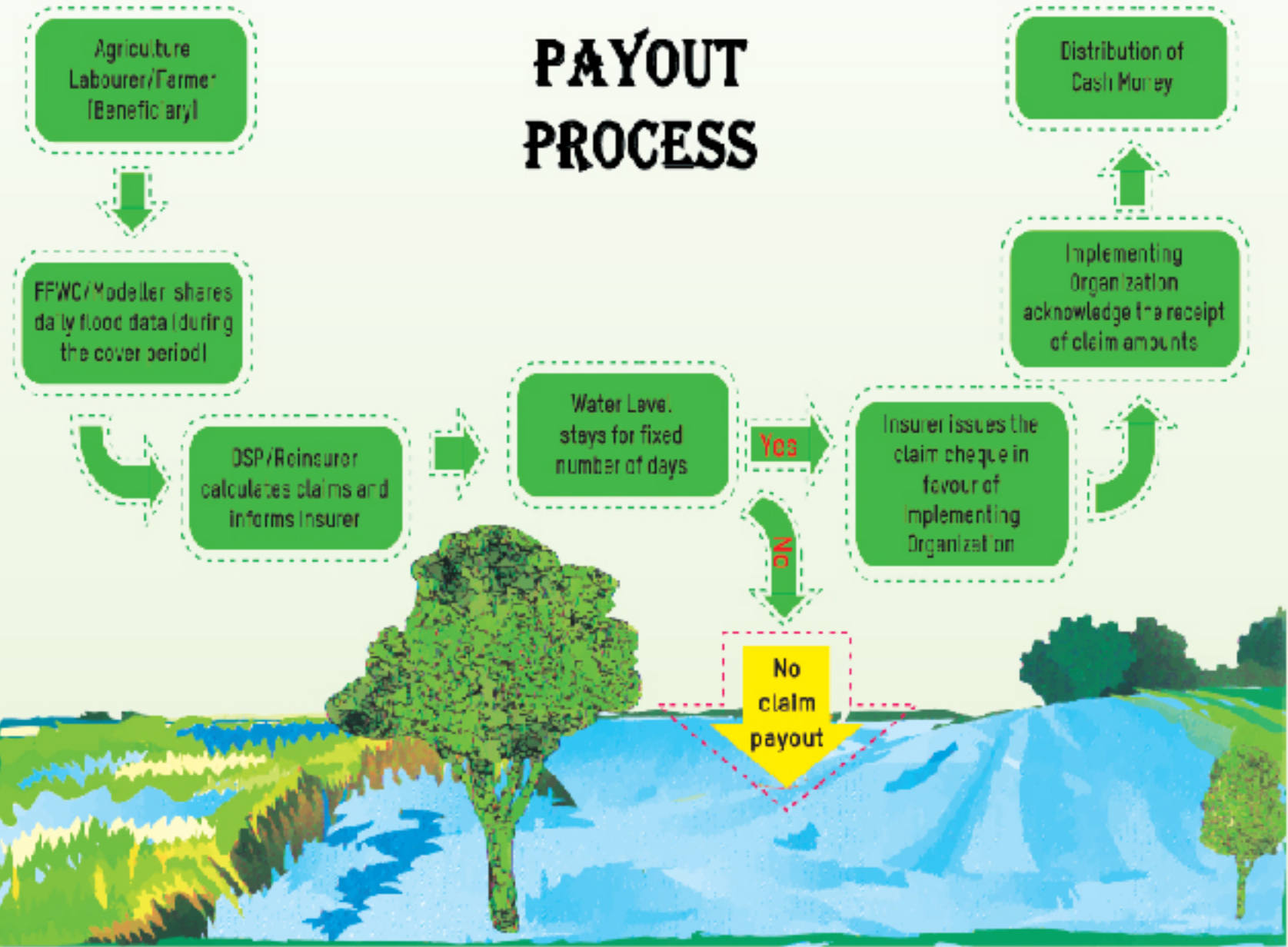


If the payout is triggered but the payout triggered is less than 10% of the sum insured, then the payout made will be 10% of the sum insured. Hence, the minimum payout for this peril is 10% of the sum insured. In the case of multiple payout events, the highest payout event will be considered for payout, There will be a single payout for this peril, based on the worst event, which takes place during this time period.

