The Africa Green Revolution Forum (AGRF) is Africa’s premier annual agricultural event. This year’s event was held in Accra, Ghana, on 3-6 September under the theme “Grow Digital: Leveraging Digital Transformation to Drive Sustainable Food Systems in Africa”. The AGRF is convened by its 23 Partners group of which SACAU is a member.

Digital technology is featured in SACAU’s new Strategic Framework whose overall objective is “to promote the growth and development of a productive, inclusive and globally competitive agricultural sector in southern Africa”. Strategic Area of Work (SAW) 3 relating to the provision of strategic information to members and stakeholders recognises that food systems have become more dynamic and complex, driven largely by rapidly increasing global demand, advances in scientific and technological developments and other innovations. Thus, agribusiness has become more information intensive, science-based and data-driven. Indeed, timely access to appropriate information has become a key tool for risk management and a major source of competitiveness. In this regard, therefore, digital technology plays a critical role.

The high-level forum was attended by more than 2000 delegates from 89 countries, including several former Heads of State, international agencies, and CEOs of global, regional and national corporations. It was officially opened by the Hon. Prof. Kwabena Frimpong Boateng, Ghana’s Minister for Environment, Science, Technology and Innovation speaking on behalf of H.E. Mahamudu Bawumia, Vice President of the Republic of Ghana. The annual forum provides a platform for leaders in the public, private and civil society across Africa and around the world to advance concrete plans and share knowledge to tap the enormous potential of agriculture to drive equitable and sustainable growth across the continent.

SACAU was represented at the AGRF by Mrs Doreen Hlatshwayo (Vice Chairman), Mr Ishmael Sunga and the Mr Benito Eliasi (Capacity Development Advisor). They

(Continued on page 5)
We are back after a long absence with plenty of news and information for you. This newsletter will be coming into your inboxes every two months. In between that period you will receive a brief informational e-newsletter to keep you updated on our activities.

SACAU has had long engagement in climate change and agriculture, recognising that the impact poses the greatest threat facing our membership. Our programmes and partnerships, are centred around ways of tackling the challenge and enabling farmers to mitigate and adapt to climate change. We have a long-term relationship with the CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS), which promotes climate-smart policies, practices, and services that enable agriculture to meet the triple goals of food security, climate change adaptation, and mitigation.

I serve on the CCAFS Panel of Experts for Transforming Global Food Systems under Climate Change which feeds into the Global Commission on Adaptation’s report, Adapt Now: A Global Call for Leadership on Climate Resilience launched in September. The report reveals how the climate crisis is disrupting key economic systems and offers specific, actionable recommendations for how to respond. According to the report, global demand for food will increase by 50 percent and yields may decline by up to 30 percent by 2050 in the absence of ambitious climate action.

In view of this, over the last few months many of SACAU’s activities have been climate focused, ahead of and coinciding with Climate Week NYC 23 – 29 September, held on the side-lines of the UN General Assembly (UNGA). Food, Land and Nature was one of the featured programmes and we used the opportunity to amplify the voices of southern Africa’s farmers.

In this issue we report on our efforts and partnerships building towards regional pooling for weather-based index insurance to cushion the impact of the climate crisis on farmers, especially small-holder farmers. We also cover the outcomes of a number of climate-centred gatherings in which we participated in and ensured the farmer’s voice was heard. Among these is the African Green Revolution Forum (AGRF) 2019, whose theme was Leveraging digital transformation to drive sustainable food systems in Africa where participants also released a statement on the climate crisis and agriculture committing to, amongst other actions: target smallholder farmers as the key agents of change, with a special focus on gender and youth; embed resilience and adaptation in our national agricultural and investment plans; and scale up adoption of proven technologies that support adaptation and resilience. We were also involved in co-organising the AGRF.

We further participated in the Sustainable Development Impact Summit which was held in New York, 23-25 September 2019, as session panellists and moderators. These include a high level meeting on Securing Our Future: People, Food and Nature Solving the Planetary Emergency hosted by the Food and Land Use Coalition (FOLU) and Transforming Future Food Systems by the World Economic Forum (WEF).

