



**DATE: 7 May 2018, 13:30 – 17:30**  
**8 May 2018, 08:30 – 17:30**

**VENUE: Grand Pacific Hotel, Suva, Fiji**

**Background**

The Pacific Islands States are among the most vulnerable countries in the world to the adverse impacts of climate change and other natural disasters. For the past twenty years, on average, the islands have experienced six tropical cyclones annually, causing damages, estimated at more than 2.9 billion USD. With no agricultural insurance schemes or any other formal way of transferring weather related risks, the tendency to rely on disaster relief programmes for recovery after the impacts of weather related disasters, hinders the long-term development of the agricultural sector. Fiji is the most advanced in terms of awareness on the concept and benefits of index-based insurance and has initiated the design of such products. This workshop will address critical questions: *Are there opportunities to learn from the process adopted by Fiji and other regions to assess the suitability of tailor made index-based products for the Pacific? Would a regional perspective prove essential? What are the priority crops/ fish species that should be included in such a scheme?*

**Aim**

To reflect on the state of readiness of Pacific Island States as well as learn from ongoing successful initiatives, good practices, success stories and insights from other regions to identify innovations and critical success factors for the introduction of agricultural insurance and risk transfer products. International and regional experts will share their perspectives on developing Weather Index Based Insurance Schemes in the Pacific. Evidence from a multi-country study including gaps in policies/ regulations and financing as well as options on 'Agricultural Insurance and Risk Management Tools in Fiji, Kiribati, Marshall Islands, Tonga, Samoa, Solomon Islands and Vanuatu' will be explored to provide a basis for determining the way forward for introducing agricultural risk insurance initiatives in the Pacific Island States and for developing a plan of action.



**Catalyst Speaker**

Peter Book, Regional Head of Agriculture, Allianz Re – Malaysia, Singapore

## Programme 7-8 May 2018

### Day 1 pm session 14:30 – 17:30

**14:30 – 14:45** Workshop Objectives - Simon Cole, Chairman, Fiji Crop and Livestock Council, Fiji

**14:45 – 15:15** Catalyst Speech

Justifying Insurance with Data: Is the Pacific Ready? **Peter Book, Regional Head of Agriculture, Allianz Re – Malaysia, Singapore**

Q&A

**15:15 – 15:45** Assessing the state of readiness for Agricultural insurance and weather risk management in seven Pacific Island States: Key Recommendations – **Simon Cole, Chairman, Fiji Crop and Livestock Council, Fiji**

Q&A

**15:45 – 16:15** Coffee break

**16: 15 – 17:00** Key Innovations

- The enabling environment for the private sector in climate finance - The Pacific Climate Finance and Insurance Incubator's role for agriculture in the Pacific – **Michael O’Sullivan, Consultant to the Fiji COP 23 Presidency Secretariat, COP 23 Secretariat, Fiji**
- Bundled micro insurance package - Towards a model for Pacific farmers – **Krishnan Narasimhan, Deputy Programme Manager, Pacific Financial Inclusion Programme (PFIP/UNCDF), Fiji**
- Climate smart agriculture: Building resilience of Pacific communities – **John Oakeshott, Research and Development Coordinator, Pacific Community (SPC), Fiji**

**17:00- 17:30** Short self-introduction by participants  
Group discussion, validation of the main findings and recommendations and feedback – Priority commodities/ value chains and Key innovations e.g. FJD 1,000 block proposal

### Day 2 am session 08:30 – 13:00

**08:30 – 08:50** Opening and Recap of Day 1 – Simon Cole, Chair, FCLC, Fiji

**08:50 – 09:50** Critical Success factors

- Data driven decision making and the E-Granary payment platform: A win-win strategy - **Stephen Muchiri, Chief Executive Officer, Eastern Africa Farmers Federation, Kenya**
- Vulnerability assessment of coastal fisheries: Climate change impacts in Pacific Island Countries and Territories – **Phil James, Fisheries Economist, SPC, Noumea**
- Innovative index based insurance product for Fiji – **Simon Cole, FCLC, Fiji**

Q&A

**9:50 - 10:30** Group discussion & Feedback - Critical success factors with a Focus on the Fiji Innovative Index Based Product Proposal: What can the region learn?

