

# HOA DRIVE, IBLT PAYOUT SUMMARY REPORT - SOMALIA


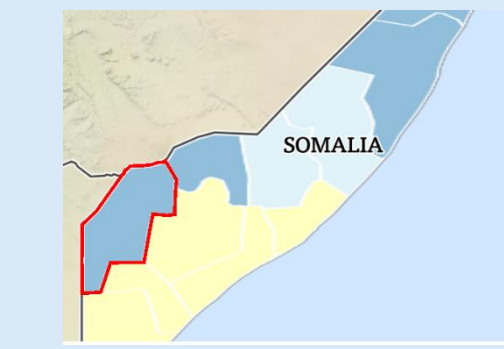
## APRIL – JUNE 2024 SEASON

### 1. EXECUTIVE SUMMARY

This report covers the payouts of the DRIVE Index Based Livestock Takaful (IBLT) product being sold in Somalia. The product's main aim is to provide cover against prolonged forage scarcity ONLY due to a drought. It triggers payment to pastoralists to help maintain their livestock in the face of severe forage scarcity. The payout amount depends on the value derived from a Normalized Difference Vegetation Index (NDVI). The pricing and payout methodologies are the same across all UAIs and result in the same price/payout within each UAI<sup>1</sup> level.

This report covers for the Long Rains season, covering the months of April 2024 – June 2024 for the various regions under cover i.e. Gedo, Bakool, Galguduud, Hiiraan, for two covers whose details are outlined below:

*Table 1: Somalia Coverage and Payout Summary*

Registration period	OND 2023	MAM 2024
Cover Period	1 <sup>st</sup> October 2023 – 30 <sup>th</sup> September 2024	1 <sup>st</sup> April 2024 – 31 <sup>st</sup> March 2025
Product structure	- Short rains: 1 <sup>st</sup> October – 31 <sup>st</sup> December 2023 - Long rains: 1 <sup>st</sup> April - 30 <sup>th</sup> June 2024	- Long rains: 1 <sup>st</sup> April - 30 <sup>th</sup> June 2024 - Short rains: 1 <sup>st</sup> October – 31 <sup>st</sup> December 2024
Regions covered	4 Regions - Gedo, Bakool, Galguduud and Hiiraan	Gedo
		
Total number of pastoralists covered	67,853	1,112
Total number of TLUs covered	336,196	5,169
Registration period	OND 2023	MAM 2024
Total sum covered	\$50,429,394	\$775,290
Total contribution amount	\$9,995,198	\$153,429
PAYOUTS		
Total number of pastoralists receiving payouts	N/A	N/A
Total payout amount	N/A	N/A

The determination of payouts relies on data provided by Planet, a leader in delivering daily Earth insights through satellite imaging, which empowers organizations with a comprehensive view of our changing planet. To enhance the credibility of these figures, secondary sources on pasture conditions were incorporated to corroborate the results, adding an extra layer of validation to the process. Furthermore, the Z-Scores have undergone validation by Planet as the validation agent as well. The Z-score describes the variation in the observed vegetation index relative to the historical data by subtracting the average and dividing by the standard deviation of the historical index readings.

This report includes a term sheet that shows Z-scores and how far they are from a specified threshold, which helps determine whether there was a drought during the covered periods. A Z-score higher than the threshold means vegetation levels were healthy, so no drought occurred. A Z-score lower than the threshold indicates lower-than-expected vegetation levels, suggesting some level of drought.

## 2. DETAILED RESULTS

Region level details of pastoralists covered, are shown in the table below:

*Table 2: Distribution of coverage per region*

REGISTERED SEASON	OND 2023			
COUNTY	Total number of pastoralists covered	Total number of TLUs covered	Total contribution amount (USD)	Total sum covered (USD)
Bakool	15,907	79,068	2,083,652	11,860,195
Hiiraan	13,877	69,372	2,228,222	10,405,767
Gedo	19,169	94,057	2,793,430	14,108,603
Galguduud	15,866	78,595	2,474,087	11,789,244
Unreconciled <sup>1</sup>	3,034	15,104	415,808	2,265,585
<b>Grand total</b>	<b><u>67,853</u></b>	<b><u>336,196</u></b>	<b><u>\$9,995,198</u></b>	<b><u>\$50,429,394</u></b>