Continuing with the climate theme, we were represented at the CCFAS 5th Global Science Conference on Climate-Smart Agriculture where a plethora of lessons were learnt based on scientific research and where we made significant inputs on the various themes from the farmers’ perspective.

Enjoy the read!

By Mr Ishmael Sunga
Farming and insurance industry players agreed to promote widespread adoption of weather-based index insurance (WBII) by smallholder farmers in southern Africa and established a Working Group (WG) to spearhead this effort. The decisions are the outcome of a multi-stakeholder consultative workshop to discuss the pooling of climate change risk at the regional level. The 5-6 August workshop was organised by SACAU, with support from CTA, as part of its programme to support farmers manage climate change.

**Increasing access and availability of WBII for farmers**

Risk pooling across southern Africa will enhance access to and availability of the product by large numbers of farmers. Spreading risk across different geographies and associated climatic conditions is expected to significantly reduce the re-insurance costs and, ultimately the premiums paid by farmers. A regional approach also creates a larger market which makes entry more attractive for insurance providers.

Successful regional pooling requires the creation of an enabling environment, chief among them the provision of an appropriate regional policy and regulatory framework. This is in fact considered a deal breaker - it is indeed the most important lever and pivot.

**Working Group tasked to action outcomes**

The WG established to action the outcomes of the workshop is comprised of farmers' organisations, re-insurers, insurance companies, actuaries, intergovernmental bodies, international agencies and sector experts. Members of the WG are: SACAU (Regional Farmers’ Organisation and Chair); International Finance Corporation (IFC); International Food Policy Research Institute (IFPRI); African Risk Capacity (ARC); The Common Market for East and Southern Africa (COMESA); Southern African Development Community (SADC); South Africa Insurance Association (SAIA); Swiss Re; Atchison Actuaries & Consultants; Santam Insurance; GIC Re SA Ltd; and industry experts in their personal capacities. It will advocate for an enabling cross-border policy/regulatory environment that will stimulate and facilitate risk pooling by insurance service providers to make their products more widely available and affordable to farmers. Engaging SADC will be key. The WG will also take forward the workshop recommendation to organise a regional agricultural insurance conference.

SACAU will chair the WG as part of its continued curation of the process of enhancing access to WBII by farmers in the region.

**Looking ahead**

Next steps towards the goal of WBII for smallholder farmers include convening a regional conference on agricultural insurance and engaging SADC on the development of a regulatory/policy framework for regional risk pooling. The multi-stakeholder nature of the engagement and interest around WBII through the workshop demonstrates the potential for a cushion for farmers who are increasingly experiencing climate shocks. Awareness raising and information sharing by farmers' organisations within their constituency and advocacy for policy change at national level will be key to the success of the strategy of making WBII accessible and affordable for smallholder farmers. SACAU, in its role as convener of the WBII Working Group, will continue to push forward the agenda as one of its key priorities.
SACAU recently concluded an agreement for a project titled: “Farmers’ Organizations for the African, Caribbean and Pacific Countries (FO4ACP)” with The International Fund for Agricultural Development (IFAD) funded through the European Union.

The project will run for just about five years. It seeks to increase incomes and to improve livelihoods, food and nutrition security and safety of organised smallholder and family farmers in the target areas of the ACP countries. SACAU will work directly with the National Farmers Organisations (NFOs) and their smallholder members in Botswana, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe. NFOs from Eswatini, Lesotho, Madagascar, Mozambique, Namibia, South Africa and Tanzania will implement direct activities through subgrant arrangement.

The project’s four pillars are:

**Delivery of economic services** along priority value chains by supporting Farmers’ Organisations capacity to provide economic and technical services to their female and male members.

**Enabling the business environment** by drawing the attention of sector stakeholders to smallholder needs, especially in areas that are key to ensuring a conducive business environment for women and men smallholders. These include support of agriculture policies that favour smallholder farming, creation of new green jobs, issues surrounding land tenure and agricultural credit for smallholders, trade policies promoting the access of smallholders’ products to markets, focusing development programmes on investments in family farming and through FOs, influencing value chains governance mechanisms.

