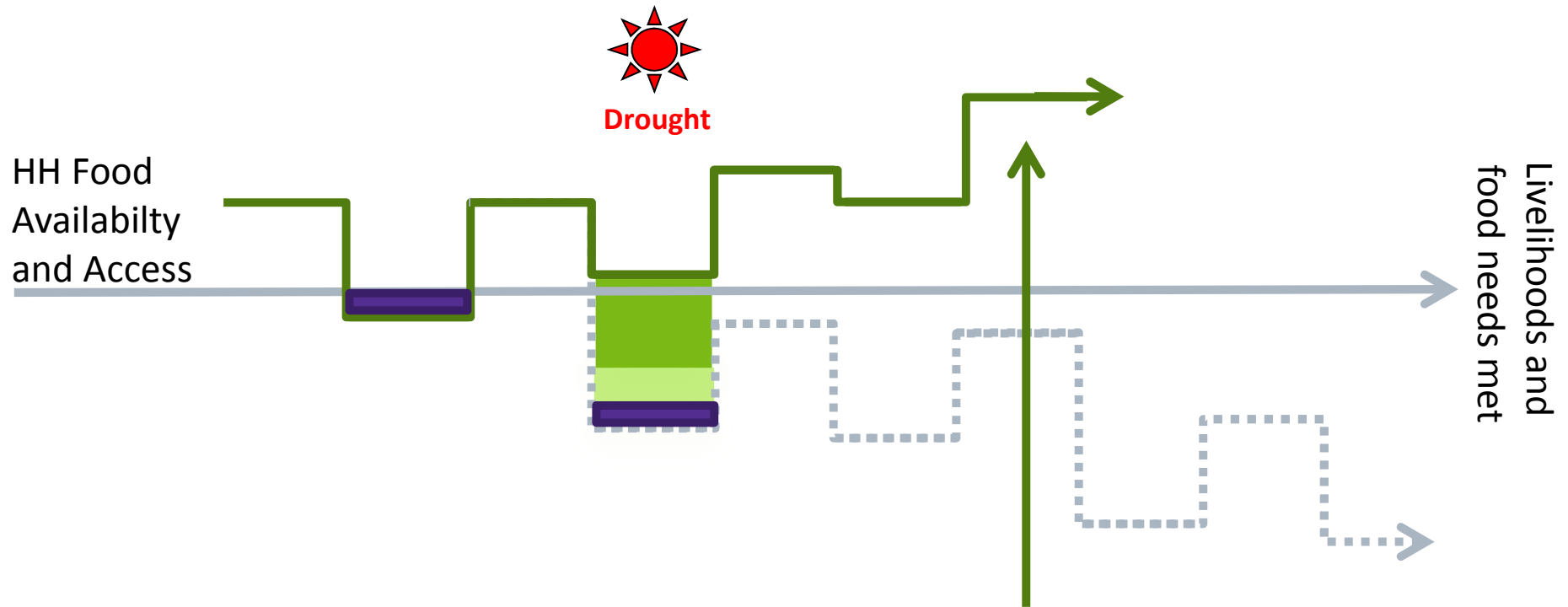
R4 Rural Resilience Model

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R4 Rural Resilience Model

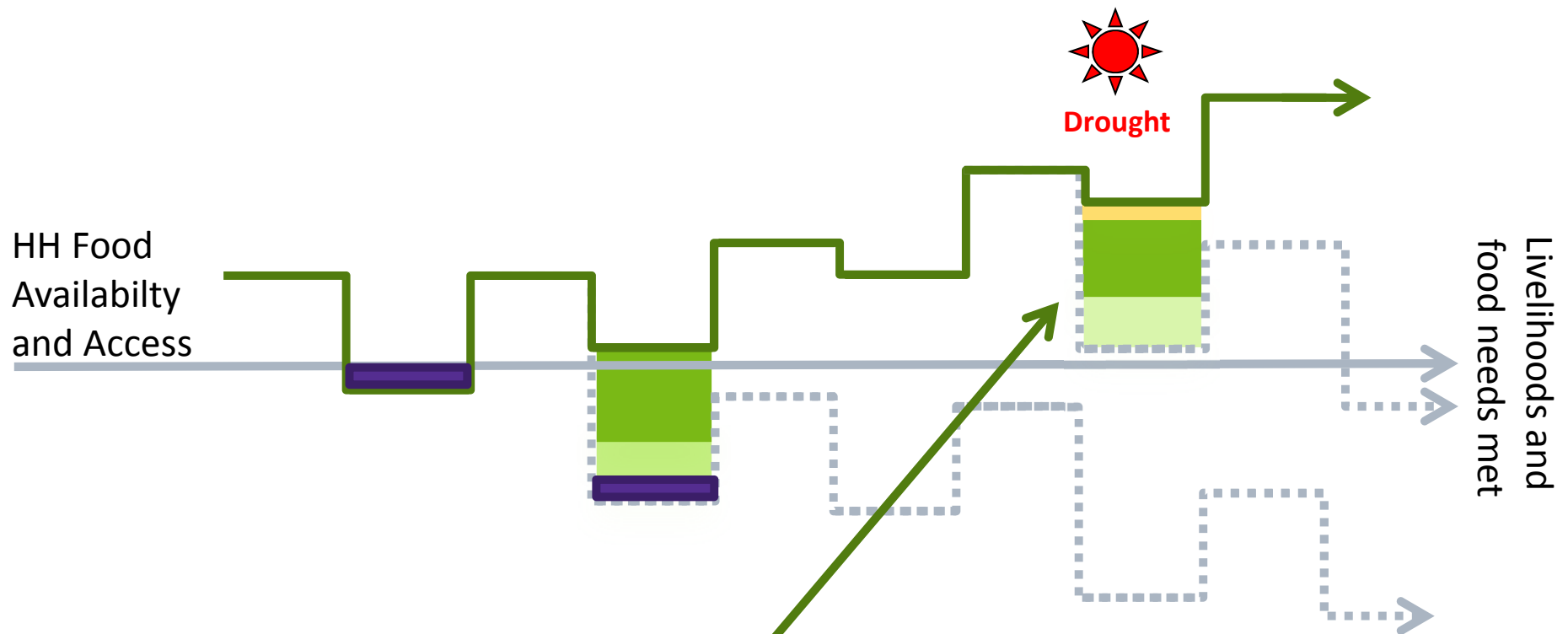
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Access to credit allows increased productivity, diversification and ability to save, protected by insurance

