

# 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 overcoming hunger, achieving food security and enhancing resilience.

## 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 26,000 smallholder farmers in Ethiopia and Senegal through a combination of four risk management strategies: **improved resource management through asset creation** (risk reduction), **insurance** (risk transfer), **livelihoods diversification and microcredit** (prudent risk taking) and **savings** (risk reserves).

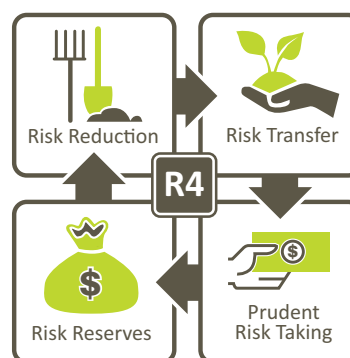
## What's innovative about R4?

- Farmers can access insurance by paying with their labour through **Insurance-for-Assets (IfA) schemes**. When a drought hits, compensation for weather-related losses prevents farmers from selling productive assets and stimulates faster recovery.
- IfA schemes are built into either existing government social safety nets or WFP's Food Assistance for Assets programme. **Assets built through risk reduction activities promote resilience** by steadily decreasing vulnerability to disaster risks over time.
- Insurance facilitates **access to credit** at better rates, serving as collateral. 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**, R4 contributes to the creation of rural financial markets, by building local capacity and gradually transitioning farmers to pay for insurance in cash.



Farmers looking at vegetation maps with IRI in Ethiopia.  
Michael Norton / IRI

## The R4 Model



**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.**

*"This insurance is like saving: you put in your money now and you get it back when the rain is bad and the crops don't do well."*

Gebre Michael Geday, Abraha Atsbaha village

## The initiative is helping improve farmers' resilience

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.

### R4 achievements

<b>Payouts</b>			\$ 17,000	\$ 320,000	\$ 24,000	
<b>Value of Premiums</b>	\$ 2,500	\$ 27,000	\$ 215,000	\$ 275,000	\$ 283,000	\$ 306,000
<b>Total sum insured</b>	\$ 10,200	\$ 73,000	\$ 940,000	\$ 1,3m	\$ 1,2m	\$ 1,6m
<b>Farmers insured</b>	200	1,300	13,000	18,000	20,000	26,000
<b>Countries</b>	Ethiopia	Ethiopia	Ethiopia	Ethiopia Senegal	Ethiopia Senegal	Ethiopia Senegal
	2009	2010	2011	2012	2013	2014

#### OUR VISION: 100,000 INSURED FARMERS IN 2017

R4 currently operates in **Ethiopia** and **Senegal**. In 2015 the initiative will also be active in **Malawi** and **Zambia**. R4 aims to help communities become more resilient in the face of increasing climate variability and shocks. Thanks to R4's comprehensive risk management scheme, **communities will be stronger in the face of disasters**. They will be able to invest in new seeds and fertilizer to guarantee food is on the table all year long. And protected by insurance, they won't need to sell their assets or take their children out of school in case the rains fail.

## 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.



[www.wfp.org/disaster-risk-reduction](http://www.wfp.org/disaster-risk-reduction)

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