Sum Insured: BDT 10,000 per 100 Decimal of land and **Premium before tax** was 4.025%.

In response to the insurance scheme activities, a number of 4,158 farmers were shown their interest to be with the insurance policy with a total land of 663.91 acres of Boro crops for the period March 14, 2022, to June 15, 2022. The Sum of the total insured amount was BDT 6,639,140 whereas before and the after-tax premium amount was BDT 267,225/- and 307,309/- respectively. And finally, on behalf of the farmers, NDP opened a Weather Index Insurance Policy with Green Delta Insurance-GDIC vide Policy # is GDI/PBD/03/2022/WII/P/0013, Dated March 14, 2022.



Project Implementation strategies : The development of the insurance product was community-based. The project implication followed participatory planning and community-based execution. National policies and legislation were guiding the project implementation. The climate change predation and the loss and damage analysis were the keys to developing the insurance product.

Major Achievement of the Project : Major achievements so far of the project are as below.

- ✓ Created awareness up to a certain level among the targeted groups of farmers on weather index-based crop insurance.
- ✓ Staffs capacity of NDP-CSP to implement weather index-based insurance increased.
- ✓ The organizational capacity of NDP to operate weather index-based insurance increased.

Major Challenges faced during the project period :

- ▶ Lack of knowledge/awareness of farmers about weather index-based insurance schemes.
- ▶ Lack of adequate publicity on weather index-based insurance to the farmers.
- ▶ Almost no insurance of Insurance Company in the community with Weather Index-Based Insurance activities.
- ▶ Creating ownership towards weather index-based insurance within the farmers.
- ▶ Procrastination in settling insurance claims in general in our country.

Way to overcome the challenges :

- ▶ Use staff of NDP-Credit Support Programme for promotional activities.
- ▶ The reputation of NDP in its existing working area was impacted positively.
- ▶ Organizational commitment of NDP to the assignment.
- ▶ Collaboration & coordination of Oxfam in Bangladesh office.

Recommendation: Weather index-based insurance presence in the farmer's community in Bangladesh is not well spread so mass awareness of communities and local government with Intermediate and long-term interventions for engagement of Insurance companies and NGOs are very crucial. As farmers are ready to buy policies to cover weather risks, it is required to design farmer-friendly Crops Insurance products so that the losses of farmers could be compensated. Blending insurance products with microcredit also might be an important tool for boosting microinsurance in the community.



Resilience through Economic Empowerment, Climate Adaptation, Leadership and Learning REECALL-2021

Implemented by: **National Development Programme (NDP)**
Supported By: **Oxfam in Bangladesh**



Project office:

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Background of the project

Over the last decade, Bangladesh has made significant progress in poverty reduction, yet 24.3 percent of the population live in poverty, and 13 percent live in extreme poverty. Bangladesh has a climate-dependent economy, where 70 percent of the rural poor depend on agriculture for their livelihoods - this means that the vast majority of people have fragile livelihoods which are affected by climate change impacts and natural disasters. Poor people are excluded from the policy and decision-making processes so they are unable to exercise their rights as citizens and hold duty-bearers accountable for providing essential services.

The REE-CALL 2021 project aims to strengthen community resilience in disaster-prone rural locations to prepare and respond to the risks associated with disasters and climate change by fostering economic empowerment and active citizenship. The project was designed with input from a wide range of stakeholders; evidence and learning from previous phases; and changes in local, regional, and global contexts. The program adopts an integrated approach to building resilience through Oxfam's Resilient Development Framework, including a rights-based approach to risk, a long-term process-orientated approach, a gender justice approach, a systems approach (changing the social systems that create risk, fragility, and vulnerability), and an approach that recognizes social foundations and environmental limits.

