



# ZENGYOREN REGIONAL CONFERENCE ON INSURANCE AND CREDIT FOR SUSTAINABLE DEVELOPMENT IN ASIA

Nihon University Auditorium, Tokyo, Japan  
11-15 November 1996

*organized by*

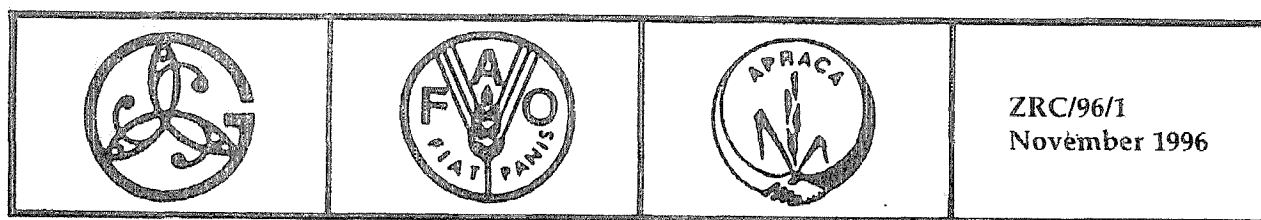
Zengyoren (National Federation of Fisheries Cooperatives in Japan)

*in collaboration with*

the Fisheries Agency, Ministry of Agriculture, Forestry and Fisheries of Japan

FAO (Food and Agriculture Organization of the United Nations)

and APRACA (Asia Pacific Rural and Agricultural Credit Association)



ZENGYOREN REGIONAL CONFERENCE  
ON  
INSURANCE AND CREDIT FOR SUSTAINABLE  
FISHERIES DEVELOPMENT IN ASIA

Tokyo, Japan, 11 -15 November 1996

In collaboration with

The Fisheries Agency, Ministry of Agriculture, Forestry and Fisheries of Japan  
the Food and Agriculture Organization of the United Nations  
and the Asia Pacific Rural and Agriculture Credit Association

PROSPECTUS (Draft)

#### BACKGROUND AND RATIONALE

Fish production is inherently a risky business, and fishermen and fish farmers face a variety of risks associated with natural disasters, fish diseases and marketing difficulties. Fisherfolk constantly worry about their ability to repay debt, meet overhead costs and in many cases their ability to the essential needs of their families. Such risks are also of concern to fishery credit institutions. Confronted with risky borrowers, lenders must seek to reduce the possibility of poor loan recovery rates caused by natural calamities and unfavourable oceanic conditions.

The prevalence of risk in fisheries is not new and fishermen, fishfarmers, rural cooperatives and lenders have developed ways of reducing and coping with such problems. A key question is whether these traditional mechanisms of risk management are still adequate or whether private and public interventions could provide more efficient alternatives.

The major risks confronting fisherfolk include **asset risks** such as the loss of or damages to fishing vessels, equipment, gears and aquaculture installations as a result of natural disasters; **productions risk and management risks** which may occur as a consequence of production failure and fish disease; **market risks** caused by changes of prices of outputs and inputs as well as interest rates; personal and **health risks** such as accidents at sea and death.

In order to cope with these risks, a range of risk management measures have been developed which promote the sustainability of the productive capacity of fishermen and fish farmers. In some countries governments assume the responsibility of providing beneficiaries with guarantees in the form of insurance in the event of loss or damages of vessels and equipment. In other countries insurance schemes are left to the private sector, especially when the number of beneficiaries may be rather limited due to the large risks involved. In Japan fisheries insurance is implemented not only on the basis of insurance principles but also on the basis of mutual relief and cooperation. In such a system the benefit will reach out more effectively to small-scale fishermen and fish farmers, though the financial viability of the schemes may be less stable.

However, most developing countries in Asia, however, do not have appropriate insurance arrangements for the fisheries sector. The lack of insurance is a major constraint to further development

and commercialization of fisheries and hampers investment and provision of institutional credit. This was recognized by the Regional Consultation on Institutional Credit for Fish Marketing, Capture and Management in Asia and the Pacific held in Manila from 3 to 7 July 1995. The Consultation was organized by the Asia Pacific Rural and Agricultural Credit Association (APRACA) in collaboration with FAO. The Consultation recommended that an expert consultation should be held to discuss and analyze the principles and practices of fisheries and aquaculture insurance and enhance understanding of the importance of compensatory measures which would enable fisherfolk to maintain their productive capacity in both capture fisheries and aquaculture.

ZENGYOREN has therefore agreed jointly to convene in November 1996, in collaboration with the Fisheries Agency of the Ministry of Agriculture, Forestry and Fisheries of Japan, FAO and APRACA, a Consultation to examine the implications of these important issues for the Asia region.

