

A close-up photograph of several hands, including a child's, cupping a pile of white rice grains. The background is a blurred wooden structure.

Setting the scene for crop insurance: Multiple stakeholder engagement in Cambodia

BACKGROUND

In 2015, the private insurer FORTE piloted the first crop insurance in Cambodia for rice farmers. They started to offer a weather index-based crop insurance product to farmers in Battambang and Pursat province, and in the last two years switched to a soil moisture index product. The number of farmers who enrol in the crop insurance is slowly increasing as awareness of the benefits of crop insurance spreads, and reached about 500 in 2019. To scale up crop insurance for small-scale farmers many challenges need to be addressed, such as the lack of a regulatory framework or support from

the government (e.g. in the form of subsidies), lack of policies, data availability, and the technical capacity within the insurance industry. Furthermore, promotion of crop insurance schemes is a lengthy process that requires long-term commitments by public and private stakeholders. For this reason, RIICE started a multi-stakeholder engagement process that aims to develop in the operation of a government-supported crop insurance scheme protecting the majority of smallholder rice farmers against extreme weather events.



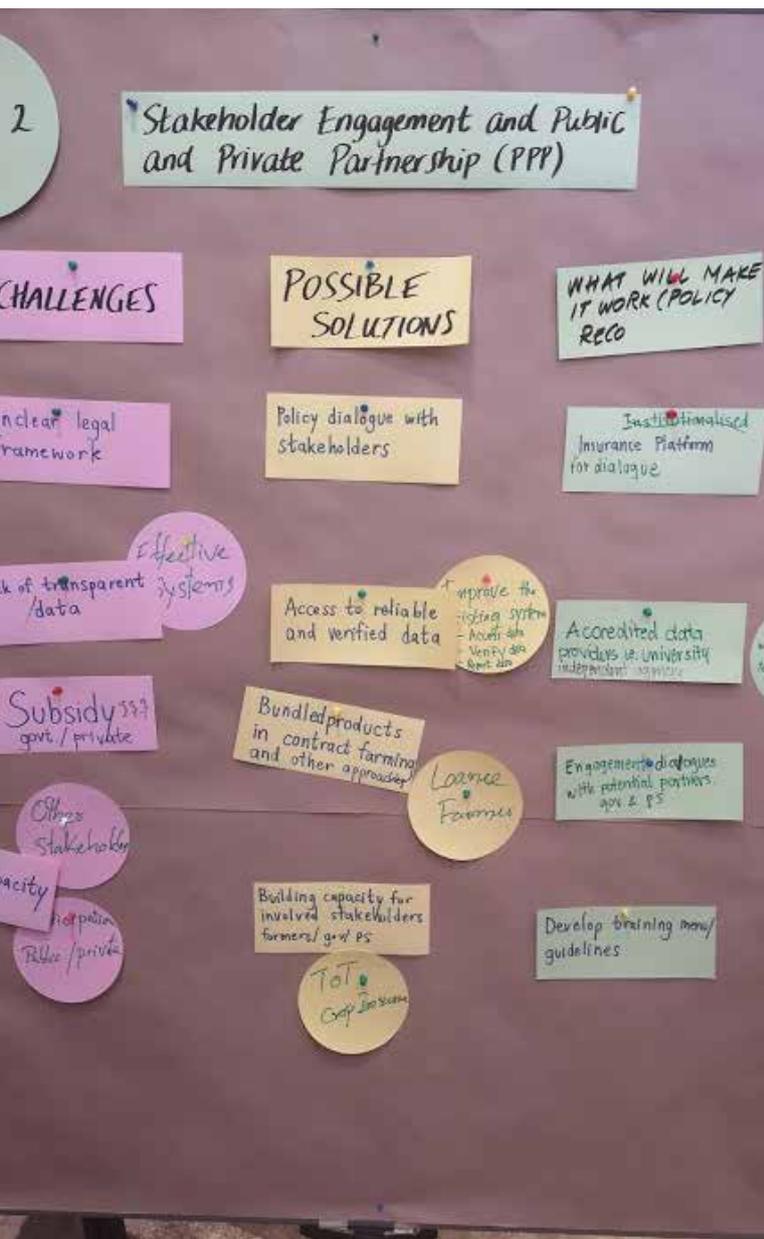
How can the public sector engage with the private sector to set up a crop insurance scheme?

In Cambodia, the multi-stakeholder engagement helps to raise awareness of how to integrate the crop insurance into national policies and how to develop implementation strategies. Additionally, the process helps to clarify interlinkages and roles of the public agencies in the national crop insurance scheme and their cooperation with the private sector.

The multi-stakeholder engagement is also a tool for capacity building. This means learning from international experiences, to make key stakeholders better able to take informed decisions about the future set-up of government-supported crop insurance programmes.

The process invites international experts to provide inputs on e.g. policies and institutional frameworks, public private partnerships, or product choices. It fosters discussions related to the coordination mechanisms and actions that are necessary to realize a crop insurance coverage for smallholder farmers.

Additionally, RIICE in Cambodia is working closely with the key stakeholders including the Ministry of Agriculture, Forestry and Fisheries (MAFF) and Forte Insurance in an effort to pilot a crop insurance scheme using RIICE technology for loss assessments.





What we did

A study tour to India in August 2018 consisted of 15 participants from the MAFF, the Ministry of Economy and Finance, the Royal University of Agriculture (RUA), and the Climate Resilient Rice Commercialization Sector Development Programme (RICE SDP) supported by the Asian Development Bank (ADB). The aim was to extensively study and learn from one of the largest crop insurance programs for smallholder farmers worldwide, and thereby foster exchange among public and private stakeholders, raise awareness, and build a common understanding of crop insurance.

Ongoing dialogues and knowledge exchanges among policy makers, insurers and farmers provided

room for the discussion and agreement on the way forward for the national crop insurance. The resulting strong interest in and demand for crop insurance for farmers lead to the formulation of a concept note to provide recommendations to MAFF, titled ***Developing a National Agricultural Insurance Program in Cambodia: Considerations and Way Forward***. The document will be used as guidance not only for MAFF, but also other involved stakeholders to further engage and develop an action plan for the implementation of agriculture insurance in the country.

Lessons learned

- ◆ Multi-stakeholder collaboration and consultation is key to promoting crop insurance. Each stakeholder has a role to play in building an environment where policies can be drawn up that enable the development and implementation of insurance products. The multi-stakeholder collaboration, including joint creation and testing with the stakeholders, is vital to ensure localization and sustainability, especially given that RIICE is a newcomer to the country with no prior blueprint.
- ◆ An awareness and common understanding of national policies and strategies for the setting up and financing of a crop insurance scheme for small-scale farmers can be fostered through multi-stakeholder engagement. It is also vital to cultivate and nurture partnerships among public actors, the private sector, and the farmers, including through agriculture sector policies, climate change policies, and disaster risk management. These partnerships can help assess the existing regulatory framework ahead of implementation, and foster conditions for a successful agricultural insurance are met.”.
- ◆ Multi-stakeholder collaboration is necessary to foster development and promotion of crop insurance at the national and regional levels, as each key stakeholder has their own limitations and resources.
- ◆ The multi-stakeholder engagement is a participatory process to build trust and create transparency among the stakeholders. However, uncertainties about the roles and responsibilities of different types of actors can influence the extent of participation and can make multilateral decision-making processes time-consuming.

