

Why Bangladesh needs agricultural microinsurance

Small farmers in rural areas need the protection of insurance to recover from the damage caused by weather events

ABDULLAH AL-MARUF and J CRAIG JENKINS

BANGLADESH needs to adopt policies to promote agricultural microinsurance for small farmers. Small farmers are the backbone of the rural areas, where two-thirds of the population of Bangladesh live. Despite recent progress, many live at or below the poverty line and are exposed to major weather-related crop risks. Climate change is exacerbating these weather risks, causing extreme rainfall and temperatures that destroy crops and leave these farmers vulnerable. Annually, 10-20 percent of crops are lost to severe flooding, drought, flash floods, storm/cyclone surges and other weather events. The lack of insurance discourages these small farmers from investing in better seeds, fertilisers and farm equipment by "self-insuring"—basically storing some of last year's seeds. Studies show that insured farmers are more likely to invest in new crops, improved seeds and fertilisers, and land improvement.

Bangladesh has seen a wave of pilot experiments in agricultural insurance over the past decade. We now have the evidence to show that insurance works, it will be accepted by small farmers, and can be fine-tuned to protect against major weather risks. Brac and Islamic Relief are providing insurance against livestock deaths. Sadharan Bima Corporation (SBC), Green Delta Insurance Company Ltd, and Pragati Insurance Ltd have joined forces with Oxfam, World Food Programme (WFP), and Swiss Re to pilot-test weather index-based crop insurance (WIBCI). The SBC, Oxfam and the International Water Management Institute recently collaborated with the Sacred Heart Foundation, a local NGO in the country's haor area, to provide WIBCI for smallholders in this highly vulnerable region. Over 600 small farmers were recently delighted to receive payments when flash floods



Small farmers are one of the communities most vulnerable to the impacts of climate change in Bangladesh.

FILE PHOTO: STAR

destroyed their crops in the last few days of the enrolment period. The WIBCI is a novel system in which "bad weather" measured by satellites, automated weather stations and drones triggers payments based on damaging events, reducing the need for adjusters and the likes, reducing business costs and speeding up payments to the affected farmers. Using digital platforms and insurance-bank-NGO partnerships, these projects have been able to provide timely compensations to small farmers within weeks of a damaging weather event, allowing the farmers to replant or make other timely decisions.

Today, fewer than 30,000 out of the

1.2 crore small farmers—under 0.003 percent—have participated in one of these WIBCI pilot projects. These pilot experiments required a roughly 50 percent subsidy from donors and/or the Ministry of Finance, but evidence suggests that the amount of subsidy can decrease as farmers become more familiar with insurance and more farmers are covered, improving risk pooling. The foundation of insurance is pooling risks. Crores of farmers need to participate to thin out these risks and protect this smallholder backbone of our rural society. Green Delta has shown that a private insurer can operate profitably using tailored insurance for smallholders in specialty

crop production.

Legal reforms are needed to make it easier for banks to cooperate with the insurance companies and NGOs engaged in local development. Licensing standards need to be preserved while making one-stop processing available for this broader set of insurance partners.

Bangladesh needs more trained actuaries and specialists in insurance operations, along with agronomists and meteorologists who understand insurance—and this should be addressed by the universities. Improvements are needed in the geographic details and accuracy of the weather data released by the

Bangladesh Meteorology Department. Better quality and accessible crop yield data, along with inexpensive and timely terrain maps relevant to monitoring flooding and drought, are needed to support this effort. Networking platforms that will allow insurance people, interested NGOs, the SBC, agronomists, geodesic science specialists, digital specialists, and relevant professionals from universities and governmental agencies to mingle and generate new partnerships are needed to spur this industry. Agricultural extension specialists should become knowledgeable partners in these efforts.

Does agricultural or crop insurance need to become a public responsibility? Does it require the type of heavy public subsidies that exist in the US and Western Europe? Government intervention is certainly required along the lines outlined above. Public or charitable subsidies may be necessary in the pilot stage and the early start-up. But our argument is that effective upscaling, use of new digital and remote sensing technologies, and effective partnering of private, NGO and governmental agencies should be sufficient to launch sustainable crop and other insurance schemes.

