

## **Forum on Agricultural Risk Management in Development (FARM)<sup>D</sup>**

### **Concept Note – Revised February 2010**

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**Background:** Risk and uncertainty are inherent in agriculture and commodity supply chains. Recent food safety ‘crises,’ the outbreak and spread of avian influenza, major swings in food and other commodity prices, and growing concerns about climate change are among the many shocks and/or emerging trends that are raising the profile of agricultural risk and interest in more effective and sustainable risk management strategies and approaches.

There has been a surge of interest in new market-based and traditional risk management instruments and approaches in recent years (as evidenced by the proliferation of pilot projects and increased donor investment in this arena). While there are many new players engaged in the agricultural risk management domain, modalities to enable the sharing of knowledge and experience are absent. Risk management practitioners are currently operating in silos and lack a platform to share information, catalyze collaboration and discuss best practices. There is little interaction among stakeholders engaged in managing different facets of agriculture risks (e.g., price risks, weather risks, environmental risks, infrastructure risks, etc). Dialogue between development organizations and commercial actors is also limited.

This fragmented and piecemeal approach is arguably not serving the needs of the agriculture sector in developing countries and the majority of farmers, traders, and agribusinesses continue to lack knowledge of or access to risk management solutions. Scaling-up and replication of successful risk management programs is limited and the lack of effective dialogue between different organizations is possibly one of the reasons behind this. It is against this backdrop that the Forum on Agricultural Risk Management in Development (FARM<sup>D</sup>) emerges to catalyze opportunities for systematic and on-going sharing of knowledge, experience and perspectives amongst the growing array of active organizations in the agricultural risk management field.

**FARM<sup>D</sup> inaugural workshop:** The State Secretariat for Economic Affairs (SECO), Switzerland, the Ministry of Foreign Affairs of the Netherlands, and the Agricultural Risk Management Team (ARMT) of the World Bank convened a two-day inaugural workshop of the Forum for Agricultural Risk Management in Development, which brought together a diverse array of stakeholders interested in agricultural risk management (54 participants from 39 organizations took part in the workshop). A draft concept note detailing the proposed scope of work and objectives of the forum was circulated in advance of the workshop. During the meetings, discussions took place around the scope and set of activities to be undertaken by the FARM<sup>D</sup>.

Divergent views were observed in terms of the scope and thematic emphasis of the network, with some participants in favor of a narrower, content-specific knowledge management platform, while others were of the opinion that such a platform should be broad enough to incorporate the interests of diverse stakeholders. Despite the differences of opinion, consensus emerged towards the prospects for building a dynamic platform providing opportunities for continuous dialogue, information exchange and collaborative work between different stakeholders engaged in agricultural risk management.

With this in mind, the following paragraphs describe the FARM<sup>D</sup> concept and mission, and the proposed first steps towards the consolidation of the envisioned knowledge management platform, building on the outcomes of the discussions that took place within the working groups during the inaugural meeting.

### **FARM<sup>D</sup>: concept, mission and objectives**

FARM<sup>D</sup> is proposed as an agricultural risk management practitioners' network. It is envisioned that the network will evolve from an experience and information sharing platform, towards a platform for learning, capacity building and advancing knowledge on agricultural risk management. In doing so, the network seeks to strengthen investments in the agriculture sector and reduce vulnerabilities of different stakeholders by improving the practice of agricultural risk management.

**Mission:** To promote systematic knowledge exchange in agricultural risk management, through the establishment of a dynamic knowledge management platform enabling stakeholders to share experiences, gain access to information and best practices, engage in constructive dialogues and build partnerships.

FARM<sup>D</sup> is proposed as a collaborative effort that builds upon the strengths of its members, while working as a network to achieve the following objectives:

#### **Objectives**

- Provide a platform to stimulate dialogue and experience sharing between public and private actors on different perspectives and approaches to effectively manage conventional and emerging agricultural risks in developing country contexts;
- Promote collaborative work and build partnerships between different actors involved in agricultural risk management;
- Enable developing country demands and concerns to have a bridge to the wider risk management community in terms of priorities that should drive further work in the area of risk management;
- Promote learning and advance knowledge in the agricultural risk management field;
- Build an online space to serve as an information clearinghouse and as a learning center;
- Improve coordination and reduce duplication by providing first-hand information on upcoming events and activities related to risk management; and
- Enable actors in developing countries to access good practice examples and have a conduit to enable them to contact relevant practitioners.

