



RURAL RESILIENCE SERIES

# Horn of Africa Risk Transfer for Adaptation

HARITA quarterly report: April 2011–June 2011



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▲  
Milite Girmay, 13,  
accompanied by Tekleweini  
Girmay, 7, looks after the  
family goats. *Eva-Lotta  
Jansson / Oxfam America*

## 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 against weather-related risk is critical for addressing global poverty.

In response to this challenge, Oxfam America, together with local and international partners,<sup>1</sup> has developed a holistic risk management framework to enable poor farmers in Ethiopia to strengthen their food and income security through a combination of improved resource management (risk reduction), microcredit (“smart” risk taking), risk transfer (insurance), and risk reserves (savings). The Horn of Africa Risk Transfer for Adaptation (HARITA) project implemented in Ethiopia is the first example of this pioneering approach. Initiated in 2007 through an innovative partnership that brought together Ethiopian farmers, the Relief Society of Tigray (REST), Nyala Insurance Share Company, Dedebit Credit and Savings Institution (DECSI), Mekelle University, the International Research Institute for Climate and Society (IRI), Swiss Re, and eight other organizations, including a farmers’ cooperative, local government agencies, a local agriculture research organization, a global alliance on index insurance, and global legal experts, the project, building from the government of Ethiopia’s own

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<sup>1</sup> See Appendix I on partners and institutional roles.

innovations, has broken new ground in the field of risk management by enabling Ethiopia's poorest farmers to pay for their insurance with their own labor. The project is funded by the Rockefeller Foundation and Swiss Re.

In its two years of delivery in five villages<sup>2</sup> in Ethiopia's northernmost state of Tigray, HARITA has shown promising results for replication. More than 1,300 households participated in HARITA in 2010, up from 200 in its first year. HARITA's early success led, at the end of 2010, to Oxfam America and the World Food Programme (WFP) reaching an agreement to launch a joint five-year rural resilience program modeled on HARITA in additional regions of Ethiopia and three other countries. The partnership is called the Rural Resilience Initiative, or R4 (<http://www.oxfamamerica.org/issues/insurance/>), referring to improved resource management (risk reduction), microinsurance (risk transfer), microcredit (prudent risk taking), and savings (risk reserves). Announced at the 2010 UN Climate Change Conference by Jeremy Hobbs, executive director of Oxfam International, and Sheila Sisulu, WFP deputy executive director for hunger solutions, R4 promises to leverage the respective strengths of Oxfam and the WFP: Oxfam's capacity to build innovative partnerships and the WFP's long history of supporting state-run safety nets for poor farmers. This partnership will enable thousands more poor, smallholder farmers to manage weather vulnerability through an affordable, comprehensive risk management program

In the 2011 agriculture season, HARITA expanded to 43 villages reaching more than 13,000 households in Ethiopia, spreading its outreach by 10 times from 1,300 households in its second year. In this report we share project updates and key accomplishments of the April–June 2011 quarter and provide a summary of the initial findings of HARITA's monitoring and evaluation study for the 2010 agriculture season.

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<sup>2</sup> 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*/group of settlements.

# Status summary

This agriculture season, the HARITA project expanded from five villages to 43 villages in the Tigray region of Ethiopia, increasing its reach by 10 times. A total of 13,044 farmers purchased insurance this year. In preparation for the scale-up, a series of trainings was conducted by the International Research Institute for Climate and Society (IRI) on weather index insurance design for national insurance companies and nongovernmental organizations (NGOs) in Ethiopia. Additionally, more rigorous, hands-on trainings were conducted for our local partners, who will be directly involved with the development of weather index insurance for expansion villages. Farmer design teams were formed in each village, and the members of the design team, together with the Relief Society of Tigray (REST), worked with experts to develop product options that meet their needs. Insurance enrollment took place in May and June 2011, at the beginning of the planting season, covering nine *woredas* and 43 villages. More details on the results of the 2011 enrollment will be shared in the next quarterly report.

In the wake of the severe drought that has struck East Africa with its effects in areas of Ethiopia, Kenya, and Somalia, the HARITA team has been closely following the rainfall situation in the project villages in Tigray. Initial reports from the mountainous northern Tigray region of Ethiopia—where HARITA is currently in operation—indicate normal and above normal rainfall. However, the overall impact, if any, of this regional drought on the project villages will only be known at the end of the agriculture season. The HARITA team will continue to monitor the situation.

