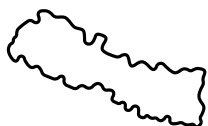




# PROJECT BRIEF NEPAL



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)



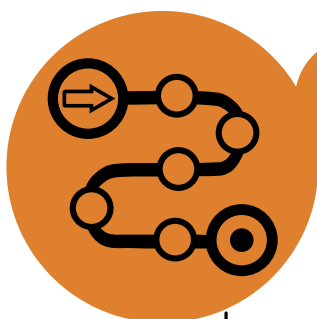
**Insured peril / hazard**  
Flood



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



**Own contribution**  
50% of total ISF project costs

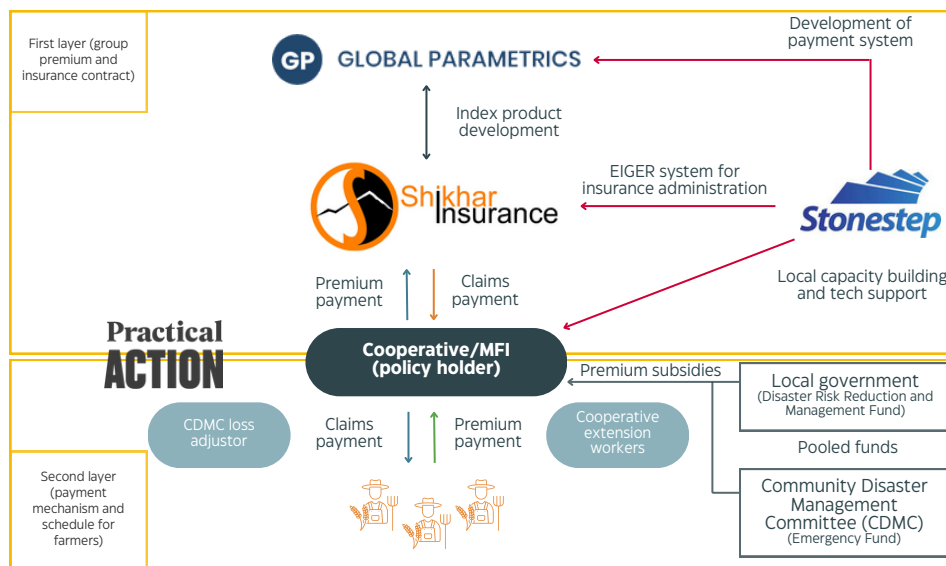


## PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- 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 <sup>1</sup>

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

## IMPLEMENTATION PERIOD



## GRANT AMOUNT

EUR 659,155