

# LEVERAGING FOR CHANGE: ADVOCATING FOR A UNIVERSAL AGRICULTURAL INSURANCE SCHEME IN BOLIVIA

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## Overview

- In 2009, Oxfam took forward a civil society demand for an agricultural insurance scheme against climate risks in Bolivia and worked with international colleagues and local experts to collect information and data supporting the initiative.
- The government developed a policy for universal agricultural insurance. However, opposition from farmers' organisations led to the initiative being dropped. When the government showed renewed interest, Oxfam supported a consultation process with a broad alliance of farmers' organisations and built momentum locally and nationally.
- As a result, Bolivia now has the legal framework and institutional bodies to implement universal agricultural insurance. A scheme for poor farmers is reaching nearly 700,000 people, and will be rolled out to the rest of Bolivia over the next five years.
- The success of the initiative shows the importance of seizing opportunities yet exercising patience and being ready to change strategy. This \$90K Oxfam project helped leverage government funds of US\$4.43 million with an expected subsidy of US\$29 million.

## Background

Oxfam has been a member of the Platform of Social Organisations Against Climate Change since it was established in 2009, calling for the Bolivian government to implement public and institutional policies to help citizens adapt to changing weather conditions. One of the Platform's demand was an agricultural insurance scheme for smallholder farmers to reduce crop losses caused by climate change. Oxfam carried out activities to generate knowledge and discussion around a proposal for a national insurance system against climate risks.

A number of events coincided with this work that made it particularly timely. At the international level, Oxfam was advocating for a Green Climate Fund to support countries suffering from the effects of climate change. Nationally, the Bolivian Government was promoting and leading the World

People's Conference on Climate Change, while the President was presenting himself as an indigenous leader defending against the environmental consequences of development. Perhaps most importantly, Bolivian social organisations were increasingly demanding policies to favour the government's social grassroots.

## Oxfam's approach

Oxfam decided to communicate directly with the government about an agricultural insurance scheme while being transparent about these plans with local partners. This made use of Oxfam's networks and international knowledge about similar insurance schemes in other countries which local NGOs could not access. Oxfam contacted colleagues in other countries to gather information on similar insurance schemes internationally and developed contacts with specialists in the field. At the local level, institutions and individuals provided data on the negative effects of climate change on crops, the number of



Flooding causes extensive damage for farmers in Bolivia every year.  
Credit: Peter Tecks.

affected families, food price consequences and the cost to the government of supporting peasant and indigenous communities after an adverse event.

After meeting with Oxfam and consulting technical advisors, the Ministry for Rural and Agricultural Development assumed leadership of the initiative and developed a proposal over several months. However, as the government prepared to present the initiative to farmers' organisations, some of these groups accused the Deputy Minister of favouring big soya exporters because the scheme would be universal and subsidised by the government. Some social organisations also complained that the proposal did not answer the needs of small farmers as it was not developed in a participatory manner. This led to the Deputy Minister resigning and the Ministry shelving the proposal.

## Changing tactics

Eight months later, the new Deputy Minister showed renewed interest in the initiative. This time, Oxfam ensured the inclusion of a broad alliance of farmers' organisations in the process, and received support from the Centre for Research and Training of Peasant Farmers (CIPCA) to carry out a three-month consultation around the expectations and demands of an agricultural insurance scheme. As a result of this consultation, and aided by news reports which Oxfam and the Ministry helped to publicise, the scheme became a key demand of Bolivian social organisations at the 2010 Social Summit. With this momentum behind it, the proposal became a priority issue for the government. A few months later, the Law of Productive, Communal and Agricultural Revolution provided the policy with the necessary legal framework.



May Day marches in La Paz, Bolivia, which are a focus of social movements to voice their demands to the government. Credit: Renato Guimaraes

In October 2011, the government formed the Agrarian Insurance Institute with 18 posts and a budget of three million bolivianos (US\$430,000). The Institute began by implementing the Agricultural Insurance for Municipalities Living in Extreme Poverty Scheme (SAMEP). This was designed to work with 60 municipalities with high levels of subsistence production, covering over 220,000 hectares with a beneficiary population of almost 700,000 inhabitants in 175,000 agricultural productive units. In the first year, the National Treasury allocated 28 million bolivianos (US\$4 million) to cover the insurance premium costs, with co-financing from municipal and departmental governments.

The Comprehensive Agricultural Insurance Scheme (SAI) is currently being designed to cover small and large producers and cooperatives. Oxfam has worked with a local partner to gain the Dutch Embassy's support in designing an Agro-weather Atlas which will allow the Bolivian government to negotiate a better premium with international insurance companies. The insurance scheme will be implemented gradually over the next five years until it covers the entire country, with an expected subsidy from the government of US\$29 million.

## Conclusion

Although initially there were quick results when the government took the lead on promoting an agricultural insurance scheme, this strategy later became fragile because of the changing political context and unexpected opposition. Involving more stakeholders was a slower but stronger process with the capacity to address pressure from social groups. It was essential to make the most of both worldwide networks and local knowledge and establish alliances with institutions with technical and advocacy capacities, including international Oxfam colleagues, individual experts, local NGOs and political leaders.

Engaging in advocacy and dialogue at both the government and civil society level increased impact and built momentum. Oxfam played a key role as a facilitator for social organisations, enhancing their visibility and promoting their demands so that they could exercise political pressure on the government.

Oxfam must be prepared to seize advocacy opportunities; however, the political context and government players often change and their interests are not always visible. When opportunities close it is important to be patient, regroup and be ready to change both strategy and tactics if proposals are reinitiated by new decision-makers.

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