RURAL RESILIENCE SERIES

Horn of Africa Risk Transfer for Adaptation

HARITA quarterly report: October 2011–December 2011

Oxfam America

Contents

Cover: HARITA participants in Hadush Adi village worked on environmental protection projects such as loose-rock check dams supported by wire mesh.
Mansi Anand / Oxfam America

Zenebu Bahre from Mearey was among the 1,810 farmers to receive an insurance payout, the first in HARITA's history.

Mengesha Gebremichael / Relief Society of Tigray (REST)

Executive summary

For the 1.3 billion people living on less than a dollar a day who depend on agriculture for their livelihoods, vulnerability to weather-related shocks is a constant threat to security and well-being. As climate change drives an increase in the frequency and intensity of natural hazards, the challenges faced by food-insecure communities struggling to improve their lives and livelihoods will also increase. The question of how to build rural resilience for climate change adaptation is critical for addressing global poverty.

In response to these challenges, Oxfam America, Swiss Re, and their partners developed an integrated risk management framework to enable poor farmers in the drought-prone northern state of Tigray in Ethiopia to strengthen their food and income security through a combination of improved resource management (risk reduction), insurance (risk transfer), and microcredit (prudent risk taking): the Horn of Africa Risk Transfer for Adaptation (HARITA) project.

HARITA brought together a network of partners including Ethiopian farmers, the Relief Society of Tigray (REST), Nyala Insurance Share Company, Africa Insurance Company, Dedebit Credit and Savings Institution (DECSI), Mekelle University, the government of Ethiopia, the International Research Institute for Climate and Society (IRI), Swiss Re, and Oxfam America. The project is funded by the Rockefeller Foundation and Swiss Re.

Existing approaches to providing drought insurance to the poorest have not been effective owing to high administrative costs and the inability of cash-poor smallholders to afford premiums. In the HARITA team's conversations with farmers, the farmers themselves suggested a solution; they could

"I grew barley and teff. I paid for my insurance in cash. I got a payout from the insurance on the barley but not the teff because the late rains affected the barley but not the teff. The insurance works for me even if there is a good season because the payment is not large; we don't feel it if we get a lot of harvest. We can then sell the surplus and get money. If it's a bad season then we have something. I will do it again next year."

— Alga Neshe Bahita of Hadush Adi village

pay for insurance with their labor. Oxfam America worked with the Relief Society of Tigray and the government of Ethiopia to build an "insurance-for-work" program on top of the government's "food- and cash-for-work" Productive Safety Net Programme (PSNP), a well-established program that serves 8 million chronically food-insecure households in Ethiopia.

The resulting innovation allows cash-poor farmers the option to work for their insurance cover by engaging in community-identified projects to reduce risk and build climate resilience, such as improved irrigation or soil management. In the event of a seasonal drought, insurance payouts are triggered automatically when rainfall drops below a predetermined threshold, enabling farmers to afford the seeds and inputs necessary to plant in the following season and protecting them from having to sell off productive assets to survive. In partnership with local microfinance institutions, the model facilitates the farmers' option to collateralize credit with insurance.

More prosperous farmers pay their insurance premiums in cash. Over time, as the poorest farmers become more prosperous, they "graduate" from the need to pay through labor and begin paying in cash, helping to ensure the project's commercial viability and long-term success.

In its three of years of delivery in Ethiopia, HARITA has shown promising results for replication. The project has scaled from 200 households in one village in 2009 enrolled in the financial package to more than 13,000 enrolled households in 43 villages in 2011—directly affecting approximately 75,000 people.

HARITA's success led, in 2010, to an agreement by Oxfam America and the United Nations World Food Programme (WFP) to take the HARITA model to multinational scale by launching, as equal partners, the R4 Rural Resilience Initiative, known as R4 in short, referring to the four risk management strategies that the initiative integrates: risk reduction, drought insurance, credit, and savings. R4 will operate across four countries—Ethiopia, Senegal, and two more in the developing world—uniting Oxfam America's HARITA model and WFP's extensive network of safety nets and cash-for-work programs. Under R4, WFP programs will operate as "insurance-for-work" for the poorest of the participating farmers, leveraging this core HARITA innovation to build a profitable market for small-scale agricultural insurance at commercial scale. To learn more about HARITA and R4, visit the R4 Rural Resilience Initiative webpage.

