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Satellite Data predicts livestock deaths from drought – Index-based Livestock Insurance Project (IBLI) in Ethiopia

In Ethiopia, pastoralists usually purchase index based insurance, in which payments are issued based on an easily observable index that is correlated with, but not identical to individual loss.

In Ethiopia, the most common index is rainfall, a measure which has been shown to provide only marginal protection because the correlation between rainfall and losses is weak. Insurance that doesn't payout when households experience loss is not sustainable or effective at promoting economic resilience in the community.

To counter the traditional rainfall measurement index, IBLI used satellite data to measure vegetation based on ground cover. As a result, index based livestock insurance has the potential to transform vulnerable pastoralists into resilient, vibrant market participants with high growth potential.



Education on Livestock Insurance, Photo: *IndexBasedLivestockInsurance*