**Table 1. HARITA timeline for 2011 season**

Status	2010												2011											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
X	Planning																							
X						Needs assessments																		
X						Financial education and outreach																		
X													Financial package development											
X																	Enrollment							
X																	Risk reduction activities (ongoing)							

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

# Accomplishments this quarter

## Metrics from the field

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

- Index insurance products for 2011 agriculture season rolled out in 43 villages and nine *woredas*.<sup>3</sup>
- Some 13,044 farmers signed up for insurance in 43 villages.
- Seventy-five additional villages participated in HARITA-run awareness and education programs on community risk management and insurance.
- More than 8,000 farmers were educated about insurance.
- Seven capacity-building workshops were held at *woreda* level for 345 farmers, 44 development agents, and 22 village managers from 22 community design teams.

Swiss Re extended its commitment to HARITA/R4 through a renewed partnership between Swiss Re and Oxfam America. The partnership was formally announced at the Forum for Agricultural Risk Management in Development (FARMD) Annual Conference on “Price Volatility and Climate Change: Implications for the Ag-Risk Management Agenda” held in Zurich on June 9–10, 2011.

The HARITA/R4 team engaged in the policy dialogue for an international disaster recovery and reconstruction framework at the World Reconstruction Conference<sup>4</sup> organized by the World Bank, the Global Facility for Disaster Reduction and Recovery (GFDRR), and the UN International Strategy for Disaster Reduction (UNISDR) in Geneva from May 10 to 13.

The HARITA/R4 team participated in the UN’s 2011 Principles for Sustainable Insurance (PSI) Regional Consultation Meeting held in Ontario on June 12-13 to develop globally applicable best practice principles and concrete actions for success in insurance company business strategies and operations.

The HARITA/R4 team presented a paper at the Second World Conference on Humanitarian Studies titled “Weather Index Microinsurance as a Complement to Disaster Risk Reduction.” The conference was organized by the International Humanitarian Studies Association from June 2 to 5 in Boston, hosted by Tufts University.

The HARITA/R4 team conducted six educational sessions with donors and policy makers using a participatory game simulation of the HARITA/R4 model.

HARITA was featured<sup>5</sup> in the *New York Times* and *International Herald Tribune* on May 12, 2011, in an article by Tina Rosenberg titled “To Survive Famine, Will Work for Insurance.”

HARITA was also featured in Reuters on June 10, 2011, highlighting Swiss Re’s renewed five-year commitment to the HARITA/R4 project.

<sup>3</sup> A *woreda* is the lowest level of official administration in Ethiopia. It is approximately equivalent to a district in other countries (Food and Agriculture Organization, 2010).

<sup>4</sup> See Appendix II on the Rural Resilience Event Series (spring-summer 2011) for a complete list of speaking events.

<sup>5</sup> See Appendix III on the HARITA media citations and resources for a complete list of media citations.



▲ Grievance poster and women reviewing educational material  
*Michelle Talukdar / Oxfam America*

## Summary of HARITA monitoring and evaluation study: Preliminary findings

### Introduction

In collaboration with the International Research Institute for Climate and Society (IRI), Oxfam America funds and oversees a monitoring, evaluation, and learning plan to assess the impacts of HARITA in these initial stages and to continually improve its delivery as it expands over time to new locations within and beyond Ethiopia, as part of the Rural Resilience Initiative (R4). Although it is too early in the project cycle to make a definite assessment of the overall effectiveness of the model for which at least two agricultural seasons are needed (risk reduction is hypothesized to increase with time), the project is committed to pursuing rigorous monitoring and evaluation throughout the intervention.

As a part of this learning exercise, the HARITA monitoring and evaluation team<sup>6</sup> is measuring the early impacts of the index insurance component of the project during the growing season of 2010. During this time period, the project expanded beyond Adi Ha to four additional villages—Geneti, Hade Alga, Hadush

<sup>6</sup> HARITA's monitoring and evaluation team consists of members from IRI and Mekelle University.

Adi, and Awet Bikalsi. The ongoing study combines a formative<sup>7</sup> and an early summative<sup>8</sup> evaluation to accomplish two objectives. First, the study aims to learn how and where the implementation of the HARITA model needs to be redesigned and improved. Second, the study aims to inform the ongoing expansion of the approach to other areas as envisioned in the R4 program. The evaluation explores impacts on farmers' productive behavior and crop yields to understand how effective the HARITA approach is in improving resilience to risk under different conditions. The study asks what is working; what is not; under what conditions; for whom; and why. The evaluation analyzes changes in farmers' behavior and crop yields that can be directly attributed to their enrollment in the index insurance program.

There are two mechanisms through which index insurance may affect farmers' resilience to risk and livelihoods. The first potential effect is on farmers' behavior after a drought. For example, in the absence of insurance a family may sell its oxen, which it needs to plough the land, to buy food. Such sales reduce yields and the family's income for many subsequent seasons, until the family is able to save enough to purchase animals again. The insurance payment may enable the farmer to feed his/her family while retaining his/her assets after a drought.