It is widely agreed that thematic conferences and workshops provide a unique opportunity for improved dialogue and experience exchange; yet, there is also a wide recognition of their limitations in terms of content, coverage, and outreach. Therefore, the possibility of establishing an online platform (combination of website, wiki, blog, discussion board, listserv) was seen by participants, at the FARM<sup>D</sup> inaugural meeting, as a viable and effective mechanism for wider dissemination, dialogue and experience sharing.

Therefore, it is proposed that the initial efforts towards the consolidation of a community of practice in this field centers on the establishment of a virtual space for interaction. This virtual space will serve as a key seeding ground for the emergence of further collaborative initiatives implemented within and outside the virtual space, including: learning events, thematic conferences, analytical work, etc., planned and implemented through partnerships among FARM<sup>D</sup> members.

A general description of the main features/components of the online knowledge platform is presented below. This does not attempt to be comprehensive, but rather presents a general view of the initial steps to be undertaken in the establishment of a virtual platform.

**FARM<sup>D</sup> knowledge management platform** (Online Resource Center): The online resource center is envisioned as a user-driven platform that will gradually evolve over time. New content and new features will be added progressively in response to user needs; therefore, the virtual platform will be developed in a way that allows for great flexibility and functionality. The web site may include (but will not be restricted to) the following components:

**a) Online Library:** Agricultural risk management is a relatively new topic in the development lexicon and knowledge about this subject is limited and scattered. Currently, there is no initiative to consolidate and systemically arrange this scattered information. FARM<sup>D</sup> aspires to become the first point of inquiry and global knowledge repository on different aspects of agricultural risk management. While the FARM<sup>D</sup> implementing group will initially populate the library with contributions from interested parties, to keep it updated, it is expected that the members will frequently contribute material. To ensure ease of access, the online library will have search and sort functionality and users will be able to sort documents under multiple options. These may include: a) Region (e.g., South Asia, Eastern Europe, Latin America, Caribbean, etc.), b) Topic (e.g., price risk, weather risk, infrastructure risk, policy risk, etc.), c) Instrument (e.g., index insurance, crop insurance, price hedging, etc.), and d) Document type (e.g., technical paper, case study, briefing note, project document, etc.). The ability to download documents will be open access, but uploading will be restricted to registered members.

**b) Agricultural Risk Management Database:** Thousands of organizations are currently engaged in the agricultural risk management space, but a comprehensive database and general information about pertinent organizations is lacking. FARM<sup>D</sup> seeks to maintain an updated, comprehensive database containing pertinent information about relevant organizations active in the agricultural risk management space. This searchable database will be classified according to a) geographic region, b) nature of organization, and c) service/product offerings. This database will also contain updated information on pertinent field-based development assistance initiatives. The responsibility for populating the database will be borne by the FARM<sup>D</sup> core implementing group with contributions from members. The database will be updated by the registered members who will be invited to enter their information into the database. Creation of this comprehensive database will provide opportunities for interaction and collaboration amongst different organizations engaged in the agricultural risk management field. Some of the information provided will be openly accessible, while more sensitive information will be available only to registered members.

**c) News and events:** This section of the online platform will provide periodic updates on topical news and events on different facets of agricultural risk management and provide links to topical issues and regions. A calendar of events will be a technical feature available to registered members.

**d) Online community discussion and blog board:** This space is geared toward facilitating discussions on various topics among a wide variety of online community members. This will be an open access space for all users and discussion threads could be initiated by any registered network member. The space will also serve to further consultation and seek contributions from registered members on issues related to strategic planning and further network activities.

**e) Formal sharing of experiences:** This feature will provide space for a more formal sharing of lessons learned and implementing experiences (e.g. short articles on successful stories, documenting results from a pilot initiative, describing innovations, etc.). Registered members and visitors will be allowed to post comments and feedback.