**Institutional development of FOs**, which will focus on strengthening the FOs as qualified organisations and increasing their effectiveness in serving their members.

**Communication and visibility** for activities related to the Communication and Visibility Plan of FO4ACP towards improving the communication of positive results of the partnership and the impact of the action’s results.

**WBII workshop: KEY MESSAGES**

**Policy/Regulatory Framework**
- The Common Market for East and Southern Africa’s (COMESA) Yellow Card cross-border Vehicle Insurance provides an example of a working regional regulatory/policy framework. Practical implementation of WBII can benefit from this example.
- National regulatory bodies have a role to play, particularly in the design of the domestic regulatory arrangements, and the monitoring of product quality.
- The majority of SADC member states do not have policies in place appropriate to WBII.

**Increasing awareness and uptake**
- There is sufficient appetite for risk pooling at the regional level from key stakeholders, including farmers’ organisations, insurers and reinsurers, regulators, research institutions, multilateral organisations, ARC, and intergovernmental organisations.
- Sensitisation on WBII needs to take place across various levels from the policy/decision making levels to farmers to increase awareness and uptake. National farmers’ organisations and some SADC member states are interested in WBII and request technical assistance.
- Studies show that WBII, when triggering pay-outs early, helps farmers save their livestock and crops instead of providing compensation when damage has already occurred.

**Technology key to uptake and impact**
- A growing digital agricultural space eases farmers’ ability to pay premiums, file a claim, receive pay-outs, receive farming tips and weather information as well as bundled products.
- The use of digital tools such as smartphones and satellite imagery enables insurance providers to monitor crop health and farming practices, providing a way to minimize basis risk and reward good practices.
- The technology enables this to be done at scale.

**Integrated solutions**
- WBII should not be presented as a panacea.
- Although influencing coping with shocks and production decisions, few studies show impacts on productivity and profitability. To strengthen these impacts, WBII needs to be complementary to other instruments as well as to good agricultural practices.
- Examples show that farmers are more likely to take up insurance when it is part of a bundle of products such as life insurance or input subsidies.

**Overcoming insurance sector competitiveness**
- Establishment of a multi-stakeholder working group to carry forward the agenda demonstrated that dialogue helps to break some of the silos and competition among the private players by focusing on the non-competitive elements of their businesses in which they have mutual interest.

The Digitalisation of African Agriculture report 2018 – 2019 from the Technical Centre for Agricultural and Rural Cooperation (CTA) was the guiding document of AGRF 2019 held under the theme “Grow Digital: Leveraging Digital Transformation to Drive Sustainable Food Systems in Africa”. Below are some facts and figures from the report.

<table>
<thead>
<tr>
<th>D4Ag Solutions in 2012</th>
<th>D4Ag Solutions in 2019</th>
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<tr>
<td></td>
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<tr>
<td>41</td>
<td>390</td>
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<tr>
<td>% of current D4Ag Solutions covering Market Linkages</td>
<td>% of current D4Ag Solutions covering Market Linkages</td>
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<tr>
<td>27</td>
<td>106</td>
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<tr>
<td>% of current D4Ag Solutions covering Advisory &amp; Information Services</td>
<td>% of current D4Ag Solutions covering Advisory &amp; Information Services</td>
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<tr>
<td>35</td>
<td>136</td>
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<tr>
<td>% of current D4Ag Solutions covering Financial Access</td>
<td>% of current D4Ag Solutions covering Financial Access</td>
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<td>14</td>
<td>168</td>
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<tr>
<td>% increase potential in income as a result of bundling services</td>
<td>% increase potential in yields as a result of bundling services</td>
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<td>57</td>
<td>168</td>
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<tr>
<td>% share of current users that are Youth</td>
<td>% share of current users that are Women</td>
</tr>
<tr>
<td>71</td>
<td>25</td>
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<tr>
<td>84 000 000 projected unique engaged small-holder users by 2030</td>
<td>84 000 000 projected unique engaged small-holder users by 2030</td>
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On our calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>30 October - 1 November</td>
<td>The African Union Development Agency-NEPAD - Women in Agribusiness Conference</td>
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<tr>
<td>6 - 7 November</td>
<td>COMESA Seed Committee Meeting</td>
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<td>6 – 10 November</td>
<td>Collaborative Conference on “The Development of Cooperation in Africa: Opportunities and Challenges”</td>
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<tr>
<td>11 - 12 November</td>
<td>Conference on Food Waste and Losses Reduction</td>
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<tr>
<td>19 - 21 November</td>
<td>WE EFFECT - Annual Partner Coordination meeting</td>
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<tr>
<td>25 - 26 November</td>
<td>SACAU Regional cotton consultation workshop</td>
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<tr>
<td>25 - 27 November</td>
<td>Inspiration, Inclusion, and Innovation: 10th Anniversary of the FAO-China SSC Programme and Future Perspectives for SSTC</td>
</tr>
<tr>
<td>26 - 27 November</td>
<td>AUC - Policy Dialogue of African Business Associations on Implementing the African Continental Free Trade Area (AfCFTA)</td>
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<tr>
<td>2-13 December</td>
<td>COP 25 - Santiago de Chile</td>
</tr>
</tbody>
</table>
Generation Africa is a new partnership by founders, Econet Global and YARA International, to assist young agripreneurs on their journey from idea to business and scale. This partnership will fast-track the rate at which businesses that have potential to impact millions of people will be identified and funded.