REGISTERED SEASON	MAM 2024			
COUNTY	Total number of pastoralists covered	Total number of TLUs covered	Total contribution amount (USD)	Total sum covered (USD)
Gedo	1,112	5,169	153,429	775,290
<b>Grand total</b>	<b><u>1,112</u></b>	<b><u>5,169</u></b>	<b><u>\$153,429</u></b>	<b><u>\$775,290</u></b>

## 3. DROUGHT SITUATION

From April to June 2024, Somalia experienced favorable and timely rainfall across most regions, alleviating drought conditions and fostering environmental recovery. The consistent rainfall during this period led to notable improvements in vegetation and rangeland conditions, indicating a positive shift in the country's climatic landscape.

During the April to June period, the Gu<sup>2</sup> rains began on time and were particularly favorable across southern, central, and northwestern Somalia. Most regions received between 100-300 millimeters of rainfall, with central and

<sup>1</sup> These are pastoralists who paid without registering their locations and are still being traced and the payout percentage is an average of all the UAIs payout percentages. Data reconciliation with the banks and the insurance companies is ongoing.

<sup>2</sup> The **Gu rains** refer to one of the two main rainy seasons in Somalia and parts of the Horn of Africa, typically occurring between April and June. These rains are crucial for agriculture and pastoral activities in the region, as they replenish water sources, support crop growth, and enhance pasture availability for livestock.

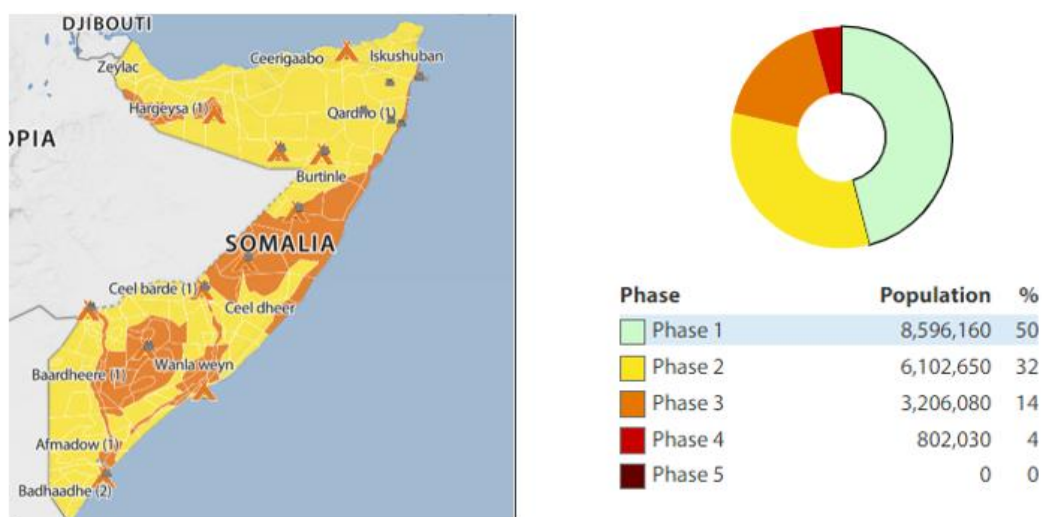
northwestern areas generally receiving 50-100 millimeters. This consistent rainfall substantially improved vegetation conditions, as confirmed by the eVIIRS Normalized Difference Vegetation Index (NDVI) data, which shows widespread positive vegetation anomalies during this time.<sup>3</sup>

The central regions also benefitted from the wettest or second-wettest Gu season on record. This rainfall supported normal crop development and enhanced access to pasture and water for pastoral households. Similarly, the southern regions, although exhibiting mixed rainfall trends, saw generally favorable conditions, with rainfall contributing to the positive vegetation anomalies.<sup>4</sup>

The timely onset and favorable performance of the Gu rains from April to June were critical in mitigating drought conditions across Somalia. The increased rainfall replenished soil moisture levels supported vegetation growth and led to improvements in rangeland conditions. These positive changes were vital for sustaining livestock and supporting agricultural activities, which are the backbone of many Somali livelihoods. This is seen in the soil, vegetation and precipitation anomalies highlighted in this report.

