

Session 3.
Synergy and Cooperation Among ASEAN
Bodies in Promoting Crop Insurance

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In ASEAN documents (Summit/Ministerial, adopted)

- A few mentions of insurance, but not yet of “crop insurance”. But strong on related issues.
- AEC Blueprint:
 - *Promote deeper insurance markets through the ASEAN Insurance Integration Framework* (under A. Highly Integrated and Cohesive Economy - A4. Financial Integration, Financial Inclusion, and Financial Stability.)
 - *Increase resilience to climate change, natural disasters, and other shocks* (under C. Enhanced Connectivity and Sectoral Cooperation – C.5. Food, Agriculture, and Forestry).
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In ASEAN documents (Summit/Ministerial, adopted)

- ASCC Blueprint:
 - *Promote local communities' resilience, climate change adaptation, and institutionalise resilience* (under D. Resilience – D4. A Disaster Resilient ASEAN that is able to Anticipate, Respond, Cope, Adapt, and Build Back Better, Smarter, and Faster)
 - *Explore the possibility of establishing financial and insurance mechanisms and strategies for disaster risk reduction and climate change adaptation* (under D. Resilience – D5. Enhanced and Optimised Financing Systems, Food, Water, Energy Availability, and other Social Safety Nets in Times of Crises by making Resources more Available, Accessible, Affordable and Sustainable)
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In ASEAN framework documents (Summit/Ministerial, adopted)

- **ASEAN Insurance Integration Framework (AIIF):** guide for liberalising and integrating their insurance sectors
- **ASEAN Agreement on Disaster Management and Emergency Response (AADMER).** Provide effective mechanisms to achieve substantial reduction of disaster losses, and to jointly respond to disaster emergencies. Establishes an ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre), whose Work Plan includes a programme output of: *Established the Regional Risk Financing and Insurance Framework.*

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In ASEAN framework documents

- ASEAN Vision and Strategic Plan for Food, Agriculture, and Forestry (FAF) 2016-2025
 - *ST 4: increasing resilience to climate change, natural disasters, and other shocks.*
 - *ST 5: Assist resource constrained small producers and SMEs to improve productivity, technology and product quality → may be facilitated by integrating financial protection mechanisms within agricultural value chains, such as crop insurance*
 - *Insurance is mentioned under Action Programme 5.3: Provide credit, insurance, market information, quality control and certification facilities to enable small scale producers and SMEs to comply with food safety and quality standards in both domestic and foreign markets.*
- ASEAN Integrated Food Security (AIFS) Framework and Strategic Plan of Action – Food Security (SPA-FS) 2015-2020: *ST 5 is Encourage greater investment in food and agro-based industry to enhance food security*

ASEAN Working Group documents

- ASWGC: developed the **ASEAN Strategic Plan of Action on Crops 2016-2020**. The SPA Strategic Thrusts mirror that of the Vision and Strategic Plan for FAF, hence the foregoing points apply, with specific application to crops. The SPA highlights as well under Thrust 4 the sub-activity of *Implement the ASEAN Regional Guidelines on the Promotion of Climate Smart Agriculture Practices*.
- SOM-AMAF has also convened the ASEAN Multi-Sectoral Framework on Climate Change: Agriculture, Fisheries and Forestry towards Food Security (AFCC) as a mechanism for coordinated action and collaboration to address the issues and challenges threatening food security due to climate change.

ASEAN Working Group documents

- ATWGARD is implementing a Strategic Plan of Action for ASEAN Cooperation in ARD 2016 – 2020. As with SPA on Crops, that on ARD mirrors Strategic Thrusts for FAF Cooperation. Under its Strategic Thrust 4 is the Action Programme: *Provide access to climate-related financial resources to support climate-friendly agriculture.*
- Under its direct auspices, and in coordination with the Ad Hoc Committee on ASEAN Multi-Sectoral Framework on Climate Change (AFCC): Agriculture and Forestry Toward Food Security, is the ASEAN Climate Resilience Network (CRN); this is the same Network that has drafted the abovementioned *Regional Guidelines on the Promotion of Climate Smart Agriculture Practices.*

ASEAN Working Group documents

- ASWGATE: The Plan of Action on ASEAN Cooperation in Agricultural Training and Extension (2016-2020) mentions insurance under the FAF Cooperation Strategic Thrust 1: Enhance quantity and quality of production with sustainable, 'green' technologies, resource management systems, and minimise pre- and post-harvest losses and waste.
- The relevant Activity under this Plan of Action is to *Introducing on funding assessment, cooperative funding, agriculture insurance, strengthening of farmer group organization, etc* under the Action Programme: Identify infrastructure investment and technology requirements to increase production and, promote technology adoption and capacity building programme to reduce post-production losses, and address investment needs.

ASEAN Working Group documents

- ASWGAC: ASEAN Roadmap for Enhancing the Role of Agricultural Cooperatives in Agricultural Global Value Chains 2018-2025 identifies four pillars: 1) Institutional and capacity development; 2) Competitiveness; 3) Access to finance; and 4) Access to markets.
- Rather than under Pillar 3, insurance is mentioned under Pillar 2: Competitiveness. Under each Pillar is a set of Measures, which leads to some Actions. Insurance is mentioned under the relevant Action (Bullet No. 1): *Promote a systemic and comprehensive approach to risk management for agricultural cooperatives, including diversification, insurance schemes and internal control mechanism* under Measure 1: Creating Resilient Cooperatives.

ASEAN Climate Resilience Network

- The ASEAN CRN was initiated through a proposal of the Thai government, under the AFCC and ATWGARD, with initial funding and technical support from GIZ, facilitated by SEARCA.
- Meetings, joint learning, coordination, technical assistance
- Developed several Guides/Guidelines endorsed by AMAF:
 - ASEAN Regional Guidelines for Promoting Climate Smart Agriculture (CSA) Practices Volume 1 (endorsed, 37th Meeting);
 - ASEAN Regional Guidelines for Promoting Climate Smart Agriculture (CSA) Practices Volume 2 (endorsed, 39th Meeting)
 - Ten Phases in Developing a National Crop Insurance Program: Guide Overview (endorsed, 39th Meeting).

The 10 Phases

1. Initial Multi-Stakeholder Assessment on the Need for Agricultural Insurance
2. Feasibility Study and Farmer Risk Assessment
3. Insurance Partnerships and Regulatory Framework
4. National Policy Creation and Subsidy
5. Product Development, Distribution and Pricing
6. Stakeholder Responsibility and Process Creation
7. Field Implementation Training and Farmer Socialization
8. Pilot/Proof of Concept Launch and Improvements
9. Revised Approach, Products and Partner Coordination
10. Full Program Launch and Scale Up

Recommendations

- Articulate crop insurance explicitly in key ASEAN documents.
 - May consider, more broadly: *Agricultural insurance*
- Continue to pursue regional collaboration initiatives in crop insurance
 - Currently ASEAN CRN offers one such venue – need for permanent platform.
 - Another venue to pursue collaboration in crop insurance is through the ASEAN Insurance Council to investigate how as a regional block the community to establish catastrophic insurance against severe climate risks impacting multiple countries. Risk pooling and regional reinsurance may be possible given commitment from the member countries.

Recommendations

- India and Philippines have more experience in managing a national crop insurance programme, including the development of agricultural insurance products (indemnity-based and index-based), development of policies, systems and procedures on marketing, underwriting, claims adjustment and digital/mobile applications on insurance operations, among others.
- More generally, the four AMS with existing crop insurance programmes have the opportunity to share their knowledge and experience to other AMS who plan to start and implement a national crop insurance programme in their country.