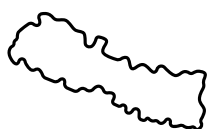




InsuResilience

Solutions Fund

PROJECT BRIEF NEPAL



Agriculture in Nepal, in particular, is highly fragile and sensitive to water-induced hazards, which cause flash floods and high monetary damages particularly in central and eastern parts of the lowland (Terai). To cover these losses, Nepal only has conventional indemnity-based insurance covering agricultural input costs. Poor, land-dependent and indigenous peoples living in flood-prone areas with few tangible assets and excluded from post-disaster government support, are left highly vulnerable. Thus, an index-based insurance product is being developed and piloted with two layers against floods to increase resilience against the effects of flood and in-land flood with the lowest possible basis risk. This project is implemented in tandem with the ongoing Flood Resilience Programme of Practical Action contributing to wider flood resilience-building efforts.



Target group
Smallholder farmers cultivating paddy rice



Target region
Province 5 and 7, Western Nepal, Karnali river basin



Insured asset
Agricultural production (yield losses)



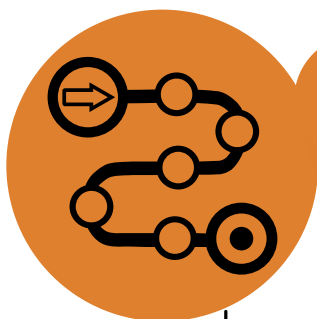
Insured peril / hazard
Flood



Insurance type
Micro- and meso-scheme
Development of new index-based flood insurance solution



Own contribution
50% of total ISF project costs

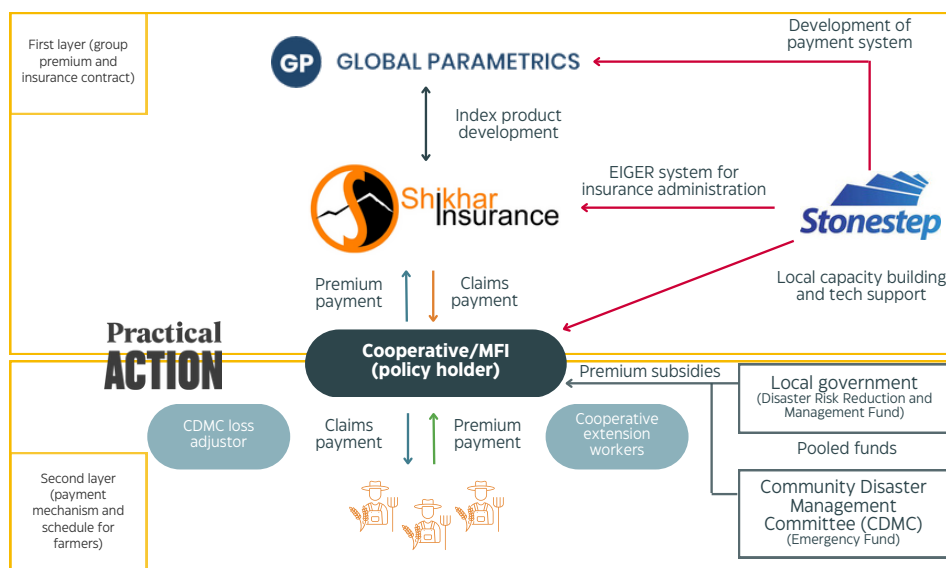


PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Household data collection.
- Community resource and capacity analysis.
- Flood risk modelling.
- Insurance product design.
- Legal structuring.
- Development of appropriate distribution channels.
- IT solutions.
- Capacity building and education.
- Investment in infrastructure (i.e., simple flood gauges, automatic rainfall stations).



PROJECT SET UP



EXPECTED IMPACTS

- Increased resilience of smallholder farmers against climate and disaster risk.
- Strengthened capacities of local authorities to enhance their local disaster and climate resilience plans and policies.



PROJECT PARTNERS

DEMAND
SUPPLY

- Practical Action / NGO / UK

- Stonestep TFD Private Ltd / InsurTech / SG
- Global Parametrics Ltd / Risk Modelling / UK
- Shikhar Insurance Company Ltd / Insurance Company / NP

EXPECTED BENEFICIARIES ¹

 **267,000 by 2025**
100% poor and vulnerable

IMPLEMENTATION PERIOD



GRANT AMOUNT

EUR 659,155