

Darwin Initiative Main Annual Report

To be completed with reference to the “Project Reporting Information Note”:
(<https://www.darwininitiative.org.uk/resources-for-projects/information-notes-learning-notes-briefing-papers-and-reviews/>).

It is expected that this report will be a **maximum** of 20 pages in length, excluding annexes)

Submission Deadline: 30th April 2022

Darwin Initiative Project Information

Project reference	25-004
Project title	Livelihoods Insurance from Elephants (LIFE) in Kenya and Sri Lanka
Country/ies	Kenya and Sri Lanka
Lead partner	International Institute for Environment and Development (IIED)
Project partner(s)	AB Consultants (Kenya) and Institute for Policy Studies (Sri Lanka)
Darwin grant value	£337,666
Start/end dates of project	01/06/2018-30/09/2022
Reporting period (e.g. Apr 2021 – Mar 2022) and number (e.g. Annual Report 1, 2, 3)	April 2021-March 2022
Project Leader name	Paul Steele
Project website/blog/social media	https://www.iied.org/livelihoods-insurance-elephants-life-kenya-sri-lanka https://www.iied.org/covering-elephant-tracks-can-insurance-compensate-farmers-for-wildlife-damage https://drive.google.com/file/d/1VPCX23Ox6_9XIIjV22yvt07z3PhPi3yJ/vi ew https://www.ips.lk/talkingeconomics/2021/01/11/human-elephant-conflict-can-insurance-help-affected-communities/
Report author(s) and date	Paul Steele, Anna Ducros, Cinzia Cimmino, Dilys Roe, Barbara Chesire-Chabbaga, Anne Kamau, Zipporah Muchoki, Betty Chebet, Athula Senaratne, Manoj Thibbotuwawa, Heli De Alwis, Holly Dublin – 30/04/2022

1. Project summary

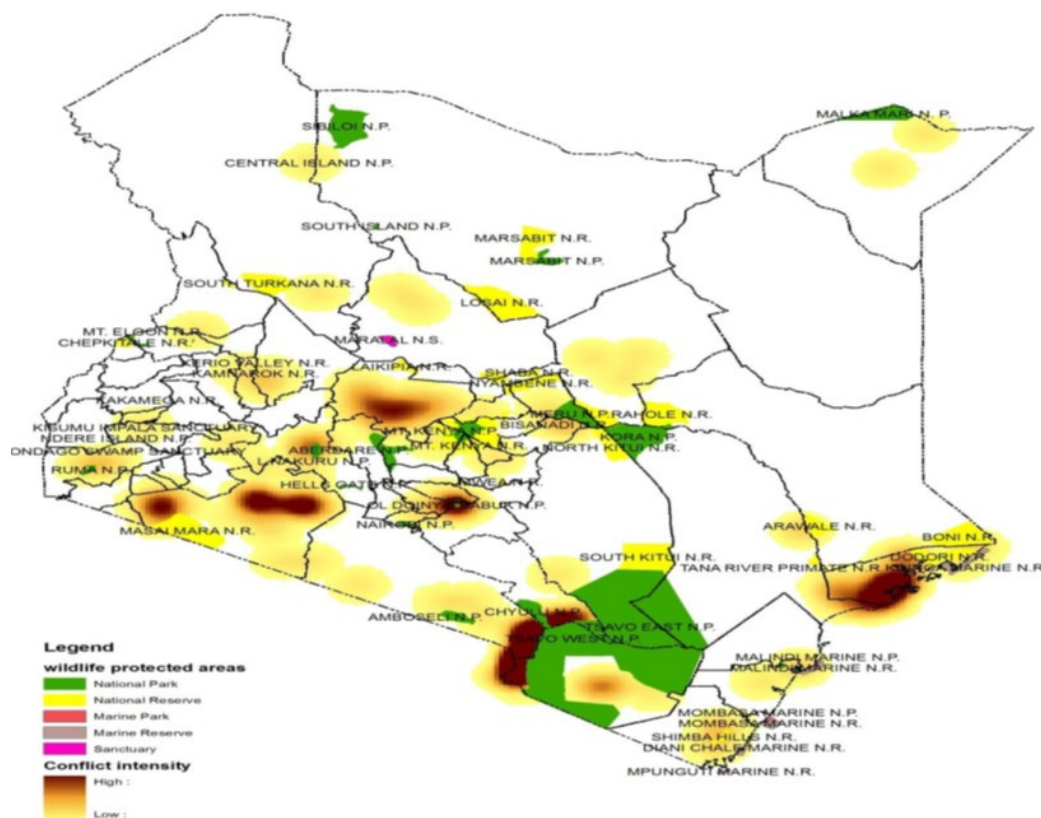
Human wildlife conflict in Kenya occurs frequently in the dryland areas which boast most of the wildlife population in the country. The top 5 counties that have had the highest reported incidences of human wildlife conflict include Taita Taveta County, Narok, Lamu, Kajiado and Laikipia counties. The 10 wildlife species that are responsible for the most human wildlife conflict

incidences are elephants, buffaloes, hyenas, hippos, leopards, baboons, monkeys, snakes and crocodiles with elephants being responsible for the highest incidences of crop raiding and the highest number of reported threat incidences.

This project is facilitating private markets in Kenya to insure small scale women and men farmers against damage caused by Human Wildlife Conflict (HWC), primarily from elephants. This will provide support for insurance in Kenya within the counties or regions 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.

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. 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.

