

DHAN International

Annual Report 2024

DHAN International (DI) is an initiative inspired by DHAN's philosophy of putting development in the hands of communities who are generally deprived and disadvantaged. The community first approach has led to building social capital of people institutions at the grassroots, governance and leadership through an intensive enabling process. The two flagship programmes of DHAN, the community banking by women, local management of Tank systems (Water Commons) by farmers themselves who have rights for sharing the water for irrigated agriculture have scaled up reaching millions of women and small farmers across several States in India. Having realised the scaling up of two flagship models with sustainability driven by communities and larger impact over more than three million households, DHAN Foundation has established DHAN International to introduce and initiate these two community centric development models in Asia and Africa. With this intent, the strategy has been developed in 2018 for South - South Development Cooperation and shared learnings in East Africa (Kenya and Tanzania) and Cambodia in East Asia. DHAN International believes that this sustainable community-based models contribute towards realizing a number of Sustainable Development Goals.

Enthused by DHAN's farm-based livelihood initiative of organised farming systems of small farmers for scaling up and sustainability – Primary Producer groups, Farmers Producer Companies, women collectives as Federations, DHAN International has been seeking to build the value chain model around this farming systems in the East Africa. Furthermore, DI has also been endeavouring for development partnership for furthering its key objective of expansion/scaling up and innovations in addressing risks in the livelihood programmes especially for small holder agriculture in two major ecosystems namely tank based/rainfed ecosystems.

In keeping with this objective, DI has collaborated with InsuResilience Fund backed by KFW and housed in the Frankfurt School of Finance and Management for **promoting** a project titled “**Building climate resilient agro-ecosystems of smallholder farming**” for two years. This project is a multi-partnership collaboration with People Mutuals (an apex body of Women Mutual Federations for exclusive promotion and advancing of insurance solutions as a risk management tool), IBISA network based in Luxembourg providing technical assistance for developing weather index based parametric crop insurance products, Mainstream Insurance companies for co-insurance arrangement for risk sharing for crop and livestock insurance products and the parent body DHAN Foundation which provides professional management expertise. **DI is fund Manager**

responsible for receiving grants and payments only and project activities implemented by the partner agencies – DHAN Foundation, People Mutuals, IBISA. This project of two years' period has just concluded. The salient features of the project and the outcome and impact are detailed below: -

- The project objective is to provide holistic risk management systems to build resilience in small holder agriculture through both risk financing and risk management practices. And the focus is on both crop and animal husbandry which form the backbone of small farming livelihoods. The risk management system includes developing appropriate and affordable insurance products for risk financing and farming practices adapted or altered relevant to the impact of the climate change in these ecosystems.
- The project has been implemented in 6 States providing parametric crop insurance cover to 25000 farmers and livestock insurance cover to 75000 farmers. The design of insurance products is demand driven based on the farmers' ask and need. Both the crop and livestock insurance products have been purely mutual or in risk sharing arrangement with mainstream insurance companies as co-insurance depending upon the contexts, farmers' demand and the affordability.
- Risk financing together with the risk management practices have been adapted to mitigate the risks associated with husbandry of crop and livestock such as cultural practices, weather driven cropping, pest and disease management practices, shift in method of farming, etc. 100 Risk Management Centres have been established and run efficiently in these ecosystems covering 64 Federations.
- The combo of risk financing through insurance products and risk mitigation practices through Agro Advisory Services from Risk Management Centres have done a great deal to build resilience. More so, the project has, having successfully achieved the objectives set out, given a model to build on and scale up.
- Robust end to end systems from enrolment to claim settlement has been developed and established. This experience sets the stage for upgrading to digital platforms as we seek to continue and scale up this model.
- The Project Partners leverage the institutional set up of the Federation Mutuals (FM), which are farmer-owned and governed trusts. These mutual risk sharing groups adopt a strong demand-driven approach,

combining insurance coverage with knowledge transfer and education on smart farming practices, risk mitigation and coping strategies.

- Precursor for enabling regulation for mutual - model –

Mutual insurance in India is “innovative” in the sense it is different from the typical Mainstream Insurance products and promoted under a regulatory sandbox arrangement. Mutual insurance is allowed to work under certain conditions, (e.g. no-profit model) which Dhan ensures adherence to. Government has a vision of “Insurance for all by 2047” and is enabling inclusive approaches esp. targeting rural and social sectors.

- It is a matter of gratification that ISF fund on appreciation of the project outcomes and impact has expressed willingness to extend the project for another two years from 2025 to scale up and expand to diverse small farm ecosystems in different geographies of India.

DI would seek funding both in the form of seed capital for start-up activities as well as in the form of impact investment for more development work both in India as well as in Africa. DI continues to explore the collaboration with Embassy of Earth in Netherlands for coping with climate change with the sustainable adaptation measures have been conceptualized in the MasaiMara region of Kenya / Tanzania which would be led by communities. The project is basically focused on conservation and sustainable use of natural resources and regeneration / replenishment. This project is titled White Mountain. Secondly, collaboration with Caritas Cambodia www.caritascambodia.org for women empowerment through Kalanjiam Community Banking model based on self-help and mutuality is on the anvil.



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