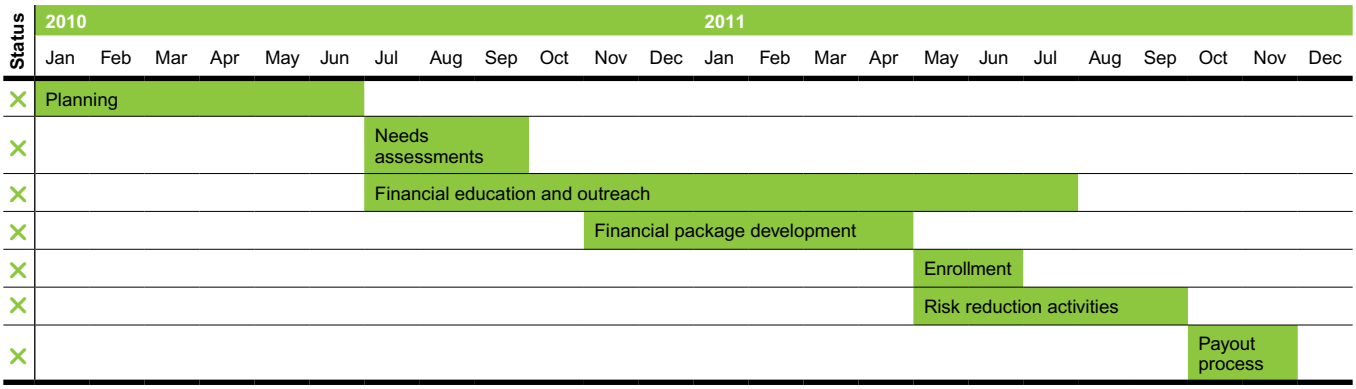
Status summary

The 2011 agricultural season marked the expansion of HARITA to 13,195 households in 43 villages,[1] reaching nine districts[2] in the Tigray region of Ethiopia. For the first time in the project's three-year enrollment history, HARITA had a payout to 1,810 farmers who experienced drought conditions in seven villages, and the associated media coverage was picked up by *The New York Times*.

The weather index insurance options for farmers in 2011 included short-cycle crops (teff and beans) and long-cycle crops (maize, wheat, barley, and sorghum). The planting for long-cycle crops ended in May and that of short-cycle crops ended in July. Farmers who paid for insurance premiums with their labor conducted risk reduction activities in their communities, including improved irrigation capabilities and soil management practices. The harvest—which was effectively insured against drought—occurred in the fall.

In this report we share key accomplishments during the October–December 2011 quarter and provide detailed information on the risk reduction activities carried out in the 2011 agricultural season, highlighting how farmers use HARITA's risk management services to reduce their short-term and long-term food- and income-security risks.

Table 1. HARITA timeline for 2011 season



Note: The above chart represents only the activities related to 2011 enrollment and does not cover overlapping activities that occurred for 2010 enrollment.

1 This report uses the word "village" to refer to the Ethiopian term *tabia*, or subdistrict. *Tabia* is the Tigrigna language name for *kebele*, that is, the smallest administrative unit of the Ethiopian federal government (UN Emergency Unit for Ethiopia, 2003). Ethiopia's administrative unit structure hierarchy follows: region (e.g., Tigray) > zone (e.g., Eastern Tigray) > *woreda*/district (e.g., Kola Tamben) > *tabia*/subdistrict (e.g., Adi Ha) > *kushet*.

2 The word "district" here refers to the Ethiopian term *woreda*. It is approximately equivalent to a district in other countries (Food and Agriculture Organization, 2010).

Accomplishments this quarter

Metrics from the field

The metrics below provide a snapshot of field activities conducted in the reporting period.

- 1,810 farmers in seven villages received a total insurance payout of $17,392 (295,662.94 Ethiopian birr) this season.
- 1,800 farmers participated in HARITA-run awareness and education programs on community risk management and insurance.
- Weather data from three automatic rain gauges was collected, and a weather data report was developed by microinsurance assistants.
- 170 development agents were trained on community risk management and insurance.
- 100 farmers participated in experimental risk simulation games conducted by IRI.
- A capacity-building training on satellite remote sensing and its use in designing and evaluating index insurance products was conducted by IRI in Addis Ababa; eight local insurance companies, the National Meteorological Agency, and few international nongovernmental organizations (NGOs) participated.

This agricultural season, in which more than 13,000 farmers purchased insurance in 43 villages, the project had a successful payout to over 1,800 farmers who experienced drought conditions in seven villages. A payout ceremony was hosted in Mekelle by our local partner the Relief Society of Tigray (REST) in November 2011. The ceremony was attended by farmer representatives of seven villages, executives from Oxfam America's Horn of Africa Regional Office (HARO), Nyala Insurance Share Company, Africa Insurance Company, Dedebit Credit and Savings Institution (DECSI), and representatives from the Ministry of Agriculture Food Security Bureau. In the ceremony, the chief executive officers from Nyala Insurance Share Company and Africa Insurance Company handed insurance payout checks to the general manager of DECSI. In turn, the farmer representatives received a letter from DECSI acknowledging the insurance payout. The actual payments to farmers were facilitated in each of the seven villages by DECSI through respective village cooperatives. The total payout to the 1,810 farmers was $17,392 (295,662.94 Ethiopian birr). The payout amount received by each farmer varied based on the value of the crop insured and the degree to which the actual rainfall was below the trigger. More details on the payout are available on the R4 Rural Resilience Initiative webpage.

The HARITA/R4 initiative was showcased in seven side events at COP17 climate change negotiations in December in Durban, South Africa, including a showcase as one of the 10 "lighthouse projects" featured in the UN's new Momentum for Change Initiative.