In Kenya, the project is working in two counties in the south of the country with severe human elephant conflict: Taita Taveta (Tsavo ecosystem) and Kajiado (Amboseli ecosystem) as shown in the map below. The project is designing and implementing an insurance scheme which will enrol up to 1000 households of the most vulnerable households within the first year of implementation. The project will aim to target at least 10% female headed households or 100 households by the end of the first year of implementation.



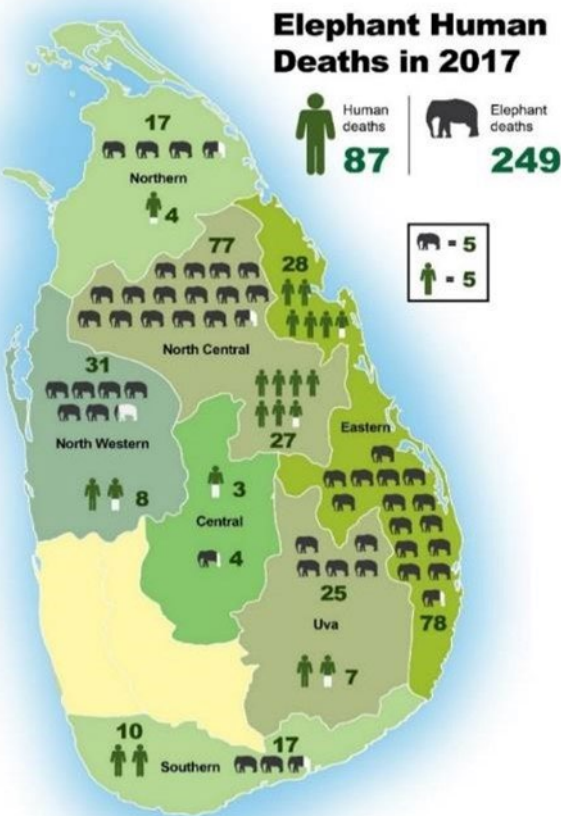
Source: National Wildlife Conservation Status Report, 2015-17

The map above shows the Human-elephant conflict hotspots in Kenya with pilot areas of Tsavo in Taita Taveta county and Amboseli in Kajiado county.

HEC has been reported from 7 out of 9 provinces in Sri Lanka. In 2017, HEC resulted in 87 human deaths and 249 elephant deaths (Figure...). The conflict has been most intensive in Eastern and North Central provinces. Besides the life threat, communities living in affected areas encounter crop and property damages on daily basis that incur immense cost on their livelihoods.

In Sri Lanka, the Project is focused on two districts, namely Kurunegala and Anuradhapura. A pilot insurance scheme specially designed to cover the wild elephant risk is planned to be

implemented targeting 1000 farm families who faced the threat in these two districts. These districts have mainly been selected considering their high vulnerability to HEC and involvement with the World Bank supported Ecosystem Conservation and Management Project (ESCAMP) from which the LIFE project has requested support to implement the pilot. Targeted beneficiaries of pilot scheme would include villages and community groups covered by ESCAMP interventions to mitigate HEC. As in Kenya, it is expected to cover 10% women headed households by pilot insurance scheme.



2. Project stakeholders/ partners

Within Kenya, the project partner is AB Consultants, an independent market driver that seeks to increase penetration of insurance and other financial services in Kenya and other parts of the sub-Saharan Africa, focusing on micro-insurance and inclusive insurance. AB Consultants have become instrumental to the main government reform process to set up a private insurance scheme for Human Wildlife Conflict. Through the project, AB Consultants carried out research among communities, brought together stakeholders in the country to have a shared understanding of the problem, and have now designed a product informed by research. The product has been approved by the Insurance Regulatory Authority (IRA) and has already attracted an underwriter and reinsurer for implementation.



@AB Consultants

AB Consultants with IIED at national consultative forum, May 2019

In Sri Lanka, the partner is the Institute of Policy Studies (IPS) which was established by an Act of Parliament in December 1988. The IPS has established itself as the foremost economic policy research institute in the country and has gained recognition in the South Asian region for its independence and excellence in analytical research. IPS have played an active role to prepare workplans and budget, design field survey materials and recruit a team of actuaries.

In Sri Lanka, the project has also formed close links with government through the Department of Wildlife Conservation (DWC) whose mission statement is to “To conserve wildlife and nature by the sustainable utilization of men, material and land through participatory management, research, education and law enforcement and ensure the maintenance of biodiversity and forest cover as exist today”. The Director General Mr. Sooriyabandara of the DWC was the chief guest at the Darwin inception workshop. <http://www.ips.lk/ips-iied-explores-possibility-private-insurance-mitigate-human-elephant-conflict/>

The project has also developed close links with the World Bank in Sri Lanka who agreed in 2016 the \$45 million World Bank Ecosystem Conservation and Management Project (ESCAMP) which includes activities to address HWC among rural households. <http://www.worldbank.org/en/news/press-release/2016/09/05/government-of-sri-lanka-and-world-bank-sign-agreement-to-protect-sri-lankas-ecosystems> This World Bank loan project is providing support for electronic and vegetative fencing to prevent damage by elephants and has agreed to co-finance the Darwin insurance pilots (see later sections).

The project has been implemented in a participatory way with both the Kenyan and Sri Lankan teams learning from each other’s experience through monthly zoom calls of 1.5 hours each where AB Consultants, IPS and IIED have participated.

In Sri Lanka, the project has developed close links with the British High Commission in Sri Lanka. We have held bilateral meetings with the BHC and held a webinar for all staff and been invited to bid for other BHC funded work in Sri Lanka.