## OBJECTIVES

The objectives of the Consultation are to:

- (a) discuss issues of legislative, institutional and technical nature involved in the planning and implementation of fisheries and aquaculture insurance schemes;
- (b) identify and appraise major problems and constraints hindering the adoption of insurance schemes;
- (c) learn lessons from the experiences of countries where fisheries insurance is practised;
- (d) formulate principles and guidelines required for the development of fisheries and aquaculture insurance

## VENUE AND TIME

The Consultation will be held at Nihon University Auditorium, 4-8-24 Kudan, Chiyoda-ku, Tokyo from 11 to 13 November 1996.

## LANGUAGES

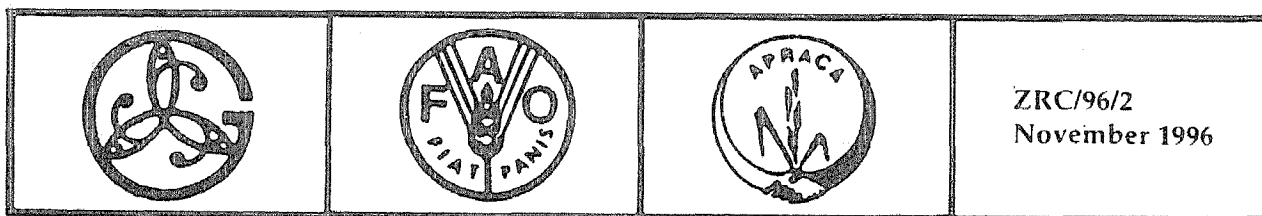
The official languages of the Consultation will be English and Japanese. Simultaneous interpretation will be made available in the Consultation.

## PARTICIPATION

The participants will attend the Consultation in their personal capacity. Participants will be invited from developing countries in the Asia region, donors, regional and international organizations.

## PREPARATION OF DOCUMENTS

The process of document preparation will be coordinated by the Fishery Policy and Planning Division of the FAO Fisheries Department. Three kinds of documents will be distributed at the Consultation, namely, country status papers, resource papers and information papers.



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PROVISIONAL AGENDA AND TIMETABLE

**Monday 11 November**

Registration of participants and opening of the Consultation

Opening Ceremony

*Session I: Fisheries Insurance Practices in Developing Countries*

Topic 1: Present status and future plans for fisheries insurance in developing countries - presentation and discussion of country status reports

**Tuesday 12 November**

*Session II: Fisheries Insurance and Credit Schemes in Japan*

Topic 1: Role of fisheries cooperatives in insurance and credit schemes operations

Topic 2: Mutual aid schemes for fishing and aquaculture

Topic 3: Fishing vessel insurance

Topic 4: Accident insurance

Topic 5: Institutional financial support to the fisheries sector

Topic 6: Credit guarantee systems

**Wednesday 13 November**

*Session III: Fisheries insurance schemes in other developed countries*

*Session IV: FAO's experience in the development of credit and insurance systems in developing countries*

*Session V: Concluding sessions - summary of principles and guidelines for development of insurance and credit systems in developing countries*

## FIELD TRIP

Field trips will be arranged on 14 and 15 November, including visits to prefectural government office, federation of fisheries mutual insurance associations, fish markets, aquaculture farms and fish processing plants.

## ORGANIZATION OF THE CONSULTATION

The Consultation will be organized by Zengyoren in cooperation with the Japanese Fisheries Agency, Ministry of Agriculture, Forestry and Fisheries, Food and Agriculture Organization of the United Nations (FAO) and the Asia Pacific Rural and Agricultural Credit Associations (APRACA) Consultancy Services. It will be supported by the following Japanese organizations: Agriculture, Forestry and Fisheries Finance Corporation; National Federation of Mutual Insurance Association; National Insurance Federation of Fisheries Cooperatives; Central Cooperative Bank for Agriculture, Forestry and Fisheries; Central Society of Fishing Vessel Insurance Associations; Agriculture, Forestry and Fisheries Credit Fund.

## FOCAL POINTS AND CONTACT PERSONS

**Zengyoren** will act as focal point for relevant Japanese agencies, identify Japanese resource persons and solicit and translate papers from Japanese experts. It will manage the Consultations operating fund. It will also make all necessary physical arrangements for holding the Consultation, including interpretation, visa arrangements, field trip and hotel accommodation.

The Zengyoren contact person is:

Mr. Masaaki Sato  
General Manager  
Organization Department  
Zengyoren (National Federation of Fisheries Cooperatives in Japan)  
Coop Building, 1-1-12 Uchikanda, Chiyoda-ky, Tokyo  
Tel.: 81.3.3294.9617, Fax: 81.3.3294.9602

**APRACA** will establish contact with participants from APRACA member institutions in Asia and solicit country status papers. It will send invitations and arrange travel for participants from APRACA member institutions.

