

Platform for Agricultural Risk Management



Agricultural Risk Management: practices and lessons learned for development

Concept Note

October 2017

K-Sharing & Learning Workshop

25th October 2017

IFAD HQ, Rome, Italy



The Context

Over the past years, many institutions have placed considerable importance on Agricultural Risk Management (ARM). Despite the experience and know-how could have been leveraged to develop more comprehensive strategies to cope with the risks, bottlenecks in terms of insufficient knowledge transfer between countries, lack of a structured lessons learned management system, and low take-up of innovation still persist in the area of agricultural risk management.

In this context, the Platform for Agricultural Risk Management (PARM) - in collaboration with its partners – has raised the need to foster the exchange of knowledge and bring together the experience available on ARM in developing countries, with the objective to build and develop an organized collection of good practices and lessons learned as guidance for policy makers and rural development practitioners to strategically implement and mainstream an holistic ARM approach at global, regional and country level.

The Host

The Platform for Agricultural Risk Management (PARM) is an outcome of the G8 and G20 discussions on food security and agricultural growth. PARM is a four-year multi-donor partnership between the European Commission (EC), the French Development Agency (AFD), the Italian Development Cooperation (DGCS), German Cooperation (BMZ/KfW) and the International Fund for Agricultural Development (IFAD) in strategic partnership with the New Partnership for Africa's Development (NEPAD) and other development partners to make risk management an integral part of policy planning and implementation in the agricultural sector.





PARM has the global mandate to contribute to sustainable agricultural growth, boost rural investment, reduce food insecurity, and improve resilience to climate and market shocks of rural households through a better management of risks. PARM plays the role of knowledge broker and facilitator to: enable the integration of ARM into the policy planning and investment in the agricultural sector; enhancing national stakeholders' awareness and capacities to manage agricultural risks; improve the generation, access, sharing of knowledge and strengthen synergies with partners on ARM related issues, develop methodologies for risk analysis and adoption of holistic risk management strategies.

The Workshop

Building on selected case studies and lessons learned on ARM-related practices, technologies or institutional arrangements, the workshops aims at facilitating knowledge-sharing and learning to draft guidelines on how to build on existing ARM experience, how to measure their adoption and impact, and how to better design "ARM-proofed" projects.

For this purpose, the workshop brings together policy makers, rural development practitioners (development and knowledge partners), farmers organizations and private sector to share strengths and weaknesses of their ARM experiences. Although a full impact assessment of different ARM initiatives is beyond the scope of this workshop, examples of detailed assessment will be conveyed.

Objectives

- Define a set of methodological guidelines and measures to help identify the key pillars for good ARM practices and guide on how to mainstream ARM into project design and investments in agriculture;
- Share knowledge and experiences on ARM tools and initiatives showcasing their strengths, weaknesses and lessons learned;
- Present how different partnerships or institutional arrangements, including public and private sector, and national or international agencies, can create opportunities for mainstreaming ARM into policies;
- Facilitate knowledge sharing, peer-to-peer, south-south cooperation and partnership-building on ARM among practitioners.

Setting-up

In preparation of the workshop, a Call for Proposal has been shared among key stakeholders at global, regional and local level with the objectives to identify good practices and lessons on ARM.

The proposals have been evaluated by a **Technical Committee** and the selected initiatives will be featured into an input document that will serve as background material for the workshop. In addition, the selected initiatives will participate and contribute to the working groups and will be showcased during the workshop. The sessions will be in the form of interactive panels and world cafés.

The aim is to facilitate the learning process through the exchange between practitioners of different ARM initiatives, and the feedback received from technical experts. The outcomes of the discussions will then result in the development of a final publication on ARM tools and lessons learned.

The initiatives have been classified in terms of their response to a specific risk or by category of tool as per Table 1.