**f) Speakers' Corner:** The Speakers' Corner of the online platform will host audio and video recordings of the various events on agricultural risk management facilitated by FARM<sup>D</sup> and/or its members. It will also host interviews and discussions with individuals working on different aspects of agricultural risk management.

**g) Members section:** The platform will allow for the development of a set of services to the registered members. Description/listing of member expertise, clarification of issues and specific inquiries, download of specific documents, etc., are possible examples of such services. (Members will be consulted for specific recommendations.)

**h) Inquiry Point:** This segment of the online platform will be open access and visitors to the site can pose queries / questions. It is expected that these queries will be answered by members of the online community. This segment will gradually evolve as a clearinghouse for questions pertaining to agricultural risk management.

While the initial efforts undertaken by the core implementation group are expected to lead to the establishment of the basic elements of the information exchange component of the web site, it is envisaged that the expansion of the network to address the interest of specific groups/members will be led by interested network members more broadly. The website template will include functions for the further development of thematic groups and display of specific information/activities and lessons learned at a regional level, as follows:

**a) Thematic Groups:** While the database library and the database of partners provides general information on topics/themes, it is expected that some thematic topics may be expanded in response to user interests. Thus, this section offers a specific space for information exchange, dialogue and interaction between members sharing a particular interest in a specific theme. Individual or multiple organizations can undertake coordinated efforts and take leadership for a selected thematic group and upload content, share information and organize events relevant to their topical interest. Themes to be covered may include: a) commodity price risk management, b) climatic change and agricultural risks, c) new innovations in agriculture risk management, d) weather risk management e) policy risk management, f) infrastructure risks, g) sanitary and phytosanitary risks, and f) supply chain risks. Each thematic group will be allocated separate web pages within the larger platform to organize the specific content. Thematic group leaders will be responsible for the management of their respective groups, updating content and organizing topical events.

**b) Regional Center:** To enable greater usage of the information available on the resource center, it needs to be customized to the requirements of different regions. The Regional Center will organize the content, update information, and analyze issues that are topical to a particular region. It is expected that regional organizations and/or other network members with interest in particular regions will take responsibility for the management of the regional center.

To complement the activities of the thematic groups, regional centers, and overall network, the virtual platform will also offer the following feature:

**c) E-learning and conference center:** The resource center will house an e-learning center to facilitate learning and building technical capacity among the risk management community. The platform will provide the ability to offer online courses on various topics. Courses will be offered by different organizations on various facets of agricultural risk management. Courses could be offered on 1) generic price risk management, 2) price risk management of specific commodities (coffee, cotton, etc), 3) weather risk management, 4) supply chain risk management, etc.

Similarly, virtual conferences and workshops are fast emerging as an important low-cost tool to reach a wider audience. Thematic groups will periodically organize virtual meetings, conferences and workshops on different topical issues of agricultural risk management. While many of these conferences will be focused on a particular topic (e.g., advances in early warning systems for managing weather risks, good practices in risk management in commodity supply chains, etc.) others could be devoted to a particular region (agricultural risk management in West Africa) or particular commodities (risk management in coffee sector). The online platform will provide the basic web infrastructure and the different thematic groups will be responsible for managing all the other aspects of the specific events.

### **Roles and responsibilities**

FARM<sup>D</sup> is conceptualized as a network of practitioners engaged in agricultural risk management. Rather than a formal structured network, in its initial stages, FARM<sup>D</sup> is envisaged as an informal network of practitioners. The online knowledge management platform will provide a space for this network to start, interact, transform, and gradually evolve into an entity that responds to the knowledge needs of the stakeholders engaged in this field—evolving from an information and experience sharing platform towards a learning and knowledge advancing platform.

The membership of FARM<sup>D</sup> is expected to be highly diverse and cut across multilateral agencies, bilateral organizations, NGOs, private entities, regional organizations, agriculture supply chain actors. Government organizations etc. Each member brings its own experiences, skills, and knowledge. Different membership categories as expected to be developed as the network evolves towards a more formal entity.

