

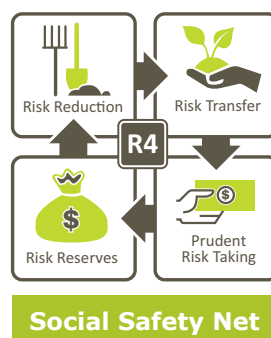
R4 Rural Resilience Initiative

BUILDING RESILIENCE TO CLIMATE CHANGE FOR LONG-TERM FOOD SECURITY AND LIVELIHOODS IMPROVEMENT



More than 1.2 billion people in the developing world live below the poverty line and depend on agriculture for their livelihoods. Vulnerability to climate-related shocks is a constant threat to their food security and wellbeing. Strategies for reducing and mitigating risks are therefore essential to overcome hunger, achieve food security and enhance resilience.

The R4 model



Since 2011, R4 has broken new ground in the field of climate risk management by enabling the poorest farmers to pay for crop insurance with their own labour.

“This year, I engaged in farming with a very positive mind knowing that if my crops failed because of drought, I would be supported by insurance compensation and not be desperate to find food”

Ester, R4 Malawi Participant

ABOUT R4



The World Food Programme (WFP) and Oxfam America (OA) launched the R4 Rural Resilience Initiative (R4) in 2011 to **enable vulnerable rural households to increase their food and income security in the face of increasing climate risks**. R4 builds on the initial success of the Horn of Africa Risk Transfer for Adaptation (HARITA) initiative, pioneered in Ethiopia by OA, the Relief Society of Tigray (REST) and Swiss Re.



R4 currently reaches over 87,000 farmers (about 545,000 people) in Ethiopia, Kenya, Malawi, Senegal, Zambia and Zimbabwe through a combination of four risk management strategies: **improved natural resource management through asset creation or improved agricultural practices** (risk reduction), **microinsurance** (risk transfer), **increased investment, livelihoods diversification and microcredit** (prudent risk taking) and **savings** (risk reserves). In addition, nearly 6,000 farmers access insurance developed under R4, either through subsidies by other programmes or by paying fully in cash. After the 2017/18 season, around US\$1.5 million in insurance payouts were distributed through the initiative in Ethiopia, Kenya, Malawi, Senegal and Zambia, the largest payout to date.



R4 aims to help communities build resilience, incomes and wellbeing in the face of increasing climate variability and shocks. Thanks to R4's comprehensive risk management scheme, **communities become stronger in the face of disasters**. Protected by insurance, households have no need to sell their assets or take their children out of school in case the rains fail. They are able to invest in labour, new seeds and fertilizer to guarantee food is on the table all year long.

WHAT'S INNOVATIVE ABOUT R4?

- The poorest farmers can access weather insurance by investing their time in building assets or working on improving their agricultural practices. When a drought hits, compensation for weather-related losses **prevents farmers from selling productive assets and stimulates faster recovery**. Insurance is built into either existing government social safety nets or WFP's Food Assistance for Assets programmes. Assets built promote resilience by **steadily reducing farmers' vulnerability to shocks over time**.
- Protected by insurance, households can **invest in riskier** but more remunerative enterprises, as well as in seeds, fertilizers and new technologies to increase their agricultural productivity. **Participants establish small-scale savings**, which are used to build 'risk reserves'. Savings help build a stronger financial base for investing – but also act as a buffer against short-term needs and idiosyncratic shocks, such as illness and death.
- To ensure **long-term sustainability** and eventual phase-out of WFP's premium contribution, R4 promotes inclusion of insurance into government safety nets and contributes to the creation of rural financial markets, by building local capacity and gradually transitioning farmers to pay for insurance in cash. To support the **scale-up of insurance**, the products that are developed through R4 can be distributed to clients through additional channels such as government social protection systems, other donor-funded programmes or commercial schemes.
- Insurance is not a standalone tool, but a part of an **integrated risk management strategy**, where components mutually reinforce each other. Its impact is increased when integrated with risk reduction measures, improvement of farming practices and better access to climate services, adapted seeds and inputs, financial services including credit and savings, and markets.

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THE INITIATIVE IS HELPING IMPROVE FARMERS' RESILIENCE

KEY RESULTS ACHIEVED BY R4

Since 2015, R4 has triggered payouts totaling US\$2 million to 63,700 farmers. Surveys conducted in Kenya, Malawi and Senegal showed that insurance payouts were mainly used to purchase food, cover basic needs and livelihood investments. Utilizing the payouts for these purposes has the potential to limit the degradation of household food security after a failed growing season. For example, in **Senegal** and **Kenya**, after several seasons of bad harvests, R4 farmers were able to maintain their food security compared to others exposed to the same risks.

The programme has promoted improvements to household saving capacity as well as access to credit. In **Ethiopia**, insured farmers saved more than twice compared to those without any insurance, and R4 farmers invested more in seeds, fertilizer and productive assets. In **Malawi**, after two years of implementation, a 74 percent increase was observed in the number of households being able to save and almost all participants had access to credit.

In general, participants are highly satisfied with the R4 programme and the microinsurance component. Participants in **Malawi** reported that the intervention increased their wellbeing, with women noting the greatest gains. In the different R4 countries, households that received an insurance payout stated they would like to enroll again and are willing to pay a cash contribution for insurance in the future.

R4 achievements

Planting year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Payouts										
			US\$17,000	US\$320,000	US\$24,000	US\$38,000	US\$450,000	US\$74,000	US\$1.5m	US\$9,800
Value of premiums										
	US\$2,500	US\$27,000	US\$215,000	US\$275,000	US\$283,000	US\$306,000	US\$362,000	US\$770,000	US\$1.1m	US\$1.7m
Total sum insured										
	US\$10,200	US\$73,000	US\$940,000	US\$1.3m	US\$1.2m	US\$1.5m	US\$2.2m	US\$4.9m	US\$6.6m	US\$10.3m
Cash contribution										
							US\$43,000	US\$86,000	US\$78,000	US\$128,000
R4 Farmers insured through WFP (percent of women)										
	200 (38)	1,308 (39)	13,195 (33)	19,407 (21)	20,015 (31)	24,970 (33)	29,279 (32)	37,419 (40)	51,955 (50)	87,557 (55)
Non-R4 Farmers insured*										
							3,918	4,448	6,603	5,763
Countries	Ethiopia	Ethiopia	Ethiopia	Ethiopia Senegal	Ethiopia Senegal	Ethiopia Senegal	Ethiopia Malawi Senegal Zambia	Ethiopia Malawi Senegal Zambia	Ethiopia Kenya Malawi Senegal Zambia	Ethiopia Kenya Malawi Senegal Zambia Zimbabwe

* Farmers accessing insurance developed through the R4 Initiative, either subsidized through other programmes or paying fully in cash.

Our vision: 500,000 insured farmers in 2022.

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.



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