The second potential effect is on productive investments in all growing seasons, regardless of climate conditions. The threat of drought may cause farmers to invest less in all seasons and to not seek credit to finance investments. Insurance provides the promise of income support after a bad season and therefore it may enable farmers to increase productive investments by applying more fertilizer, using better seeds, planting more valuable crops, and planting more land. Such investments would ultimately translate into higher yields, assets, and incomes, and therefore improved food security and other measures of livelihoods in all seasons.

The 2010 growing season, which the monitoring and evaluation team is studying, experienced good rainfall. Therefore, the evaluation team is investigating whether the second mechanism is indeed active and how large the effect is; that is, whether farmers increased their investments in crop production as a result of having insurance.

The following section presents a summary of the key findings thus far. The study is continuing and additional analyses will be forthcoming. The summary represents only the first step in our monitoring and evaluation process, and it establishes a strong foundation upon which to build rigorous long-term analysis.

## Monitoring and evaluation objectives

The monitoring and evaluation study uses a rigorous mixed-methods approach to investigate how the index insurance component of HARITA affects farmers' production decisions, coping mechanisms, resilience, and livelihoods. The objective is to use the evaluation results to design a sustainable index insurance program that will serve poor people within Ethiopia and beyond.

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7 "Formative evaluations are evaluations intended to improve performance, [and] are most often conducted during the implementation phase of projects or programs. Formative evaluations may also be conducted for other reasons such as compliance, legal requirements or as part of a larger evaluation initiative." (See World Bank-IPDET, 2007: [http://www.worldbank.org/oed/ipdet/modules/M\\_01-na.pdf](http://www.worldbank.org/oed/ipdet/modules/M_01-na.pdf).)

8 "Summative evaluations are studies conducted at the end of an intervention (or a phase of that intervention) to determine the extent to which anticipated outcomes were produced. Summative evaluation is intended to provide information about the worth of a program." (See World Bank-IPDET, 2007: [http://www.worldbank.org/oed/ipdet/modules/M\\_01-na.pdf](http://www.worldbank.org/oed/ipdet/modules/M_01-na.pdf).)

### Objectives:

- To assess the effectiveness of the implementation of HARITA and gauge whether the project is working as intended in the Tigray region of Ethiopia by addressing the following questions:
  - How aware are farmers of index insurance?
  - What percentage of farmers attended index insurance trainings and how well informed are farmers about index insurance?
  - Who bought insurance and who did not? Why?
  - Which risk reduction activities were implemented? When and where? How do the implemented risk reduction activities relate to the particular needs of participating farmers and their villages?
- To improve the design of the index insurance component of HARITA in preparation for the launch of R4. The study particularly focused on the following questions informing the early summative aspects of the evaluation:

What are the impacts of index insurance on farmers' risk management and production decisions and livelihoods, who benefits, who does not benefit, and under what conditions do benefits occur or not occur, and why?

The summative aspects of the evaluation focus on the index insurance component because the implementation team conducted the risk reduction activities after the 2010 growing season ended. Therefore, risk reduction could not affect farmers' behavior and crop yields.

## Methodology

The HARITA monitoring and evaluation team conducted focus group discussions in February and March 2010 in five expansion villages. The qualitative information obtained from these discussions was used in developing questionnaires for the baseline survey and follow-up survey. The team conducted a baseline survey in August 2010 in five expansion villages and three control villages in which no project activities took place, covering a total of 400 households. This survey was carried out after the farmers decided whether or not to buy insurance at the beginning of the growing season, but before they saw any effects of purchasing insurance. In March and April of 2011, a follow-up survey gathered information about the 2010 growing season for the same households that were interviewed for the baseline.

**Data sources:** Data about the 2009 growing season (the baseline season) and the 2010 growing season (the season in which we evaluated the impacts of index insurance). The data was collected from farmers using surveys. The baseline survey asked retrospective questions about the 2009 season in August 2010, and the follow-up survey asked the same farmers about the 2010 season in March and April of 2011.

**Study period:** Two years (2009–2010).

**Number of villages:** Five participating<sup>9</sup> and three nonparticipating (control). There was one control village in each of the HARITA project *woredas*, so that outcomes in each project village could be compared with outcomes in an otherwise similar nonproject village.

**Village selection:** Exhaustive for study villages (the five study villages were the only villages included in HARITA in 2010). Random selection of one control village in each of the project *woredas*.

**Number of households in the evaluation study:** 400 households, representing approximately 6 percent of total households. Households were selected using proportional and stratified sampling. We selected randomly 15 percent of insured households (199 households), 3.5 percent of uninsured households in project villages (102 households), and 2.9 percent of uninsured households in control villages (99 households).

**Impacts of index insurance measurements:** Use of fertilizer; amount of land planted with crops; number of days of hired labor and family labor and number of days of labor on cultivation tasks performed by farmers' own and hired oxen; crop yields.