In Sri Lanka, the project has met with the CBD Biodiversity focal point in the Ministry of Environment.

3. Project progress

This is reported against the application log-frame from 8th February 2019 and a change to outcome indicators request 18th Jan 2020 as requested by the reviewer of the first annual report. There were further limited changes to the logframe in September 2020 when the project was

extended by a year to 2022. The project was extended another six months to concluded on the 30th of September 2022.

3.1 Progress in carrying out project Activities

Kenya project progress

The first output is to provide technical support to a **a national scheme to insure HWC in Kenya** based on the 2013 Wildlife and Conservation and Management Act. The activities in our workplan under this output completed are:

- Surveys/data analysis to generate baseline for elephant fatalities and for damage and loss to farmers (managed by AB Consultants with IIED support)
- Year 1 national meeting
- Design insurance scheme by AB Consultants with IIED review
- Prototype of claims reporting and verification systems in the pilot regions of Taita Taveta and Kajiado counties. This took take place in May 2021.

Future activities include:

- Implementation of insurance scheme in Kenya (insurance company & AB Consultants)
- Year 3 national meeting
- Monitoring of uptake, implementation and effectiveness (in terms of reduced elephant mortalities and reduced damage and loss) through household surveys and interviews with insurance companies. (AB Consultants)
- Write up experience lessons learned and recommendations

In Y4, the project supported the proto-typing and application of a USSD platform and app for digital HWC incidences and claims reporting. This began in May when the pilot program took place in 8 areas in Kajado and 8 areas in Taita Taveta. Over 160 community members (96 male and 64 female) participated in the prototype testing. Testers found the system to be straightforward and expressed willingness to use the platform more in the future. Further, those involved in prototyping the product called for more awareness forums in order to be fully educated on the platform.

In August 2021, the project partners' tech teams hosted a demonstration of the developed platform for the Kenyan Wildlife Services (KWS). This was to respond to any queries and to get feedback on what the KWS want altered or added to the system. One suggested change was to simplify the code used to register claims and to provide the USSD platform in multiple languages. A follow up meeting was also conducted to then show the changes during which the KWS approved, and IT proceeded with implementation of the changes. By the end of August 2021, USSD platform was translated to Swahili. IT teams from all partners (AB, Minet and Jubilee) integrated their systems on the 10th of August 2021. The system will be further integrated with the IPRS with support from Safaricom, the largest network provider in Kenya.

On the 14th of October 2021, AB Consultants and the project implementation partners met with the Tourism and Wildlife Cabinet Secretary and ministry officials to present the project' s implementation plan and explain the activities of each workstream (The project steering and implementation committee had several workstreams that were tasked with the delivery of the project deliverables. The workstreams included the IT workstream tasked with the platform development, the Claims Verification Officers (CVO)recruitment workstream. The legal workstream which was commissioned on the Cabinet Secretary's direction, the pricing workstream and the communication and community education workstream). They also provided an end-to-end demonstration of the USSD system. The Cabinet Secretary approved the implementation plan and gave the go ahead to launch the pilot scheme in January 2022. He further proposed that Baringo county be included in the pilot counties once the scheme is launched. The pricing workstream comprising actuaries from the project partners revised the original pricing of the scheme to include Baringo county.



AB Consultants and the project implementation partners meet with the Cabinet Secretary to discuss the project's implementation plan.

In October, following discussion with the Cabinet Secretary, KWS was appointed to test the system in at least 5 counties. KWS appointed rangers working in the counties to act as User Acceptance Testers (UATs) and provide feedback to the IT teams on whether the system was generating the data they require to monitor and respond to claims.

Sri Lanka progress

Output 2 is to provide technical support to **pilot insurance schemes in Sri Lanka**. Activities completed include:

- Surveys/data analysis to generate baseline for elephant fatalities and for damage and loss to farmers (managed by IPS with IIED support)
- Design insurance scheme by IPS with IIED review
- Inviting proposals from leading insurance providers for pilot insurance scheme and selection of SANASA insurance as a research partner to implement the pilot
- Negotiations with the World Bank supported Ecosystem Conservation and Management Project (ESCAMP) for getting a one-year subsidy support for farmers to pay premiums

Future activities include:

- Implementation of insurance scheme in Sri Lanka (SANASA Insurance)
- Monitoring of uptake, implementation and effectiveness (in terms of reduced elephant mortalities and reduced damage and loss) through household surveys and interviews with insurance companies. (IPS) Write up experience lessons learned and recommendations for roll out by IPS

Continuing discussions that began in Y3, the World Bank approved the proposal to partially fund the premium for the project on the 29th of June 2021. Together with MOU, ESCAMP and the World Bank, an agreement was reached in which 50% of the total premium will be subsidised by ESCAMP for 3 months, and the remaining 50% was paid by farmers.

In July 2021, SANASA General Insurance gave a presentation on their services and application technology for agriculture insurance. The application thrives to support customers on a number of services. Claims take approximately 6-7 days to process

In August, Sri Lanka entered lockdown due to the COVID virus and this presented large setbacks for the project. However, IPS has remained focused on increasing awareness of the project. In 23rd-24th November, IPS, joined by SANASA and ESCAMP, hosted an farmers awareness program in Kurunegala and Anuradhapura districts. At the workshops, SANASA provided information on the insurance product, including an explanation on covers, benefits and premiums. Farmers showed interest in crop and grain stock covers but less so in fences as they are not usually damaged. A number of farmers remarked that they would also like cover for accidents that happen when chasing elephants and to included family members, which SANASA agreed to. They also requested cover for animals other than elephants, however, that is outside the scope of this scheme. The farmers' organisation's leaders plan to discuss the scheme at their general meeting and SANASA agreed to have their officers present to provide more information. Notably, the farmers agreed that premiums were affordable.

