

# **Using satellite data to improve index insurance: Lessons from the IRI's NASA interdisciplinary science project**

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**International  
Microinsurance  
Conference Lima, Peru  
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# NASA Interdisciplinary Science Project

- Engaging remote sensing scientists at NASA, USDA, NOAA, Michigan Tech Univ., with index insurance projects in Africa that IRI supports
- Aim: How can linking satellite data providers and RS scientists to real index insurance projects improve the design process?



# Satellite data in index insurance

We work with projects that use these products:

## **MODIS NDVI**

Dominican Republic  
Chile  
Uruguay

## **CHIRPS Rainfall:**

Honduras  
Colombia  
Uruguay

## **ARC2 Rainfall:**

Ethiopia  
Malawi  
Zambia  
Senegal



# NASA Interdisciplinary Science Project

- Smallholder crop area mapped with wall-to-wall WorldView sub-meter panchromatic image texture: a test case for Tigray, Ethiopia

*In Review, Remote Sensing of Environment*

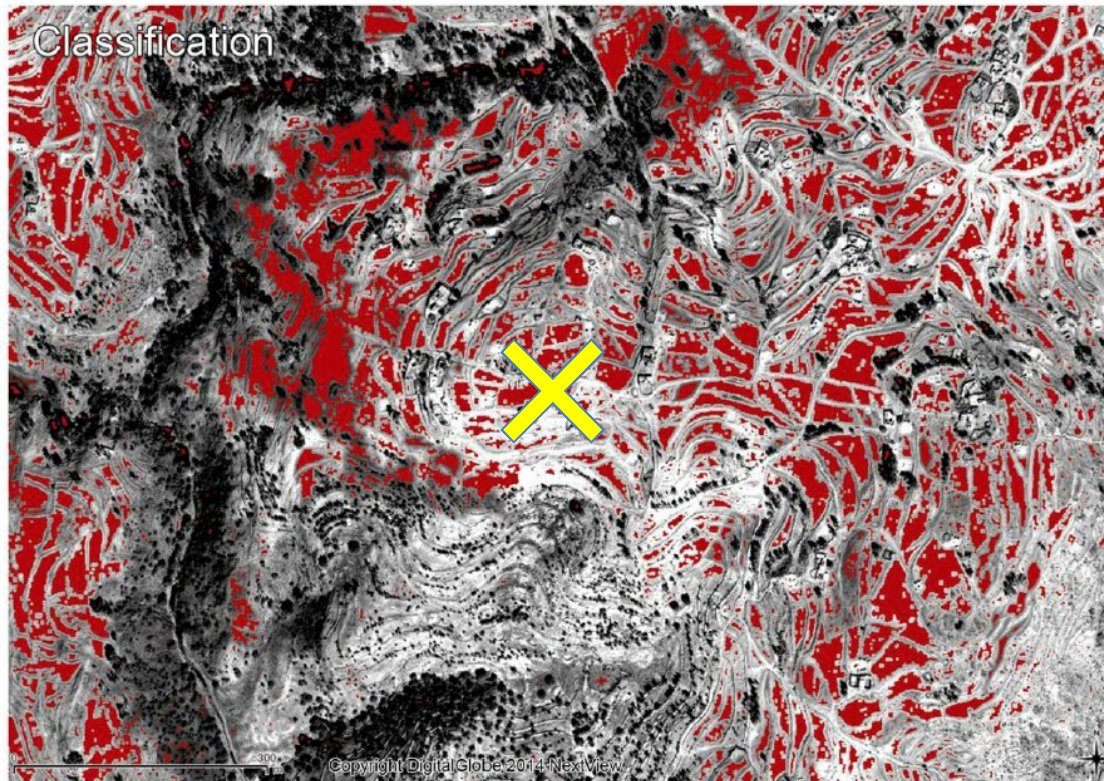
- Exploiting the convergence of evidence in satellite data for advanced weather index insurance design

*In Review, Weather Climate & Society*

- Farmer Perception and Index Design in Weather Insurance for Agriculture in the Developing World: an Ethiopia Case Study

