



# Building knowledge in ASEAN and supporting regional policies

## BACKGROUND

Agriculture is a core sector in ASEAN, representing a key livelihood and income for 40% of the working population. The sector is also the most vulnerable to climate change due to its high dependence on climate and weather. Extreme weather conditions have adverse impacts on agricultural productivity and the livelihoods of farmers, affecting food security and sustainable development in the region. Crops, livestock, fisheries, aquaculture and forestry activities between the, absorbed 23% of all damage and losses caused by medium and large-scale disasters between 2006 and 2016. The Association of Southeast Asian Nations (ASEAN) recognizes the importance of establishing measures to cope with and manage the effects and risks posed by extreme weather and natural disasters to ensure a long-term regional sustainable development.

Crop insurance is a risk management tool that reduces the vulnerability of smallholder farmers and increases the resilience of the sector to production risks caused by external factors including extreme climate events and outbreaks of pests and diseases. While the ASEAN



Member States (AMS) regard crop insurance as a tool to safeguard farmers' livelihood, challenges in terms of its development and implementation remain common in the region. These include the lack of enabling policies or regulatory frameworks, the limited engagement of the private sector and application of technology, and the low explicit demand for insurance by farmers. Policy makers need to improve their understanding of these issues before they can take the right steps and design the right processes to overcome them.

## How does the regional capacity building benefit the ASEAN Member States?

Regional platforms for AMS stakeholders raise awareness and build capacity by fostering the exchange of knowledge, experience, lessons learned and good practices. As the advancement of crop insurance varies across the different AMS, experience collected from each stage of implementation and

national lessons learned can help in promoting crop insurance in neighbouring countries. Policy recommendations developed by AMS give guidance for implementation and promote crop insurance in the region, shaping its future development.

### What we did

Two **regional technical workshops** provided an overview on crop insurance in Asia and enabled the exchange of countries' experiences. The public-private partnership and collaboration between relevant ASEAN bodies helped with moving forward and addressing challenges associated with crop insurance.

RIICE parties referred Cambodia to the ASEAN guideline document **10 Phases in Developing a National Crop Insurance Program** and encouraged its application. Cambodia has adopted some of the phases from the document to implement its crop insurance pilot.

RIICE **gathered lessons learned from other countries on crop insurance and developed policy recommendations** to enhance future development and

promotion of crop insurance in the AMS. Among the recommendations were integration of crop insurance into crop sector-related policies of ASEAN, and improving synergies and cooperation between relevant ASEAN bodies. The recommendations are a synthesis of the capacity building support to ASEAN.

In the course of the policy dialogue on crop insurance in ASEAN, the stakeholders in the AMS reached a common understanding on the available ASEAN policies and papers related to crop insurance, and identified opportunities to further address crop insurance in the respective ASEAN policy documents and bodies in the future.

### Lessons learned

- ◆ The knowledge exchange platform can be used as a facilitating tool to enhance the AMS capacity. The platform is instrumental in creating an enabling environment for constructive discussions, knowledge exchanges and support for the development and improvement of crop insurance in the region through public-private partnerships.
- ◆ Through a series of workshop sessions, the AMS identified some common interests in crop insurance. Some countries have an existing policy instrument for the transfer of farmers' financial

risks. Each AMS is working at different stages, and with different approaches and insurance schemes and products.

- ◆ Crop insurance in ASEAN is an ongoing, evolving process of learning and improvement. Similarly, capacity building through knowledge exchanges should also be an ongoing process, through the established platform. The platform will identify regional priorities as well as possible entry points of commitment by different stakeholders.