



SAVING LIVES
CHANGING LIVES

Climate risk insurance for livestock farmers in the Kyrgyz Republic

The World Food Programme (WFP) in the Kyrgyz Republic, with financial support from the Swiss Agency for Development and Cooperation (SDC), has developed a **Climate Risk Insurance product benefiting livestock farmers in the Kyrgyz Republic**, which aims to:



Assist livestock farmers in obtaining financial resources to purchase fodder in the event of scarcity and/or high prices, or when grazing is not possible or meaningful due to extreme drought and extreme and extended winters



Prevent households from selling productive assets and stimulate faster recovery. Farmers can boost agricultural productivity by investing in seeds, fertilizers, and innovative technologies



Increase the financial sustainability of livestock farmers through cash payments and in-kind support, improving their food security and nutritional status



Strengthen the technical and financial capacity of local governments and district authorities and pasture committees to improve pasture management and protect households with Social-Passport with livestock from climate-related shocks



Contribute to the prosperity of the livestock sector

Why is it important?

Low-income and food-insecure households face a wide range of shocks, including climate variability, extreme weather occurrences, conflicts, and socio-economic crises. The natural disasters associated with climate crises are one of the **key drivers of food insecurity** in the country, while unfavourable and unexpected climatic conditions are one of the problems for agricultural activities.

The scale and frequency of climate-induced disasters have **increased 1.5 times over the past 12 years**. **Abnormally high temperatures (drought), low temperatures (long winters), and lack of irrigation water** may lead to lower yields across multiple crops, especially fodder.

Vulnerable communities are more likely to experience severe losses as a result of shocks, such as climate-induced disasters or economic downturns. Additionally, vulnerable people lack access to effective risk management and social protection mechanisms, which can lead to increased vulnerability and difficulty in recovering from these events. Therefore, it is essential for local governments and disaster response agencies to implement climate and disaster risk financing strategies, including Climate Risk Insurance, that can offer **pre-arranged finance to vulnerable households following climate shocks**. **This will help protect the agricultural productivity and food security of farmers**, and ultimately enhance the resilience of the community.



Key information about 2023 pilot

The Climate Risk Insurance (CRI)

product designed to provide pre-arranged financing to Local Governments, so they are able to financially support farmers to access fodder when availability is reduced, or when pastures are inaccessible or non-productive due to climate extremes.

The CRI product is a weather index insurance product covering lack of feedstock availability due to extreme droughts and extreme winter conditions due to late onset of spring or early end to autumn. The product has been developed jointly by WFP and the global technical service provider Blue Marble, and it is being offered by the local insurer APlus with the support of the cooperating partner, the Kyrgyzstan Agricultural Services Forum (KGFRAS).

CRI combined with technical support provided to local governments and pastoralists will strengthen their technical and financial capacities to improve sustainability of pasture management and enable support for livestock protection from climate shocks.

- **Districts covered in Naryn province:** Jumgal, Ak-Talaa and Naryn
- **Families benefiting from the CRI product:** 4,500 as a priority group identified through Social Passports. In case of an extremely catastrophic drought, CRI will cover up to 10,000 families.
- **Risk insured:** Extreme droughts
- **Insured amount:** US\$1.2 million
- **Modality:** Weather index insurance product. No need to submit an insurance claim, insurance payouts will be made automatically.
- **Coverage period:** 1 June to 30 September 2023
- **Payout distribution:** APlus will provide payouts to the districts covered in case of extreme drought that passed the pre-agreed threshold. With the support of WFP, Blue Marble and KGFRAS, the district administrations have developed response plans and are working to ensure that the appropriate infrastructure is available to provide timely support to pastoralists so they can feed their livestock. The support will be in-kind and in cash and will vary depending on the severity of the event. Examples of in-kind support include supply of highly nutritious fodder such as barley, wheat, corn, alfalfa, etc.





Scale up in 2024

- CRI is a component of an Integrated Climate Risk Management (ICRM) approach promoted in the Kyrgyz Republic to improve the resilience of the agricultural sector. In 2024, WFP will continue working closely with the Government and other strategic partners in building the pillars of CRI sustainability and integrating it with other components of the ICRM.
- Key priorities for 2024 include (i) capacity strengthening of districts and Local Governments to improve climate resilience, climate services and integrate CRI as a cost-efficient approach to provide support to pastoralists when needed; (ii) supporting to the Government to develop an enabling regulatory framework for agricultural insurance; (iii) improving of CRI to provide earlier support and (iv) exploring integration of a microinsurance scheme.
- In 2024 the CRI will cover extended and extreme winter and extreme drought and will provide protection to other provinces of the Kyrgyz Republic.



WFP SUPPORTED MICROINSURANCE GLOBALLY

In 2022, WFP insured 3.8 million people in 21 countries in Africa, Asia, Latin America and the Caribbean, through climate risk insurance products. In areas affected by droughts, floods and hurricanes, the insurance products provided payouts to assist 1.8 million people with US\$12.6 million. Women make up more than 50 percent of participants who received policies.

For more information about WFP-supported Climate Risk Insurance programmes please refer to the 2022 Climate Risk Insurance Annual Report.

Partners

Access to climate risk insurance in the Kyrgyz Republic would not be possible without the generous support of the partners:



Government of the Kyrgyz Republic



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