The inaugural award ceremony for GoGettaz, an annual competition by Generation Africa to identify innovative entrepreneurial ventures in the agri-food sector founded by young people across Africa, was one of the highlights of AGRF 2019. Mr Ishmael Sunga, an ambassador of Generation Africa, was one of the competition judges.

Mr Isaac Sesi of Sesi Technologies Limited, presented his first commercial product, GrainMate, an affordable hand-held and locally produced grain moisture meter that helps grain farmers and others across the grain value chain reduce post-harvest losses and contamination by aflatoxins. The moisture meter makes it easy to accurately measure the moisture content of their grains before storage. Joint winner, Ms Bonolo Monthe, of Maungo Craft, works with oil producers and communities to turn the discarded waste from Botswana’s indigenous fruit oil production processes into gourmet low- to no-sugar preserves.

The final entries included a broad range of exciting and innovative ideas, including vertical farming, crop spraying using customised drones, animal feed manufacturing and fertiliser production using Black Soldier Fly insect technology, an alternative dairy protein using Black Soldier Fly larvae, a mobile app to help farmers find cheaper, reliable and fast transportation for their produce, and a tech platform connecting owners of uncultivated arable land with people seeking land to rent for agricultural purposes.

Our involvement with initiatives such as Generation Africa’s GoGettaz is just one of several initiatives that SACAU is part of towards the development of youth and women agripreneurs.

“The young agripreneurs are the starting points and will help us, direct us, in the ways that we need to support them for them to move faster and better,” Mr. Sunga emphasised in a May interview at the GoGettaz launch.
The 2019 Africa Green Revolution report finds that millions of small- and medium-sized enterprises (SMEs) source directly from millions more smallholder farmers across sub-Saharan Africa and 64% of food consumed on the continent is handled by this network of SMEs, often women-led and including food processors, wholesalers, and retailers. Their activity is driving a “Quiet Revolution” across African agriculture, connecting smallholder farmers to commercial markets at an unprecedented rate and creating vast opportunities for family and women farmers.

The report notes that only about 20 percent of the volume of food consumed in Africa fits the conventional notion of subsistence agriculture—food consumed directly by the farming households that grow it. Most of what Africans eat flows through what are known as private sector “value chains” managed by SME businesses that purchase commodities directly from smallholder farmers and then process, package, transport and sell food products to the urban and rural consumer. SMEs also play a large, growing and vital role in markets for inputs like fertilizer and seed, as well as farm machines and pesticides.

According to the report, the private sector-led “hidden middle” of the agri-food supply chains has undergone a quiet revolution. Its rise has been largely unrecognised by policymakers (hence “hidden middle”), even as it has bridged gaps that previously separated most small-scale farmers from commercial markets.