Selas Samson Biru, a HARITA participant, spoke at the World Food Prize Norman E. Borlaug International Symposium titled "The Next Generation: Confronting the Hunger Challenges of Tomorrow" held in Des Moines, Iowa, from October 10 to October 15. As a farmer and the head of the women's association in her village of Adi Ha, Biru shared her experiences with HARITA and the ways in which risk management tools have allowed her and others to implement specific practices that will help them become resilient in the face of climate change and other challenges. Her video presentation is available on the World Food Prize website. Biru also presented at several side events during the weeklong event. She was accompanied by Mengesha Gebremichael, the microinsurance project manager at REST.

Gebremichael also presented the HARITA program at the Global Environment Fund on October 19 in Washington, D.C.

HARITA/R4 was featured in the *Financial Times* on November 1 in the article, "Case Study: Swiss Re and Oxfam," by Lisa Jones Christensen.

A follow-up story on HARITA/R4 was covered by *The New York Times* highlighting the 2011 payout in an article titled "News Flash: Progress Happens," by David Bornstein.

HARITA/R4 was featured in AlertNet on November 30 in an article titled "Insurance Aims to Help Herders Avoid 'Downward Spiral' from Drought."

A participatory game simulation of the HARITA/R4 model, developed by Pablo Suarez and Janot Mendler de Suarez as a tool to educate stakeholders of the complex processes and decisions that a farmer faces in an increasingly risk-prone environment, was played at COP17. The game session was attended by executives of the international organizations including Swiss Re and International Federation of Red Cross and Red Crescent Societies (IFRC). The game was featured by Reuters on December 2 in an article titled "Games Wake People Up to Climate Change," by Agnieszka Flak.

Farmers have been planting cactus pear, known locally as *beles*, as a drought-resistant plant with economic and environmental benefits.

Karen Droisen / Oxfam America

Risk reduction results 2011

Background

Roughly 85 percent of all Ethiopians are engaged in smallholder, rainfed agriculture, and climate change poses an especially grave threat. According to a variety of scientific studies, climate change could lead to extreme temperatures, extraordinary rainfall events, and more intense and prolonged droughts and floods in Ethiopia.[3] These projections come as particularly bad news when considering that Ethiopia already finds itself under significant climate stress, with more than 90 districts (in excess of 2 million households) already prone to drought. Climate change could greatly exacerbate this already difficult situation and have numerous effects on economic growth, livelihoods, and health, as well as the rate and intensity of disasters. How to best build farmers' resiliency to evolving climate shocks is a major question facing Ethiopia.

Climate change is causing shifts in average climate conditions (e.g., changes in mean annual temperature, cumulative precipitation levels, onset and cessation of the rainy season) as well as increased weather variability (e.g., more frequent dry spells, flash flooding). Given enough time and resources, farmers can adapt to new average conditions. For instance, in the face of rising average temperatures,

3 Intergovernmental Authority on Development (IGAD) and Climate Prediction and Applications Centre (ICPAC) (2008). "Climate Change and Human Development in Africa: Assessing the Risks and Vulnerabilities of Climate Change in Kenya, Malawi, and Ethiopia." *Human Development Report 2007-08: Fighting Climate Change: Human Solidarity in a Divided World*. United Nations Development Programme, Intergovernmental Authority on Development and the Climate Prediction and Applications Centre.

they can select more heat-tolerant crops, improve their management of water resources, and adjust planting dates. Such interventions can substantially reduce the risks posed by the relatively predictable, albeit new, gradual trends.

However, when it comes to unpredictable and extreme weather, effectively reducing risk is a more complicated process. For these types of threats, a combination of risk reduction and risk transfer (i.e., insurance) is essential.

The HARITA model was developed as an integrated approach to risk management with risk reduction as the foundation and insurance as a critical, complementary tool to risk reduction to facilitate rapid recovery from low-frequency, but severe, climatic shocks like prolonged droughts.

The following section describes how HARITA integrates insurance with risk reduction and describes the risk reduction strategies adopted by farmers in the 2011 agricultural season in dealing with short-term and long-term risks posed by increasing droughts.

Integrating insurance with risk reduction, insurance, and credit

Risk reduction activities promote resiliency by steadily decreasing vulnerability to disaster risks over time. Through vulnerability assessments, HARITA farmers identify critically needed risk reduction activities for their community, such as small-scale water harvesting, increasing soil moisture retention through improved agronomic practices, and other agricultural methods to improve crop production. These measures are designed to restore the fertility and hardiness of the degraded soil and its capacity to rebound after future shocks. Having identified the risk reduction strategies that can be performed on their land, farmers have the option of purchasing weather index insurance from local insurers to address the risks that cannot be sufficiently reduced, such as localized droughts that can erode farmers' coping capacities over time. Through the project's unique insurance-for-work (IFW) model, the poorest farmers, who participate in a government- and Relief Society of Tigray (REST)-run food-for-work initiative known as the Productive Safety Net Programme (PSNP), are also able to pay for the insurance through their labor on the long-term risk reduction projects.

