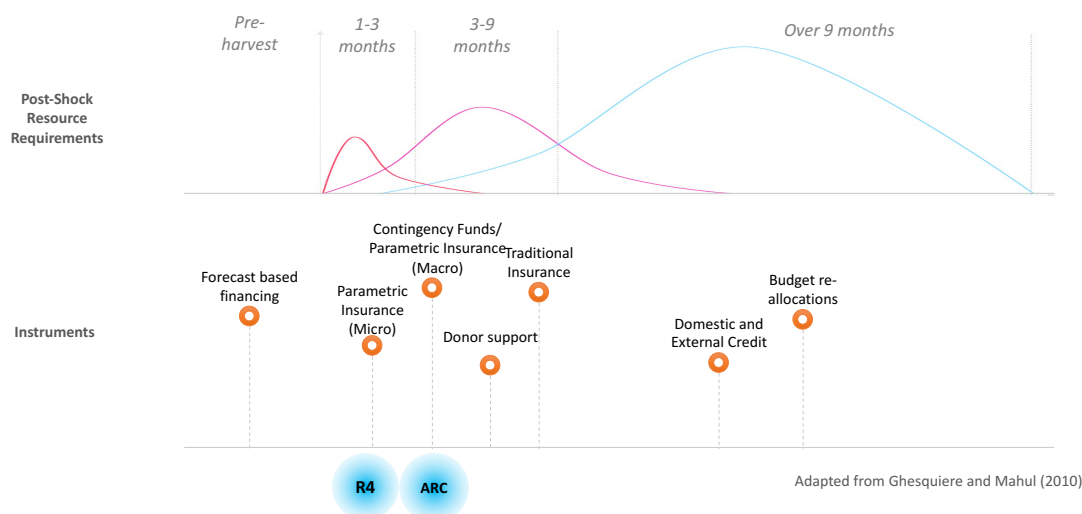


## Drought Risk Financing Landscape



## R4 - An Integrated Risk Management Approach

### *Risk Reduction*

- Meet immediate food needs
- Improve natural resource base, agricultural practices and productivity

### *Risk Transfer*

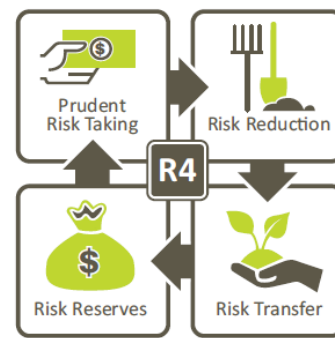
- Prevent resorting to negative coping mechanisms and ensure faster recovery
- Stimulate investments and productivity