In January, a new Secretary of Wildlife was appointed. Unfortunately, the new post holder is less willing to meet with SANASA which presents major setbacks to the project. Although IPS and SANASA signed the tripartite MOU, signing was continuously delayed by the Project Director of ESCAM, and this demotivated SANASA in further involvement in the project. Further, in April 2022, food and fuel prices rocketed in Sri Lanka, leading to large protests and power outages, delaying the project.

Global level progress

The third output is to agree **global best practice** on the role of private insurance in addressing HWC. Activities completed are:

- A **communication strategy** developed to engage key experts and practitioners working in conservation and insurance: *draft completed by IIED*
- In the second and third year of the project **international experts** from conservation organisations and the insurance industry will join the national workshops – for the second year, we led a World Bank webinar on human wildlife conflict insurance

Future activities include:

- At the end of the project an **international workshop** will be organised bringing together stakeholders from Kenya and Sri Lanka and international experts to link to other processes such as the IUCN HWC Taskforce and other channels.
- A final **report and video** will disseminate lessons learned

The communication strategy has been agreed by the project team of AB Consultants and IPS.

In 2021-2022, IIED communications team continued to work on videos that will report on the projects and provide lessons for other countries wishing to create similar schemes. The communications team made progress on four videos for both Kenya and Sri Lanka. There will be two shorter videos (4-5 minutes) with a target audience of conservationists and investors, as well as one longer video (10-15 minutes) for each country. Footage was obtained throughout the 2021-2022 year and the first edits were made. Videos for Sri Lanka and Kenya are due to be released before the of the project to increase awareness and share lessons learnt. The sister project in Malaysia will also be producing a video, that will include interviews in Kenya and Sri Lanka.

The main message of the videos for insurers is to highlight the project's potential as a new business opportunity by outlining the financial incentives that the scheme creates. It will also provide a gender perspective, showing that the situation without intervention imposes costs on female farmers. The video for conservation practitioners works to highlight how insurance reduces incidences of human-wildlife conflict, again providing a gender perspective.

Members of IIED drafted a "How to Guide", outlining key steps to implementing an HWC insurance scheme, directed at both insurers and conservationists. Project partners in Kenya, Sri Lanka and Malaysia provided feedback to make the guide more effective from their own

lessons learned. A draft of the How to Guide can be found in Annex 4 in the Supplementary Material.

3.2 Progress towards project Outputs

Output 1: *“In Kenya, a national scheme for HWC insurance designed and implemented by project end for female and male farmers by private insurance companies” is behind schedule due to delays in implementation. However, there is no reason to believe that the indicators will not be met by the end of project.*

Indicator 1.1: “By January 2019 situation analysis has been completed to clarify nature and extent (number of incidences, extent of losses) of HWC problem nationally” has been met - the situation analysis has been complete - <https://pubs.iied.org/G04411/>

Indicator 1.2 “By end of year 1 insurance scheme designed and agreed with insurance company “. This is fully achieved with the project joining forces with the Ministry of Tourism and Wildlife and the decision to hand over the government funded compensation scheme for HWC to the private sector as part of the Task Force deliberations. The Government of Kenya launched its Taskforce report in December 2019 <http://www.kws.go.ke/content/human-wildlife-compensation-report-2014-2017-launched> and <https://www.tourism.go.ke/wp-content/uploads/2020/07/Task-Force-on-Human-Wildlife-Conflict-Compensation-Schemes-Final-Report.pdf>. To implement the Report, final agreement with the insurance companies has now been reached and it is hoped that the Taskforce findings for the government to fund the pilots will be approved.

Indicator 1.3 By end of year 2 at least 1000 households have been enrolled in the insurance scheme. Enrolment of households in the project remains delayed, however preparatory steps have been completed such as engaging farmers in the scheme, discussing premium prices and pro-typing the digital scheme.

Indicator 1.4 By middle of year 4 at least 50% of claims made by enrolled households have been settled satisfactorily. Again, this indicator is delayed. Data on level of satisfaction of settlements will be provided once the insurance scheme is officially launched. begins.

Indicator 1.5 By end of project, insurance scheme has been evaluated and successfully demonstrated to reduce elephant fatalities and reduce farmers’ losses from HWC. Evaluation will take place at the end of the project.

Output 2: *“In Sri Lanka, pilot insurance schemes implemented for female and male farmers in selected locations by project end with private insurance companies” is behind due to COVID restrictions. Additionally, Sri Lanka is currently experiencing rocketing fuel and food prices, leading to power outages and widescale protests throughout the country.*

Indicator 2.1 By March 2019 situation analysis has been completed to clarify nature and extent of HWC problem nationally and within pilot site – completed in year 1

Indicator 2.2 By the middle of Y2 insurance scheme designed and agreed with insurance company – fully completed due to delays following Easter bombings in April 2019. The first year of premiums have been secured from the World Bank.

Indicator 2.3 By end of year 2 at least 500 households in pilot area have been enrolled in the insurance scheme – delayed due to field work delays following Easter bombing attacks and then COVID, but the SANASA insurance company have indicated that this enrolment is possible.

Indicator 2.4 By middle of year 4 at least 50% of claims made by enrolled households have been settled satisfactorily. Enrolment of insurance scheme remains delayed due to COVID restrictions in previous years and changes in key government actors.