**10:30 – 11:00** Coffee break

**11:00 – 12:00** **Panel discussion: Critical Prerequisites for Developing and Optimising Agricultural Insurance and Weather Risk Management**

- Shane Sarere Tutua, Manager, Zai Na Tine Organic Farm, Solomon Islands
- Sinai Tuitahi, Chief Executive Officer, Growers Federation of Tonga, Kingdom of Tonga
- Lee Jacklick, Deputy Director Meteorological Services for the Marshall Islands, Republic of the Marshall Islands
- Tearo Otiuea, Deputy Director Agriculture & Livestock Division, Ministry of Environment, Lands, & Agricultural Development, Republic of Kiribati

**Q&A**

**12:00 – 13:00** **Think-Tank / Group discussion** – Key regional actions: Critical prerequisites - Opportunities for regional cooperation; Crops costing data; Political will; Insurance legislation. Associations and databases.

**13:00 – 14:30** Lunch break

**Day 2 pm session 14:30 – 17:30**

**14:30 – 15:45** **Continuation of Think Tank – Group Discussions / Action Plan**

Development of regional action plan/ road map

- Weather index based insurance: Is it relevant to the Pacific Context?
- Policy and regulatory gaps and institutional constraints
- Opportunities for index insurance in the region – Is the Fiji proposal (FJD 1,000 block insurance) or other climate resilience strategies/ approaches relevant?

**15:45 – 16:15** Coffee break

**16:15 – 17:00** Action plan finalisation

**17:00- 17:30** Wrap-up

## Context

In a region where up to as much as 80% of the population in some countries is directly or indirectly dependent on the agricultural sector for their livelihoods and smallholder farmers have limited financial resources, an inability to recover quickly after the impacts of weather related disasters hinder the long-term development of the sector. Introducing mechanisms for risk transfer and mitigation could benefit smallholder farmers, and rural communities and spur agricultural and economic growth.

Weather Index-Based Insurance has been identified as a possible solution. Innovative mechanisms for weather risk management have been piloted and implemented successfully in different parts of the world including in developing countries. In Africa and Asia, smallholder farmers have adopted such schemes, which are already having a positive impact on rural communities.

A seven-country study conducted within the framework of the CTA-IFAD-PIPSO project, concluded that, agricultural crop insurance or any other formal way of transferring weather related risks is currently not available. Each Pacific Island State is in a different stage of preparedness for introducing weather-index models and the legal framework in each country does not pose any obstacles to their introduction<sup>1</sup>. National meteorological services maintain weather data (e.g. Solomon Islands dates back to the 1960s) and cyclone tracking data is also available in some (e.g. Tonga). Many governments and farmer organisations have shown interest in developing insurance models in order to go beyond the ex-post and ex-ante funding systems for disaster relief funding, which often takes a long time and sometimes does not reach the impacted farmers directly. The findings also suggest that Fiji is the most advanced in terms of awareness of the index based insurance concept and potential benefits. Initiatives aiming to design and introduce such products are also underway e.g. insurance working group on paramedic insurance scheme backed by farmers and the government<sup>2</sup>.

Engaging diverse stakeholders from multiple Pacific countries in the initial development stages of weather index based insurance schemes could result in wide adoption of tailor made products with great potential for upscaling as well as lead to improvements in the insurance business models and risk profiles and agricultural performance. This would require identification of the synergies between the countries.

The objective of this workshop is to reflect on the state of readiness of Pacific Island States as well as learn from ongoing successful initiatives, good practices, success stories and insights from other regions to identify innovations and critical success factors that can contribute to the development of an action plan for the introduction of agricultural risk insurance products and risk transfer mechanisms.

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<sup>1 2</sup> Simon Cole. Agricultural Insurance and Risk Management Tools in the Pacific. In press