Despite localized areas experiencing below-average rainfall, the overall trend across the country was one of recovery and growth. The NDVI data highlights these improvements, with vegetation anomalies largely positive across the southern, central, and northwestern regions.

Figure 1: Drought phase classification in June 2024<sup>5</sup>



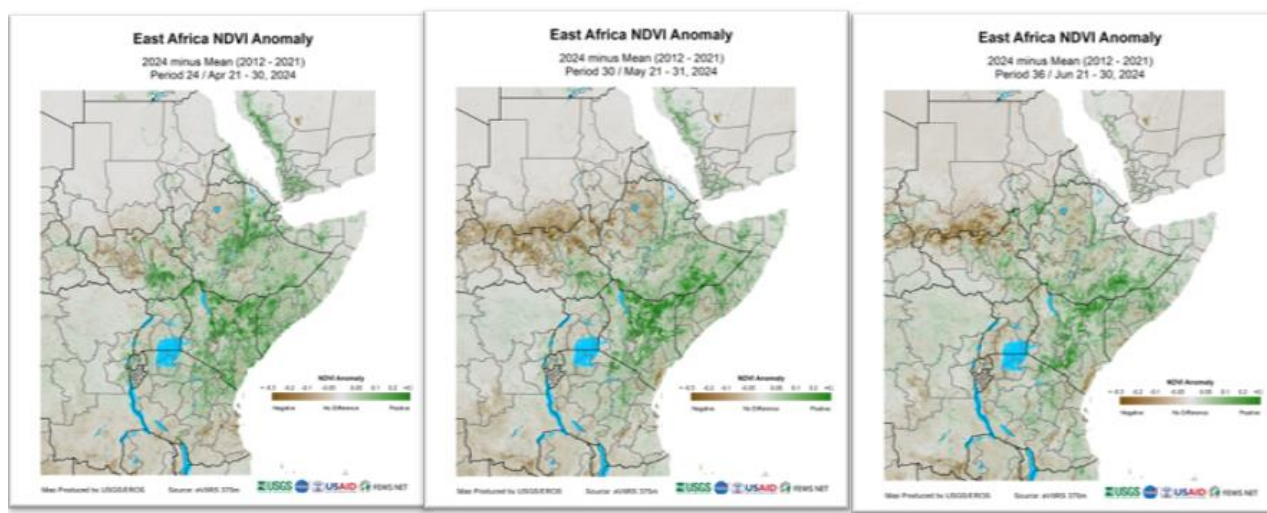
Further, the map below shows the vegetation progression, within the East African Region, from the month of April 2024 to June 2024.

<sup>3</sup> [Somalia Seasonal Monitor: May 1, 2024](#)

<sup>4</sup> [Somalia Seasonal Monitor: April 30, 2024](#)

<sup>5</sup> [Drought phase classification](#)

Figure 2: Horn of Africa NDVI Maps (April - June 2024)



Source : <https://earlywarning.usgs.gov/fews/product/900>

### Progression of Drought for the Gu Rainy Season in Somalia

The absence of drought during the April to June Gu rainy season in Somalia is consistent with the results indicated in this report.