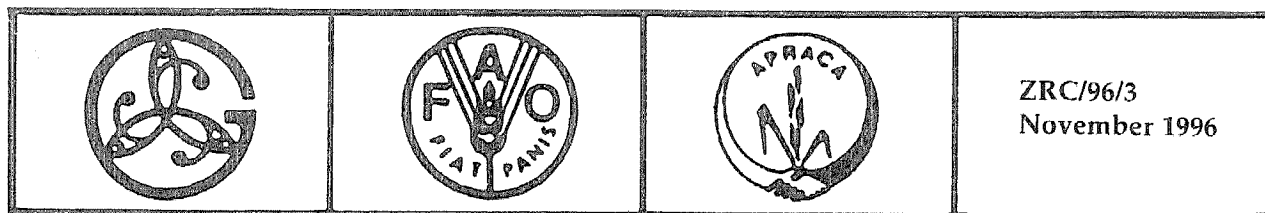
The APRACA contact person is:

Mr. Bishnu P. Shresta  
Managing Director  
APRACA (Asia Pacific Rural and Agricultural Credit Association) Consultancy Services  
Bank Indonesia Bldg., JL. M.H. Thamrin No. 2, Jakarta 10110, Indonesia  
Tel: 62.21.2311694, Fax: 62.21.3852523

**FAO** will be responsible for the overall planning, preparation and technical organization of the Consultation. It will coordinate the inputs of resource persons from both developing and developed countries, donor agencies, regional banks, inter-governmental bodies, NGO's, etc. It will also edit and print meeting documents and prepare a report on the Consultation's proceedings.

The FAO contact person is:

Dr. Masamichi Hotta  
Senior Fishery Planning Officer  
Fishery Policy and Planning Division  
Fisheries Department, FAO  
Viale delle Terme di Caracalla, Rome, Italy  
Tel: 39.6.52256390  
Fax: 39.6.52256500



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**PROVISIONAL LIST OF DOCUMENTS**

No.	Title	Author
<i>Conference Documents</i>		
ZRC/96/1	Prospectus	
ZRC/96/2	Provisional agenda and timetable	
ZRC/96/3	Provisional list of documents	
ZRC/96/4	Provisional list of participants	
ZRC/96/5	Guidelines for development of fisheries insurances schemes in developing countries	FAO Secretariat
<i>Country Status Report</i>		
ZRC/96/CSR.1	Insurance and credit facilities for the fishing industry in Malaysia	Sulaiman Abu Bakar
ZRC/96/CSR.2	Current practices in fisheries and aquaculture insurance in the Philippines and future plans	N A P Javelosa
ZRC/96/CSR.3	Insurance and credit for sustainable fisheries development - Sri Lanka's experience	A S de Silva
ZRC/96/CSR.4	Fishery insurance needs in Vietnam	L T Luu
ZRC/96/CSR.5	Fishery insurance and credit practices in Bangladesh	Md Liaquat Ali
ZRC/96/CSR.6	Fisheries in India	B D Sharma

No.	Title	Author
<i>Resource Papers</i>		
ZRC/96/RSP.1	An outline of fishery cooperative insurance in Japan	Kyosuiren
ZRC/96/RSP.2	An outline of the Japanese fishery mutual insurance programme	T Nakamura
ZRC/96/RSP.3	An outline of the fishing vessel insurance programme	M Matsuda
ZRC/96/RSP.4	Overview of institutional finance (government-programmed loans) for fisheries in Japan	T Hirota
ZRC/96/RSP.5	The small and medium scale fisheries credit guarantee and insurance systems in Japan	K Hanafusa
ZRC/96/RSP.6	Insurance schemes for the Norwegian fishing fleet	J E Sverre
ZRC/96/RSP.7	The role of insurance in sustainable fisheries development in Finland	P Ryhanen
<i>Information Papers</i>		
ZRC/96/Inf.1	Fisheries and Fisheries cooperative in Japan	M Sato
ZRC/96/Inf.2	Cooperatives Fisheries Insurance in the Republic of Korea	H Hwan
ZRC/96/Inf.3	Regional review of the fisheries situation and outlook in South and Southeast Asia	M Hotta
ZRC/96/Inf.4	FAO's involvement in credit and the emerging importance in risk management and insurance	U Tietze
ZRC/96/Inf.5	Aquaculture and risk management	P A D Secretan and C E Nash
ZRC/96/Inf.6	Glossary of terms in insurance	FAO Secretariat