



## 5 STEPS TO ENSURING AGRICULTURAL RISK MANAGEMENT TOOLS HAVE DEVELOPMENT IMPACT

### Needs Assessment

Identify where shared risk is a key constraint to growth for smallholder farmers and where insurance or other risk management tools can crowd in new investment and prudent risk-taking. These are the areas where development impacts will be maximized.

### Resources

Determine the near- and long-term goals, objectives, resources and political will available to support index insurance in the country. Be sure to also assess private sector infrastructure for marketing and distribution, as well as the technical expertise needed to implement.

### Data

Improve and increase the collection of high-quality data on production, weather and other related factors. High-quality data, especially for index insurance products, can help to craft interventions that are both high-impact and highly scalable.

### Quality

Ask basic quality questions about any proposed index insurance intervention. Low-quality products can damage the insurance market for future interventions or even leave farmers worse off than if they had purchased no insurance at all.

### Evaluation

Invest in long-term research and impact evaluations. Promoting resilience through risk management requires rigorous testing to find out what works and how to best integrate risk management programs into broader development strategies to maximize impact.

ABOUT THE FEED THE FUTURE INNOVATION LAB FOR ASSETS & MARKET ACCESS 

The AMA Innovation Lab at UC Davis conducts and supports research on policies and programs designed to help smallholder farmers in developing economies worldwide to manage risk, adopt productive technologies and take an

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