*Working Paper*



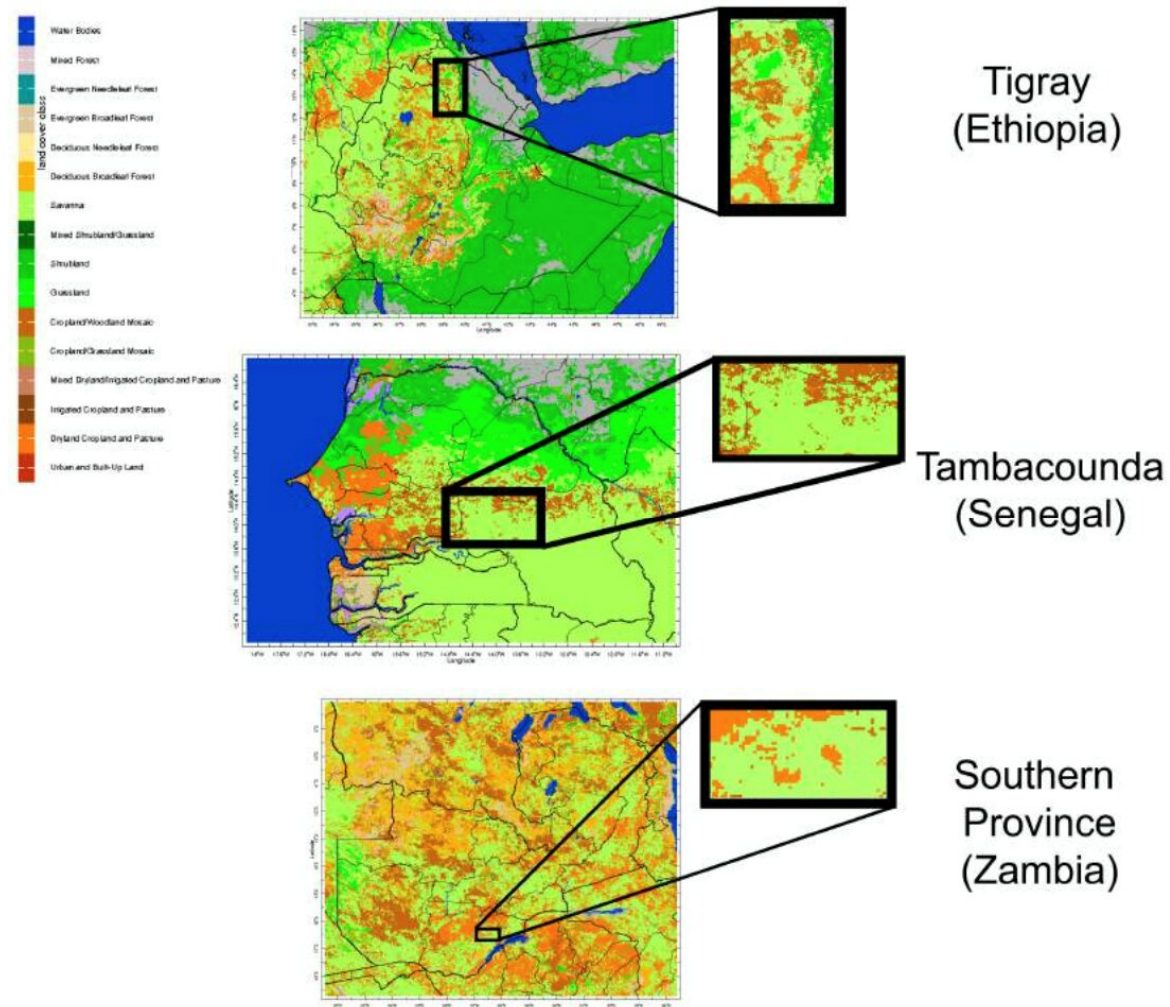


Very High  
Resolution  
~1m data  
Cropped Area  
Estimation  
Mapping



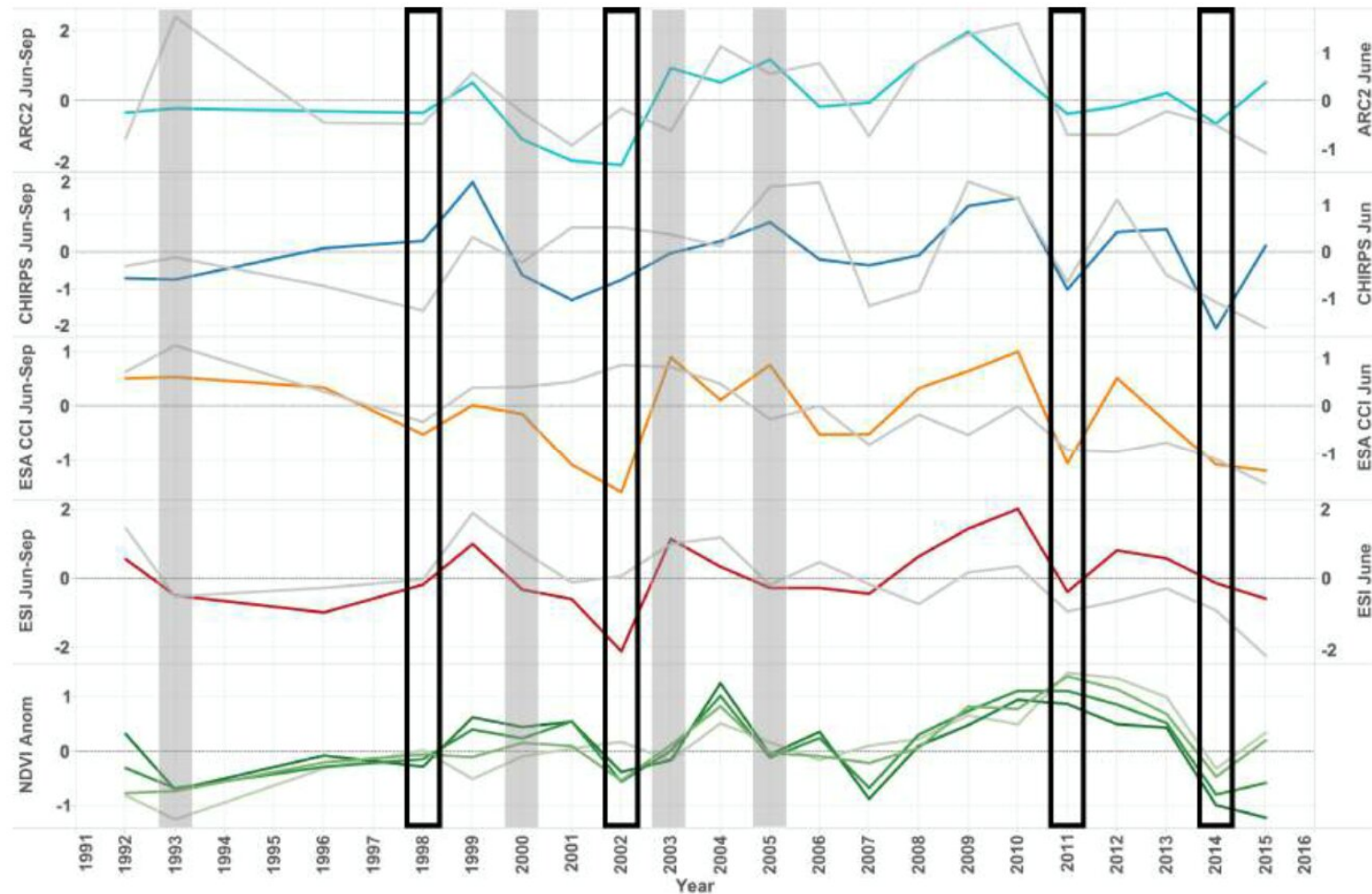
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# Multi-resolution, multi-sensor satellite dataset comparisons for use in index design