Indicator 2.5 By end of project government has committed to roll out scheme nationally and insurance company(ies) have been appointed. Expansion of the project will proceed at the end of the project period.

Output 3: “*Global best practice agreed for the role of private insurance in reducing human wildlife conflict*” is on track.

Indicator 3.1 Global review of extent of HWC and role of private insurance – completed year 1

Indicator 3.2 Communication strategy developed to identify and engage with global experts from conservation community and insurance industry from public and private sectors – drafted year 1 and approved by partners in year 2 with implementation started.

Indicator 3.3 Sharing of lessons learned from Kenya and Sri Lanka through annual dialogues involving country participants and global experts. Continuing as in Y2, in Y3 annual meetings were replaced with monthly zoom calls with the full Darwin team involving Kenya and Sri Lankan partners to share good practice and experience. Meetings also included representation from the sister project in Malaysia to promote knowledge sharing.

Indicator 3.4 Documenting of lessons learned in Kenya and Sri Lanka undertaken at end of project will occur in the upcoming year due to project extension.

Indicator 3.5 Visualisation of lessons learned in Kenya and Sri Lanka through a video at the end of the project is in progress. Communications team at IIED is making four videos, one with the target audience of conservationists and the other with a target audience of investors and one longer one on each country. Because the project has been extended 6 months, the videos are scheduled to be finished end of the project. The footage for each video is complete, with help in Kenya and Sri Lanka from local filmmakers.

3.3 Progress towards the project Outcome

The anticipated outcome for this project is “Improved conservation of *Loxodonta Africana* and *Elephas Maximus* and reduced negative impacts of wellbeing of poor farmers through reduced human wildlife conflict in Kenya and Sri Lanka”. The revised outcome indicators were emailed to Darwin on 18 January 2020 as requested by the reviewer of our first annual report. They are:

- 0.1 Reported elephant fatalities or reported attacks on elephants by human reduced by 10% by project end from an established baseline
- 0.2 Number of insurance claims to commercial insurance providers by female and male headed households relative to number of reported elephant attacks on humans
- 0.3 Number of insurance claims paid out to female and male headed households by commercial insurance providers relative to number of insurance claims submitted
- 0.4 Number of insurance claims to commercial insurance providers paid out within 60 days to female and male headed household claimants

Despite delays with the Sri Lankan Easter bombings and economic collapse (including power outages and lack of fuel), and the COVID-19 virus – it is possible to record gradual progress against the project outcome. Whilst the actual indicators have yet to be achieved, implementation in both countries indicates likely future progress with private insurers, government, development partners, civil society and affected households. Insurance companies have been agreed upon in both countries, sources of premium payment for the pilots have been secured (government spending in Kenya and donor financing from the World

Bank in Sri Lanka) and field surveys and participatory rural appraisal indicate a willingness by affected households to use insurance and even moderately co-finance premiums.

3.4 Monitoring of assumptions

Outcome assumptions:

1. Elephants' fatalities and losses due to HWC does not change significantly due to other factors such as change in rainfall and climate, changes in farming practices and change in use of other techniques to prevent HWC such as electric fencing:

Comment: This assumption holds true and insurance is being tied to changes in technique to reduce HWC in order to minimise this risk

2. Government holds or can access data on elephant fatalities via MIKE/PIKE data

Comment: National and local data turns out to be better and this has been collected

3. Government holds or can access data on pre-project levels of loss and damage (via existing, uninsured claims):

Comment: This assumption does not fully hold true as data only available on human deaths and injuries but not available on crop damage – but development of insurance will collect crop level claims.

4. Land holding provides a useful proxy for relative wealth and data on this can be collected as part of the insurance enrolment process:

Comment: Not tested but we have no reason to expect that this should not hold true

Output 1 and 2 Kenya and Sri Lanka assumptions

1. Insurance companies are willing to partner on the project

Comment: This assumption is definitely the case with insurance companies in both countries identified.

2. Households in pilot site are interested in taking out insurance against HWC and willing to participate in the project:

Comment: This assumption has held true following field surveys and participatory rural appraisal

3. Government remains committed to private insurance as an option for mitigating HWC:

Comment: This assumption is holding true as evidenced by strong government engagement in both Kenya and Sri Lanka

4. HWC remains a problem and claims are made:

Comment: It is too early to test this assumption. HWC is definitely a problem, but the insurance scheme has not yet been implemented (although in both countries many claims continue to be made against the government compensation schemes).

Output 3: Global best practice

1. Useful lessons emerge from the two country case studies that are of interest to the wider conservation community

Comment: Strong interest from web inquires and face to face meetings including Mozambique, Botswana and Bhutan. In the past year, another LIFE project has progressed in the planning stages in Sabah (Malaysia) modelled on the Kenya and Sri Lanka Darwin funded work providing evidence that including other countries in meetings and planning discussions allows for knowledge sharing and supports the interest of a wider conservation community.

3.5 Impact: achievement of positive impact on biodiversity and poverty alleviation

The anticipated impact of this project is: “Sustainable private insurance schemes reduce impacts of human wildlife conflict on livelihoods of poor women and men and elephants’ deaths thus improving achievement of the Sustainable Development Goals and Convention on Biological Diversity”.

It is too early to assess a contribution to this impact since the insurance schemes have not yet been implemented. However, we see no reason to expect that the project will not contribute. In Kenya, more than 65 per cent of wildlife live outside of national parks and can encroach on villages any day. An estimated 35 people are killed by elephants each year in Kenya. More than 100 African elephants are killed every day; in 2011 alone, almost 12 per cent of the population was destroyed. This is primarily by ivory poachers, but local people may be involved or turn a blind eye as they resent wild elephants. Kenya's elephant population has plummeted from about 167,000 to 35,000 within 40 years. Meanwhile Kenya's human population of 40 million is predicted to reach nearly 100 million by 2050 putting further pressure on natural ecosystems and wildlife. Initial fieldwork in Kenya has borne out these dynamics.

