

DHAN International (DI)

Annual Report 2025

DI has 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 this regard, 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.

The Phase I of the project has come to an end in June 2025 and based on the accomplishments of outreach / outcome, ISF InsuResilience Fund has extended the collaboration and continued the Phase I for another two years beginning from July 2025.

Achievements in the Phase I

A total of 555,540 households have been reached by this initiative, with a significant focus on assisting those classified as poor and vulnerable, which amounts to 472,209 households. Among these beneficiaries, 377,767 are women, underscoring our commitment to gender inclusivity and empowerment. This shows the focus in addressing the specific needs and challenges faced by women in marginalized communities, ensuring their meaningful participation and upliftment.

The Mutual Crop Insurance program has been instrumental in providing risk financing assistance to farmers during various agricultural seasons. Totally 30290 farmers were enrolled under Mutual crop insurance. In the Rabi season of 2022, 57 farmers benefitted from the program, receiving a total claim amount of Rs. 22,800. Although no claims were made during the summer season of 2023, the program saw significant utilization during the

Kharif season of the same year, with 3,048 farmers receiving a total claim amount of Rs. 3,627,000. Additionally, during the Rabi season of 2023, 876 farmers were supported, resulting in a total claim amount of Rs. 438,000. Overall, a total of 3,981 farmers were assisted through the program, with a combined claim amount of Rs. 4,087,800 across multiple agricultural seasons.

The Mutual Livestock Insurance program for goats has been pivotal in safeguarding the interests of livestock owners against unforeseen losses. In the coverage period, a total of 62092 goats/sheep and 14458 cattle were enrolled in the program. Among these, 342 goat and 62 cattle were subject to claims for goats totalling Rs. 399200 and Rs.19,80,000 to milch animal owners during the coverage period.

The Risk Management Centre has made significant strides in reaching out to rural communities and farmers in building resilience. Covering a vast expanse, the center has extended its services to 5553 villages, directly engaging with 200,000 farmers. Leveraging modern communication platforms, such as WhatsApp, the center has established 54 farmer network units, fostering connectivity and information exchange among 8890 farmers. In addition, the identification of 685 resourceful farmers further strengthens the network's capacity. To enhance agricultural knowledge and practices, the center has established 48 farm field schools across various villages, attracting participation from 1185 farmers eager to learn and implement best practices. Through these efforts, the Risk Management Centre continues to play a pivotal role in empowering rural communities and promoting sustainable agriculture.

Phase I: Key Contributions

The implementation of financial and non-financial risk management practices among farmers has led to significant impacts in the I phase of Our ISF project, both in terms of enhancing agricultural resilience and improving livelihoods.

Financial risk management practices, such as crop insurance and savings mechanisms, have provided farmers with a safety net against potential losses due to crop failure, extreme weather events, or market fluctuations. By having access to insurance coverage and financial instruments tailored to their needs, farmers are better equipped to manage risks and protect their livelihoods. This has resulted in reduced vulnerability to economic shocks and increased confidence in making investments in agricultural activities.

On the other hand, non-financial risk management practices facilitated by Risk Management Centres, including sustainable farming techniques, soil

and water conservation measures, and crop diversification, have helped farmers build resilience to environmental and climatic risks. By adopting climate-smart agricultural practices and integrating ecosystem-based approaches into their farming systems, farmers are better able to adapt to changing environmental conditions and mitigate the impacts of climate change on their crops and livelihoods. Additionally, improved access to information and extension services has empowered farmers with the knowledge and skills needed to make informed decisions about risk management strategies.

Overall, the impact of financial and non-financial risk management practices among farmers is reflected in increased productivity, income stability, and resilience to shocks. By combining both approaches, farmers are better positioned to navigate the uncertainties of agricultural production and contribute to sustainable rural development.

Progress / Leads for Scaling up in Phase II

The implementation of comprehensive risk management practices among farmers has led to significant impacts, demonstrating large-scale resilience building through risk financing and risk mitigation via appropriate, contextualized farming practices. This has contributed not only to improving livelihoods but also to diversifying and sustaining them.

Financial risk management practices, such as crop insurance and livestock insurance, have provided farmers with a safety net against potential losses due to crop failure, extreme weather events, and the death of animals. By having access to multiple insurance solutions (including community contributions) designed to their needs, farmers are better equipped to manage risks and protect their livelihoods. This has resulted in reduced vulnerability to economic shocks and increased confidence in making investments in agricultural activities.

On the other hand, non-financial risk management practices, including sustainable farming techniques involving crop diversification, appropriate inter cropping for more crop density, soil and water conservation measures, soil health management, appropriate cultural practices such as mulching, tank silt application, summer ploughing, organic farming practices, pest forecast and management have helped farmers build resilience to environmental and climatic risks. By adopting climate-smart agricultural practices and integrating ecosystem-based approaches into their farming systems, farmers are better able to adapt to changing environmental conditions and mitigate the impacts of climate change on their crops and livelihoods. Further, improved access to information and extension services

through our Risk Management centres has empowered farmers with the knowledge and skills needed to make informed decisions about risk management strategies.

More importantly, with this impact many farmers have expressed interest to participate in the resilience building process. However, there is still much work to be done to reach more underserved communities, enhance product offerings, and strengthen institutional capacity.

