

Livelihoods Insurance from Elephants (LIFE) in Kenya and Sri Lanka

Facilitating private markets to insure small-scale farmers in Kenya and Sri Lanka for damage caused by Human Wildlife Conflict (HWC), primarily from elephants



In brief

This project will facilitate private markets to insure small scale women and men farmers for damage caused by Human Wildlife Conflict (HWC), primarily from elephants. This will provide support for insurance in two countries – Kenya and Sri Lanka - where HWC is a serious threat to livelihoods and to biodiversity and there is interest from private insurers to address this gap in the market.

Why now?

Human Wildlife Conflict (HWC) imposes major economic and human costs on poor women and men farmers in many parts of the world, particularly around protected areas. Elephants are a major source of HWC in both Africa and Asia. They trample or eat crops, damage property, and sometime cause human injury or even death. Each year, about 35 people are killed by elephants in Kenya and up to 80 people in Sri Lanka.

In many cases this leads to killing of wildlife by local people, either directly in defence or from revenge, or through their support for illegal killing by external poachers. Each year, wildlife authorities shoot between 50 and 120 problem elephants in Kenya and over 230 elephants are killed by farmers in Sri Lanka. The Sri Lankan elephant is listed as endangered and there are only between 2,500-4,000 remaining in the wild, a drop of 50% in the past 60-75 years.

Globally, many different interventions have been tried to reduce HWC - including physical and financial measures – but have had limited success. Personal insurance has been used as an alternative strategy in a limited number of cases, but to date there have been few efforts to involve commercial insurance companies. Both Kenya and Sri Lanka, have, however, started to explore the potential of such a scheme. This project is intended to help the governments of those countries to pilot new

insurance schemes, learn from each other, and develop an effective national approach. The research will focus on four key challenges:

- Cost effective verification
- Timely and fair payments
- Avoiding perverse incentives for conflict and linking payments to good husbandry
- Financial sustainability limited to who will pay the premiums

The research will generate lessons from these two focus countries that can be used to inform the development of similar schemes elsewhere.

Our ambitions

The project is expected to reduce human-elephant conflict which has been a direct outcome of expansion of human activities into wildlife habitats through encroachments into elephant habitat space and migration routes.

It is expected that the project will reduce losses and damage due to human elephant conflict in both countries for insured male and female farmers covered by insurance by at least 20% by the end of the project from an established baseline. It is estimated that by project end, the introduction of private insurance will reduce elephant fatalities by human elephant conflict by 10% in Kenya and 10% in Sri Lanka as demonstrated by government data.

Timeline of activities

Year 1

- Inception meetings in Kenya and Sri Lanka
- Surveys/data analysis to generate baseline for elephant fatalities and damage and loss to farmers in Kenya and Sri Lanka
- Design insurance scheme by AB Consultants (Kenya) and IPS (Sri Lanka) with IIED review
- Literature review of existing experiences of HWC insurance and compensation schemes

Year 2

- Design insurance scheme in Kenya and Sri Lanka
- Year 2 national dialogues in Kenya and Sri Lanka
- Implementation of insurance scheme in Sri Lanka and Kenya
- Monitoring of uptake, implementation and effectiveness through household surveys and interviews with insurance companies in Kenya and Sri Lanka
- Write up experience lessons learned and recommendations for roll out by partners in Kenya and Sri Lanka

Year 3

- Year 3 national dialogue
- Letter of commitment by government to roll out scheme nationally and insurance company(ies)
- Comparative analysis (synthesis) of lessons learned from the two countries based on the two national report
- Final international workshop
- Dissemination and outreach activities



Outputs and outcomes

Outputs

1. To provide technical support to a national scheme to insure human wildlife conflict in Kenya based on the 2013 Wildlife and Conservation and Management Act
2. To provide technical support to pilot insurance schemes for HWC in Sri Lanka
3. To discuss global best practice on the role of private insurance in addressing human wildlife conflict

Outcomes

1. In Kenya, national scheme for HWC insurance designed by project end for female and male farmers by private insurance companies
2. In Sri Lanka, national insurance schemes designed for female and male farmers in selected locations by project end with private insurance companies.
3. Global best practice agreed for the role of private insurance in reducing human wildlife conflict



Who's who

International Institute for Environment and Development (IIED)

IIED will provide overall technical oversight, coordinate the project, manage partner contracts and provide donor reporting to DEFRA. On technical oversight IIED will lead on the global review of existing insurance schemes at the start of the project and lesson learned from the two countries at the end of the project - linking national level institutions in Kenya and Sri Lanka with global experts and practitioners.

IIED is a policy and action research organisation. We promote sustainable development to improve livelihoods and protect the environments on which these livelihoods are built. We specialise in linking local priorities to global challenges. IIED is based in London and works in Africa, Asia, Latin America, the Middle East and the Pacific, with some of the world's most vulnerable people.

AB consultants, Kenya

AB Consultants will lead on the design of the insurance scheme in Kenya. AB Consultants is an independent market driver that seeks to increase penetration of insurance into Kenya and other parts of the sub-Saharan Africa, focusing on micro-insurance and inclusive insurance.

Institute of Policy Studies (IPS), Sri Lanka

IPS will lead the field work in Sri Lanka. Established by an Act of Parliament in December 1988 and formally set up as a legal entity in April 1990, the IPS has established itself as the foremost policy research institute in the country and has gained recognition in the South Asian region for its independence and excellence in policy research. Environment and natural resource management and climate change are key research priorities. The IPS undertook a study to assess climate insurance for dry zone farmers in Sri Lanka with funding assistance from the Global Development Network (GDN) and this included a number of observations of the need for insurance on Human Wildlife Conflict.

Get involved

Visit our website

Project information is available online and outputs will be made available as the project progress. Visit <https://www.iied.org/livelihoods-insurance-elephants-life-kenya-sri-lanka>

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Project Materials

Economics; Biodiveristy

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Livelihoods

About our funders

The Darwin Initiative is a UK government grants scheme that helps to protect biodiversity and the natural environment through locally based projects worldwide. The initiative funds projects that help countries rich in biodiversity but poor in financial resources to meet their objectives under one or more biodiversity conventions.

Funded by The Darwin Initiative



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