“SMEs are the biggest investors in building markets for farmers in Africa today, and will likely remain so for the next 10-to-20 years,” said Dr. Agnes Kalibata, President of AGRA. “They are not a ‘missing middle,’ as is thought, but the ‘hidden middle,’ ready for support and investment to thrive further. Today, we bring them out into the light.”

“Outdated laws and regulations also inhibit business growth”

Compared to SMEs, and counter to common belief, the report shows that large enterprises play a relatively minor role in directly supporting small-scale farmers. For example, only about five percent of rural farmers are directly linked to large firms through contract farming. Nonetheless, with proper support, large African businesses, including supermarkets and large processors (which now comprise 10-to-20 percent of the agri-food economy), present a huge opportunity as they are likely to play an expanding role in how farmers access credit, markets and will ultimately impact employment and rural incomes.

Although the growth of SMEs in the “hidden middle” of agri-food supply chains has been profound, the report notes that excessive costs for equipment and energy, inadequate infrastructure, especially of roads and wholesale markets and mobile phone connectivity, and some financial and credit restraints, make it difficult for SMEs to compete with imported goods that cost less to produce. Outdated laws and regulations also inhibit business growth.

“Governments have a responsibility to protect SMEs and consumers from substandard products”

The report emphasises that the key is to create conditions that make it easy for businesses to establish, develop and grow and calls for several policy actions, specifically: public investment in infrastructure, including building wholesale markets and roads, improving ports and extending electrification and broadband coverage; and policies and regulations that reduce transaction costs and policy risks, such as cross-border trade liberalisation, reduction of double taxation and regulations to reduce corruption. It further emphasises that governments have a responsibility to protect SMEs and consumers from substandard products, be it farm inputs like seeds, fertilizers and pest and disease control products or food products going to the market.

Engaging farmers in food systems dialogues is critical

A high-level panel reception, *Securing Our Future: People, Food and Nature Solving the Planetary Emergency*, took place on the side-lines of the UN General Assembly during Climate Week NYC 2019 23 – 29 September. It was hosted by the Food and Land Use Coalition (FOLU) and the World Economic Forum (WEF). Representing SACAU and as a FOLU ambassador, Mr. Sunga spoke on farmer’s needs and place towards ‘securing our future’.

Mr. Sunga emphasised the need to capacitate farmer organisations as a critical infrastructure for scaling up, both financially and technically to play their role in the dialogue processes and for them to be able to inform their constituencies. “Because of the fragmented and geographically widely dispersed nature of farmers its quite difficult to get the resources that are needed to organise them into a stronger voice for them to be heard,” he told the audience.

The reception focused on opportunities to transform food and land use systems to deliver resilient ecosystems and livelihoods and unlock the potential for nature-based solutions to the climate crisis. It sought to elevate food and food systems on the climate change agenda and in delivering on the Sustainable Development Goals and Paris Agreement climate targets.

“Farmers voices are essentially absent in discussions that are shaping the future of food and food systems. The problem with that is - if you are not part of the designing process, nor part of the conversations that are shaping the future, it is very difficult for you to buy into change processes. You become resistant to change,” Mr Sunga said. FOLU is a self-governed coalition of diverse institutions with an expansive and influential network. The high-level reception featured Heads of State, notably Seychelles and Costa Rica, the former executive secretary of UNFCCC, Hollywood stars, and high-profile chefs/climate activists, amongst many high-profile individuals.

“If you are not part of the designing process, nor part of the conversations that are shaping the future, it is very difficult for you to buy into change processes. You become resistant to change.”

The panel reception was held on the back of the release of FOLU’s *Growing Better: Ten Critical Transitions to Transform Food and Land Use* (PDF) report. The report is an integrated global assessment of the social, economic and health benefits of transforming our food and land use systems, and the large, growing costs and risks of inaction. It is a consultation report aimed at triggering action and inspiring dialogue and debate across the world.

