

# **THIRD ANNUAL SYMPOSIUM FOR FACILITATING THE DEVELOPMENT OF AGRICULTURAL INSURANCE IN THE AMERICAS**

*Hosted by the  
Inter-American Institute for Cooperation on Agriculture (IICA)  
16 February 2012, Washington DC, USA*

## **BACKGROUND**

Agriculture continues to be extremely vulnerable to the effects of natural disasters. Climate variability has direct impacts such as droughts, floods, and new and re-emerging diseases that reduce harvests, minimizing household assets and farmers' productive capacity, decreasing their abilities to depend on normal coping mechanisms. These threats become increasingly more significant in view of the global food crisis that first manifested itself in 2008. Distracted politically and financially by the global financial crisis and now the EU crisis we see the threat of less attention and resources being devoted to actually solve the global food security crisis.

We are encouraged to see the G20 Declaration entitled, "Food Price Volatility and Agriculture" and the increasing prevalence of disaster risk management related themes surfacing at such 2012 events as the Rio+20 and Summit of the Americas of the Organization of American States. Still, talking about the issue is one thing and actually assigning it as a top priority with commensurate long term resources is another. It is certainly time for sustained action starting with a correct comprehension of risk management and the commitment from Heads of State and the Ministries of Finance in each country to become pro-active rather than simply responding to events.

Agricultural insurance remains an essential risk management tool to help address the impacts of natural disasters upon food security. However, we still see many countries underestimating its importance, as evidenced by the lack of policies, laws, instruments, credit and investment, to take full advantage of the benefits of such insurance. Furthermore, there is often times a lack of coordination between the government, private insurance/reinsurance sectors, and farmer organizations that prevents the effective development and execution of agricultural insurance. We also note that while agricultural insurance is an essential risk management tool, it is still most effective after other risk management steps have been taken by the government and agricultural sector to minimize or eliminate risks where possible.

In 2005, the Inter-American Board of Agriculture (IABA) instructed IICA to work closely with governments to promote agricultural insurance in the Western Hemisphere. Since that time IICA has taken a variety of steps despite severe budgetary constraints to advance agricultural insurance. Of course, IICA is not alone. Other organizations such as the World Bank and event governments such as Spain and Canada have offered valuable technical resources to countries in developing sound programs. Such participation is essential. We note however that results thus far in the hemisphere continue to be mixed. Reasons include 1) The lack of a "culture of insurance" in Latin America and the Caribbean (LAC), 2) Governments have unrealistic expectations regarding the purpose and complexity of insurance, 3) Insufficient coordination among consulting organizations, 4) the lack of private sector engagement and, 5) Inconsistent attention being placed on the development of a holistic approach to risk management.

This event is a follow up of a workshop first organized by the IICA Office in Washington in 2010 in which specialists from the international community discussed how to best implement agricultural insurance in LAC.

## **GENERAL OBJECTIVE**

The overall objective of this workshop is to facilitate the development of adequate agricultural insurance schemes and products in Latin America and the Caribbean within a broader risk management framework.

## **SPECIFIC OBJECTIVES**

1. Provide a venue for a broad and candid dialogue on agricultural insurance
2. Review the state of agricultural insurance in the hemisphere, regionally and by country
3. Discuss the successes and challenges encountered in implementing agricultural insurance
4. Facilitate and promote more effective private/public partnerships
5. Understand each participating organization's priorities, plans and programs for further expansion of agricultural insurance
6. Determine, where possible, how to work more effectively and collectively with other organizations, agencies, donors, associations and the insurance community to expand sound insurance and risk management practices
7. Determine subsequent steps to continue this dialogue with a focus on concrete results

## **METHODOLOGY**

This one-day workshop will focus on achieving the above objectives through presentations and highly interactive discussions. All attendees are strongly encouraged to come prepared to share their perspectives and plans. Time is planned for open discussion segmented at various junctures during the day. Each segment is intended first to address any comments on the presentations previously given and then move to other topics as we proceed.

## **VENUE**

Organization of American States, Sala Padilha Vidal,  
1889 F Street NW, Washington DC 2006

## **SERVICES**

Translation services will be provided as well as webcast and videoconference for selected locations.

## **LOGISTICS**

Present yourself at the security desk with the meeting title (IICA Insurance Symposium) and location (Sala Padilha Vidal). You will be issued passes and given directions to the meeting site.

## AGENDA

### Opening Session

- 8:00-8:30** Registration
- 8:30-8:50** Welcome, Introductions and Agenda Review  
*David Hatch, IICA*
- 8:50-9:00** Welcome  
*Miguel Garcia, IICA*
- 9:00-9:15** Remarks  
*Assistant Secretary General Albert Ramdin, Organization of American States*

### Public Perspectives of Agricultural Insurance

- 9:15-9:35** State of Agricultural Insurance in the LAC  
*Carlos Hoffmann, ALASA*
- 9:35-9:55** Developing the Agricultural Insurance Market in LAC  
*Diego Arias/Ramiro Iturrioz, World Bank*
- 9:55-10:15** Development of Insurance Instruments in the Caribbean  
*Dr. Simon Young, Caribbean Risk Managers Ltd.*
- 10:15-10:35** Disaster Risk Management in the Americas  
*Rosa Trejo, Organization of American States*
- 10:35-11:05** Open Dialog
- 11:05-11:20** **Break**

### Experiences in Agricultural Insurance

- 11:20-11:40** World Bank/FIDES Program  
*Raul De Andrea, FIDES*
- 11:40-12:00** The Uruguayan Experience: Progress Made and Future Plans  
*Fernando Vila, Consultant, IICA*
- 12:00-12:20** The Spanish Experience: Status, Plans and Consultations in the LAC Region  
*María José Pro González, ENESA & Elsa Sánchez Elizo, Agroseguros*
- 12:20-1:00** Open Dialog
- 1:00-1:45** **Lunch**

## Experiences in Agricultural Insurance (cont)

**1:45-2:25** Capacity Building in Agricultural Insurance

a. The World Bank's Agriculture Risk Management Training Tools  
*Carlos Arce, World Bank*

b. IICA's Experiences and Plans for Distance Learning Courses  
*Fernando Vila, Consultant, IICA*

**2:25-2:50** *Open Dialog*

**2:50-3:05** **Break**

## Private and Public Sector Support for Agricultural Insurance – Practical Next Steps

**3:05-4:05** Reinsurance Perspectives and Priorities in LAC

*Maria Teresa Piserra, MAPFRE Re*

*Lambert Muhr, Munich Re*

*Alexander S. Kaplan, Swiss Re*

**4:05-4:30** *Open Dialog*

**4:30-5:30** Sample Themes to Explore:

1. How Can We More Effectively Engage the Governments?
2. How Can We Facilitate Private/Public Partnerships?
3. What Should Be Our Focus Countries and Why?
4. What Themes and Focus Should Be Considered for Next Year?
5. What Can We Realistically Accomplish Over the Next Year?
6. Should A Mission/Field Trip Be Organized?

**5:30-5:45** Final Observations - Open Dialog

## Closure of Seminar

**5:45-6:00** Recap of Agreements - *Priscila Henriquez, IICA*

**6:00-6:10** Recap of Specific Objectives - *David Hatch, IICA*

**6:10-6:15** Closing Remarks - *David Hatch, IICA*

**6:15-6:45** Wine and Cheese

**6:45 pm** Adjourn- Evening is Open