INTERNATIONAL SEMINAR ON DROUGHT AND AGRICULTURE

PREDICT, PLAN, PREPARE: STOP DROUGHT BECOMING A FAMINE

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SESSION 3: MOVING FROM REACTIVE TO PROACTIVE MANAGEMENT IN DROUGHT EMERGENCIES

R4 - RURAL RESILIENCE INITIATIVE

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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 43,000 farmers (about 200,000 people) in Ethiopia, Senegal, Malawi, Zambia and Kenya 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). Between 2015 and 2016, as a consequence of the El Niño phenomenon, about $450,000 in payouts were distributed through the initiative in Ethiopia, Senegal and Malawi. In 2017, R4 is expanding also in Zimbabwe.

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. Protected by insurance, households won't need to sell their assets or take their children out of school in case the rains fail.

WHAT'S INNOVATIVE ABOUT R4?

• 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 labor.

• Farmers can access insurance by paying with their labor 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 me.

• 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.