

Evidence creation on innovation  
approaches to enhance resilience

## Climate Risk Insurance (CRI)

Duration: 01 September 2020 to 28 February 2021



Funded by



World Food Programme (WFP)

&



Korea International Cooperation Agency

Technical Partner



OXFAM

OXFAM in Bangladesh

Implemented by



National Development Programme (NDP)

The Climate Risk Insurance project is funded by World Food Programme (WFP) and Korea International Cooperation Agency (KOICA). The Oxfam in Bangladesh has been working as a technical partner of this project in flood-prone areas in Kurigram district from 01 September 2020 to 28 February 2021. The project has taken various initiatives to improve food security of flood-affected families and communities. Climate-related shocks and stress can have significant negative effects on food security and nutrition in the most vulnerable segments of the population.

In this regard Climate Risk Insurance played an important role in the flood affected Kurigram district population.



## Climate Risk Insurance (CRI)

Climate risk insurance helps vulnerable households and small holder farmers to maintain their livelihoods following loss and damages to wages, crops, livestock and other productive assets caused by climatic shocks and stresses. To enhance the risk management capacity of poor and vulnerable people, the project has designed and tested a climate risk insurance product to transfer the risks associated with climate change to the insurance market.

In fact, the loss of affected families and small farmers and the widespread loss of wages, crops, livestock and other productive resources caused by climate shocks and pressures becomes restorable their capacity as it goes beyond their capacity. Climate risk insurance helps them by supporting cash assistance. The activities of the project have played a significant role in enhancing the risk management capacity of the poor and vulnerable.



Goal: To improve food quality of the flood affected households of Kurigram district through innovative approach to building resilience.

Project Objectives:

- Implement the Climate Risk Insurance intervention in the Project areas of Kurigram Districts
- Design and Implement Climate Actions with the Beneficiaries
- Mobilize the local government and administration towards the Climate Risk Insurance,
- Popularize the climate risk insurance with the community and establish a sustainable business modality of insurance, etc.

Results: Enhance resilience of the 2,000 flood affected households in the riverine community through access to Climate Risk Insurance (CRI).

CRI Project Area wise Target and Achievement

# SL	Union	Upazila	Target	Achievement	Remarks
1	Raniganj	Chilmari	1,000	1,000	CP-NDP
2	Jatrapur	Kurigram Sadar	1,000	1,000	Only for CRI
Total =			2,000	2,000	



Activities of CRI Component

- Climate Risk Insurance (CRI) message dissemination & Group formation
- BKash number activation by cell phone communication
- Flood Insurance in-kind commitment contract signing (2,000 Households)
- Communication with Local Government & other stakeholder
- Community orientation technical session on CRI
- Participants follow up & project update sharing regularly



Risk Insurance

Insurance is one of the important tools of risk management. A small amount of premium against certain assets can provide big support if the asset or livelihood is being damage or loss. Despite great need and prominent field, climate risk insurance has not yet being trapped by none of the companies. The project has put efforts to build the linkage between Green Delta Insurance Company Ltd. and 2,000 flood-affected vulnerable households of Kurigaram district to take insurance policies against the 2020 flood. The duration of the policy was 3 months against their wage loss.

Premium

Under the project 2,000 poor households were mobilized and each beneficiary paid BDT 240 as premium. As a pilot initiative the project paid the amount to the Green Delta Insurance Company Ltd. on behalf of the beneficiaries but the beneficiary had contributed the same about by planting trees in their household and/or paying labor in any social development activities.



Pay Out

During the 2020 flood all the households who received the insurance policy were affected and had wage loss. Green Delta Insurance Company Ltd. declared a payout against all the 2,000 insurance policies. Based on the calculation each beneficiary had got 9 days wage coverage, which is BDT 300 per day with a total of BDT 2,700. A total of 54,00,000 (Fifty four lac only) was disbursed among the 2,000 insurance policy holder households. The payment was made to the BKash account of the respective beneficiary.



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