

# Platform for Agricultural Risk Management



## Agricultural Risk Management: practices and lessons learned for development

Concept Note

September 2017

### K-Sharing & Learning Workshop

25<sup>th</sup> 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<sup>1</sup> 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><b>Weather:</b></p> <ul style="list-style-type: none"> <li>• Droughts</li> <li>• Floods</li> <li>• Rainfall variability, etc.</li> </ul> <p><b>Biological and environmental risks</b></p> <ul style="list-style-type: none"> <li>• Plant pest and diseases</li> <li>• Livestock diseases, etc.</li> </ul> <p><b>Market risks</b></p> <ul style="list-style-type: none"> <li>• Access to inputs</li> <li>• Quality of inputs</li> <li>• Output prices, etc.</li> </ul>	<p><b>On-Farm and Community Level Risk Management Tools</b></p> <ul style="list-style-type: none"> <li>• Climate Smart Agriculture</li> <li>• Crop and Enterprise Diversification, and</li> <li>• Asset and Income Based Strategies</li> </ul> <p><b>Finance Related Risk Management Tools</b></p> <ul style="list-style-type: none"> <li>• Agricultural Insurance</li> <li>• Weather Index Insurance, and</li> <li>• Agricultural Finance and Microfinance</li> </ul>

<sup>1</sup> The full list of selected initiatives will be shared by 30 September.

Sources of risks tackled in the project or initiative	ARM Tools implemented in the project or initiative
<p><b>Policy and institutional risks</b></p> <ul style="list-style-type: none"> <li>Land policies</li> <li>Trade policies</li> <li>Uncertain subsidies, etc.</li> </ul> <p><b>Macro level risks</b></p> <ul style="list-style-type: none"> <li>Exchange rates</li> <li>Interest rates</li> <li>Access to finance, etc.</li> </ul> <p><b>Infrastructure risks</b></p> <ul style="list-style-type: none"> <li>Storage</li> <li>Transportation</li> <li>Post-harvest losses, etc.</li> </ul>	<p><b>Market Related Risk Management Tools, and</b></p> <ul style="list-style-type: none"> <li>Contract Farming</li> <li>Commodity Exchanges and Futures Markets</li> <li>Warehouse Receipts Systems</li> </ul> <p><b>Government-based Agricultural Risk Management Tools</b></p> <ul style="list-style-type: none"> <li>Public Food grain Reserves</li> <li>Disaster Assistance Programs</li> <li>Social Protection and Productive Safety Nets</li> </ul> <p><b>Information and knowledge Management Tools,</b></p> <ul style="list-style-type: none"> <li>Access to climate information and risk profile</li> <li>Farm business advice</li> <li>Capacity building and experience shared program</li> </ul>

## The Publication

The main outcome of the workshop will be a publication on "Agricultural Risk Management: practices and lessons for development" <sup>2</sup>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 (Draft)

Time	Description	Presenter
08:30 - 09:00	Registration of participants	
09:00 - 09:15	Opening Remarks	<i>Adolfo Brizzi, IFAD (tbc)</i>
09:15 - 09:20	Workshop Objectives and methodology	Workshop Facilitator (tbc)
<b>Session 1. Setting the scene: What makes a good agricultural risk management project?</b>		
09:20 - 10:15	<p><b>Plenary Panel Discussion</b> Defining key pillars for "agricultural risk proofed" projects from design to implementation and results.</p> <ul style="list-style-type: none"> <li>From a holistic risk assessment and prioritization to the identification of tools for better design</li> <li>Measuring results and impact: ARM tools for increasing resilience</li> </ul>	<p><b>Facilitator:</b> (tbc) Jesus Anton, OECD (tbc) Asa Giertz, World Bank (tbc) Paul Winter, IFAD (tbc) RIMA, FAO (tbc) Gernot Laganda, WFP (tbc)</p>
10:15 - 10:30	<b>Panel Discussion Q&amp;A</b>	<b>Facilitator:</b> <i>Workshop Facilitator (tbc)</i>
10:30 - 10:45	<b>Coffee Break</b>	
<b>Session 2. Drawing lessons from the field: how to learn and assess good practices to manage risks?</b>		
10:45 – 12:15	<p>World Café Group Discussions 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</p>	<p>Workshop Facilitator</p> <p><b>Discussion Leader Group 1:</b> <i>Sheila Mwanundu, IFAD/ECD (tbc)</i> <i>Gernot Laganda, WFP (tbc)</i></p>

<sup>2</sup> 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>initiatives. Participants will be grouped by thematic blocks:</p> <ol style="list-style-type: none"> <li><b>Climate risks</b></li> <li><b>Market and price risks</b></li> <li><b>Biological and environmental risks</b></li> <li><b>Policy and institutional risks</b></li> </ol>	<p><i>Federica Carfagna, ARC</i>  <b>Discussion Leader Group 2:</b>  <i>Gideon Onumah, NRI</i>  <i>Hélène David-Benz, CIRAD(tbc)</i>  <b>Discussion Leader Group 3:</b>  <i>Julio Pinto, FAO(tbc)</i>  <i>CABI representative, (tbc)</i>  <b>Discussion Leader Group 3:</b>  <i>Ed or Lauren, IFAD (tbc)</i>  <i>ILC(tbc)</i>  <i>Mariam Soumare, NEPAD</i></p>
12:15 - 12:45	Report Back from groups: recommendations	<p><i>Group reporters</i>  <i>Workshop Facilitator</i></p>
12:45 - 13:45	<b>Lunch</b>	
<b>SESSION 3: ARM Practices and lessons for development</b>		
13:45 - 15:15	<p><i>"Information Market" showcase (Parallel Sessions).</i></p> <p>The showcase will be organized in two rounds. For each round, initiatives will be presented in three 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.</p>	Workshop Facilitator
15:15 - 15:45	Q&A Plenary	Workshop Facilitator
15:45 - 16:00	<b>Coffee Break</b>	
<b>SESSION 4: Mainstreaming ARM holistic approach into policy for better design and investment</b>		
16:00 16:10	Wrap up: Summary of Session 1, 2 and 3	Workshop Facilitator
16:10 17:00	<p><i>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><i>Facilitator:PARM</i></p> <p>PS Ministry of Agric., Uganda (tbc)  <i>Claude Torre, AfD (tbc)</i>  <i>EU representative (tbc)</i>  <i>Mariam Soumare, NEPAD</i>  <i>Grow Africa (tbc)</i>  <i>FAO (tbc)</i>  <i>AfDB Representative (tbc)</i></p>
17:00 - 17:30	Q&A and plenary discussion	Workshop Facilitator
17:30 - 17:45	Closing Remarks	Périn Saint-Ange, IFAD (tbc)
17:45 - 18:30	<p><i>'Cocktail'</i>  Exhibition Area</p>	