The study identifies those effects of index insurance that are directly attributable to participation in the insurance project; that would not have occurred if farmers did not buy insurance. It does so by constructing a double difference, called a “difference-in-difference” in econometric terms. For example, to calculate the impacts of insurance on teff<sup>10</sup> yields, we subtract the teff yields obtained by farmers in the baseline growing season (2009) from the teff yields obtained in the evaluated season (2010). A positive difference for farmers who bought insurance indicates that farmers who bought insurance increased their yields from the baseline season to the evaluated season and not that the better farmers bought insurance. We then subtract the change in yields obtained by farmers who did not buy insurance from the change in yields obtained by farmers who bought insurance. Farmers who did not buy insurance may have increased their yields because the weather was better in 2009 than in 2010 or because a government fertilizer program offered to everyone persuaded them to use more fertilizer. Farmers who bought insurance would also see an increase in yields for these same reasons. However, if the yields of farmers who bought insurance increased more than the yields of farmers who did not buy insurance, the reason for the increase was the insurance itself.

The evaluation study emphasizes differences across places and types of households, because the objective of the evaluation is to provide information that can be used to improve the project. We want to learn where, under what conditions, for whom, and why the project is working, and where, under what conditions, for whom, and why it is not working. We hope that this information will help to address any weaknesses that emerge.

<sup>9</sup> Participating villages include Adi Ha, Awet Bikalsi, Hadush Adi, Hade Alga, and Geneti.

<sup>10</sup> Teff is a staple grain in Ethiopia used to make the daily bread, called *injera*. Teff is one of the two crops insured in 2010.

## Key findings

This section summarizes the key findings of the evaluation. The section begins with an overview of the effects on productive inputs and crop yields, which inform both summative and formative aspects of HARITA. This discussion is followed by the key findings regarding the implementation of HARITA, which primarily inform the formative aspects of the project.

### Impacts of index insurance

The following section summarizes the evaluation of effects that the index insurance component of the HARITA intervention had on farmers' production decisions and yields in 2010. We identified big differences in impacts on yields across villages that may reflect differences in the implementation or in the effectiveness of the model itself. Such differences need to inform the design of HARITA.

### Impacts on crop yields

- Index insurance had remarkably large impacts on crop yields in two out of the five communities in which HARITA offered insurance in 2010. In Awet Bikalsi, farmers who purchased insurance increased their yields of teff per *timad*<sup>11</sup> of land from the baseline growing season to the follow-up season much more than did farmers who did not purchase insurance. In the baseline year of 2009, farmers who later bought insurance realized teff yields that were 86 percent of the teff yields obtained by farmers who did not later buy insurance, while after purchasing insurance farmers who bought insurance realized teff yields that were 476 percent of the yields realized by farmers who did not buy insurance. Similarly, in Hadush Adi, farmers who bought index insurance increased their yields per *timad* of wheat and barley much more than did farmers who did not purchase index insurance. In the baseline year of 2009, all farmers realized approximately the same yields of wheat/barley per *timad* of land, while after purchasing insurance farmers who bought insurance realized teff yields that were 200 percent of the yields realized by farmers who did not buy insurance. The effects on crop yields are robust and appear in every possible analysis conducted with these results.
- What remains perplexing is that we do not observe significant impacts on inputs into production in the two villages that could cause the impacts on yields. Insurance impacted the use of family and hired labor for crop production, but the effect seems insufficient to explain the large impacts on yields. The impacts in individual villages are based on relatively small sample sizes, i.e., 106 households in Hadush Adi and 69 households in Awet Bikalsi. The impacts on yields could have been due to aggregate impacts on several different inputs, each of which was too small to detect in a small sample.
- Impacts on crop yields differed for more- and less-vulnerable farmers in both Awet Bikalsi and Hadush Adi. In Hadush Adi, the index insurance had a positive impact primarily on the yields obtained by farmers who participate in the Productive Safety Net Program (PSNP), who are the poorer, more food-insecure farmers. In Awet Bikalsi, insurance seems to have benefited primarily the wealthier purchasers, with almost no impact on the poorer purchasers.
- On average, farmers who eventually bought insurance had higher yields in 2009, before they had access to insurance, than did farmers who did not eventually buy insurance. Understanding such differences between farmers who purchase index insurance and farmers who do not is important

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<sup>11</sup> *Timad* is a unit of land commonly used in Tigray. We use this unit throughout the report. One *timad* is 0.25 hectares.

to determine which types of households are not being reached by the current design of the project and why, and whether the households that are being reached are the ones that are more vulnerable or less vulnerable.

- There were no significant impacts on yields on average for all *tabias*.

Further work needs to identify the reasons for the large differences in impacts across villages and for different farming households and to understand implications for implementation and project design.