Because the program allows vulnerable farmers to pay their premiums through risk-reducing labor, farmers and their communities benefit even when there is no payout; the risk reduction measures pay dividends even during the wet years.

Further, this IFW model allows farmers the option to bundle insurance and credit without being required to do so. The independence of credit and insurance means that farmers do not lose access to insurance once they have repaid their loans, and farmers who do not want a loan can still obtain insurance. Thus, farmers have more flexibility in managing their relationship to financial providers. In this way, HARITA is a comprehensive risk reduction strategy that effectively intertwines the long-term environmental and economic security of poor farmers.

Vulnerability assessment

For the 2011 agricultural season, the HARITA disaster risk reduction (DRR) team, composed of staff from Mekelle University, the Institute for Sustainable Development (ISD), and the Bureau of Agricultural and Rural Development, conducted an assessment with district experts, extension agents, HARITA design team members, and community representatives to identify risk reduction activities in the 43 villages where the project was being implemented. The program's priority has been risk reduction activities that primarily increase the productivity of insured crops in areas vulnerable to the impacts of recurrent drought and that contribute to environmental protection. Activities were iden-

tified based on their long-term economic impact, scalability, sustainability, execution, and timing, and on their impact on future development of the community. These activities included small-scale water-harvesting structures and gully reclamation activities to increase soil moisture retention and treat the catchment; improved agronomic practices such as compost to improve soil fertility; and construction of flood diversion structures to improve crop production. These measures are designed to restore the fertility and hardiness of the degraded soil and its capacity to rebound after future shocks.

"More people are taking the insurance because if the famer throws the seed and there is no rain, the farmer is in danger of losing everything. The good thing about the insurance is that it helps us because the work is about improving our protection against climate change through using compost and terracing and planting trees. The protection from the insurance also helps us take out loans for improved seeds and fertilizer."

— Village leader Tesfay Kidanu from Hadush Adi village

Risk reduction strategies

Having identified the risk reduction strategies that can be performed on their land, the PSNP members have the option of purchasing weather index insurance from local insurers, through their labor, to address risks that cannot be sufficiently reduced, like widespread drought.

A total of 13,195 PSNP farmers bought weather index insurance in 2011 for long- and short-cycle crops by investing their labor in risk reduction activities. Of these, 3,610 farmers were women. The risk reduction activities were implemented between the end of May and the end of September.

Special care was taken to understand gender dynamics and to ensure inclusion of appropriate gender strategies in risk reduction activities. The design teams[4] in each village, responsible for designing, implementing, monitoring, and evaluating risk reduction activities, include two women-headed households. Risk reduction activities that are less labor intensive and increase women's income-generating opportunities were particularly emphasized by the design teams. For example, the female-headed households were encouraged to invest their labor in managing their backyard plots and making compost for growing vegetables.

The details of the risk reduction activities undertaken in the project villages during the 2011 agricultural season follow. As mentioned earlier, these activities were based on thorough consultations with the community and local agricultural experts.

- Catchment treatment
- Gully[5] reclamation
- Spate irrigation
- Microgardening
- Composting for soil fertility management
- Planting of *beles* (cactus pears)

Catchment treatment

To reduce erosion of farmland's fertile soil, improve soil moisture, and prevent the further expansion of gullies, a total of 52 kilometers of deep trench (1 meter in width by 1 meter in height by 4 meters in length) was constructed on degraded communal catchments found in the nine project districts, and 111,417 cubic meters of soil were excavated. Through maintaining and rehabilitating the environment, these deep trenches will contribute to improving climatic variability and productivity of approximately 142 hectares of cultivated land, benefiting 731 farmers.

4 A design team consists of seven to eight members including representatives of farmers' associations, women's associations, multipurpose cooperatives, and extension agents.

5 "Gullies"—cracks in the earth caused by severe erosion from water runoff—can damage productive land.

As part of farmland maintenance, farmers built a check dam in Begasheka village to reclaim this gully.

Michael Tamrat / Relief Society of Tigray (REST)

Gully reclamation

To maintain and expand the farmland area, improve groundwater discharge, and increase animal feed availability, gabion (wire mesh)-supported loose-rock check dams were constructed and 165,006 cuttings of elephant grass were planted. A total of 36 square kilometers of cultivated land have been thus reclaimed by treating 26 gullies, benefiting 732 farmers.

Spate irrigation

Spate irrigation is a flood harvesting and management system, involving the diversion of water from heavy rainfall by using deflecting technologies like bunds constructed from earth, sand, stones, brushwood, and recently, gabions, masonry, or concrete structures on the beds of normally dry creeks or river channels that run into farmland. In Tigray, drought (or early cessation of rain) tends to occur later in the season, leading to significant crop loss. The flood harvesting and management system reduces the effects of late-season drought by irrigating crops from water trapped earlier in the season.

Forty-two runoff diversion structures have been constructed in all 42 villages with 21,000 meters of diverting canal. To construct the canals, 19,030 cubic meters of soil were excavated. Through this activity, 930 hectares of land have been irrigated, directly benefiting 1,784 farmers.