In Sri Lanka, according to the latest DWC data, during the 9 year period between 2010-2018 there were 2228 elephant deaths, an average of 248 per year, caused by HEC Conflict. This has increased from the period of 2011-2015 in which there was on average 230 elephant deaths per year. During the 2010-2018 period, HEC lead to 685 human deaths (581 males, 92 females and 12 children) and 10389 incidents of property damage.

4. Project support to the Conventions, Treaties or Agreements

The project's outcome of Improving the conservation of *Loxodonta Africana* and *Elephas Maximus* and reducing poverty among affected households through reduced human wildlife conflict (HWC) in Kenya and Sri Lanka and its methodologies to achieving this are very relevant to the CBD and, in particular, to the following articles: 8. In-situ Conservation (8e sustainable development adjacent to protected areas; 8j equitable sharing of benefits; 11. Incentive Measures (economically and socially sound measures that act as incentives for conservation); 12. Research and Training (12b encourage research which contributes to conservation); 17. Exchange of Information (facilitate the exchange of information relevant to conservation).

During his sabbatical visit to Sri Lanka in January 2020, the IIED Team Leader met with the Sri Lanka CBD focal point at the Ministry of Environment and briefed her on the Darwin LIFE project objectives and activities. She was very supportive and agreed that HWC was a major threat to biodiversity in Sri Lanka and that private insurance could provide one possible solution. The IIED Team Leader helped IIED colleagues draft indicators on HWC to input into the post 2020 CBD negotiating process.

During the Y4, IIED has met virtually with host country focal points (policy analysts, insurance companies, consultants, etc.) monthly to remain updated on the progression of pilot programs. Meeting time is used to discuss progress and to share knowledge and lessons learnt between countries. The monthly meetings also include project leaders from the sister project in Malaysia.

5. Project support to poverty reduction

In Kenya, the project has been instrumental in shaping the recommendations of the Task Force on HWC and insurance, which affects some of the most marginalised pastoralists living in Kenya. The project partner AB Consultants has designed a microinsurance scheme which is intended to enrol up to 1000 households of the most vulnerable households within the first year of implementation, including at least 10% female headed households or 100 households by the end of the first year of implementation. As the insurance implementation has not yet started, these poverty reducing impacts cannot yet be measured, but the severe impacts of HWC on poor women and men has been borne out by the field work conducted.

In Sri Lanka, HWC also affects some of the poorest households including the North-central Province where the insurance pilots are planned. Once COVID restrictions are relaxed, the project is intended to put insure 500 households with at least 10% female headed households or 50 households within a year in the pilot areas. As the insurance implementation has not yet started, these poverty reducing impacts cannot yet be measured by field work suggests that affected households have low levels of income.

6. Consideration of gender equality issues

HWC imposes significant costs to female farmers. Female farmers may be involved in guarding their crops at night (some such households were met during field work) and may face significant costs from loss and damage (death, injury, property damage and crop damage). These are likely to be particularly severe for female headed farming households.

By ensuring that female farmers are particularly targeted for insurance enrolment, the project will entail that female farmers also face reduced loss and damage from HWC.

Financial inclusion and access to financial services such as banking and insurance is a major challenge for women in both Kenya and Sri Lanka. Women face considerable discrimination and cultural and institutional blockages to these services, particularly in Kenya. The project will work with the insurance companies identified to ensure that women are not discriminated against and indeed are actively encouraged to take out private insurance for HWC.

The project will measure its contribution to gender equality by collecting gender disaggregated data on the number of female and male farmers impacted by HWC. It will also provide the number of female and male insurance policy holders, claimants and pay out recipients. The project targets that at least 10% of insurance policy holders must be women. Insurance implementation has not yet been completed, however, participation in technology proto typing in the Kenya project was made up of 60% male and 40% female. Furthermore, for the workshops in Sri Lanka, participation was 20% female in Kurunegala and 60% female in Anuradhapura, showing that the project is well under way to surpass outlined goals of gender equity.

7. Monitoring and evaluation

Monitoring and evaluation are central to this project as the core activity is monitoring and assessing the effectiveness of private insurance for mitigating HWC to improve biodiversity (measured in reduced elephant fatalities and reduced poverty (measured in reduced loss and damage from HWC). Thus, the project started in Y3 in both Kenya and Sri Lanka with a baseline of published and survey data of the extent and scale of HWC in both biological and social terms.

The insurance schemes have now been designed and are ready for implementation. Once implemented, they will be followed up with a thorough monitoring and evaluation of this insurance scheme according to biological, poverty related and gender dis-aggregated criteria. A related aspect of the project's monitoring and evaluation will be to assess the nature and seriousness of the insurance claims made and whether they are genuine or fraudulent.

8. Lessons learnt

Having two project countries in Africa and Asia generally continued to work very well this last year. Like in previous years, it continued to stretch the budget and require additional monitoring and quality control by IIED – but it allowed the two countries to learn extensively from each other and share different approaches which gave further lessons.

Sabah, Malaysia remains as a sister project and was able to make progress in the past year by meeting with insurance companies, designing the insurance scheme and in general contributing to knowledge sharing across three countries. Malaysia faces challenges that are similar as well as variable compared to those in Kenya and Sri Lanka, which allows for

consideration of adaptability of insurance schemes to different contexts, creating potential for insurance schemes to be effective in more countries.