### **Impacts on inputs into crop production**

Productive inputs used to measure changes in farmers' behavior include the use of fertilizer, the area of land planted, and the use of family and/or hired labor. Key findings are highlighted in the section that follows.

Use of fertilizer:

- Index insurance did not have any significant effect on the use of fertilizers. However, the analysis confirms the point made in the previous section that people who bought insurance are different from people who did not buy insurance. The farmers who purchased insurance make different production decisions than do other farmers even when they do not have insurance. Farmers who eventually purchased insurance used significantly more fertilizer when cultivating teff and planted more land with teff even before they had access to insurance than did farmers who did not eventually buy insurance.

Use of family and hired labor:

- Farmers who did not buy insurance increased the number of days of family labor that they used in crop production from the baseline growing season to the follow-up growing season, while farmers who bought insurance reduced the number of days of family labor that they used.
- Index insurance did not affect the use of hired labor on average. However, important differences emerge between poorer and wealthier households. Wealthier insurance purchasers, those who do not participate in the PSNP, increased their use of hired labor from 2009 to 2010 by eight days or almost twice the average number of hired labor days applied during the growing season in 2009, while purchasers who participate in the PSNP reduced their use of hired labor by 10.25 days over the growing season. Also, families of wealthier farmers who purchased index insurance reduced the number of hours they spent working on cultivation tasks more than did farmers who did not buy insurance, while the poorer farmers did not. Thus, wealthier farmers who purchased insurance substituted hired labor for family labor, while poorer insurance purchasers did not.

### **Findings regarding implementation:**

- The demand for insurance in HARITA varies among the villages. The proportion of those farmers who bought insurance ranged from 6 percent to as high as 36 percent across the villages. The baseline data indicate that demand is low in those villages in which a relatively small proportion of people are aware of index insurance and where a small proportion attended education sessions about insurance.
- Awareness of index insurance ranged from highs of 76 percent in Adi Ha and 63 percent in Hadush Adi to a low of 26 percent in Hade Alga. On average across all project villages, 31 percent of respondents attended the index insurance training sessions. The conditions for awareness and attendance at education sessions require further investigation to understand whether a different approach and implementation method is needed.

- Significantly more farmers who are buying insurance for the second time expect to plant different crops, use more fertilizer, and obtain loans. The evidence may suggest that farmers are learning that insurance is indeed effective in enabling them to intensify production and obtain credit.

## Conclusion

In the 2010 growing season, index insurance did not have general impacts on inputs made into crop cultivation or crop yields when we consider the entire population served by HARITA. However, substantial impacts of index insurance emerge when we analyze different locations and different types of farmers separately, which suggests that there was considerable variation in impacts under different conditions.

Insurance had remarkably large positive impacts on crop yields in Awet Bikalsi and Hadush Adi. However, we do not yet observe the impacts of insurance on productive inputs that would be needed to explain the impacts on yields. Among those inputs into production that we have analyzed, impacts of insurance were found only on the use of family labor and hired labor for crop cultivation.

