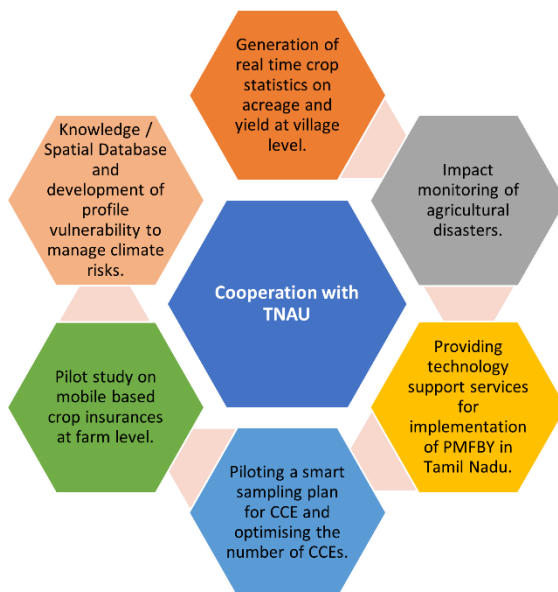


Innovative Climate Risk Insurance in Rural Areas of India (ICRI)

Context

In 2019, the increasing frequency and intensity of climate change related, extreme weather events amounted to economic losses upward of USD 68 billion in India alone (Global Climate Risk Index, 2021). Climate models consistently show that India will experience more extreme weather events as the effects of climate change intensify.

A range of mitigation and adaptation measures have been proposed, one of them is the *Climate Risk Insurance (CRI)*. As a market-based financial instrument, insurance has a larger role to play. Not only in terms of managing the physical risks arising from damage to assets, property, infrastructure, and land, but also in managing transition risks that result from adjustments to a lower-carbon economy. Climate Risk Insurance has therefore emerged as a viable risk transfer mechanism and a key component of adaptation measures.



Project name	Innovative Climate Risk Insurance in Rural Areas of India (ICRI)
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India
Partner State /Agency	<ul style="list-style-type: none"> Tamil Nadu Agricultural University (TNAU) Department of Agriculture, Tamil Nadu Insurance Institute of India (III) NDMA (National Disaster Management Authority)
Duration	09/2020 – 09/2023

Objective

The ICRI project acknowledges this potential of Climate Risk Insurance by planning and implementation selected activities for the enhanced resilience of vulnerable target groups in rural areas of India.

Approach

On national level, a **Climate Risk Dialogue Platform** will be set up with the Ministry of Environment, Forest & Climate Change (MoEFCC), Government of India to provide a space for mainstreaming CRI, for fostering initiatives and stimulating international exchange.

On state/local level, **capacity building** for nodal agencies, selected departments, and research institutions (especially the Tamil Nadu Agricultural University, TNAU) will support the integration of CRI into planning and implementation in selected states.



Activities

- Conducting a **feasibility study** for CRI in the context of Disaster Risk Management in India and developing proposals for intervention areas.
- **Facilitating interaction** between representatives of the Government of India and global initiatives, such as the *InsuResilience Global Partnership*, and the *Coalition for Disaster Resilient Infrastructure* to foster exchange of best practices.
- Developing a **Climate Risk Dialogue Platform** to connect and support stakeholders and farmers on Climate Risk Insurance and climate related agricultural disasters.
- Supporting the **integration of CRI approaches** at the state level in selected states.
- Supporting the enhancement of **financial literacy** with a focus on climate risk transfer instruments like CRI in Karnataka and Tamil Nadu.
- **Profiling vulnerability to climate risks** and supporting the development of a Policy document on Tamil Nadu's vulnerability to drought.
- Conducting a pilot study on developing a **Smart Sampling Plan for Crop Cutting Experiments (CCEs)**.



Experts of TNAU explain climate change resilient food production methods (cooperation with global development cooperation project 'Securing Nutrition, Enhancing Resilience', SENU). ©GIZ/SENU



Experiments at TNAU on low-input food production. ©TNAU

- Supporting the implementation of India's crop-insurance scheme **Pradhan Mantri Fasal Bima Yojana (PMFBY)** with remote technology in cooperation with the Tamil Nadu Agricultural University (TNAU): **remote sensing, GIS, Drone and mobile applications**.
- Creating a **spatial platform** and mobile apps to transfer knowledge on crops, soil, water and climate for effective decision making.
- Assessing the **impact of climate change on temporal soil properties** in agricultural soils over years, to sustain soil and crop productivity.

Contributions to the 2030 Agenda

The ICRI project contributes to Sustainable Development Goal (SDG) 2 through climate-resilient practices and developing innovative technologies. With its focus on awareness raising on climate change, building resilience and adaptive capacity of rural households, it additionally contributes to SDG 13.

**SUSTAINABLE
DEVELOPMENT
GOALS**



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On behalf of Federal Ministry for Economic Cooperation and Development (BMZ)

In cooperation with Ministry of Environment, Forest & Climate Change, Government of India