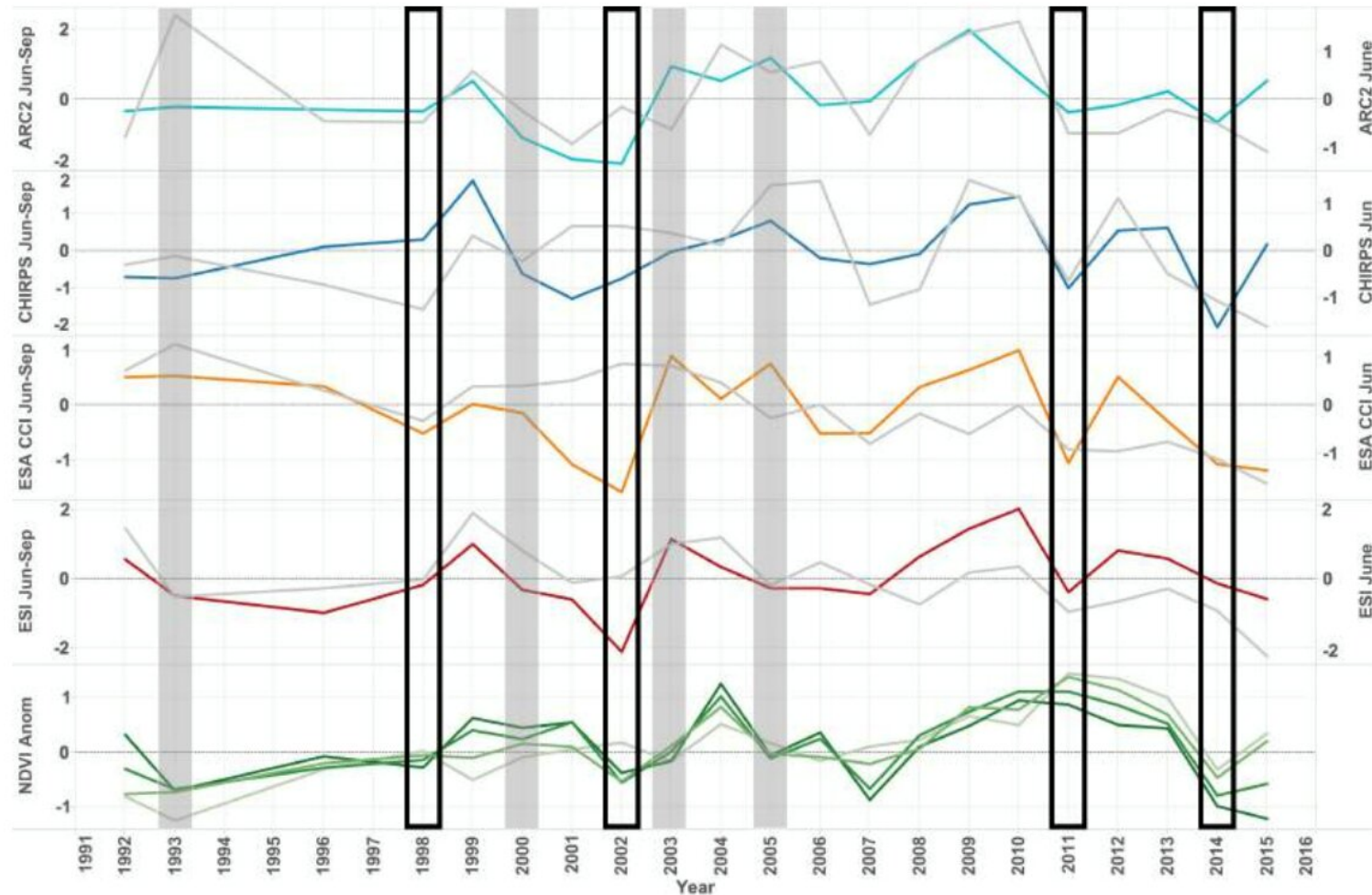
# Multi-resolution, multi-sensor satellite dataset comparisons for use in index design

