MICHIGAN
ROSS SCHOOL OF BUSINESS

WDI PUBLISHING

case 1-429-185
March 23, 2012

Building and Scaling a Cross-Sector Partnership: Oxfam America and Swiss Re Empower Farmers in Ethiopia

It was the cusp of a new fiscal year, and David Satterthwaite was thrilled with the progress of HARITA, Oxfam's project that worked with some of the world's poorest subsistence farmers in Ethiopia. He knew, however, that the most elusive challenge—scaling HARITA from a successful local project to a multi-country initiative—still lay ahead. As Oxfam America's new Senior Global Micro-Insurance Officer, Satterthwaite had inherited leadership of the project only one year prior, in early 2010, from Marjorie Victor Brans, his former colleague and the team lead for Horn of Africa[i] Risk[ii] Transfer for Adaptation[iii] (HARITA).

Since the project's inception in the fall of 2007, Oxfam had convened an impressive set of more than a dozen partners[1]—including Columbia University's International Research Institute for Climate and Society (IRI); the Relief Society of Tigray (REST), the largest NGO in Ethiopia; private Ethiopian insurer Nyala Insurance; Dedebit and Credit Savings Institution, the second-largest microfinance institution in Ethiopia; a local farmers' association; and various agencies of the Ethiopian government—to develop an innovative approach to help farmers deal with climate-related risk. This led to the creation of a novel, holistic risk management solution that packaged risk reduction activities (composting, water harvesting, etc.), risk transfer (micro-insurance), and prudent risk-taking (credit). Oxfam's goal in the HARITA project was to pilot what could become a scalable model that would empower farmers in developing countries around the globe to cope with the devastating effects of drought and other challenges associated with climate change.

Of all the partners involved in the creation of this model, Satterthwaite was especially pleased that Oxfam had engaged Swiss Re, a leading global reinsurer. This marked a new milestone in Oxfam's growing effort to

i The **Horn of Africa** is a peninsula in East Africa that juts into the Arabian Sea. It contains the countries of Eritrea, Djibouti, Ethiopia, and Somalia.

ii **Risk** is "the probability that a situation will produce harm under specified conditions. It is a combination of two factors: the probability that an adverse event will occur, and the consequences of the adverse event. Risk encompasses impacts on human and natural systems, and arises from exposure and hazard." (Australian Greenhouse Office, 2003) as cited in Levina, Ellina, and Dennis Tirpak. *Adaptation to Climate Change: Key Terms. Organisation for Economic Co-operation and Development* (OECD), May 2006. Web. Accessed 4 Sept. 2011. <http://www.oecd.org/dataoecd/36/53/36736773.pdf>.

iii **Adaptation** refers to the process of humans developing and implementing strategies to moderate, cope with, and take advantage of the consequences of climatic events. It is different than **mitigation**, which refers to policies and behaviors implemented to avoid damages by reducing emissions. (Levina and Tirpak.)

Published by WDI Publishing, a division of the William Davidson Institute (WDI) at the University of Michigan.

 This case was prepared by Professor Jonathan Doh of the Villanova School of Business, Professor Ted London of the University of Michigan's Ross School of Business and the William Davidson Institute, and Research Associate Vasilia Kilibarda of the William Davidson Institute at the University of Michigan. The authors thank David Satterthwaite, Mark Way, Marjorie Victor Brans, Mengesha Gebremichael, Andreas Spiegel, and Mansi Anand for their assistance and insights in the creation of this case.