It was followed up with the launch of “A Just Rural Transition”, which brings together governments, companies, civil society, farmers groups and indigenous people to support a growing global ‘community of purpose’ towards transformation of the way in which we use land produce food and protect nature.
A 6-part climate action plan

The 5th Global Science Conference on Climate Smart Agriculture was held 8-10 October 2019 in Bali, Indonesia. The conference explored six sub-themes as crucial to the achievement of the overarching conference theme, “Transforming food systems under a changing climate”. These were:

1. Empowering farmer and consumer organizations, women and youth

The theme focused on lesson learning from actions that build capacity and empower farmers, consumers, women and youth and their networks as part of the efforts to drive demand-led solutions. It sought to identify best practices and priorities to mobilize knowledge and action-oriented partnerships following up on commitments at the UN Climate Action Summit to empower farmers, consumers, women, and youth. Among the key findings of this sub-theme were that: strategies need to be developed to increase women’s access to formal institutions for information, inputs and finance; there is need to consider the inclusion of agricultural insurance products in the technological packages and forge empowerment for resilient partnerships towards empowering women and men as well as farmer cooperatives; and farmer groups can empower women.

2. Digitally enabled climate-informed services

This sub-theme focused on how to address the lag in agriculture’s application of information and communication tools as well as generating lessons for application of digital tools, disruptive technologies and big data in extension, early response systems and adaptive safety nets. Amongst the findings were that most often, the private sector is targeting farmers in commercially driven arrangements. The publicly funded research institutions therefore remain key to delivering also in the agro-ecologies and situations where private sector may not have the motivation to reach. Data ownership, access and sharing were among the key knowledge related issues emerging under this theme, indicating the need to deal with this through effective governance and institutional mechanisms for smooth and effective Private-Public partnerships.

3. Climate-resilient and low-emission practices and technologies

Identifying emerging innovations and lessons from their application, including innovative ideas for scaling up technologies and practices, was the focus of this sub-theme. The goal was to foster partnerships and information sharing to facilitate the development and implementation of CSA technologies at scale. The session provided participants with a platform to think creatively about agricultural technologies, innovations and practices in new ways.

4. Innovative finance to leverage public and private sector investments

The sub-theme explored finance mobilisation to drive a food systems transformation, identifying financial mechanisms to de-risk private capital (for example, blended finance), including incentives for technology uptake with a focus on ideas and focus areas for the Government of Indonesia to scale-up investment in CSA as well as policy and business process changes needed to incentivise CSA investors. Among the key knowledge related issues emerging were lack of evidence-base and data for evaluating the bankability and impacts of projects and the need to improve knowledge for behaviour change among farmers, the supply chain and finance community to shift to new practices.

5. Reshaping supply chains, food retail, marketing and procurement

This sub-theme focused on reshaping supply chains from farm to fork, including new models of business-to-business coordination, new diets and consumer choices and efforts to manage food loss and waste.

6. Fostering enabling policies and institutions

The sub-theme explored innovative approaches to policy design and implementation, land governance and reforms, and trade rules, among others. The goal was to ensure that lessons from CSA implementation and research that enable efforts to guide formulation and effective implementation of climate-smart policies and institutions are incorporated in key national (NDC) and can inform and guide international (KJWA) processes. Discussion between researchers and CSA practitioners made clear that there are many challenges to scaling up CSA technologies and practices, the primary one being access to information and knowledge about these technologies and the relevance of them to farmer circumstances. Among the knowledge related issues that emerged were the need to consider CSA outcomes in a broader framework encompassing the entire food system, for example trade and energy policies that influence agricultural value chains. Further, to undertake research on gendered impacts of CSA technologies, and impacts on young people.

The conference was co-hosted by CGIAR and partners, CCAFS, ACIAR, Netherlands Ministry of Agriculture and Indonesian Ministry of Agriculture and attended by 410 participants from more than 200 institutions, based in over 60 countries. This included participants from research institutions, governments, private sector and civil society.

(Continued on page 10)
“Because of our presence, farmers issues came to the forefront at this conference,” says Mr Sunga, who was co-panellist for the synthesis session on day three.

Key messages

In order to achieve the SDGs, global food systems need to transform within the next decade.

Actions led by farmers and consumers, which enable leapfrogging of traditional learning curves through application of technology and adoption of best practices, will be key.

