

Jamuna River Sustainable Management Project (JRSMP) – Component 3



Component 3 of the JRSMP is about financial protection of communities living along the Jamuna River. The program developed under this component is called DRF for Jamuna Floods (DRF4JF) by the Government of Bangladesh (GoB). The program includes two instruments: Climate Risk Insurance (CRI) and Community Protection Fund (CPF).

DRF4JF

DRF4JF is an innovation for Bangladesh. This is the first time that GoB has developed a pre-arranged financial solution for floods, especially one that mobilizes private risk capital. The key advantage of this program is that it is meant to mobilize access to finance more rapidly when eligible flood events trigger the program, and it introduces a financial preparedness system in the country.



Both instruments are sovereign level instruments. (i) CRI is a sovereign level parametric / index-based policy where GoB acts as a policy holder. (ii) CPF is a sovereign level fund, with budget allocation from GoB.



Both instruments trigger to benefit communities. 100,229 households (~420,000 people) are preselected for coverage under DRF4JF in three districts: Gaibandha, Kurigram, and Sirajganj. A map has been included as an annex. The households have been selected using a beneficiary registry maintained by the World Food Programme for their Anticipatory Action program, which leverages Government validated registries.



Both instruments are complementary and model based. The CRI and CPF have been designed to cover the same households, but from different magnitudes of flood events based on modelled triggers, i.e., they trigger based on modelled results.



The instruments trigger based on a modelled index that includes two parameters: water level data (from BWDB) and flood extent, also known as inundation area (from satellite image sources). CRI triggers for one in five-year events. CPF triggers for one in three-year events. This means, CPF always triggers before CRI. In addition, since rainfall events are not always captured through the index, the CPF also triggers for rainfall-induced one in five-year events¹.



The program triggers at union level. This means that every union has a different trigger because water level and inundation levels do not constitute one in three or one in five-year events at the same threshold across all unions given geographical aspects (e.g., low and high lands). This also means not all unions trigger at the same time or even in the same flood season.



The program design is scalable to all unions along the Jamuna River. The solutions designed are currently only covering a small portion of vulnerable populations living along the river. The union-level approach that has been developed for three districts can be scaled to cover a much larger area of the Jamuna region.

¹ CPF has been designed as a parametric or index-based fund for complementarity and objectivity. That said, GoB through its CPF committee can determine payout outcomes that do not align with model outcomes

Who are the key stakeholders and what roles do they play.



- GoB (via MoF and IDRA) acts as the policy holder of CRI and budget allocator of CPF. GoB is also responsible for the overall program.



- Sadharan Bima Corporation (SBC) is the sole insurer, with reinsurance capacity from Generali, and possibly Munich Re.



- Institute of Water Modeling (IWM) and Weather Risk Management Services (WRMS) act as the calculating agent (those who monitor the model to communicate payouts).



- Janata Bank acts as the host Bank for the program who manages the digital financial service that provides mobile payments through CRI and CPF.



- World Food Programme acts as delivery partner, who identified beneficiaries covered, undertakes ground truthing for flood events, ensures last-mile delivery of cash payouts.



- CPF committee is responsible for instructing CPF payouts.

2026 coverage from the program.



Coverage Period

June 1, 2026, to September 30, 2026



Total Coverage
US\$6 million



Payout Structure
Maximum of two payouts per household



Payout Amount
US\$30 per payout per household



Fund Allocation
US\$700,000



Potential Beneficiaries
23,333 households

How the program works.



- Throughout the monsoon season, the calculating agent (IWM& WRMS) runs the model daily with water level data provided by BWDB and satellite data available through global resources.



- When the CPF threshold has been breached in the first union, it initiates what is called a trigger assessment window that lasts 25 days.



- In those 25 days, the calculating agent tracks all the unions that breach their respective thresholds for the CPF and the CRI and provides a detailed report to all stakeholders involved within two days after that trigger assessment window ends.



- Based on the information, for households that trigger CRI, SBC initiates its claims process so that payouts can be made to preselected households within seven calendar days.



- Based on the information, for households that trigger CPF, a CPF committee is hosted within five days, to determine a payout based on pre-agreed CPF protocols to instruct Janata Bank to pay out within one day of the decision.



- Payments are through mobile wallet accounts, in the first year via bKash.

1 The WB project includes funds for renewal of a similar policy annually for another two years.

2 GoB has allocated 1.4m in total for the CPF over three years.

2027 enhancements expected.



- Expansion to additional areas along the Jamuna River, which would have an impact on overall households covered, premium volumes, and maximum coverage.



- Stronger engagement of other government authorities including local level officials for endorsement of beneficiary households covered, and engagement of Ministry of Social Welfare to explore transition from WFP systems to national systems to scale the program.



- Modifications to the program design (trigger and operating process) based on experience from year 1.

Annex: Map of areas covered

This includes areas with beneficiary households covered under the 2026 program.