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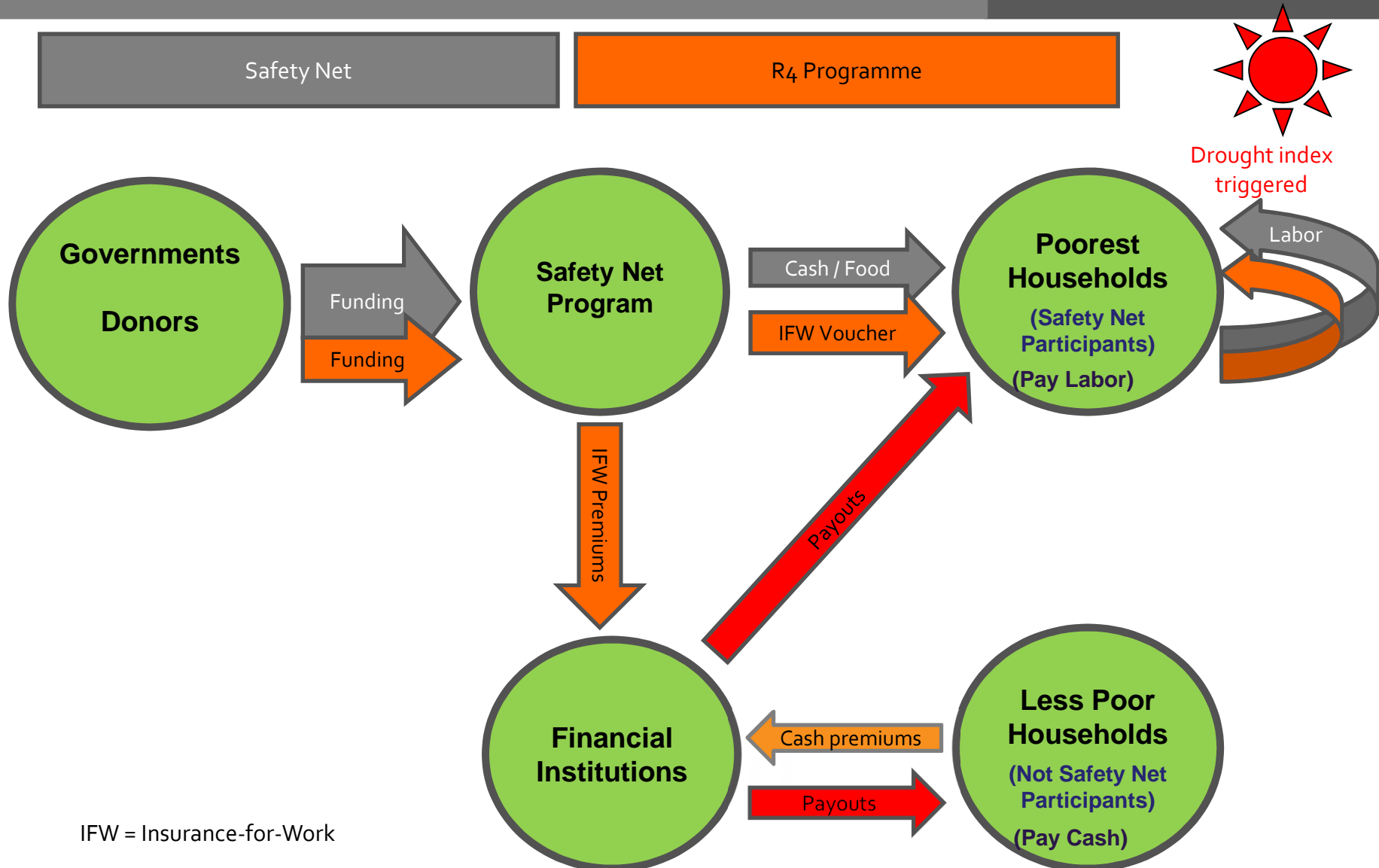
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Risk reduction, insurance and savings provide a resilient set of risk management tools to protect the food security that the household is building