Non-traditional models of leveraging private and public investment are needed to finance this transformation.

Supply chains, food retail, marketing and procurement systems need to be reformed to improve efficiencies, reduce waste and respond to challenges posed by climate change.

An enabling environment to support this transformation needs to be in place, which addresses existing inequalities in food systems.

In the medium to long term, paradigm shifts are necessary, including development and application of next generation technologies, and development of differentiated adaptation and development pathways.

Changes in consumption patterns are inevitable to realise a food systems transformation and can include changes in consumer choices and social organisation, as well as new products, markets and investments.

The detailed CSA 2019 Conference Summary can be accessed here.

Climate outlook for 2019/2020 season out

SACAU participated in the Twenty-third Southern African Regional Climate Outlook Forum (SARCOF-23), 28–30 August 2019. The Forum was held in Luanda, Angola, under the theme “Understanding the earth system to build resilience against recurring extreme weather and climate events in SADC region”. It was hosted by the Government of Angola, SADC and INAMET (National Institute of Meteorology and Geophysics). It covered performance of the 2018/2019 seasonal climate by sector, specifically agriculture and food security, water and energy, conflict early warning, livestock, disaster risk management, and health and discussions on preparedness and mitigation strategies. The Forum outcome was the official release of an Early Warning Advisory Note.

The advisory note summary states that the bulk of SADC is likely to receive normal to above-normal rainfall for most of the period October to December (OND) 2019. However, northern Mozambique, southern Tanzania, Northern Malawi, northernmost Zambia, bulk of DRC, north-western half of Angola, northern Madagascar and Comoros are likely to receive normal to below-normal rainfall. The January to March (JFM) 2020 period is likely to have normal to above normal rainfall for most parts of the region. However, the eastern half of Tanzania, eastern half of Botswana, westernmost parts of Namibia, bulk of South Africa, bulk of Mozambique, southern Malawi, eastern Lesotho, central Zambia, southernmost Madagascar, south-western most Angola, Eswatini and Zimbabwe are more likely to receive normal to below normal rainfall.

Rainfall forecast October-November-December 2019

Source: CCAFS COP24 Info Note A 6-part action plan for transformation.

Source: Southern Africa Regional Climate Outlook Forum (SARCOF)
Southern African farmers, insurers and re-insurers, regional intergovernmental institutions, international agriculture specialist organisations and academics met in August in Johannesburg, South Africa to strategize on affordable insurance to cushion farmers from climate risks.

Over the last three decades, severe droughts and floods hit the region. The 2015/16 drought severely affected agricultural production, with a 9.3-million-ton regional shortfall in cereal production and hundreds of thousands of livestock deaths by November 2016. This year, the region is experiencing yet another drought following on from the devastating impacts of cyclones Idai and Kenneth with food insecurity projected to reach high levels.

With an estimated 70 percent of the region’s population depending on agriculture -- primarily rain-fed -- for employment, the impacts of disasters are wide reaching. Everyone suffers and farmers are amongst the worst affected.

Minimising the impact of crisis

Hosted by SACAU with support from the Technical Centre for Agricultural and Rural Cooperation (CTA), the 5-6 August dialogue focused on Weather Based Index Insurance (WBII).

“The primary aim is to get insurance to small holder farmers who normally would not be serviced by traditional policies. To buy traditional farmer insurance, the company requires you have fire management strategies, your farm should be big enough to visit you so they can do their own fire risk assessments. But for small holders who only own an acre of land, it becomes a challenge, and for insurance companies there are too many such farmers,” Mr Isaac Zyambo from the University of Zambia explained to delegates.

Research by CGIAR, a global research partnership for a food secure future, has found that WBII security reduces typical farmer strategies like taking kids out of school or planting less vulnerable but also lower value crops in anticipation of crises. WBII makes a correlation between the farmers’ historical harvest record and the historical rainfall patterns, allowing insurers to estimate yield using rainfall. Pay-outs are based on weather station or satellite measurements and not on what actually happens on the farm. According to Mr Zyambo, the farmers who benefit are those who try to save their crops in a bad year because the insurance will pay out regardless of whether they have crops in the field or not.