Microgardening

Female-headed households typically hold smaller farming plots, which are normally hired out for crop sharing. A total of 2,875 female-headed households in nine districts prepared their small backyard plots for microgardening, as part of an insurance-for-work program, to grow vegetables for household consumption, which, if in excess, can be sold in market. In addition, all the insurance-for-work

participants, including the female-headed households, worked on managing these microgardens by preparing beds, hoeing, transporting silt (fertile soil) from nearby check dams, and compost making. The female-headed households were provided with 260 kilograms of vegetable seeds for about 379 hectares of land. This adaptation measure will increase the profitability/productivity of the small plots, thus supporting the livelihoods of the female-headed households. In addition, the removal of the silt from the water-harvesting check dams will help in improving the water storage capacity of the check dams, thus increasing irrigation potential, leading to economic and ecological advantages.

Composting for soil fertility management

Compost is the product of the decomposition of organic matter. Compost is essential for increasing crop production because it is critical for rebuilding soil nutrients and improving soil moisture retention. Although compost practice is well known in Tigray, the use of earthworms, also known as vermicompost, increases the decomposition process.

In 2011, farmers prepared 2,875 compost-making pits and produced 11,500 quintals of compost, which is sufficient for about 460 hectares of land. The compost will be used by farmers for growing vegetables in their backyard plots and for the upcoming planting seasons. A total of 2,875 farmers, 43 extension agents, and 86 cooperative and local administration leaders were trained on best composting practices.

Planting of *beles* (cactus pears)

Beles plant grows in a wide range of ecological zones and degraded land. *Beles* is a disaster- and drought-resistant plant with various economic and environmental benefits, playing a crucial role in sustaining humans and livestock during droughts and famines. It can be used as famine food, as feed for livestock, as a live fence, and for soil and water conservation. In addition, people sell the fruit for supplemental cash.

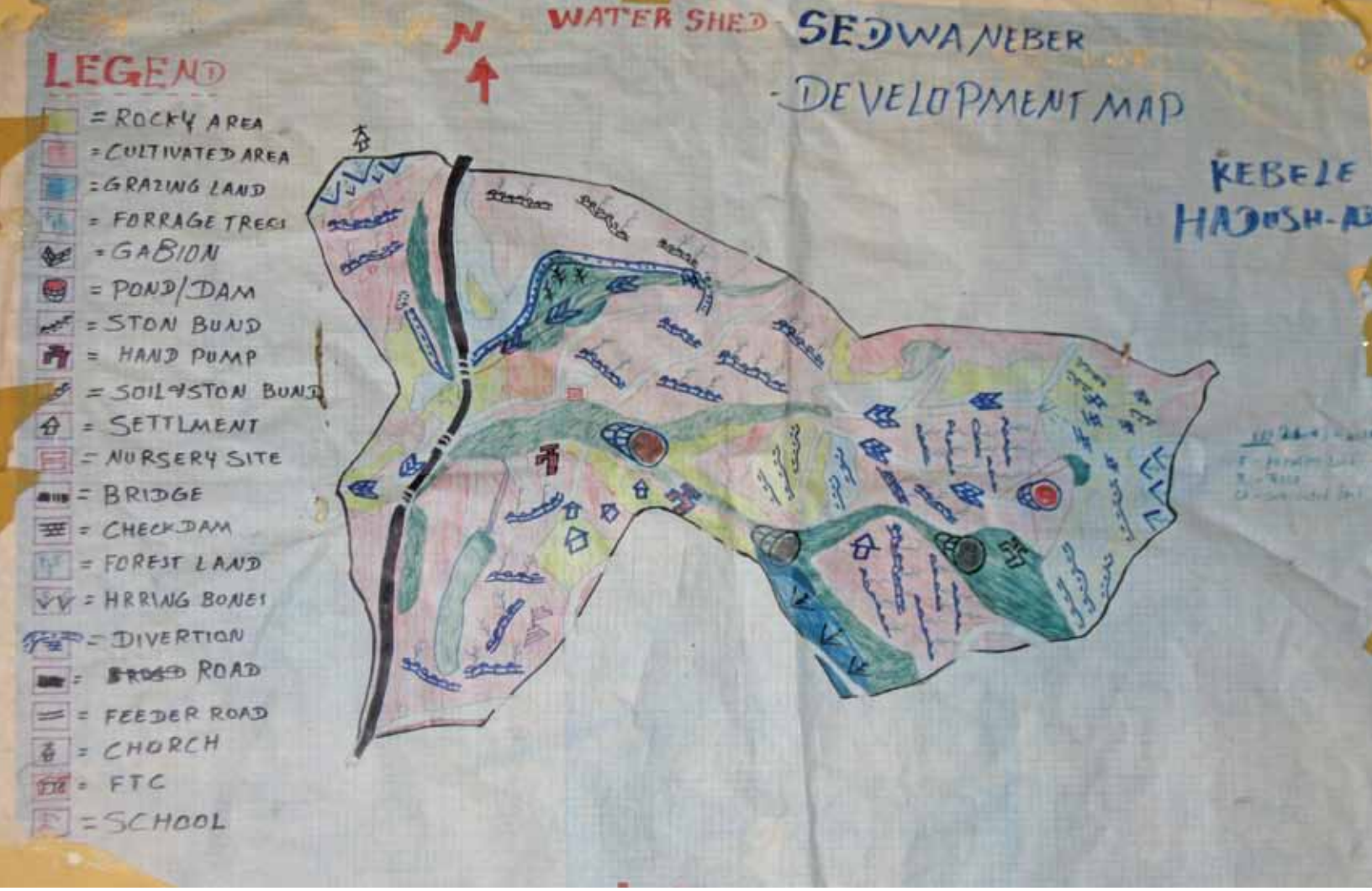
A total of 7,574 farmers were provided with 166,620 pads of *beles* plant, about 15–30 pads each, to plant at the margins of their farmlands and in their backyards.