Kenya and Sri Lanka took different approaches to finance the insurance premiums in the first year. Kenya benefitted from the strong government buy-in with the national consultative forum and the creation of the Task Force where AB Consultants played a lead role. This led to a government political commitment to hand over the government compensation scheme to a private sector insurer. Whilst this has slowed down the implementation progress it has increased the policy leverage of the project and allowed the project to facilitate a recommendation that government should pay for the insurance pilots as a prototype for the roll out of the larger national scheme.

By contrast in Sri Lanka, the government has not made a financial commitment to hand over their compensation to the private sector insurers despite evidence during the field survey and participatory rural appraisal that the scheme is very slow and sometimes ineffective. Thus, the pilot has had to turn to donors – in this case the World Bank and ESCAMP to finance the initial one year of premiums during the pilot period. This will be combined with development of a financing strategy where more longer financing will be identified including hopefully government funding particularly if the government can be persuaded to hand over their compensation scheme to the private sector. Further, IPS has learned through discussions with banks in October 2021 that there is an opportunity to leverage grievance mechanisms, and there is no need to go through a three-tiered system.

The lesson learned is that private insurance is likely to be easiest to implement where the government has already committed to hand over their compensation scheme to the private sector. This also avoids complications over duplication with affected households eligible for both government compensation and pay-outs from private insurance cover.

9. Actions taken in response to previous reviews (if applicable)

The review of last year's report provided seven recommendations as outlined below. Recommendation 1 was resolved in conversation with Darwin and recommendation 2 and 3 were address in the half year report previously submitted.

- Recommendation 1: Review the output and output level indicators and consider submitting a change request since the attainment of the output is dependent on external factors that the project is not able to manage
- Recommendation 2: Clarify the source of funds for the pilot scheme in Kenya, since government commitment may require high level policy directive that may not be forthcoming in the remaining project's timeframe
- Recommendation 3: Clarify whether the change of focus from rolling out of the insurance scheme at national level to piloting in Kenya requires a change in baseline for outcome indicators

Recommendation 4: Provide a gender – disaggregated data or matrix of the recruited pilot households in Kenya (160) and in Sri Lanka (500).

The 2021 annual report review requests that gender disaggregated data of recruited households in both Kenya and Sri Lanka be provided. As noted in Section 7, because the insurance scheme as not yet been implemented, gender disaggregated data cannot be measured at this time. However, through the monitoring and evaluation plan the project will obtain gender disaggregated data when the insurance schemes are implemented. As mentioned in Section 7, in both countries, it is planned to have at least 10% of insurance holders be women. Disaggregated data on participation in planning, workshops and prototyping stages is provided in Section 7.

Recommendation 5: Fast track the World Bank's commitment to supporting the piloting of the insurance schemes in Sri Lanka.

As mentioned in Section 3.1 of the report, the Sri Lankan project has experienced delays due to a change in the Secretary of Wildlife and the new leader has been less willing to work with

SANASA on this project. Efforts are in place to continue the progression of this project and strengthen the World's Bank commitment to supporting the pilot scheme.

Recommendation 6: Provide details of measures the project has taken in relation to health and safety of project staff and beneficiaries in Section 14 of the report.

As advised by the local government regulations in respective countries, in person project advancements were cancelled or delayed when the covid restrictions did not allow for gatherings. More

Recommendation 7: Develop an exit strategy to enhance project's sustainability after the project end.

Because the project has been extended 6 months, as per the recommendation in response to previous reports, an exit plan will be provided in the next half year report to outline the project's sustainability after the project end.

10. Other comments on progress not covered elsewhere

As mentioned in the sections below on legacy, this Darwin project has led to growing interest from other countries. In Malaysia, IIED has continued to work with a national NGO on a GEF Small Grant Project for \$42,000 to apply insurance to the Borneo elephants of Sabah. Unofficial statistics in Sabah shows that up to 20 elephants may be killed every year because of HEC. Addressing HEC and pioneering community engagement in elephant conservation in Sabah has been a focus of the NGO Seratu Aatai which will lead this project.

To make sure elephants can survive in their wild habitat and enhance local support for elephant conservation in the State, Seratu Aatai has previously shown the need to increase people's resilience to HEC and acceptance of agricultural losses. One venue that needs to be explored could be in the form of payments such as private insurance. Such as an approach working with private insurance actuaries to design Livelihood Insurance From Elephants (LIFE), as it is used in Sri Lanka and Kenya with the support of the international think tank, the International Institute for Environment and Development (IIED) <https://www.iied.org/covering-elephant-tracks-can-insurance-compensate-farmers-for-wildlife-damage>. The work by Seratu Aatai in Sabah will be linked up to these LIFE programmes in Sri Lanka and Kenya to form the LIFE Sabah programme to promote mutual learning. Together this international consortium with Malaysian expertise and community participation will design and pilot test insurance for human elephant conflict in eight villages in Tongod District to scale up to a Sabah wide insurance scheme." In Namibia, the government put out a call asking if anybody had a solution to HWC when it was revealed that elephants were being auctioned off. IIED sent a letter to the Deputy Executive Director of Natural Resources Management to explain what the team has been doing with the LIFE project and how it could be useful for Namibia. They responded briefly saying they will be in further communication however they have not followed up.

11. Sustainability and legacy

The project has been working with Kenyan and Sri Lankan national level decision makers in the public and private sector from the very start of the project to ensure that the experience and lessons learned are continued beyond the life of the project.