We already have over a decade of pilot experiments and accumulated knowledge on what is required to create a sustained crop and a broader agricultural insurance system. It is time to put a stop to endless pilot projects, and move forward to create weather protections for the smallholders of rural Bangladesh, who will have to confront the growing weather challenges in the future due to climate change.

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Can the UN play a central role in reshaping Afghanistan's future?



PALLAB BHATTACHARYA

AS the world debates on the ways to deal with the serious challenges faced on multiple fronts after the Taliban takeover of Afghanistan, one issue that has received much less attention than the others is the kind of template based on which the

solutions are to be found. The challenges relate as much to Afghanistan's internal dynamics as to the external ones.

It is against this backdrop that one has to view the speech delivered by India's External Affairs Minister S Jaishankar at the United Nations high-level meeting on the humanitarian situation in Afghanistan on September 13. Jaishankar's remarks revolve around the UN Security Council's Resolution 2593, adopted on the final day of India's

for centrality of the United Nations' role in shaping the future of Afghanistan, and how this centrality is the best option in the current circumstances.

Jaishankar's main argument is that "a multilateral (UN) platform is always more effective than small groups in building global consensus and encouraging united action" in Afghanistan. It is in this context, he said, that the UN Security Council Resolution 2593 should guide the international community's approach in the coming days as Afghanistan goes through a critical phase.

The UNDP reckons that Afghanistan faces the threat of sliding further back into poverty—from 72 percent to 97 percent—which not only has serious consequences for that country, but will also have a severe impact on regional stability. As humanitarian aid is crucial, it is important to keep in mind that the issue of travelling and safe passage has the potential to emerge as an obstacle to delivering assistance, and it needs to be sorted out at the earliest.

cannot be expected to do anything to assist Afghanistan. The SCO is a mechanism whose member-countries have differing perspectives and conflicting interests on Afghanistan—so much so that it makes Singapore-based Indian strategic affairs expert C Raja Mohan to comment in an article in *The Indian Express*: "It is unlikely that the SCO can come up with a regional solution for the Afghan crisis." Complicating the matter further is the divergences between the US and the European Union where Afghanistan is concerned. It remains to be seen how much the UN can be effective in bringing the world together on the Afghan issue.

But there are certain common things that can be easily agreed on by the international community to provide humanitarian assistance in Afghanistan by creating an enabling environment besides the need for an end to terrorism and radicalism in the country. This can have some salutary effects on the country's security situation. Efficient logistics, according to Jaishankar, is one such common issue for which unfettered and direct access to Afghanistan is required.

Another important thing that the Indian foreign minister points out is the non-discriminatory distribution of humanitarian assistance across all sections of Afghan society. Only the United Nations has the capacity to monitor humanitarian efforts and make assurances to the donor countries and organisations, Jaishankar contends.

The assessment in New Delhi is that, given the current situation in Afghanistan and Pakistan's ascendancy in that country, only the UN umbrella can provide a way out for India to resume its own efforts to meet the humanitarian requirements of the Afghans. India provided more than one million tonnes of wheat to Afghanistan over the past decade, and also partnered with the World Food Programme (WFP) for distribution of high protein biscuits for school-going children for several years. India is also keen to see its 500 development projects in all 34 provinces of Afghanistan remain intact. These projects—spanning power, water supply, road connectivity, healthcare, education, and agriculture sectors—have in the last two decades created the image of a soft-power country, which has never sought the role of a security provider in Afghanistan. As the former Indian envoy to Pakistan TCA Raghavan suggests, India should not wean itself away from Afghanistan just because of the changed situation in the country.

The UN's centrality on the Afghan issue can also help India regain some of the influence it has been enjoying in Afghanistan for the last two decades before the Taliban takeover.

The UN is often criticised for its inability to resolve conflict situations and humanitarian crises around the world. Afghanistan provides an opportunity for it to redeem itself.

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The United Nations Security Council meets to discuss the situation in Afghanistan at the UN Headquarters in New York, US.