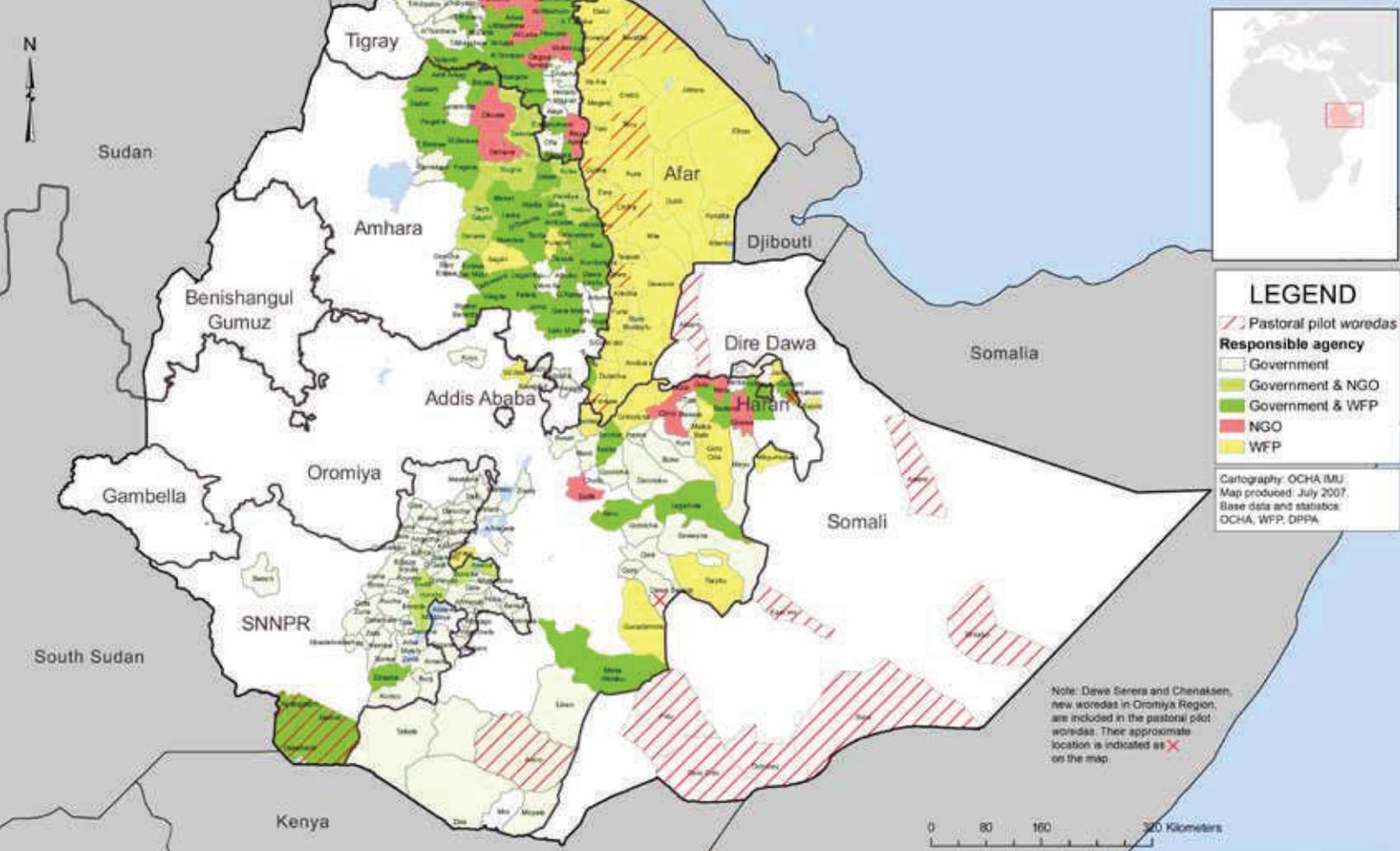
These large impacts of index insurance on yields are remarkable considering that index insurance was offered for the first time in 2010 in both of these villages. The season in which the impacts are being evaluated had good rains, therefore we do not see the impacts of insurance that may be apparent during a drought and that may not require much learning on the part of the farmers. Learning how to take advantage of index insurance in good seasons is a much more complex process than responding to an insurance payout. Farmers often noted in focus group discussions that they are learning from those who were the first to purchase insurance. Impacts will continue to evolve over time as farmers test the product.

The large impacts are all the more remarkable because the rains were poor during the year before insurance was offered, 2009. Thus, farmers are likely to have been constrained in their ability to take advantage of insurance because their resources would have been depleted by the poor yields in the previous season.

An additional reason the impacts that we observe are notable lies in the constraints on the evaluation study. Limited resources dictated that we analyze a relatively small sample of households, making impacts more difficult to detect. Our sample was too small to enable us to detect small impacts, and impacts are more likely to be small than big in the first year that insurance is offered and after a poor growing season.

A number of critical questions about the effectiveness of HARITA and of index insurance require additional analyses and additional information and/or data. We need to understand why impacts are different in different villages and for wealthier and poorer households, and the implications of these differences for implementation and for the design of the HARITA approach. The impacts of insurance on inputs into crop cultivation analyzed in this report do not fully explain the impacts observed on yields. The continuing study will conduct further focus group discussions, interviews with the implementation team, and data analyses. We will analyze impacts of insurance on type and quantity of seeds planted, use of compost, access to credit, and savings. Furthermore, collection of data for one more growing season is essential for two reasons. First, the increased sample size will enable us to identify a broader range of impacts. Moreover, the data will enable us to observe farmers' production choices after their resources have been replenished by a good season and after they have had one more season of experience with index insurance.

Further evaluation would benefit from randomized controlled trials (RCTs), which were not possible in the existing study given the resource constraints. The RCTs will be taken into consideration in the budget planning for future monitoring, evaluation, and learning activities as the project expands.



## Conclusion

### Map 1. Ethiopia Productive Safety Net Program (PSNP) woredas and responsible agency (as of 2007)

Source: UN Office for the Coordination of Humanitarian Affairs (UNOCHA)

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

The PSNP safety net program in Ethiopia that partners with HARITA is one of the many safety net programs around the world. This massive global infrastructure currently delivers basic goods to millions. The success of the HARITA pilot offers a vision in which this infrastructure is harnessed to provide basic risk management services to the most vulnerable populations, cost-effectively at a massive scale.

