



Protecting the livelihoods of Smallholder Pastoralists in Northern Nigeria

CARE Nigeria and Pula

CARE10x: Partnerships for Accelerating Impact
September 2023

Introduction

Beginning August 2023, CARE and [Pula](#) launched the pilot of a new insurance product designed to fit the unique needs of small-scale pastoralists in Northern Nigeria, thereby strengthening their incomes and resilience to climate-related disasters. This partnership with Pula, an insurance and technology company, has been made possible by CARE Nigeria and CARE USA's Innovation, Impact@Scale and Food & Water Systems teams.

This new insurance product is the result of over six months of co-design work between Pula and CARE. Following an in-depth research phase, Pula led a participatory design process with members of CARE's Village Savings and Loan Associations (VSLAs), 96 percent of whom are women. Between the months of January and April 2023, CARE and Pula conducted a dry run to test this novel product and gauge the interest of CARE's VSLA members, who primarily sustain their livelihoods with cattle, sheep, or goats. Upon validating the practical viability of Pula's proposed hybrid livestock insurance product among this smaller group of pastoralists, CARE Nigeria and Pula are now rolling out the product, targeting 182 households with a total of about 1,100 animals.

What's the problem?

Nigeria has the fifth largest cattle herd in Africa, with this sector contributing to nine percent of the country's total agricultural gross domestic product (GDP). About 60 percent of the ruminant livestock population is found in the country's semi-arid zone and is largely managed by small-scale pastoralists. As a result of climate change, the pastoral regions of Nigeria are affected by severe droughts every few years, often with consecutive dry years. During droughts when forage and grazing stocks fail, herders have been pushed further south in search of available pasture, leading their animals to encroach neighbouring agricultural land resulting in conflicts between herders and host communities. These conflicts have resulted in thousands of deaths over the years, especially in the North Central region where pastoralists reside. The security and financial repercussions associated with climate change continue to disproportionately affect smallholder cattle herders, especially women.

What's the innovation?

[Pula is an agricultural technology company that provides comprehensive insurance solutions](#) to governments and smallholder farmers. CARE's partnership with Pula is the first of its kind, resulting in a specialized insurance product that offers an indemnity cover for multiple mortality-related perils (e.g., various livestock diseases that present a greater threat during dry seasons) and an index-based cover for feed-related risks. Through the feasibility study, these were identified as priority risks for smallholder pastoralists at the 'last mile', and key barriers for their livelihoods, productivity, and stability. Pula seeks to strengthen the population's resilience against natural disasters through risk transfer mechanisms.

"I am very interested in this program, and I want to be part of it. Immediately this project starts, I will register. I call upon all farmers, especially the nomads to participate fully because this program is a very good opportunity that if utilized, they will get a lot of profit like securing their animals."

Audu Muhammed,
Livestock Officer, Ministry of Agriculture

Unexpected livestock loss holds enormous financial and cultural implications, especially for households where livestock production is their primary source of income. This insurance product aims to:

1. Cushion these losses, by making timely payouts commensurate with the value of the livestock insured.
2. Protect pastoralists against loss of grassland due to risks such as floods, droughts, degradation of vegetation, fire, lightning, windstorm damage, accidents, and uncontrollable pests and disease.

3. Provide pastoralists with a comprehensive insurance cover that consists of fortnight, 16-day periods, within which pastoralists are protected when their grazing land is insufficient. The timely payout to vulnerable pastoralists enables them to purchase supplementary livestock feed, transport the animals to better grazing land or for sale, or create water bodies as communities to keep their core breeding animals alive during droughts.

Progress to date

23%

Insured Animals

(277 out of 1180 tagged animals)

48%

Small-scale pastoralists registered in the pilot.

(88 out of 182 pastoralists that participated in the dry run)

258 Sheep and Goats

19 Cows

(Types of ruminants insured)

What have we learned?

1. Livestock owners need frequent and repeated sensitization to fully comprehend the product, appreciate its value and understand how it works.
2. There is need for a comprehensive stakeholder engagement plan with communities; husbands need to be involved and sensitized as well as their buy-in determines women's uptake of the product. This can be done through village chiefs etc.
3. There is need to tailor an insurance product specifically for women who mostly tend to own small ruminants.

"The program is very good; CARE and Pula are doing the right thing, but we still need more support especially around livestock feeding."

Aisha T. Shaibu
Livestock herder and Teacher

What's next?

This new phase of CARE's partnership with Pula aims to build upon the knowledge gained during the dry run to further test and refine the delivery channels and economic viability of the specialized insurance offering. It sets the stage for a sustainable intervention that better enables livestock owners across Nigeria to mitigate climate-related risks. For this pilot, the partnership is working with the same group of livestock owners who participated in the dry run, as:

- The participants have already received extensive sensitization on animal tagging and insurance, ensuring a higher level of familiarity with the process.
- The participants have willingly consented to animal tagging and successfully registered their animals, indicating a strong commitment to the project. CARE is supporting in securing premium contributions and establishing a reliable payment and claims mechanism for the cattle herding VSLA members.
- A rapport has been established between the participants, field agents, and the call center, facilitating effective communication channels.

Pula is subsidizing 75 percent of the insurance premiums, while the VSLA members are contributing the remaining 25 percent (average contributions of approximately \$0.8/610 NGN). Encouraging participants to contribute financially fosters a sense of ownership and ensures greater buy-in, paving the way for long-term sustainability of the intervention.

Upon the pilot's close, CARE and Pula will leverage key learnings to identify potential pathways for sustainably scaling the new solution to other communities with a shared need and interest in livestock insurance, including new regions of Nigeria and other countries as well. To do so, CARE will also work closely with Pula and local partners to identify what features of this specialized insurance product would need to adapt to new contexts, thereby ensuring its safe and successful impact.

CARE10x is bringing best-in-class innovations to our global network of smallholder producers. We are partnering with social enterprises—a growing source of innovative solutions to today's most pressing global development challenges. These social enterprises often struggle to access the networks, resources, and technical expertise necessary to scale their solutions to 'last mile' communities where their solutions are most needed. CARE is uniquely positioned to address this challenge. By leveraging CARE's last mile access in 100+ countries, technical expertise in gender-transformative humanitarian and development assistance, and global reputation for excellence, we are helping proven social enterprises tackle global problems at scale.

For further information please contact Christabell.Makokha@care.org and Anita.Akella@care.org