Moving ahead

As an integrated risk management program, HARITA empowers farmers to deal with community-level mass risks such as localized droughts that are not severe enough to trigger outside assistance but that nonetheless overwhelm farmers' coping capacities. Helping farming villages address small shocks along the way is just as important as helping them respond to catastrophic regional and national emergencies, which are often a reflection of weaknesses in the mechanisms to deal with minor shocks.

By focusing on strategies to improve the resilience of small-scale farmers, HARITA and, now, the R4 Rural Resilience Initiative continue to learn from HARITA's DRR activities and strengthen tools for risk assessment and monitoring to better measure impact.

The long-term vision of HARITA and R4 is to leverage the project's core innovation—the insurance-for-work model that integrates DRR—to transform the safety net programs from just delivering basic goods to delivering risk management services.



This map of a watershed in Hadush Adi village shows, among other things, the location of ponds, settlements, and grazing land.

Karen Droisen / Oxfam America

Conclusion

HARITA is a new model for sustainable development that is founded on the principles of collaboration and mutual support by public and private sector organizations, communities, and governmental ministries. The long-term vision of HARITA and R4 is to achieve rural resiliency by enabling adaptation to climate risk through a community-oriented, risk-management-focused, and market-based approach that supports the most vulnerable people to graduate from food insecurity and escape the poverty trap.

Project expansion in Ethiopia is a first step toward developing a sustainable insurance market for poor populations, an essential factor in ensuring farmers' livelihoods and food security over the long term. While the project is moving toward accomplishing the demonstration effect in Ethiopia in partnership with the Relief Society of Tigray, Oxfam America and the World Food Programme (WFP) with their recent R4 partnership are expanding the project's reach to small-scale farmers in other countries.

By combining HARITA's successful model for participatory design and capacity building with WFP's global capacity and Swiss Re's innovative risk transfer solutions, R4 will help accelerate the scale-up and testing of this innovative approach while expanding grassroots capacity to new communities in Ethiopia and other countries.

Appendix I: HARITA partners and institutional roles

Our local partners

- **Local communities:** Central participants in the design of the pilot.
- **Local farmers cooperative:** Primary organizing body for farmers in the community.

Our national and regional partners

- **Africa Insurance Company:** Private insurer in Ethiopia operating in the Tigray, Amhara, and Oromiya regions.
- **Dedebit Credit and Savings Institution (DECSI):** Second-largest microfinance institution (MFI) in Ethiopia with nearly comprehensive coverage of Tigray. Named by *Forbes* magazine as one of the top 50 MFIs in the world.
- **Ethiopian National Meteorological Agency (NMA):** Agency offering technical support in weather and climate data analysis.
- **Institute for Sustainable Development (ISD):** Research organization dedicated to sustainable farming practices.
- **Mekelle University:** Member of National Agricultural Research System providing agronomic expertise and research.
- **Nyala Insurance Share Company:** Private insurer in Ethiopia with a strong track record of interest in agricultural insurance.
- **Relief Society of Tigray (REST):** Local project manager for HARITA, responsible for operating the Productive Safety Net Programme (PSNP) in six districts of Tigray and overseeing all regional coordination. Established in 1978. Working with Oxfam since 1984 on development issues. Largest nongovernmental organization in Ethiopia (and one of the largest in Africa).
- **Tigray Regional Food Security Coordination Office:** Office with oversight of the PSNP in the pilot area.
- **Tigray Cooperative Promotion Office:** Office responsible for helping organize farmers at the village level.

Our global partners

- **Goulston & Storrs, and Weil, Gotshal & Manges:** Law firms providing pro bono legal expertise.
- **Index Insurance Innovation Initiative (I4) at University of California, Davis (UC Davis):** Research partnership on index insurance between academia and development organizations, with UC Davis, the Food and Agriculture Organization, International Labour Organization, and the US Agency for International Development.
- **Swiss Re:** Global reinsurer and leader on climate change advocacy with funding and technical expertise in the field of insurance and reinsurance.
- **The International Research Institute for Climate and Society (IRI):** Member of Columbia University's Earth Institute offering research and technical expertise in climate data and weather index design for rural farmers.
- **The Rockefeller Foundation: Foundation that funds strategies that help communities build resilience to the impacts of current and imminent climate change.**

Appendix II: HARITA payout 2011 —press release—November 2011

Published November 17, 2011

BOSTON, MA – Oxfam America, Swiss Re and the International Research Institute for Climate and Society (IRI) announced today that their innovative microinsurance program for small scale farmers in Northern Ethiopia had its first successful payout to affected policyholders this past weekend. They were joined by their partners, the Relief Society of Tigray, Dedebit Credit and Savings Institution, Nyala Insurance Company, and Africa Insurance Company, in making the announcement.