### *Risk Reserves*

- Buffer against short term needs and idiosyncratic shocks

### *Prudent Risk taking*

- Livelihood diversification, access to credit

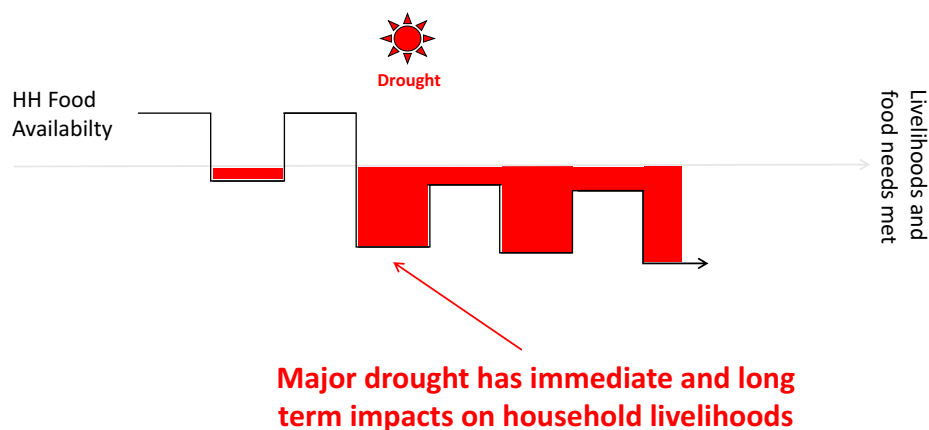


World Food Programme

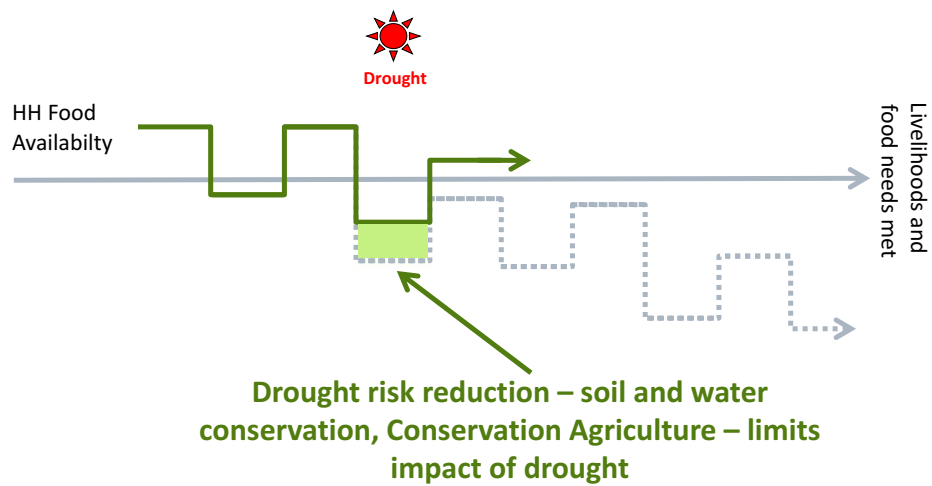


OMFAP America

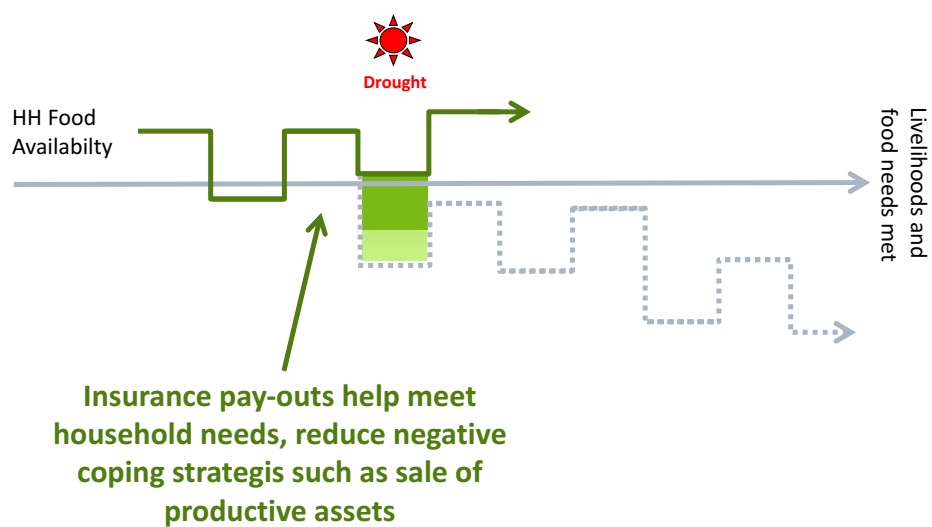
## Droughts and Livelihood Decline



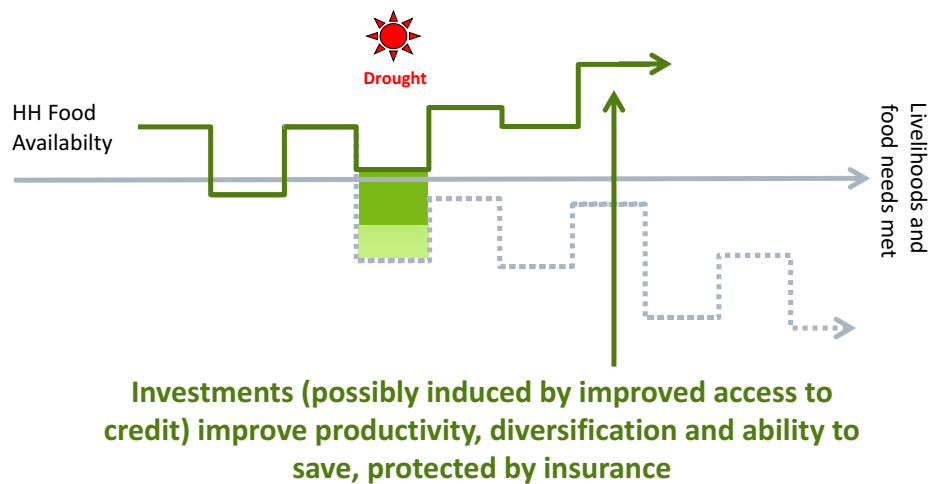
## R4 - An Integrated Risk Management Approach