This was confirmed by CGIAR Research Fellow, Ms Berber Kramer from the 2019 Vargas Hill study findings that, in anticipation of pay-outs, farmers in Bangladesh increased expenditure on inputs, fertilizer, irrigation and pesticides to minimise the impact of crisis. “WBII helps farmers save their crops instead of providing compensation when damage has already occurred,” she explained.

Regional risk pooling to reduce risk and increase uptake

To increase availability and affordability of WBII for farmers across the region, a SACAU-commissioned study recommends a regional approach to risk pooling that would support development of infrastructure and systems such as weather data, as well as to establish a regional fund to drive the process. “If we moved to a regional level, that will ultimately reduce the cost of the product and increase uptake by farmers,” said Mr Ishmael Sunga.

The Common Market for East and Southern Africa (COMESA) shows regional risk pooling can work. The regional block’s Yellow Card Regional Third Party Motor Vehicle Insurance Scheme is recognised as valid insurance cover in 12 COMESA and one non-COMESA country. The reinsurance pool is owned by national governments and appointed private re-insurance companies. “If managed properly it is an investment but there has to be a legal, financial, operational and infrastructural framework,” said COMESA Senior Insurance Expert, Mr Dabebe Kassa. However, “…for the Southern African Development Community, about 95% of member states do not have policies in place appropriate to WBII,” said Ms Sithembiso Gina, SACAU Senior Programme Officer - (Continued on page 12)
Environment and Climate Change Directorate of Food, Agriculture and Natural Resources.

Advocacy and awareness creation also remain low. We need to do a lot more work around preparing farmers and all the other stakeholders, including the public sector and decision-makers,” she cautioned.

**Technology key to upscaling**

Insurers have so far been reluctant to provide cover for small holder farmers due to challenges, including accessibility of the farmers and the technicalities of receiving premiums and making pay-outs. For farmers, the cost of premiums is a major concern. In consultations by the National Smallholder Farmers’ Association of Malawi (NASFAM) farmers said they would need alternative premium payment modes, such as cash on the spot, deduction at output marketing phase and to be able to buy ‘units’ of insurance according to ability.

A growing digital agricultural space, the development of mobile payment systems and increasing reach of mobile phone access across the region makes it easier to deal with the challenges.

Global telecom company, Econet, for example, is pioneering agricultural insurance through its Cassava Insurtech microinsurance working with mobile platforms as low as 2g. Piloted in Zimbabwe’s maize growing regions in 2012/13, Cassava Insurtech collects premiums and makes pay-outs through the Econet mobile money platform. By partnering with a local farmer organisation in 2015, Cassava Insurtech’s farmers’ insurance is provided in combination with a range of other products such as funeral insurance and farming tips.

It emerged during the dialogue that farmers’ insurance programmes that have so far shown success are those offering agricultural insurance in combination with other products or have it inbuilt into other programmes, for example Zambia’s farmer input subsidisation programme where weather based insurance (WBI) is compulsory for farmers who register under government’s input subsidisation programme. This raised questions around whether farmers would opt for agricultural insurance on its own.

In Zimbabwe, the insurance regulator was quick to agree on the scheme, which Econet Life’s Mr Godwin Mashiri credits to their good relationship with the farmers’ union. However, delegates acknowledged that regulators are often much slower than the pace of technology. In South Africa, the South African Insurance Association (SAIA) have submitted their Agricultural Insurance proposal to Treasury. “We have assurances from Treasury that the proposal is on the table. The question now is on the how and discussions on piloting the proposal should the submission be accepted,” Ms Pamela Ramagaga, SAIA Executive Manager told delegates.

**Non-competitive insurance environment for progress**

Establishment of a multi-stakeholder working group to carry forward the agenda demonstrated the dialogue had helped to break some of the silos and competitiveness among the private players by focusing on the non-competitive elements of insurance.

Computed of farmers’ organizations; actuaries, insurers and re-insurers, regional and continental intergovernmental bodies, international agencies, sector experts and SACAU, the working group will move the WBI regional pooling process forward, including convening an Ag-Insurance conference soon.

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