FILE PHOTO: REUTERS

month-long leadership of the world body in August. The resolution is a strong reflection from the Security Council and the international community on its expectations regarding Afghanistan. It iterates the importance of combating terrorism in Afghanistan, including those individuals and entities designated pursuant to Resolution 1267 adopted by the Security Council in 1999, and asked the Taliban to facilitate safe passage for people wanting to leave Afghanistan, allow humanitarian operation in the country, uphold human rights—including for women and children—and an inclusive political settlement.

But where he departs from the UNSC resolution is his unambiguous suggestion

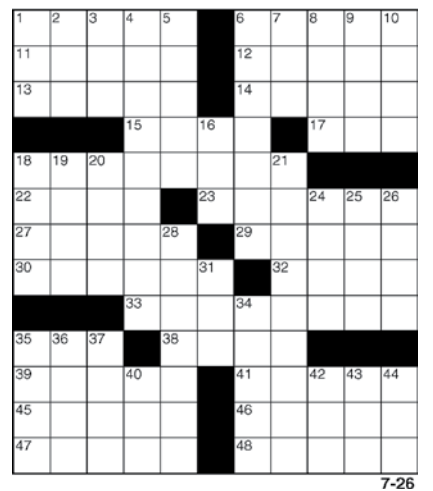
This, Jaishankar said, warrants the resumption of regular commercial flight operations at the Kabul airport to ensure regular flow of humanitarian aid to complement domestic relief measures.

Why is the central role for the UN needed in Afghanistan, from where the world body has been missing since the US-led international forces ousted the Taliban from power in 2002? This is mainly due to the lack of a viable regional grouping that could help Afghanistan, which is a member of both Saarc and the Shanghai Cooperation Organisation (SCO), a security group led by China and Russia.

The South Asian Association for Regional Cooperation (Saarc) is moribund and

CROSSWORD BY THOMAS JOSEPH

- ACROSS**
- 1 Field enclosure
 - 6 Sneaker features
 - 11 Even a little
 - 12 Precise
 - 13 High-muck-a-muck
 - 14 Towel material
 - 15 Weeps noisily
 - 17 Groom's wear
 - 18 Independent sort
 - 22 Sweeping story
 - 23 Skewed views
 - 27 Car sticker
 - 29 "Coming up next" ad
 - 30 Short sock
 - 32 Go under
 - 33 Admire
 - 35 Touch lightly
- DOWN**
- 38 Cooped (up)
 - 39 City on the Mohawk River
 - 41 Luminous glows
 - 45 Back tooth
 - 46 Old car part
 - 47 Change, as the Constitution
 - 48 Singer Rogers
 - 10 River of Hades
 - 16 Move up and down
 - 18 Helen's mother
 - 19 Ready for business
 - 20 Shaving mishap
 - 21 Years and years from now
 - 24 Shower need
 - 25 Radiate
 - 26 Song for one
 - 28 Spotted cat
 - 31 Sock part
 - 34 Aptitude
 - 35 Mountain lion
 - 36 Physics bit
 - 37 Mosaic piece
 - 40 Soup buy
 - 42 Sprinted
 - 43 Columnist
 - Landers
 - 44 Cloud setting
 - 9 Beige



YESTERDAY'S ANSWERS

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Local Government Engineering Department

Office of the Upazila Engineer

Upazila: Naldanga

District: Natore

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Memo No-46.02.6955.000.14.06.18. 690

Date: 16/09/2021

e-Tender Notice-01/2021-22

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the Procurement of works as stated as below:

Sl. No.	Tender ID	Name of Work	Tendering method
01	610070	Supplying of Medical Instruments of Upazila Health Complex Naldanga, under Naldanga Upazila, Dist: Natore. (Project: UGDP, Sub-project No. INF-2019-20-506955-01) (Package no:INF-2019-20-506955-10.)	OTM

This is an online tender, where only e-Tender will be accepted in the National e-GP portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.

The fees for downloading the e-Tender documents from the National e-GP System portal have to be deposited online through any registered banks branches up to up to 03 September 2021, 17:00PM. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

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