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 with a national scale-up in Ethiopia, Oxfam America and the World Food Programme with their recent R4 partnership are expanding the project's reach to small-scale farmers in other potential countries.

The HARITA project was made possible thanks to a very large number of individuals and organizations. Oxfam America would like to acknowledge and express its deep gratitude to the hundreds of Ethiopian farmers who gave life to this undertaking by enthusiastically and generously contributing their time, ideas, and wisdom.

Tremendous thanks goes to the HARITA partner organizations that have played an instrumental role in the launch and expansion of HARITA in Ethiopia. The complete list of HARITA partners and their institutional roles is mentioned in Appendix I. We congratulate them all, as we, together, celebrate another important milestone of sharing the results of the early monitoring and evaluation of HARITA.

# Appendix I: 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 Program (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.
- **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: Rural Resilience Event Series (spring-summer 2011)

Event name	Oxfam America participation and role	Organizer	Focus	Expert panel/ speakers/attendants	Event date and location
Disaster Response and Recovery Summit	David Satterthwaite, panel speaker	Global Investment Summit	To bring key decision makers in the aid and development community together with government policy-makers and to partner contractors looking to assist in the aftermath of disasters around the globe	David Stillman, founder of Public-Private Alliance Foundation; Sam Rosania, director of Malcolm Pirnie; Christopher Perry, president and founder of National Disaster Response Team; and more	Orlando, Florida, March 1–2. Open to public. See <a href="http://investment-summits.org/summit/drrs/report.htm">http://investment-summits.org/summit/drrs/report.htm</a> .
Presentation on the HARITA project at the World Bank (WB) headquarters	David Satterthwaite, presenter	Africa Region Disaster Risk Management Team and Global Facility for Disaster Reduction and Recovery (GFDRR)	To conduct preliminary discussions to set the stage for the disaster risk financing program session at the World Reconstruction Conference in Geneva	Disaster Risk Management Team members from all regional WB units; members from the Africa unit; and members from the WB Treasury and International Finance Corporation	Washington, DC, April 27. Attendance by invitation only.
World Reconstruction Conference	David Satterthwaite, speaker for thematic session on risk financing	World Bank, GFDRR, and UN International Strategy for Disaster Reduction (UNISDR)	To share disaster reconstruction and recovery experiences and take forward the policy dialogue for an effective international disaster recovery and reconstruction framework	Assembly of more than 2,000 leaders, policy makers, and practitioners from government, international organizations, NGOs, academia, and the private sector from around the world	Geneva, May 10–13. Attendance by invitation only.
Second World Conference on Humanitarian Studies	David Satterthwaite, panel speaker and paper presenter for the theme “Innovations in Humanitarian Practice”	International Humanitarian Studies Associational (IHSA); hosted by Tufts University	To ratchet up the understanding of the dynamics of societies in crisis, the resultant greater use of evidence-based humanitarian programming, and the professional approach to humanitarian work	Assembly of nonprofits, academicians, and government agencies	Boston, June 2–5. Open to public. See <a href="http://www.humanitarianstudies2011.org/">http://www.humanitarianstudies2011.org/</a> .
The 2011 Principles for Sustainable Insurance (PSI) Regional Consultation Meeting	David Satterthwaite, expert participant	UN Environment Programme Finance Initiative	To develop globally applicable best practice principles, including concrete actions for success in core insurance company business strategies and operations	Insurance industry participants and global intergovernmental organizations	Ontario, June 12–13. Attendance by invitation only.
National stakeholder conference on development of agriculture micro-insurance sector	Conference organizer	Oxfam America, Swiss Re, and World Food Programme (WFP)	To increase awareness and dialogue among key stakeholders in the agriculture sector within Ethiopia as well as globally on the viability of index-based products and how these products can be used effectively to mitigate risk	Assembly of Ethiopian insurance companies, lending institutions, Ethiopian government agencies, corporations in the agriculture value chain, NGOs, bilateral and multilateral donor organizations, academicians, and agroeconomists	Addis Ababa, July 18. Attendance by invitation only.
2011 Academy of Management Annual Meeting: Professional Development Workshop (PDW): Cross-Sector Partnerships for Sustainable Development	David Satterthwaite, active participant and co-designer of the Professional Development Workshop Program	Academy of Management	To provide a dynamic interaction between academics and practitioners interested in cross-sector partnerships whose goals are economic development for the disadvantaged and the sustainability of natural resources	Academy members (scholars at colleges, universities, and research institutions) and practitioners with scholarly interests from business, government, and not-for-profit organizations	San Antonio, August 12–16. Open to public. See <a href="http://meetings.aomonline.org/2011/">http://meetings.aomonline.org/2011/</a> .

