

United Nations Development Programme

# Financial Resilience in Agriculture Community of Practice 2025

Ethiopia | 11-13 June



# Overview

The 2025 UNDP Financial Resilience in Agriculture (FRA) Community of Practice (CoP), held in Addis Ababa, Ethiopia, convened over 100 participants from 24 countries to strengthen peer-to-peer learning on agricultural insurance and support government ownership and institutionalization of their own agendas.

Co-hosted by UNDP Ethiopia and the Ethiopian Ministry of Agriculture, with technical support from the UNDP Insurance and Risk Finance Facility (IRFF) and funding from the Gates Foundation and the Japan International Cooperation Agency (JICA), the CoP built on momentum from the inaugural 2024 CoP in Goa, India.

## Objectives

- Strengthen peer-to-peer learning and collaboration among governments in designing and implementing national agricultural insurance agendas.
- Support government ownership and the institutionalization of agricultural insurance, ensuring alignment with national priorities and systems.
- Explore innovative financing and policy models to scale agricultural insurance for smallholder farmers.

## UNDP Tools Presented

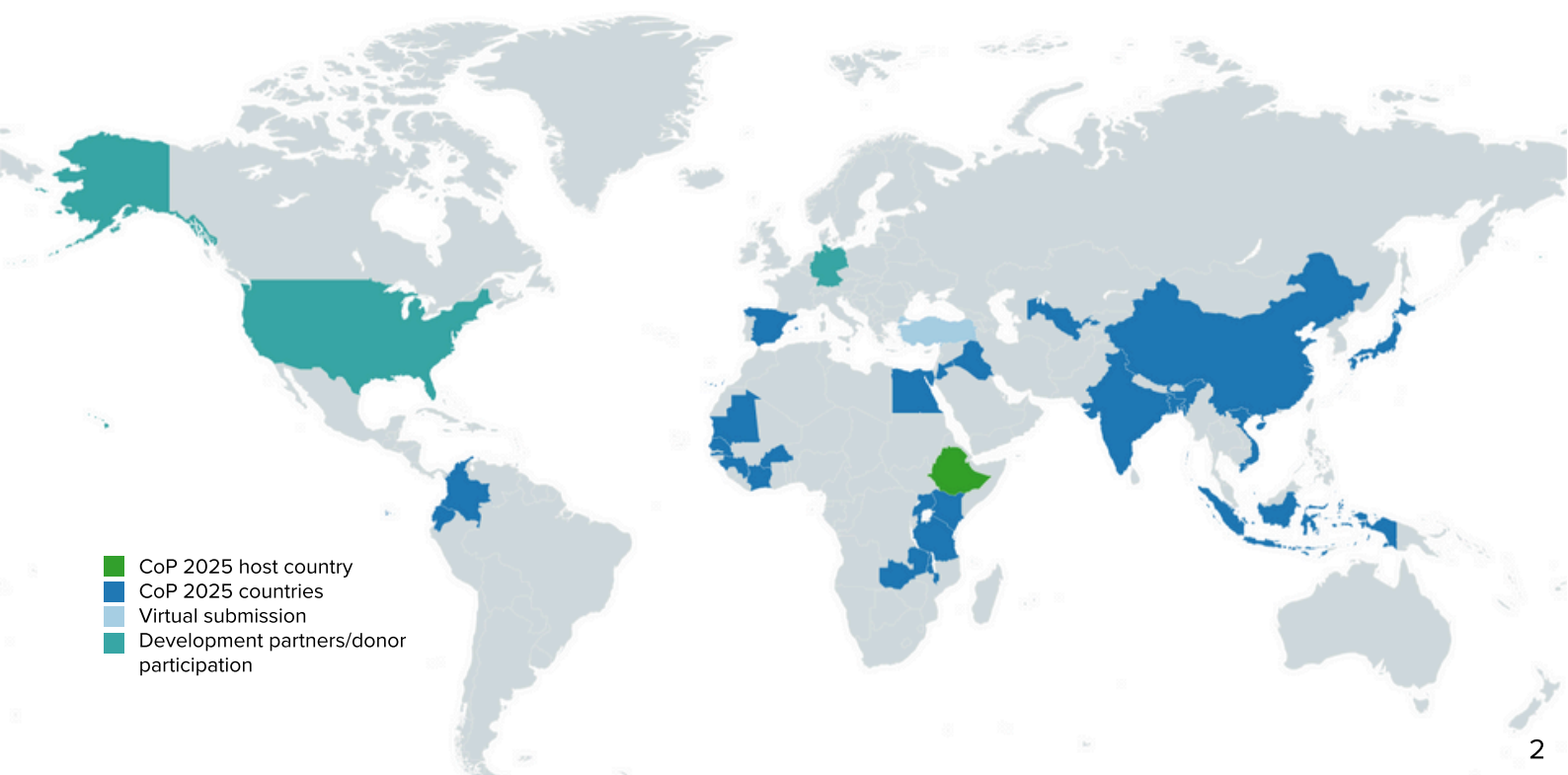
UNDP FRA Institutionalization Framework; Institutionalization and Financing Worksheets