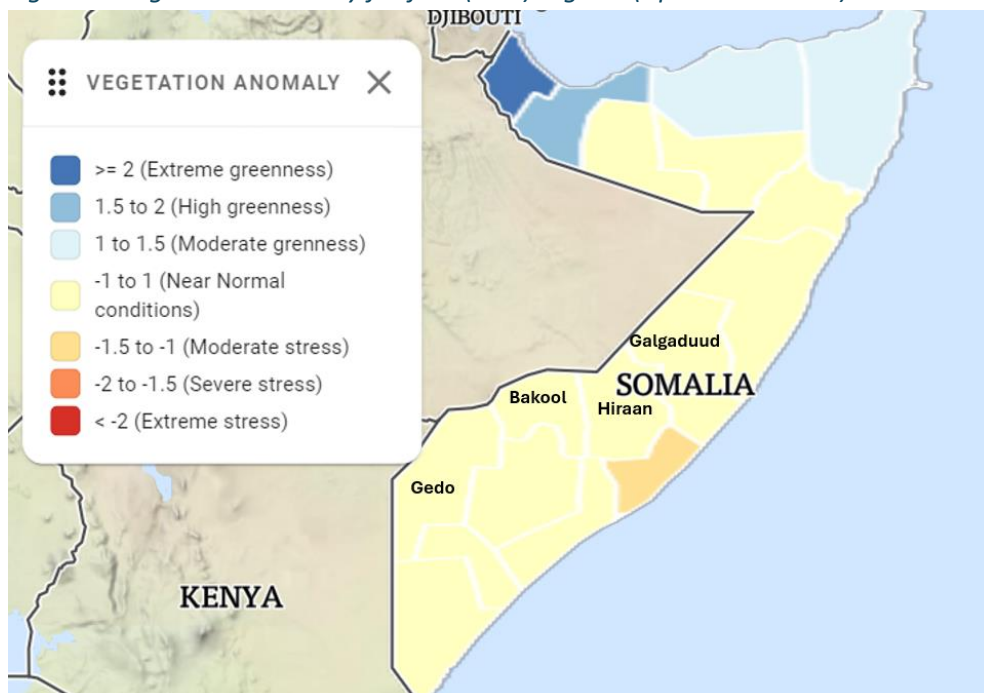
## 4. ADDITIONAL DROUGHT INDICATORS

Additional drought indicators for the period under observation were also consistent with the results, confirming that there were no triggers for the index.

### Vegetation Anomaly

The vegetation anomaly index measures how healthy or stressed vegetation is compared to the normal conditions for a specific area. In the regions under observation, the anomaly index ranged from -1 to 1, indicating near-normal vegetation conditions. This suggests that the vegetation was generally average, supported by near-normal rainfall and improved soil moisture. These favourable conditions helped promote vegetation growth and reduced the risk of drought-related impacts.

Figure 3: Vegetation Anomaly for four (IBLT) regions (April - June 2024)