# Appendix III: Media citations and resources

## In the news

- *Newsweek*, “Coping With Climate” (December 30, 2008).
- Omer Redi, “Insurance Firm Sows Seeds” *Addis Fortune* (June 14, 2009).
- Catherine Brahic, “An Insurance Plan for Climate Change Victims” *New Scientist* (July 1, 2009).
- Jeff Tollefson, “Insuring Against Climate” *Nature* (July 22, 2009).
- *Guardian*, “Climate Insurance: What Kind of Deal Can Be Made in Copenhagen?” (July 24, 2009).
- “Swiss Re, Oxfam America, Rockefeller Foundation, and Columbia’s IRI Expand Joint Risk Initiative in Tigray, Ethiopia,” Swiss Re press release (September 25, 2009).
- Evan Lehmann, “Africa Experiments With Climate Insurance—for \$5 a Year,” *The New York Times* (September 30, 2009).
- James F. Smith, “World’s Poorest Farmers Now Offered Insurance,” *The Boston Globe* (October 13, 2009).
- *New England Cable News*, “Oxfam Provides Farm Insurance in Africa” (November 6, 2009).
- Pablo Suarez and Joanne Linnerooth-Bayer, “Micro-Insurance for Local Adaptation,” *Wiley Interdisciplinary Reviews: Climate Change* (March 12, 2010).
- Anne Chetaille and Damien Lagrandré, “L’assurance indicielle, une réponse face aux risques climatiques?” *Inter-réseaux Développement rural* (March 31, 2010).
- Lloyd’s News and Features, “Microinsurance to Mitigate Climate Change Impact” (June 4, 2010).
- Deborah Kerby, “Climate Covered,” *Green Futures* (July 2010).
- *MicroRisk*, “Swiss Re Climate-Linked Crop Insurance Takes Off” (July 2010).
- Evan Lehmann, “Supporters of Global Insurance Program Hope to Rebound After Dreary Copenhagen Summit,” *ClimateWire* (August 4, 2010).
- “Global Insurance Industry Statement on Adapting to Climate Change in Developing Countries” *ClimateWise*, in collaboration with the United Nations Environment Programme Finance Initiative, the Geneva Association, and the Munich Climate Insurance Initiative (MCII) (September 2010).
- *IRIN Humanitarian News and Analysis*, “Ethiopia: Taking the Disaster Out of Drought” (November 24, 2010).
- Tina Rosenberg, “To Survive Famine, Will Work for Insurance,” *The New York Times* (May 12, 2011).
- Reuters, “Swiss Re Joins Ethiopian Micro-Insurance Project” (June 10, 2011).

## In academic journals and publications

- Joanne Linnerooth-Bayer et al., “Drought Insurance for Subsistence Farmers in Malawi,” *Natural Hazards Observer* 33:5, Natural Hazards Center, University of Colorado (May 2009).
- Molly E. Hellmuth, Daniel E. Osgood, Ulrich Hess, Anne Moorhead, and Haresh Bhojwani, “Index Insurance and Climate Risk: Prospects for Development and Disaster Management,” International Research Institute for Climate and Society (IRI), Columbia University (2009).

- Peter Hazell, Jamie Anderson, Niels Balzer, Andreas Hastrup Clemmensen, Ulrich Hess and Francesco Rispoli, “Potential for Scale and Sustainability in Weather Index Insurance for Agriculture and Rural Livelihoods,” International Fund for Agricultural Development and World Food Programme (March 2010).
- 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).

## Articles by Oxfam America

**Stories about the microinsurance pilot are posted on the Oxfam America web site. (Click on the title of each story to go to the story online.)**

[“Weather Insurance Offers Ethiopian Farmers Hope—Despite Drought”](#)

[“A Tiny Seed and a Big Idea”](#)

[“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”](#)

## Video about HARITA

A New Tool for Tackling Poverty: Using labor to pay for their premiums, poor farmers in Ethiopia earn a measure of security.

<http://www.oxfamamerica.org/front-page/multimedia/video/a-new-tool-for-tackling-poverty>

## Photography

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

## 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.
- Woldeab Teshome, Nicole Peterson, Aster Gebrekirstos, and Karthikeyan Muniappan, “Microinsurance Demand Assessment in Adi Ha” (2008). A study commissioned by Oxfam America.
- Nicole Peterson and Conner Mullally, “Index Insurance Games in Adi Ha Village, Tigray Regional State, Ethiopia” (2009). A study commissioned by Oxfam America.
- Nicole Peterson, “Livelihoods, Coping, and Microinsurance in Adi Ha, Tigray, Ethiopia” (2009).
- Tufa Dinku et al., “Designing Index-Based Weather Insurance for Farmers in Adi Ha, Ethiopia” IRI (2009). Report to Oxfam America.
- “HARITA Project Report: November 2007–December 2009,” August 2010.

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](http://oxfamamerica.org).

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