Table 1: List of topics eligible for the workshop in terms of either source of risk or ARM tool

Sources of risks tackled in the project or initiative	ARM Tools implemented in the project or initiative
<p>Weather:</p> <ul style="list-style-type: none"> • Droughts • Floods • Rainfall variability, etc. <p>Biological and environmental risks</p> <ul style="list-style-type: none"> • Plant pest and diseases • Livestock diseases, etc. <p>Market risks</p> <ul style="list-style-type: none"> • Access to inputs • Quality of inputs • Output prices, etc. <p>Policy and institutional risks</p> <ul style="list-style-type: none"> • Land policies • Trade policies • Uncertain subsidies, etc. 	<p>On-Farm and Community Level Risk Management Tools</p> <ul style="list-style-type: none"> • Climate Smart Agriculture • Crop and Enterprise Diversification, and • Asset and Income Based Strategies <p>Finance Related Risk Management Tools</p> <ul style="list-style-type: none"> • Agricultural Insurance • Weather Index Insurance, and • Agricultural Finance and Microfinance • Remittances <p>Market Related Risk Management Tools, and</p> <ul style="list-style-type: none"> • Contract Farming • Commodity Exchanges and Futures Markets • Warehouse Receipts Systems

Sources of risks tackled in the project or initiative	ARM Tools implemented in the project or initiative
<p>Macro level risks</p> <ul style="list-style-type: none"> • Exchange rates • Interest rates • Access to finance, etc. <p>Infrastructure risks</p> <ul style="list-style-type: none"> • Storage • Transportation • Post-harvest losses, etc. 	<p>Government-based Agricultural Risk Management Tools</p> <ul style="list-style-type: none"> • Public Foodgrain Reserves • Disaster Assistance Programs • Social Protection and Productive Safety Nets <p>Information and knowledge Management Tools,</p> <ul style="list-style-type: none"> • Access to climate information and risk profile • Farm business advice • Capacity building and experience shared program

The Publication

The main outcome of the workshop will be a publication on "Agricultural Risk Management: practices and lessons for development"¹ collecting a set of selected initiatives and including the exchanges and conclusions reached during the workshop. The publication has two main objectives:

1. Document and collect best practices for agricultural risk management based on the strengths and weaknesses identified in the case studies;
2. Provide guidelines for better design and assessment of agricultural risk management practices.

The Agenda

Time	Description	Presenter
08:30 - 09:00	Registration of participants	
09:00 - 09:15	Opening Remarks	<i>Adolfo Brizzi, IFAD</i>
09:15 - 09:20	Workshop Objectives and methodology	<i>Facilitator : Maria Magdalena Heinrich, FAO</i>
Session 1. Setting the scene: What makes a good agricultural risk management project?		
09:20 - 10:15	<p>Plenary Panel Discussion Defining key pillars for "agricultural risk proofed" projects from design to implementation and results.</p> <ul style="list-style-type: none"> - From a holistic risk assessment and prioritization to the identification of tools for better design - Measuring results and impact: ARM tools for increasing resilience 	Carlos Arce, World Bank Gideon Onumah, NRI Paul Winter, IFAD (tbc) Marco d'Errico, RIMA/FAO Fabio Bedini, WFP
10:15 - 10:30	Panel Discussion Q&A	<i>Facilitator : Maria Magdalena Heinrich, FAO</i>
10:30 - 10:45	Coffee Break	
Session 2. Drawing lessons from the field: how to learn and assess good practices to manage risks?		
10:45 – 12:15	<p>World Café Group Discussions</p> <p>The group discussions will aim at jointly define a set of methodological guidelines and criteria to identify good practices on ARM tools, including potential indicators and measurement on their impact. Participants will then apply their criteria to one of the selected initiatives.</p> <p>Participants will be grouped by thematic blocks:</p> <ol style="list-style-type: none"> 1. Climate risks 2. Market and price risks 3. Biological and environmental risks 4. Policy and institutional risks 	<p>Lead Discussants: <i>Mariam Soumare, NEPAD</i> <i>Michael Hamp, IFAD</i> <i>Carlos Arce, World Bank</i> <i>Julio Pinto, FAO</i> <i>Francesco Rispoli, WRMF/IFAD</i> <i>ECD/IFAD (tbc)</i> <i>Lauren Phillips, IFAD</i> <i>Joseph Mulema, CABI</i> <i>Steve Hodges, Uganda Agribusiness Alliance</i></p> <p>Presenters: <i>Fabio Bedini, WFP – Rural Resilience Initiative</i></p>

¹ The final publication will be peer-reviewed by the Technical Committee and is planned to be published by end of November.