In Kenya the project's profile has been hugely enhanced by being the sole co-funder and co-organiser with the Ministry of Tourism and Wildlife of the national consultation forum on HWC and insurance in mid May 2019, which led to the Task Force where AB Consultants have been playing a leading role.

In Sri Lanka, the project had a lower profile but has recently enhanced its leverage by having the World Bank agree to co-finance the insurance premiums for the pilot areas in the first year. The buy-in from this large development partner will significantly increase the power of the project to convince the government to continue funding the pilots if they prove viable and to develop a national scheme – possibly even by handing over the government compensation scheme to the private sector as Kenya has decided.

The web-based information provided by the project has already generated significant interest from other countries where HWC is an issue in both Africa (Mozambique and Botswana) and in Asia (Bhutan and Malaysia (Sabah)). There has been interest to replicate the scheme in Botswana (from Continental Re) and from government officials in Mozambique. AB have done a concept note for Botswana and plan to work on a high-level concept note for Mozambique. The Darwin LIFE team held a conference call with Government of Bhutan officials and UNDP to discuss collaboration, and with Seratu Aeti, a Malaysia NGO who want to start an insurance pilot learning from LIFE <https://www.facebook.com/gajahkinabatan/>. Further details of this successful GEF project are given above.

12. Darwin identity

The Darwin initiative was given visibility on all project flyers and workshops.

During the sabbatical of the IIED Team Leader he met on 31st January 2020 with the British High Commission Prosperity Officer who was responsible for UK government funding to Sri Lanka including Darwin. The BHC was very pleased to be briefed on the Darwin LIFE project and welcomed opportunities for the High Commission to join Darwin LIFE events.

Overall, the Darwin Initiative LIFE project is a distinct programme. Its identity is understood by the project partners, AB Consultants and the Institute of Policy Studies of Sri Lanka

a. It has also been explained to the government counterparts the Ministry of Tourism and Wildlife in Kenya and the Department of Wildlife Conservation in Sri Lanka.

The Darwin initiative will be credited for funding and support in the video's released in the coming months, as described in Section 3.1 and 3.2.

13. Impact of COVID-19 on project delivery

Unfortunately, COVID has affected progress in the last 12 months. Both our projects in Kenya and Sri Lanka have been extensively delayed by the COVID-19 pandemic as our project partners and the private insurance companies selected have not been able to travel to rural areas to sell their insurance products to households affected by human-elephant conflict.

In the case of Kenya, in a few instances meetings had to be postponed. However, because the project has involvement of a private investing company, it was not constrained by limited governmental capacity. The USSD platform prototype which took place in May 2021 was contracted to User Acceptance Testers (UATs) because AB couldn't physically attend. UAT successfully carried out testing the prototype in two regions, Taita Taveta and Kajiado.

In Sri Lanka for several months' movement was restricted in rural areas. The country entered another lock from July to Sept. We were fortunate that one company (SANASA) remained engaged. Like many other countries, the COVID-19 pandemic has lasting effects, and given the vulnerable economic situation in Sri Lanka the domestic economic continues to feel the effects, especially the poorest.

Given the unforeseen nature of the COVID-19 pandemic there have been no options possible to mitigate this time change. We have been constantly monitoring the COVID-19 situation with regular monthly calls with our in-country partners in Kenya (AB Consultants) and Sri Lanka (Institute of Policy Studies). However, given the medical and legal constraints, travel was restricted and our partners health and safety were paramount, so we had to hold off on field activities.

For all these reasons we requested and received a 6-month extension to our Darwin LIFE project to add date of extension which will allow the Darwin project activities to be effectively completed.

14. Safeguarding

Please tick this box if any safeguarding or human rights violations have occurred during this financial year.

If you have ticked the box, please ensure these are reported to ODA.safeguarding@defra.gov.uk as indicated in the T&Cs.

IIED has the following relevant safeguarding policies:

- Anti-Fraud and Bribery Policy
- Anti-Harassment and Anti-Bullying Policy
- Complaints Policy
- IIED Disciplinary Procedure
- Safeguarding Policy
- Staff Code of Conduct 2020
- Whistleblowing Policy

These policies guide our approaches to zero tolerance for bullying, harassment, sexual exploitation and abuse, protection for whistleblowing, safeguarding and the code of conduct staff are obliged to uphold to ensure high quality work and partnerships. The policies also detail the process of how to register, investigate and respond appropriately and sensibly to issues raised that are related to safeguarding, disciplinary procedures, and whistleblowing. We monitor updates in Government and Charity Commission guidance and review our policies and procedures accordingly. No safeguarding issues have been reported during the reporting year.

15. Project expenditure

Table 1: Project expenditure during the reporting period (1 April 2021 – 31 March 2022)

Project spend (indicative) since last Annual Report	2021/22 Grant (£)	2021/22 Total Darwin Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs (see below)	██████	██████	-5%	
Consultancy costs	██████	██████	-9%	
Overhead Costs	██████	██████	2%	
Travel and subsistence	██	██	0%	
Operating Costs	██████	██████	48%	We weren't able to hold two regional conferences planned at the end of the project. However, these will be carried out at the end of the 6-month extension and will be covered by internal funds
Capital items (see below)				
Monitoring & Evaluation (M&E)	██████	██████	0%	
Others – bank charges	██	██	8%	
TOTAL	81,397	77,742		

16. **OPTIONAL: Outstanding achievements of your project during the reporting period (300-400 words maximum). This section may be used for publicity purposes**