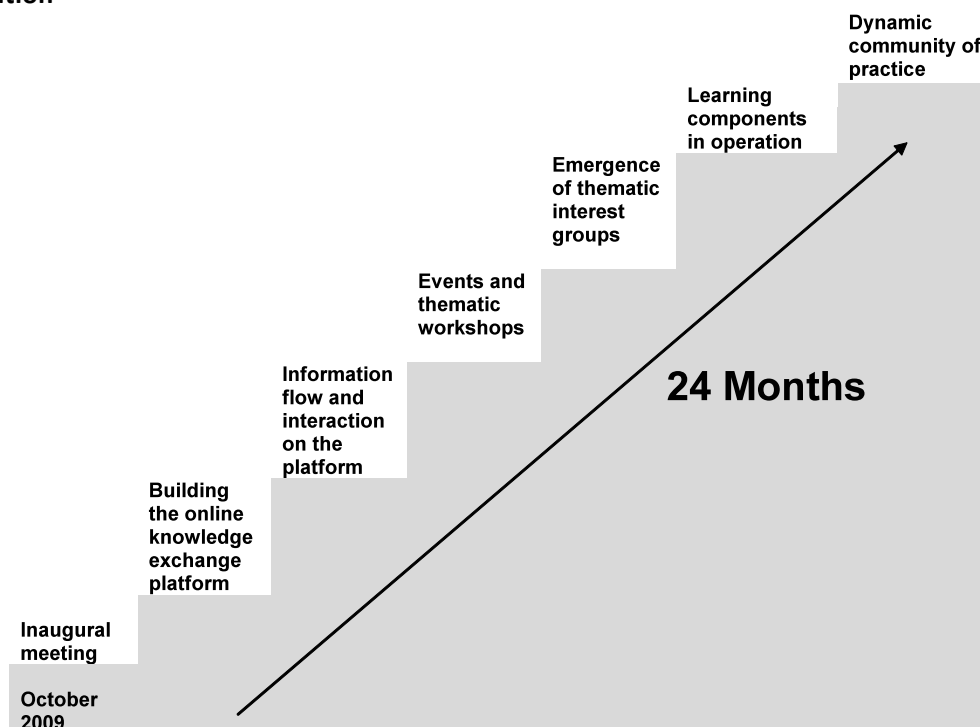
Initially, network membership criteria include:

- Commitment to the mission of FARM<sup>D</sup>;
- Commitment to become actively engaged with the network;
- Ability and willingness to contribute to attaining FARM<sup>D</sup> objectives through sharing institutional knowledge, implementation experiences, and/or participation in FARM<sup>D</sup> activities;
- Potentially contributing content to the online platform; and

Members are also invited to take leadership on thematic topics and the establishment of regional centers. A list serv has been established to support the exchange of information and communications between the institutions that took part in the inaugural FARM<sup>P</sup> workshop.

As presented below, the proposed time frame for the network to evolve towards a dynamic community of practice is twenty-four months. After that, it is expected that the network will be mature enough to move toward a more formal structure if needed, and to leverage resources to ensure its sustainability.

## (FARM)<sup>D</sup> Evolution



**Target audience of the platform:** The platform is geared to meet the knowledge needs of a specialized group of individuals and organizations interested in agricultural risk management. But it is expected that the platform will attract individuals from a general, non-specialized audience who would like to access information about agricultural risk management.

**Sustainability:** While the commitment of some development partners will secure the establishment of the main features of the knowledge exchange online platform, it is expected that updates and the dynamic exchange will be led by the network members. As the network advances in its consolidation, it is expected that the initial donor contributions will be leveraged to attract other resources from network members and other donors. Clearly, the knowledge management platform will be driven, owned, and managed by its members, and therefore, its sustainability is highly dependent on the commitment of its members.

**Measuring success:** There are several ways in which success will be measured. Basic indicators such as: traffic on the online platform, number of downloads, number of uploads, number of online events organized and number of participants on those events, and the level of engagement and discussion on the platform are some of the indicators that will serve as a proxy to the success of knowledge exchange function of the platform. Similarly, the capacities of the network to engage new partners, leverage resources, and build partnerships are also some of the indicators to be used. In the mid and long term, the ability of the network to transit towards a more formal platform will be considered a clear indicator of success. As the network evolves toward a more formal entity more specific impact indicators will be considered.