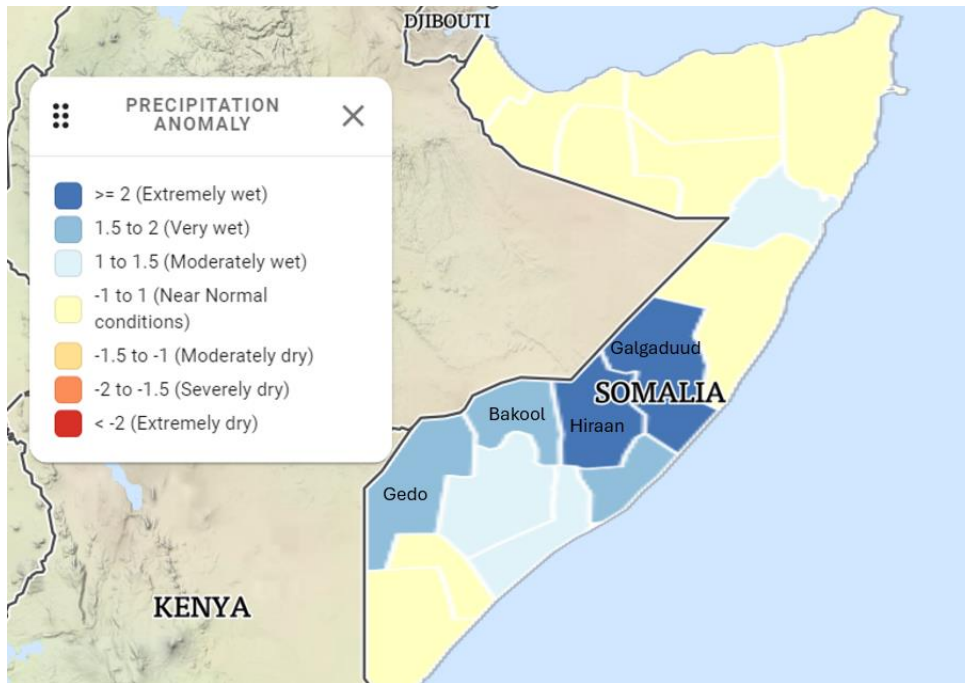


Source: [NGDI Dashboard \(ngdi-dashboard.azurewebsites.net\)](https://ngdi-dashboard.azurewebsites.net)

## Precipitation Anomaly

The precipitation anomaly measures the deviation of current precipitation levels from the historical average for a given area. It indicates whether the amount of rainfall is significantly higher or lower than usual. A review of the precipitation anomaly index indicated that the regions under cover experienced high levels of wetness, 1.5 above the historical average, aligning with the NDVI data, which showed healthy vegetation and good coverage.

Figure 4: Precipitation Anomaly for four (IBLT) regions (April - June 2024)

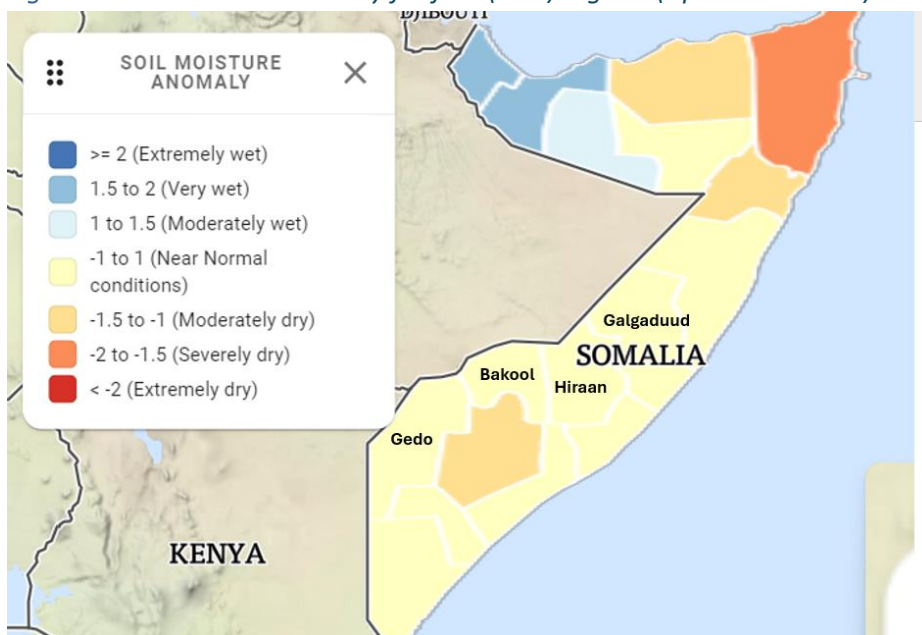


Source: [NGDI Dashboard \(ngdi-dashboard.azurewebsites.net\)](https://ngdi-dashboard.azurewebsites.net)

## Soil Moisture Anomaly

The soil moisture anomaly measures the deviation of current soil moisture levels from the historical average for a specific area. Values ranging from -1 to 1 indicated near-normal conditions, showing that soil moisture levels were close to what was typically expected. The soil moisture anomaly confirmed that the increased rainfall improved soil moisture, leading to favourable conditions for vegetation and effectively mitigating drought during this period.

Figure 5: Soil Moisture Anomaly for four (IBLT) regions (April - June 2024)



Source: [NGDI Dashboard \(ngdi-dashboard.azurewebsites.net\)](https://ngdi-dashboard.azurewebsites.net)

## ABOUT PLANET

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## ANNEX TO THIS REPORT

1. Term sheet with the index.
2. Graphic showing the progression of the drought from April 2024 to June 2024 in the Horn of Africa.
3. Final Data Report from Planet.
4. Calendar timelines for payouts