Bangladesh is vulnerable to climate change. Due to climate change, the intensity and frequency of extreme weather have increased. The farmers losing their crop production. The project developed a sustainable model of insurance that can cover the risks of vulnerable communities. The project focus on continuing to strengthen and build the capacity of formal and informal institutions to work together to sustainably improve livelihood opportunities, disaster, and climate change resilience, women's empowerment, and grassroots leadership of vulnerable communities.

In this context to promote the insurance as a risk transfer mechanism for the vulnerable community; ensure the income security of the farmers by introducing sustainable forms of crop insurance; and cover the risk of the regionalized community by insurance breaking the stereotypic practice of insurance NDP undertook a project- **“Resilience through Economic Empowerment, Climate Adaptation, Leadership and Learning REECALL-2021”** under Support to Development Project of Oxfam in Bangladesh. The project developed a sustainable model of insurance that can cover the climate risks of vulnerable communities in Sirajganj.

Project Details

Goals of the Project: By June 2022, more resilient women, men, and institutions are building together wellbeing and more inclusive and sustainable rural economics.

Objectives of the Project:

- To promote insurance as a risk transfer mechanism for the vulnerable community.
- To ensure the income security of the farmers by introducing sustainable forms of crop insurance.
- To cover the risk of the regionalized community by insurance breaking the stereotypic practice of insurance.

Project Outcomes:

- Women, men, their families, and communities benefitted from sustainable and equitable economic activity.
- Government, communities, and civil society have driven sustainable and inclusive climate action and disaster risk reduction through collective effort.
- Duty bearers and lawmakers have developed policies and demonstrated practices that better incorporate the interests and rights of marginalized people and communities.

Duration of the project:

