

Kenya Livestock Insurance Program pays herders in Northern Kenya

Last year in October the Kenyan State Department of Livestock of the Ministry of Agriculture, Livestock and Fisheries (SDL-MALF) launched the Kenya Livestock Insurance Program (KLIP), a disaster risk management scheme supporting vulnerable pastoralists from the impact of drought on their livestock.

Zurich, August 2016 The Kenya Livestock Insurance Program (KLIP) was introduced to mitigate the adverse impact of drought to herders in Northern Kenya. By providing pastoralists with pasture scarcity drought index insurance, this public private partnership framework aims at improving climate change resilience of livestock holders in arid and semi-arid lands. The KLIP is an annual scheme covering two vegetation seasons: the Short Rain Short Dry (SRS) period from October to December and the Long Rain Long Dry (LRLD) from March to September. The scheme uses the Normalized Difference Vegetation Index (NDVI) as a proxy for biomass availability. The risk period is set that in case of mid-season vegetation deficit, farmers receive a payout to fund forage to feed the animals for the rest of the season. The remote sensing data serves as an indication for green matter availability and acts like an early warning systems for pastoralists during a season. Instead of waiting till the end of the season when livestock is already suffering badly, this pre-emptive scheme makes payments to pastoralist mid-season to buy additional fodder making communities more resilient against the impact of climate change.

Since the launch of KLIP over 5,000 farmers have been covered. By the end of June, the cut-of date for the LRLD season, the threshold value of the index was triggered in two regions in Wajir County. 275 farmers in the two regions in the North Eastern province received cheques with payouts from the lead insurer APA in August.

APA Insurance has appointed CelsiusPro as the Calculation Agent for the Kenya Livestock Insurance Scheme.

Further Information:

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About CelsiusPro:

CelsiusPro is a Swiss company specialized in structuring and originating tailored parametric solutions to mitigate the financial impact of adverse weather, climate change and natural catastrophes.