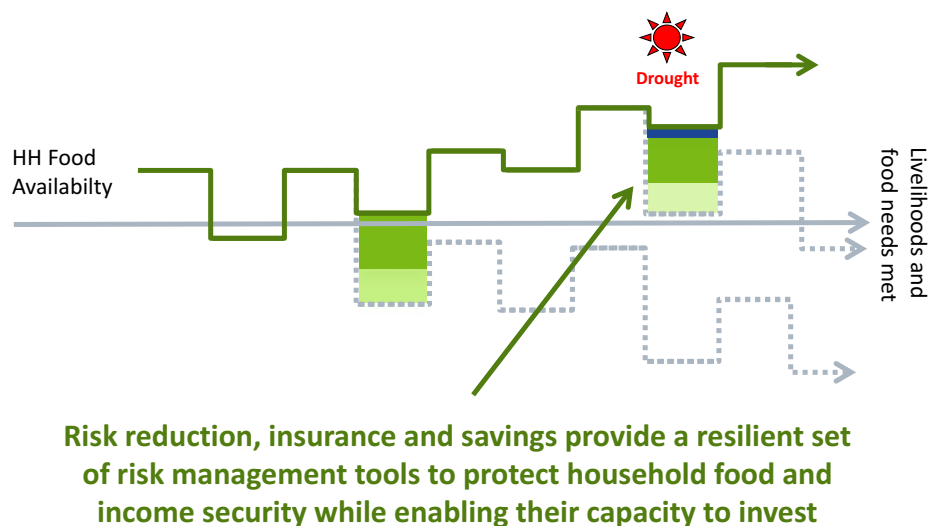
## R4 - An Integrated Risk Management Approach



## R4 - An Integrated Risk Management Approach

































## R4 - An Integrated Risk Management Approach



Where are we?

## R4 Achievements

Payouts								
			\$ 17,000	\$ 320,000	\$ 24,000	\$ 38,000	\$ 450,000	\$ 74,000
Value of premiums								
	\$ 2,500	\$ 27,000	\$ 215,000	\$ 275,000	\$ 283,000	\$ 306,000	\$ 370,000	\$ 781,000
Total sum insured								
	\$ 10,200	\$ 73,000	\$ 940,000	\$ 1,3m	\$ 1,2m	\$ 1,5m	\$ 2,2m	\$ 5,1m
Farmers insured								
	200	1,300	13,000	18,000	20,000	26,000	32,000	42,000
Countries	2009	2010	2011	2012	2013	2014	2015	2016
	Ethiopia	Ethiopia	Ethiopia	Ethiopia Senegal	Ethiopia Senegal	Ethiopia Senegal	Ethiopia Malawi Senegal Zambia	Ethiopia Malawi Senegal Zambia

Reach 500,000 farmers by 2020

## Impacts

Ethiopia

- Savings doubled compared to those without any insurance
- Invested more in seeds, fertilizer and productive assets, such as plough oxen
- Grain reserves tripled, in some villages
- Largest gains in female-headed households

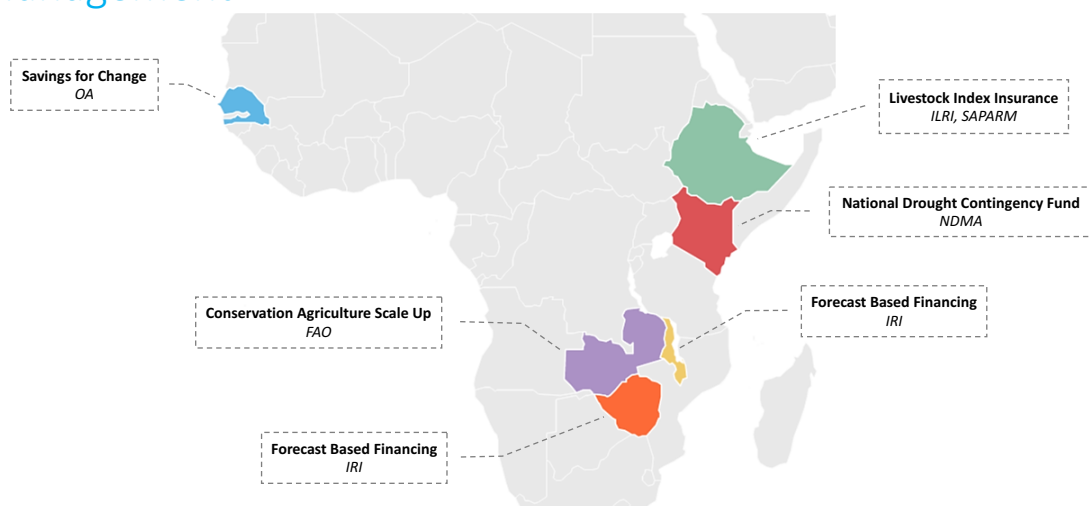
Senegal

- After 2 years of bad harvests, R4 farmers maintained their food security level (FCS)
- Women experience increased access to land, seeds and water

## Sequencing and Impact Pathway Case of Malawi



## Linkages and Collective Engagement For Drought Risk Management





## How to get there?

- Integrate into national safety net systems;
- Linkage with other drought risk financing tools;
- Support the creation of more effective indices;
- Create effective and diversified distribution mechanisms;
- Generate evidence base of impact and cost effectiveness