## Participation

### Countries physically represented (24):

Bangladesh	Jordan
Burkina Faso	Kenya
China	Malawi
Colombia	Mauritania
Côte d'Ivoire	Senegal
Ecuador	Spain
Egypt	Tanzania
Ethiopia	Uganda
Guinea	Uzbekistan
India	Vietnam
Indonesia	Zambia
Iraq	
Japan	

Video submission: Türkiye



# Day 1 – 11 June 2025

The first day highlighted Ethiopia's journey from pilots to a coordinated national system, offering lessons on policy design, partnerships and building institutions that lead agricultural insurance agendas.

## Key Messages

- **Government leadership is central to scaling agricultural insurance.** Ethiopia's announcement of the Rural Finance Service Unit (RFSU) demonstrates how dedicated coordination mechanisms can align fragmented efforts and embed insurance in national policy and financial systems.
- **Fragmented pilot projects are not enough — countries must scale up and transition to integrated, system-level solutions.** Sustainability and farmer trust require moving beyond donor-driven pilots to government-led solutions backed by strong institutions and clear policies.
- **Ethiopia's agricultural context underscores urgency.** Agriculture contributes 32% of GDP, employs 64% of the workforce and accounts for 79% of exports, yet only 10% of bank credit reaches farmers and insurance penetration remains below 0.4%.
- **Lessons from India's PMFBY – Pradhan Mantri Fasal Bima Yojana:** India's experience shows how long-term policy commitment, technology-driven pricing systems and public–private partnerships can drastically reduce premiums (from 18% to 10%) and expand coverage (to over 41 million farmers).
- **Data systems and technology form the foundation of resilient and scalable agricultural systems.** Tools such as remote sensing, digital farmer registries and automated claims platforms are essential infrastructure.
- **Access to credit and insurance must be bundled.** Insurance alone is insufficient; integrated financial services are needed to mitigate climate and market risks for smallholders.

- **The value of any product ultimately depends on farmer trust.** Supply-side readiness alone is not enough—governments and the private sector must build alliances and invest in financial literacy, targeted outreach and transparent, farmer-centric claims processes to drive demand and uptake.

## Additional Materials

- Press release about the CoP and RFSU announcement
- Consultation paper, "Building resilient agricultural finance and insurance markets in Ethiopia: the Rural Finance Service Unit"
- Blog article, "Data-driven insurance is making India's smallholder farmers more resilient"

"We cannot transform agrifood systems at scale and speed without inclusive credit services and agricultural risk insurance schemes. We cannot deliver rural finance effectively without robust systems, accurate data and effective coordination."

—H.E. Dr. Girma Amente, Minister of Agriculture, Ethiopia



# Day 2 – 12 June 2025

On the second day, government delegates participated in focused workshops and panels exploring how to institutionalize agricultural insurance within national policies, regulations and delivery systems. Lessons from countries like China, India, Türkiye and Spain highlighted diverse institutional models, financing approaches and the importance of government leadership in embedding insurance into broader development agendas.

## Key Messages

- **Agricultural insurance markets require strong public sector leadership.** Without clear vision and coordination, insurance systems struggle to take root. Ministries of Finance and Agriculture must align agricultural insurance with food security, climate adaptation, financial inclusion, and overall national priorities.
- **Institutionalization can precede legislation.** India and Indonesia demonstrate that structured operational manuals, coordination mechanisms and multi-stakeholder governance can provide effective interim frameworks before laws are enacted.
- **Legal frameworks still matter for long-term sustainability.** Spain's experience shows how legislation ensures institutional continuity across political cycles while driving dynamic and resilient systems.
- **Clear roles across public and private actors are essential.** Spain's "four-actor model" (autonomous agency, public reinsurer, private insurers, farmer organizations) fosters coordination and accountability, while China emphasizes Ministry of Finance leadership with a central-local subsidy model.
- **Financing models must fit local contexts.** Options include premium subsidies, public-private reinsurance, bundled input programs, public insurers and investments in data systems.

- **Evidence-based policymaking is key.** Governments need robust monitoring and evaluation to demonstrate return on investment and justify sustained public financing.
- **Multi-stakeholder coordination drives results.** Thriving systems engage ministries, insurers, farmer groups and donors, supported by strong governance frameworks and digital infrastructure.
- **UNDP Insurance and Risk Finance Facility can support governments** on their institutionalization process with evidence-based tools and frameworks to achieve scale, sustainability and impact.

