

Collaborations on Agriculture Climate Insurance in South East Asia



10 November 2016 (Thursday) | 14:00-16:00 | Thai Pavilion (Blue Zone)

Organized by:

Office of Agricultural Economics (Thailand), Department of Agriculture (Thailand), ASEAN Climate Resilience Network (ASEAN-CRN), CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS)

Background

The ASEAN member states (AMS) implementing national agriculture insurance programs in their respective countries have a common goal – that is to ensure food security and agriculture resilience while at the same time protecting farmers from the adverse impacts of climate change and other natural disasters to increase their income and sustain their livelihoods. Thailand, Vietnam and The Philippines have long established their national agri-insurance schemes during 1970s-80s. Indonesia on the other hand has just recently implemented their pilot in 2012, gradually increasing its coverage in terms of farmers protected and areas covered. Cambodia has yet to have a national agri-insurance program but it has already launched a small pilot in 2014 implemented by a civil service organization with funding from a Dutch NGO.

From the government side, MOAs and MOFs implement the national agri-insurance schemes in strong partnership with the private sector (insurers/re-insurers). Aside from this public-private partnership (PPP), farmer groups/cooperatives, banks/lenders and other government line agencies involved in agriculture are actively participating in the national scheme.

In terms of products, most of the AMS implement indemnity-based insurance covering risks such as drought, flood, and pests and diseases, among many others. Insurance products are not just limited to rice, corn, and other high-value crops but also aquaculture and livestock (PH and VN). Vietnam, on the other hand, implements both indemnity- and index-based insurance schemes. The governments shoulder most of the premium, averaging 55-80%; while the farmers pay the rest. Although in the Philippines and Vietnam, a 100% government subsidy on the premium is given to farmers who are among the poorest of the poor. Farmers in these AMS voluntarily avail of the agri-insurance products, with the exception of Thailand, which is partly-mandatory.

Overall, agri-insurance has been widely accepted and adopted by farmers in these AMS, and an increase in insurance protection of

agricultural crops is being demanded by the farmers not only because of the subsidies provided by the government but also because of an array of comprehensive insurance products available that match actual farm conditions. The ease of systems and processes (use of automated systems and mobile phones), and increased linkage with other credit schemes and services are also some of the factors to its continued patronage. However, challenges in the implementation still remain such as the need for an intensive communication, awareness-raising, and socialization among farmers on the concept of agri-insurance; a sophisticated database system on yield and climate data; better loss assessment and indemnity valuation methods; more advanced automated business systems; and improved risk capacity for some local insurers.

The collaborations between AMS and other partners are importantly sought in order to sustain agriculture insurance programs as a tools for increasing climate resilience. In the workshop of Effective Policies for Promoting Agriculture Climate Insurance to increase Resilience in ASEAN, which took place in August 2016, representatives who are experts and policy makers from AMS proposed a creation of a regional coordinating body that will address issues and concerns on Agri-Insurance to further its uptake in ASEAN. Knowledge exchange and capacity building as well as the development of a regional database and early warning system (EWS) technologies are also being proposed. These will serve as a basis in the development of a regional guide that will facilitate the introduction or the improvement of national agricultural insurance schemes in ASEAN.

A **10 Phase Guide/Overview** has been developed for the ASEAN-CRN as a guide for prospective governments to consider before launching a national crop insurance program or to review for improving a current program. This guide was created with support from the G4INDO Project, funded by the National Space Organization of the Netherlands. Mr. Emilio Hernandez of the Food and Agriculture Organization (FAO) of the United Nations and Mr. Chee Koon Ong of SwissRe Singapore contributed to the development of this publication.

Objectives

In the above context, this side event aims to:

- Showcase national level actions and efforts of Thailand and other AMS to support South-South cooperation mechanisms
- Develop partnerships with relevant organizations and networks to further scale out agriculture climate insurance
- In addressing its aims, the side event will adopt a multi-stakeholder approach with member states collaborating with the ASEAN-CRN, FAO, GIZ and CCAFS in organizing the side event.



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Programme

Head of Thai Delegates/ ASEAN Representative	Welcome, event objectives, introduction to speakers	5 minutes
Dr. James Hansen, CCAFS	Agricultural climate insurance as a tool to address climate change impacts	10 minutes
Brief updates on national agricultural insurance schemes and policies in ASEAN		
Dr. Montip Sriratana	Thailand's agriculture climate insurance schemes and policies	8 minutes
Mr. Pham Quang Huy	Vietnam's agriculture climate insurance schemes and policies	8 minutes
Ms. Imelda Bacudo	Key Results from ASEAN-CRN Knowledge Exchange Event on Effective Policies for Promoting Agriculture Climate Insurance to Increase Resilience in ASEAN	8 minutes
Policy guidelines and climate finance to promote agricultural climate insurance in ASEAN		
Ms. Taru Bari, FAO	Policy guidelines to promote Agricultural climate insurance	10 minutes
GIZ (TBC)	Climate finance to promote sustainable climate insurance in ASEAN (Experiences from GCF projects)	10 minutes
Panel discussion: Partnerships to enhance Collaborations on Agriculture Climate Insurance in South East Asia (format: Moderated 'Chat show')		
Dr. Margaret Yoovatana	Introduction to panelists and objectives	2 minutes
FAO, CCAFS, GIZ and ASEAN representatives (Thailand, Vietnam and others)	How are partners supporting actions in the region?	20 minutes
Moderated Q&A with the audience		15 minutes
Dr. Margaret Yoovatana	Final remarks and wrap up	8 minutes

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