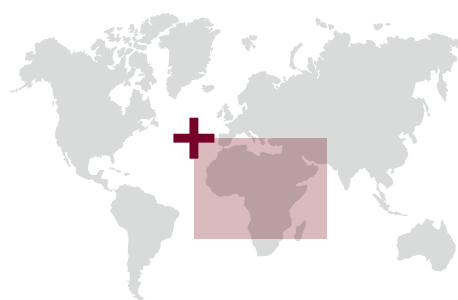


Platform for Agricultural Risk Management (PARM) – Phase 1



AT A GLANCE

Name

Platform for Agricultural Risk Management (PARM) – Phase 1

Duration

December 2013 – December 2018

Focus area

Sub-Saharan Africa (Cabo Verde, Cameroon, Ethiopia, Liberia, Niger, Senegal, Uganda, Zambia)

Target group

Direct: Government officials, extension services, local universities; Indirect: smallholder farmers

Funds available

The PARM Secretariat received a total contribution of US\$ 7,800,000 in 2013.

The project is jointly implemented by ...

The Platform for Agricultural Risk Management (PARM) is a partnership between the International Fund for Agricultural Development (IFAD), the European Commission (EC), the French Development Agency (AFD), the Italian Development Cooperation (DGCS), the German Cooperation (BMZ/KfW), in strategic partnership with the New Partnership for Africa's Development (NEPAD) and it is a result of the broader IFAD partnership with the G20.

Overall aim of the project is ...

to strengthen agricultural risk management through knowledge sharing and capacity building activities to improve the human capital of all the stakeholders that can contribute to a better agricultural risk management system, in particular, vulnerable rural households. and Adaptation Project (AL-DRMAP) is to strengthen institutional capacities, to reduce Albania's vulnerability to natural and manmade hazards, and to limit human, economic, and financial losses due to disasters.





BACKGROUND

Agricultural risks will continue to be the main bottleneck for rural investment, poverty and vulnerability. Extreme weather conditions, climate change and diseases are likely to affect negatively the performance of crop production and livestock activities. High food prices and global market uncertainties pose a major threat to food security.

Farmers, particularly smallholders, take daily decisions affecting their farming operations and responding to this risk environment. Smallholder farmers' livelihoods have become especially vulnerable because they are unable to assess and manage these risks and profit from investment opportunities to improve their farming business and household resilience.

APPROACH

A holistic approach to agricultural risk management (ARM) is an innovative approach to improve the resilience of vulnerable rural households and leverage finance and investment. ARM is a pro-active way of thinking for farmers and businesses “to be prepared” increasing their capacity to assess, absorb and adapt to risks.

In this context, the Platform for Agricultural Risk Management (PARM), initiated by G8-G20 leaders in 2012, has the global unique mandate to enable the integration of a holistic Agricultural Risk Management (ARM) into the policy planning and investment in the agricultural sector of least developed countries (LDCs), low- and middle-income countries (LMICs). This will enable partner countries to move away from a culture of coping with disasters towards a smart management of risks.

CHALLENGES

- There is still a low level of awareness and capacity for agricultural risk management.
- Bottlenecks in terms of lacking capacity, insufficient knowledge transfer between countries, and low take-up of innovation persist in the area of agricultural risk management
- Risks are still assessed based on perception or solutions-oriented. There is a lack of a standardized methodology to provide evidence-based risk assessments and prioritization.
- Most farmers lack knowledge and capacities to assess the risks and access to information to implement appropriate tools
- ARM still not an integral part of National policies and not institutionalized into extension services strategies
- Lack of a holistic approach. Most tools and initiatives provide a stand-alone solution for mitigating agricultural risks for a sustainable ARM, tools and solutions need to be embedded in an integrated risk management approach.



OPPORTUNITIES

PARM aims at enabling the integration of Agricultural Risk Management (ARM) into the policy planning and investment in the agricultural sector; enhancing national stakeholders' awareness and capacities to manage agricultural risks; improve the generation, access, sharing of knowledge and strengthen synergies with partners on ARM related issues, develop methodologies for risk analysis and adoption of holistic risk management strategies.

Bringing risk management to the core of development and agricultural policies

The overall objective of PARM is to mainstream the holistic approach to ARM at the national, regional and global levels. With the support of PARM, agricultural risk management has been incorporated in the national agricultural strategies of Uganda, Niger and Ethiopia, Cameroon, Senegal and soon Liberia. Agreements have been signed with local universities and regional research centres to undertake courses on Agricultural Risk Management for extension services, civil servants and farmers organizations.

In Niger, Cameroon, and Cabo Verde, PARM has followed a similar approach proposing areas of investment to the Governments to manage the main agricultural risks already identified and prioritized by PARM. Access to information and capacity development on ARM have been identified as main cross-cutting areas of investment.

Assessing agricultural risks: bringing evidence to improve risk perception

Governments and all stakeholders need to have an evidence-based profile of the agricultural risks and their importance in terms of severity and frequency. A good assessment of risks empowers farmers, governments and their partners in making the best decisions to minimize the negative impacts of risks and take advantage of investment opportunities. PARM produces rigorous risk assessments in its partner countries, taking into account a wide variety of risks and relying on various sources, to obtain a clear picture of the risks affecting either the country as a whole or specific regions. The prioritized risks can then be addressed using appropriate tools and strategies.

Creating awareness and developing capacity on ARM

A key pillar of ARM is Capacity Development (CD), which is focused on knowledge sharing activities to improve the human capital of all the stakeholders that can contribute to a better ARM system, such as producers (particularly smallholders and their farming organizations), governments, agricultural service providers, private sector. CD activities on ARM aim to drive a sustainable institutional and behavioural change beyond conventional training approach and, where possible, they use the capacity potential of local knowledge-based institutions such as universities and research agencies, in order to institutionalize the ARM knowledge. Progress has been made towards this end strengthening the links between PARM and local knowledge institutions in Uganda, Senegal, Niger and Ethiopia.

Investing in priorities for better and innovative agricultural risk management tools

Once risks are identified, tools and management strategies must be aligned with these needs, and the ARM responsibilities for each stakeholder clearly defined. To achieve this, PARM works in partnership with countries in identifying the right set of tools to address the most pressing risks. PARM also analyses specific tools and their applicability. At this stage, government, development partners, NEPAD and private sector have opened the dialogue on how to integrate (P)ARM package into the implementation phase in the selected PARM countries.





LESSONS LEARNED

Standardized methodology and process. The need for agricultural risk management is now widely agreed-upon, but its operationalization does not yet follow a systematic approach. Based on PARM's and its partner's experiences.

Risk assessment and prioritization. The assessment and prioritization of risks is a key element. Risks should be identified, analysed, and prioritized based on their severity, and frequency and in consultation with main players and stakeholders.

Tools identification and implementation. The identification of the appropriate tools should ensure that the tools are fitting with the risks prioritized, that the responsibility for implementing them is clear, and that they are sustainable and accessible at a reasonable price to be effectively used.

Access to information and capacity building. Access to information and capacity building are two cross-cutting components to be integrated into any ARM initiative as empowers stakeholders to choose in an informed manner what available risk management options are suitable for them.

Partnerships and policy integration. Managing risk requires multidisciplinary action and coordination at various levels. Partnerships between governments, technical partners, donors and the private sector are crucial to create synergies and effectively manage risks. The integration of ARM into policies and practices is a key element for the sustainability of ARM interventions and to channel more investments into the agricultural sector.

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