## Ethiopia



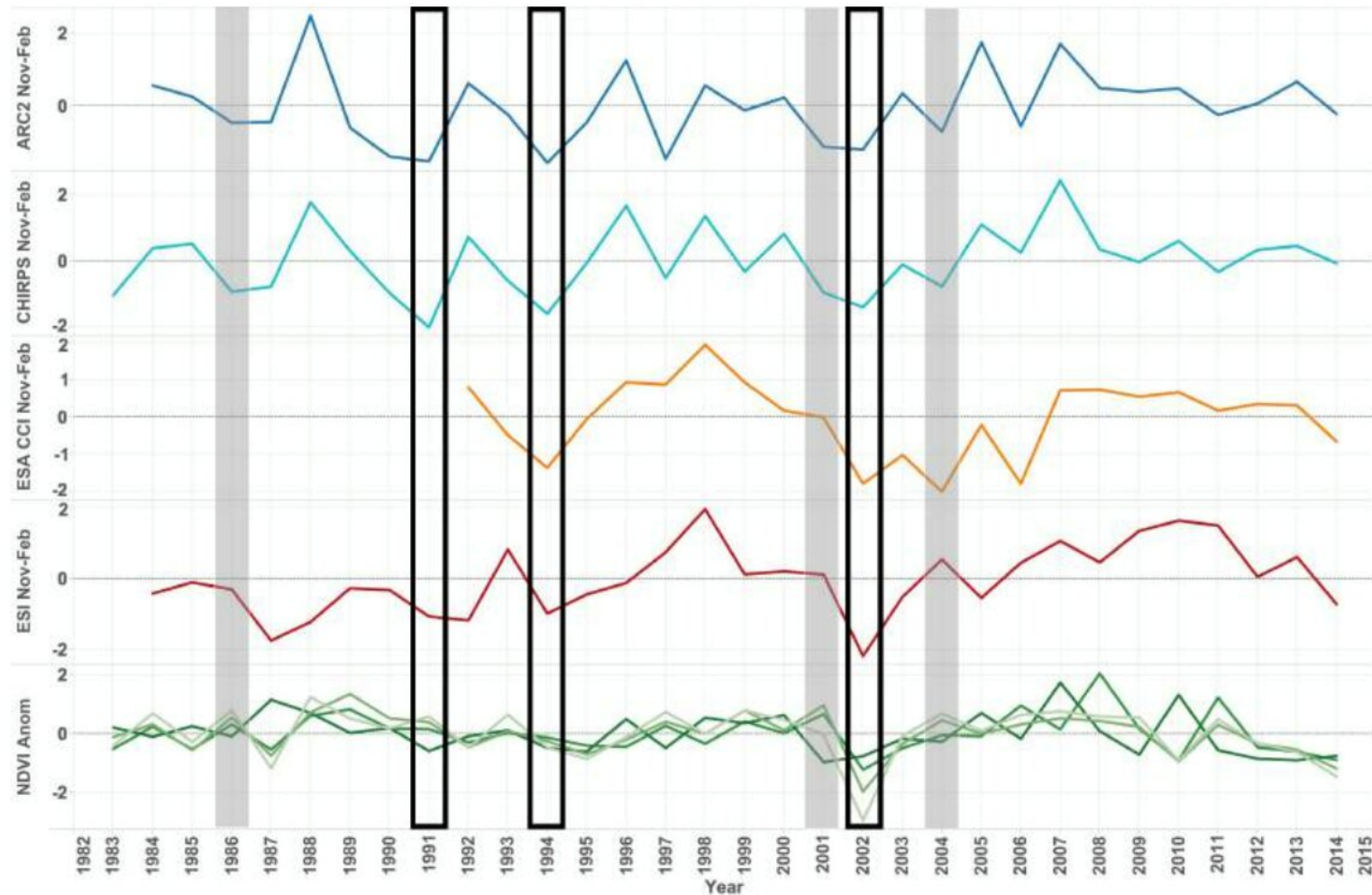
# Multi-resolution, multi-sensor satellite dataset comparisons for use in index design

## Senegal



# Multi-resolution, multi-sensor satellite dataset comparisons for use in index design

## Zambia



# Farmer perceptions in Ethiopia

- Participatory design process produces essential information, but noisy data
- Can we aggregate information about historic drought events by space and time to get clearer results?



# Farmer perceptions in Ethiopia

**Table 6.** Spatially-aggregated results for First + Second (21 Villages)

DEP VARIABLE	Bad Year <u>Fisrt</u> + Second			
Time	Village	Woreda	Zone	Tigray
Early Rainfall	-0.00492*** (0.00175)	-0.00524*** (0.00184)	-0.00720*** (0.00212)	-0.00886*** (0.00270)
Late Rainfall	-0.00653*** (0.00170)	-0.00708*** (0.00183)	-0.00825*** (0.00205)	-0.00969*** (0.00237)
Constant	-0.0979 (0.191)	-0.0276 (0.203)	0.188 (0.228)	0.423 (0.266)
Observations	693	693	693	693

Standard errors in parentheses; \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . Rainfall data is aggregated at the 4 different levels.

# Farmer perceptions in Ethiopia

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# Where can this take us?



- The power of understanding the story of a season

- Streamlining RS data processing, increasing accessibility

- Bringing data providers closer to real world projects