Time	Description	Presenter
		<p>Federica Carfagna, ARC- Africa Risk Capacity Gideon Onumah, NRI - FARMAF Dhanush Dinesh, CCAFS – ASAP Jim Hansen, CCAFS – Climate services for ARM Arun Khatri-Chhetri, CGIAR – Climate smart villages Norbert Tuyishime, EAFF - eGranary Rupsha Banerjee, CGIAR - Index-based Livestock Insurance Hijaba Ykhanbai, JASIL Manoj Yadav, GIZ - RIICE</p>
12:15 - 12:45	Report Back from groups: recommendations	<p>Group reporters Facilitator : Maria Magdalena Heinrich, FAO</p>
12:45 - 13:45	Lunch	
SESSION 3: ARM Practices and lessons for development		
13:45 - 15:45	<p>"Information Market" showcase (Parallel Sessions).</p> <p>The showcase will be organized in two rounds. For each round, initiatives will be presented in parallel sessions grouped by thematic topics. Participants will be free to move around the <i>information market</i> to learn from the strengths and weakness of these field experiences and learning from a variate of tools, such as:</p> <ul style="list-style-type: none"> - Insurance and Index Insurance - Market tools - On-farm/community practices and tools - Plant and Animal Health tools - Information Systems - Integrated tools (holistic approach) <p>List of Initiatives:</p> <p>Fostering integration of ARM into policies ANADIA, IBIMET Uganda Agricultural Risk Management Initiative, MAAIF Uganda Disaster Risk Management Support, AfDB</p> <p>Transforming market risks into opportunities Commodity exchange trading Ethiopia, ATA Integrated grain value chain lending and insurance/ Feed the Future RTI</p> <p>Using farm practices to manage risks Hydroponic grass, MAVIM Farming with Indigenous Micro Organisms, SARRA Assisted Natural Regeneration, IFAD</p> <p>Innovation against climate and biological risks Picture based insurance, IFPRI Replanting guarantee, ACRE Agro-met tools, FAO</p> <p>Accessing information to manage risks Digital Inclusion, FAO EMPRES-i/EMA-I, FAO Plantwise, CABI</p> <p>From insurance to social protection Bima Maono Climate and agro-insurance, KfW VFI CADENA Mexico, FAO</p> <p>Lessons from index-insurance Agricultural Index Insurance, Feed the Future/USAID Weather Risk Management Facility, IFAD/WFP</p>	<p>Facilitator : Maria Magdalena Heinrich, FAO</p> <p>Presenters:</p> <p>Vieri Tarchiani, IBIMET Tom Mugisa Cecil Nartey, African Development Bank Tewodros Demeke, ATA Jean-Michel Voisard, Feed the Future Senegal Indra Mallo, MAVIM Shindhe Shiva Shankar, SARRA TBC, IFAD Berber Kramer, IFPRI Stella Ndirangu, ACRE Africa Ana Heurreux, FAO Henry Burgsteden, FAO Julio Pinto, FAO Joseph Mulema, CABI Stefan Hirche, KfW Stewart McCulloch, VisionFund International Niclas Benni, FAO Jennifer Cissé, Feed the Future/USAID TBC, IFAD/WFP</p>

Time	Description	Presenter
15:45 - 16:00	Coffee Break	
SESSION 4: Mainstreaming ARM holistic approach into policy for better design and investment		
16:00 - 16:10	Wrap up: Summary of Session 1, 2 and 3	<i>Facilitator : Maria Magdalena Heinrich, FAO</i>
16:10 - 17:00	<p><i>High-level Panel discussion</i></p> <p>The panel will present the experience of countries that have managed to integrate ARM into the national policies through a holistic process and discuss the role of public-private partnerships for enhancing investments in agriculture.</p>	<p>Facilitator: Mariam Soumare, NEPAD</p> <p><i>Hon Vincent Bamulangaki Ssempijato, Minister of Agric., Uganda</i> <i>Adolfo Brizzi, IFAD</i> <i>Ministry of Agriculture, Italy (tbc)</i> <i>Hamady Diop, NEPAD (tbc)</i> <i>AfDB Representative (tbc)</i> <i>Grow Africa (tbc)</i></p>
17:00 - 17:30	Q&A and plenary discussion	<i>Facilitator : Maria Magdalena Heinrich, FAO</i>
17:30 - 17:45	Closing Remarks	<i>Périn Saint-Ange, IFAD (tbc)</i>
17:45 - 18:30	'Cocktail' Exhibition Area	