R4 Operational Model

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IFW = Insurance-for-Work

- The project 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.
- In its four of years of delivery, HARITA/R4 has scaled up from one 200 participants in one village in 2009 to over 20,000 beneficiaries in 80 villages in 2013.
- In 2012 12,000 drought-affected households received insurance pay-outs amounting to over US\$ 320,000 in benefits.

- R4 was piloted in 12 villages during the 2013 agricultural season reaching 500 households.
- In 2013 focus on developing partnerships to deliver the programme --education, research and testing demand.
- Activities carried out in 2013 included:
 - **Risk Reduction:** Food Assistance for Asset building - lowland development for rice production, multi-purpose gardens, watershed treatment
 - **Risk Transfer:** Rainfall deficit insurance preparation (dry run)
 - **Risk Reserves:** Saving For Change groups, Cereal Banks;
 - **Smart Risk Taking:** reducing transaction costs of clients (support to IGAs, information, inventory credit)

Social safety nets can be an effective delivery channel for risk transfer and risk reduction at scale

Insurance for Work (IFW) allows poor households access to risk transfer tools

Focus on improving yields and income via education, risk reduction plus access to improved inputs through savings, credit and protected by insurance

Building a **sustainable commercial market** & improving **government social protection** can help perpetuate program benefits beyond donative period

Integrating risk transfer can make safety nets more cost effective and help build sustainable rural risk transfer markets – R4 is working to build the **evidence base** to prove this!

Collaboration

The R4 Rural Resilience Initiative is a strategic collaboration between the World Food Programme and Oxfam America, with no commingling of funds. Each partner has its own sponsors as listed. R4 is inviting donors to support expansion.



The World Food Programme is the world's largest humanitarian agency fighting hunger worldwide.

Each year, on average, WFP feeds more than 90 million people in more than 70 countries.

www.wfp.org/disaster-risk-reduction

With support from



Oxfam America is an international relief and development organization that creates lasting solutions to poverty, hunger, and injustice, working with individuals and local groups in more than 90 countries. Oxfam America does not receive funding from the US government.

www.oxfamamerica.org/r4

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A photograph of a dirt road lined with tall, leafy green trees and grass. The word "THANKS" is overlaid in large, white, sans-serif capital letters across the center of the image.

THANKS