More than 1,800 farmers in seven villages experienced drought conditions that triggered payouts. Each will get a share of the total $17,392 in payouts.

“The recent payouts show how even the poorest communities in Ethiopia can benefit from insurance when implemented through innovative programs such as HARITA,” says Christina Ulardic, Head Market Development Africa for Swiss Re’s Corporate Solutions business. “Swiss Re is proud to be associated with this groundbreaking initiative and, together with its partners, is committed to helping build a viable risk transfer market in Africa.”

The HARITA (Horn of Africa Risk Transfer for Adaptation) pilot was designed as a way for Ethiopia’s poorest farmers to get weather insurance for their crops, allowing more than 13,000 this year to buy themselves a bit of security against changing weather patterns. The project is funded by the Rockefeller Foundation and Swiss Re.

“Last season the rain was bad and we didn’t produce what we had hoped for,” said Gebre Kiros Teklehaimanot, a policyholder. “So the payment is good for us. We know it won’t cover all our losses, but for me, at least, I can cover the loan I took to buy fertilizers. I am still a big believer in insurance and will go back to my village and encourage others who did not register last year.”

“If the insurance helps farmers cover fertilizer loans in the worst years, farmers could use these loans to increase yields in the rest of the years. This has the potential to really improve a farmer’s situation,” said Daniel Osgood, an economist at IRI.

In its three years of delivery, this pilot, HARITA has scaled up from 200 enrolled households in one village in 2009 to over 13,000 enrolled households in 43 villages in 2011.

“It is wonderful to see this pilot working for farmers,” said David Satterthwaite, microinsurance program manager at Oxfam America. “This is a great moment that comes on the heels of the announcement that we, with additional collaborators and support, will scale up the pilot over the next five years and expand into Senegal.”

The United Nations World Food Program (WFP) and Oxfam America, supported by the United States Agency for International Development (USAID) and Swiss Re respectively, have committed to expand HARITA, now known as the “R4 Rural Resilience Initiative” to help the rural poor to protect their crops and livelihoods from the impacts of climate variability and change, including drought.

R4 will enable poor farmers to strengthen their food and income security by managing risks through a four-part approach—improving natural resource management (community risk reduction), accessing microcredit (“prudent” risk taking), gaining insurance coverage (risk transfer), and increasing savings (risk reserves).

Appendix III: Rural Resilience Event Series

Event name	Oxfam America participation and role	Organizer	Focus	Expert panel/ speakers/attendees	Event date and location
Clinton Global Initiative: Annual Meeting	Ray Offenheiser, president of Oxfam America, together with Josette Sheeran, executive director of the World Food Programme, announced the expansion of the HARITA model to Senegal; David Satterthwaite in attendance	Clinton Global Initiative	To analyze pressing global challenges, discuss the most effective solutions, and build partnerships.	Heads of state, business leaders, and nonprofit directors from around the world.	New York, September 20–22. Attendance by invitation only.
"Reforming Aid: Transforming the World"	Sophia Belay, HARITA/ R4 regional program coordinator, speaker	Global Washington	To discuss the importance of effective foreign assistance in the wake of the severe crisis in the Horn of Africa and the concern over the impact of proposed foreign aid cuts.	NGO representatives and policy makers, including Paul Weisenfeld, assistant to the administrator, Bureau for Food Security, USAID; and US Representative Adam Smith.	Seattle, August 30. Attendance by invitation only.
"Building Resilience and Assets for Food Security: Evidence and Implications for Feed the Future"	David Satterthwaite, moderator for the session on "Productive Social Protection"	USAID and Assets and Market Access Collaborative Research Support Program (AMA CRSP)	To showcase the most up-to-date research results on the impacts of social protection programs, ways to make these programs more effective, and how to improve their reach to the world's poor.	Representatives from the World Bank and Department for International Development, and international research leaders.	Washington, DC, September 29–30. Open to the public. See http://www.basis.wisc.edu/events_ama/social_protection.html.
World Food Prize Norman E. Borlaug International Symposium: "The Next Generation: Confronting the Hunger Challenges of Tomorrow"	Selas Samson Biru, a community leader from Adi Ha village and participant of HARITA, presenter; Mengesha Gebremichael, microinsurance project manager at the Relief Society of Tigray (REST), interpreter	The World Food Prize Foundation	To address cutting-edge issues in food security and nutrition.	The event has been called "the premier conference in the world on global agriculture." It attracted more than 1,000 participants from more than 65 countries.	Des Moines, October 10–15. Attendance by invitation only.
Presentation on the HARITA project at the Global Environment Fund (GEF)	Mengesha Gebremichael, microinsurance project manager at REST, presenter	Global Environment Fund	To present HARITA and share field experiences.	The Global Environment Fund team.	Washington, DC, October 19. Attendance by invitation only.
I4 CCAFS Workshop: "Index Insurance for Managing Climate-Related Agricultural Risk: Toward a Strategic Research Agenda"	Stephane de Messieres, speaker	Index Insurance Innovation Initiative (I4) and Climate Change Agriculture and Food Security (CCAFS)	To develop a strategic agenda to address gaps and challenges in research for index insurance.	Leaders in the field of index insurance.	Washington, DC, October 27–28. Attendance by invitation only.
Insurance Industry Institute (I3) 2011	David Satterthwaite, speaker	Federation of Defense & Corporate Counsel (FDCC)	To discuss four broad areas where significant change is occurring in the legal environment: the increase in regulation at the federal level, the preservation of the attorney-client privilege, the challenge of protecting both insurers and policyholders from breaches of privacy, and the globalization of the claim environment.	Experts from Swiss Re, Zurich Global Corporate, American Insurance Association, New York Department of Financial Services, US-based insurance companies, and various legal firms.	New York, November 16–18. Open to the public. See http://www.thefederation.org/documents/I3%20Trifold1.pdf.