## Additional Materials

- [FRA Consultation Paper](#)
- [Türkiye video submission](#)

“Institutionalization is not about replicating one model, but about aligning instruments, leadership and legal scaffolding to national realities.”

—Miguel Solana, Global Senior Advisor,  
UNDP Insurance and Risk Finance Facility





# Day 3 – 13 June 2025

The final day emphasized financing strategies to scale agricultural insurance and align it with sustainable agriculture and rural financial systems. Delegates worked in breakout groups to design tailored financing approaches and concluded with a field visit to the Oromia Coffee Farmers' Cooperative Union to see resilience efforts in practice and hear directly from Ethiopian smallholder farmers.

## Key Messages

- **Sustainable financing requires diversified funding streams.** National budgets, donor grants, concessional loans and private sector capital must be aligned to scale agricultural insurance.
- **Premium subsidies alone are not enough.** Countries must also invest in public reinsurance (as seen in Spain and Turkey), robust data systems (like in India and China) and effective risk-sharing mechanisms (such as Senegal's approach) to reduce costs for both farmers and insurers and build long-term market resilience.
- **System-level investments are critical.** Donors and governments should shift from isolated pilots to integrated programs linked to sustainable agriculture, rural credit systems, and national development goals.
- **Aligning insurance design with farmer priorities increases uptake.** Farmers make complex trade-offs under financial and climatic pressure; unless products align with their needs and realities, adoption will remain low.
- **Public-private partnerships unlock innovation.** Japan and India demonstrate how strategic government subsidies and operational stability for private insurers create space for innovation and scale.
- **Institutional ownership ensures resilience.** Ethiopia's RFSU is an example of embedding coordination in government systems to transition from pilots to scalable and sustainable solutions.

- **Field experience reinforces policy lessons.** The Oromia Coffee Farmers' Cooperative visit highlighted how cooperative models aggregate farmer demand, improve access to finance and embed insurance in value chains to build rural resilience.

## Additional Materials

- [Event recap video](#)
- [Photos and communications materials](#)
- [Stay up to date on FRA](#)

“Where governments lead, others follow—bringing in resources, technical capacity and long-term vision.”

—Rosy Ndedi-Penda, RSCA Coordination Specialist, UNDP's Regional Service Centre for Africa



“Agriculture is often seen as uninsurable, but so is aviation. We don't invest in agriculture because it's easy—we invest because it's essential.”

—Dr. Hassan Bashir, Senior Consultant, African Development Bank

# What's next for the FRA CoP?

Stay connected with the Financial Resilience in Agriculture Community of Practice on the road to CoP 2026. Our activities and engagement include:

- **Regular updates and insights:** Receive concise email updates breaking down the latest research, evidence and country experiences.
- **Webinars and virtual meetings:** Online events will share lessons, explore technical innovations and build peer connections.
- **Blog articles:** Read insights from governments and partners on our [website](#) as they share practical experiences and innovations in agricultural insurance.

- **Engagement at global and regional events:** Meet us at key forums, including the [Africa Food Systems Forum](#), 31 August-5 September in Senegal, and [International Conference on Inclusive Insurance](#), 13-17 October in Ecuador, to continue the conversation.
- **Forthcoming research and publications:** Look out for new resources on our [website](#), including evidence on the impact of agricultural insurance and the UNDP framework for institutionalizing agricultural insurance.

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## Get in touch

The **UNDP Financial Resilience in Agriculture** Global team

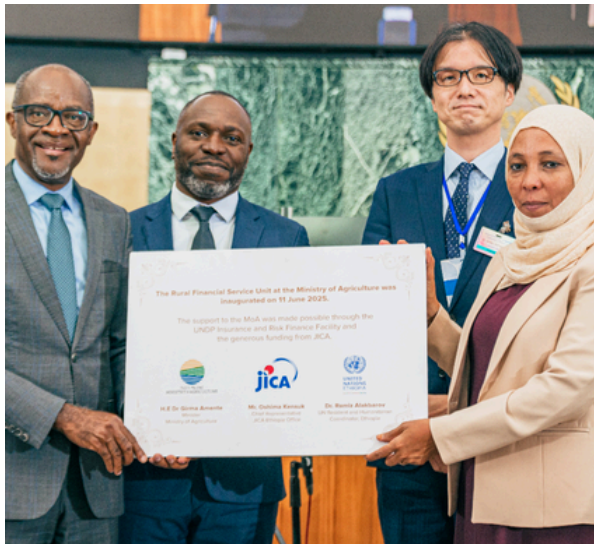
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[irff.undp.org/projects/financial-resilience-agriculture](http://irff.undp.org/projects/financial-resilience-agriculture) | #FinancialResilience









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