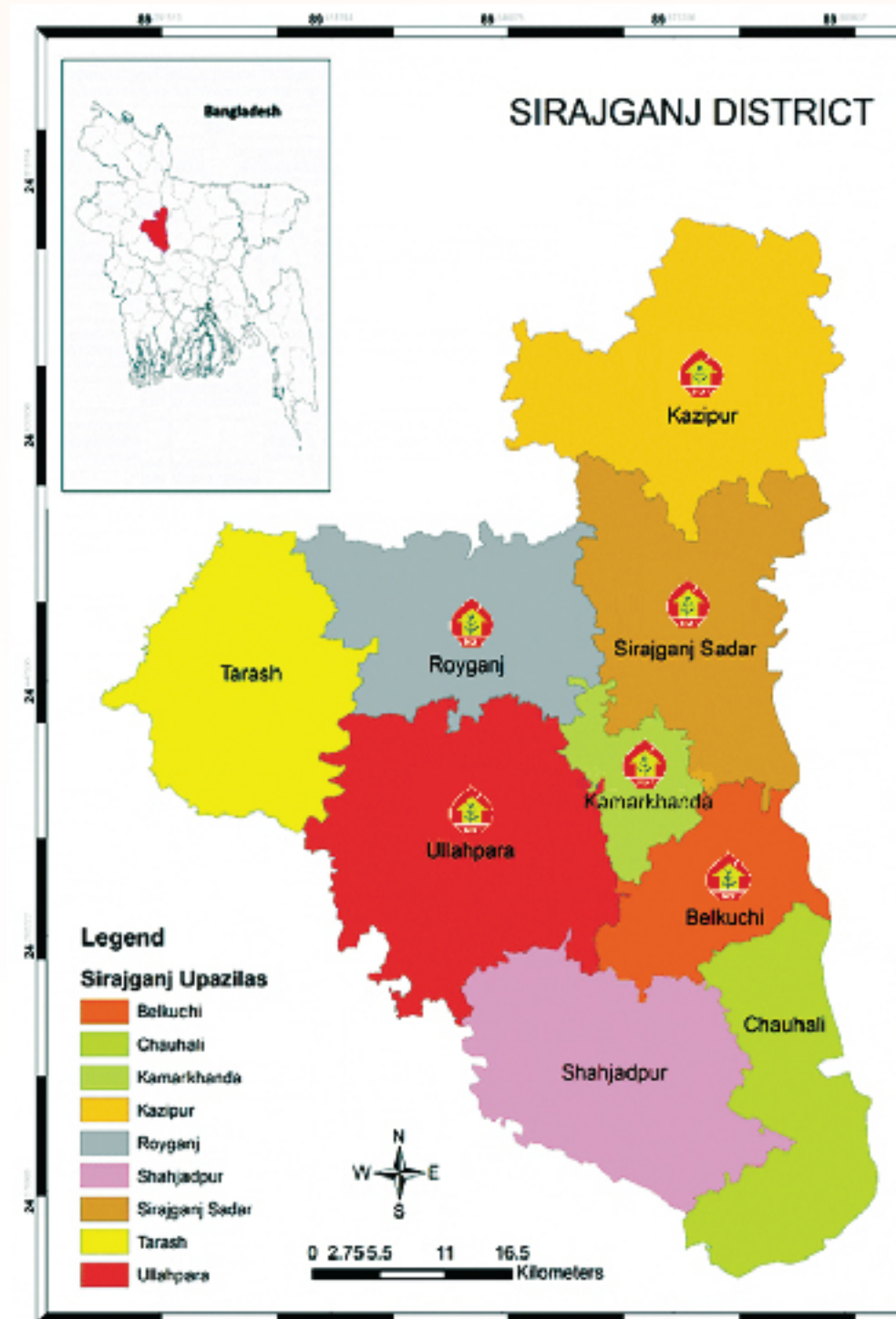
July 01, 2021
to
June 30, 2022

Working area:

REECALL project working area
District-Sirajganj,
Upazilla-06 (Sirajganj Sadar, Kajipur, Belkuchi, Kamarkhanda, Ullahpara, Raiganj)

Total Budget of the

Project : BDT 1,538,000/-
(Fifteen Lac Thirty-Eight Thousand Only)



Project Activities

i. Capacity Development of the Staff Involved in the Initiative: To promote the sustainable model of insurance understanding its detail is essential for the respective personnel of the NDP Credit Support Programme (CSP). The objective of the Weather index-based insurance is also action for addressing loss and damage risks. The staff members who were implementing the project have been oriented on the objects in training sessions. A total of 120 staff from the respective 12 branches took part in the initiative. As per REE-CALL project provision day-long staff development training for NDP Credit Support Programme (CSP) staff was conducted for the smooth operation of the project activities at the field level.

ii. Farmers training: A total number of 2,880 farmers have been trained through a daylong training session in different 96 training batches where the trained staffs of NDP Credit Support Programme (CSP) and related officials of the NDP training department and NDP head office were facilitators.

iii. Provision of Farmers Risk Coverage :

- Type of Product :** The type of the product was weather index-based insurance for the farmers.
- Peril :** Unseasonal Excessive Rainfall.
- Crop :** Boro Rice.
- Season :** Pre-Monsoon 2022.
- Location :** The Upazillas- Kamarkhanda, Sirajganj Sadar, Belkuchi, Raiganj, Kajipur and Ullahpara under Sirajganj District of Rajshahi Division.
- Risk Coverage :** Green Delta Insurance Company (GDIC) agreed to cover unseasonal excessive rainfall from 14th March 2022 to 15th June 2022 (both days inclusive) which was the duration of the policy. From 14 March 2022 to 15 June 2022 if the cumulative rainfall over consecutive 3 days above AAm, then there may be a payout, ranging from 0% of the sum insured to a maximum of 40% of the sum insured. The payout increases automatically at a uniform rate of 0.50% for every mm above the trigger level, from 0% to 40% of the sum insured when rainfall increases above the trigger level for the same time period.