Appendix IV: Media citations and resources

In the news

- Jim French, “Ethiopian Crop Insurance and Secret Farm Bill,” Hutchnews (December 22, 2011). This was also posted by: TreeHugger.com, All Voices: Local to Global News, and the World Food Programme.
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- Marjorie Victor Brans, Million Tadesse, and Takeshi Takama, "Community-Based Solutions to Climate Crisis in Ethiopia," *Climate Change Adaptation and International Development: Making Development Cooperation More Effective*, JICA Research Institute (December 2010).

Stories

"Ethiopian farmers get a payout easing effects of drought"

"With insurance, loans, and confidence, this Ethiopian farmer builds her resilience"

"In Northern Ethiopia, weather insurance offers a buffer against drought"

"Weather insurance offers Ethiopian farmers hope—despite drought"

"Medhin Reda's best asset is her own hard work"

"Gebru Kahsay relies on rain but has the security of insurance"

"Selas Samson Biru faces uncertainty with the seasons"

Videos/multimedia

"Africa's Last Famine," a documentary co-produced by Oxfam America and Link TV, featuring HARITA

"R4: The Rural Resilience Initiative"

"A tiny seed and a big idea"

"A new tool for tackling poverty"

Photography

Project photos are available upon request. See examples of photos in the enclosed quarterly reports.

Partner reports

- HARITA IRI Report to Oxfam America May 2011: This report is a deliverable by International Research Institute for Climate and Society (IRI) to Oxfam America on the 2011 index development processes. It provides a description of the indexes, their structure, their data sources, the design process, and action plans for the project as well as a separate section with the educational materials used to support the 2010/2011 index development process.
- HARITA IRI Report to Oxfam America June 2010: This progress report is a formal deliverable by IRI to Oxfam America and presents an overview of the scalable index insurance product development process for the 2010 growing season. It explains the economic risk simulation games conducted with farmers to understand their risk-management decisions/preferences and also to educate them about index insurance packages.
- Technical Annex: HARITA IRI Report to Oxfam America June 2010: IRI has been working to build a formal statistical methodology that will systematically compare and integrate information on remote sensing of rainfall, ground-based data measurements, and other data sets. This report presents preliminary analysis that focuses on Adi Ha—the pilot village—modeling rainfall at five neighboring sites, where daily rainfall amounts have been recorded during different intervals for each site over the course of a 49-year time period from 1961–2009. This methodology is intended to be further developed and packaged into tools for contract design and evaluation.
- HARITA IRI Report to Oxfam America October 2010: This progress report is a formal deliverable by IRI to OA that summarizes the 2011 scaling process and presents the education materials developed to support the scaling process.

Other reports

- Million Tadesse and Marjorie Victor, “Estimating the Demand for Micro-Insurance in Ethiopia,” Oxfam America (2009). A report commissioned by the International Labour Organization and United Nations Capital Development Fund.
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- Tufa Dinku et al., “Designing Index-Based Weather Insurance for Farmers in Adi Ha, Ethiopia,” IRI (2009). Report to Oxfam America.

Forty percent of the people on our planet—more than 2.5 billion—now live in poverty, struggling to survive on less than $2 a day. Oxfam America is an international relief and development organization working to change that. Together with individuals and local groups in more than 90 countries, Oxfam America saves lives, helps people overcome poverty, and fights for social justice. To join our efforts or learn more, go to **oxfamamerica.org**.

For more information about the Rural Resilience Event Series, please contact Oxfam America Senior Global Microinsurance Officer David Satterthwaite at (617) 728-2590 or dsatterthwaite@oxfamamerica.org.

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