Empowering women farmers in the context of crop and livestock insurance involves recognizing and addressing the unique challenges and opportunities they face. Empowering women farmers in the context of crop and livestock insurance is essential for promoting gender equality and inclusive agricultural development. Women play a significant role in agricultural production worldwide, yet they often face unique challenges and constraints that limit their access to resources, information, and opportunities. Recognizing and addressing these challenges is crucial for ensuring that women farmers can fully participate in and benefit from insurance programs.

Weather index-based products have been introduced and are gaining acceptance among farmers. These innovative insurance products, which are tied to specific weather conditions rather than individual losses, offer a more reliable and efficient way to manage agricultural risks. There have been multiple pay-outs during the length of the project that have proved effective in covering losses faced by the farmers due to severe and extreme weather events. Hence, farmers witness the efficiency of weather index-based insurance in providing timely pay-outs based on objective weather data. With continued education and awareness-building efforts, coupled with the proven performance of these products, parametric insurance has the potential to become one of the primary risk mitigation tools for smallholder farmers.

Overall, the impact of financial and non-financial risk management practices among farmers is reflected in increased productivity, income stability, and resilience to shocks. By combining both approaches, farmers are better positioned to navigate the uncertainties of agricultural production and contribute to sustainable rural development.

Another significant demonstration by the project is the expression of mutuality among farmers which is evident in their interactions and collaborations among the farming communities. This sense of mutual support and cooperation is deeply ingrained in the fabric of rural life and contribute to building resilience in no small measure and exemplified

through several key practices such as Collective decision-making, Sharing resources and knowledge, solidarity etc.

Special focus on Gender centric Resilience

More importantly, this project aligns with DHAN's gender-centric development programs, which address multiple dimensions of poverty and have reached thousands of poor and vulnerable rural women across the project area. Smallholder agriculture is primarily a family enterprise, with women playing a significant role in both crop cultivation and animal husbandry. This is borne out by the fact that, so far, 80% of the farmers covered by the project are women.

Providing insurance coverage to poor women farmers especially in backward regions of India is crucial for safeguarding their livelihoods against various risks such as crop failure, livestock loss, and natural disasters. By prioritizing climate-smart agriculture for women farmers along with Insurance, we can enhance their resilience to climate change, improve their livelihoods, and contribute to the sustainable development of rural communities.

Women farmers are disproportionately affected by climate change, facing frequent droughts, floods, and unpredictable weather patterns. Insurance can provide a safety net against these risks. Insurance helps protect the limited financial resources of poor women farmers by covering losses from failed crops or livestock, thereby ensuring economic stability. Financial security through insurance empowers women to make decisions about their farming practices and household needs without relying on high-interest loans or informal borrowing.

The participatory structures of federation Mutuals provides a platform for farmers to voice their concerns, access resources and services, and advocate for their interests at local, regional, or national levels. The expression of mutuality among farmers reflects a deep-seated ethos of solidarity, reciprocity, and shared responsibility, which contributes to the resilience and sustainability of agricultural communities. By working together and supporting one another, farmers are better able to overcome challenges, seize opportunities, and build a brighter future for themselves and future generations.

Phase II - Key outcomes:

The second phase of our proposal seeks to achieve the following objectives:

- 1. Scaling-Up and Expansion:** Expand the reach and coverage of crop and livestock mutuals to underserved communities, ensuring that more women farmers and livestock keepers have access to affordable insurance protection.

Target: Reaching 100000 farmers additionally in the (7) 6+1(New-Madhya Pradesh) states, in which 75% of women farmers will be covered. 75000 farmers under livestock and 25000 under Crop mutuals. After successful crop insurance pilots in Odisha; Telangana and Andra Pradesh we intend to further expand our outreach, in these new states

- 2. Capacity Building:** Strengthen the institutional capacity of crop and livestock mutual programs, through training and awareness programs for staff, volunteers, and community leaders, to enhance their effectiveness in delivering insurance services and supporting community resilience. Further, educational materials including **appropriate vernacular audio-visual aids (video shorts), posters** on crop and livestock insurance would be developed for effective training.

Target: 200000 will be reached for Providing insurance literacy and capacity building on Resilience. Developing training modules and workshops on insurance literacy, risk management, and mutual governance for mutual members, staff, and community leaders, and establishing mentorship programs to support professional development.

- 3. Risk management (Other than risk finance):** Identifying and documenting the risk management practices including climate change adaptation among the poor communities in different rural contexts for wider sharing along with agro and livestock advisory services. It encompasses a range of strategies for changing behaviours aimed at mitigating various risks that can impact their livelihoods and well-being.

Target: 100000 farmers will be trained on adapting to the risk management practices with appropriate strategies and measures with which poor households can build resilience and improve their ability to withstand and recover from shocks and uncertainties with the help of Risk Management centres. 50 new risk management centres will be established in new areas.

4. Digitalizing operations management. This involves end-to-end digitalization, policy to claim, by developing suitable platforms including mobile apps both for weather-indexed crop insurance and livestock insurance products. This comprehensive platform would enhance usability and facilitate adoption to fulfil the needs of a wider user group.

Going Forward:

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.

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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