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.
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

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

DEMAND
- Practical Action / NGO / UK

EXPECTED BENEFICIARIES

267,000 by 2025
100% poor and vulnerable

IMPLEMENTATION PERIOD

MAR 2021
APR 2023

GRANT AMOUNT
EUR 659,155

[1] Based on submission documents requiring use of IGP M&E Methodology.