

CARIBBEAN REGIONAL RESILIENCE BUILDING FACILITY



GFDRR
Global Facility for Disaster Reduction and Recovery



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Support to the Caribbean Ocean and Aquaculture Sustainability Facility (COAST)

Context and Objectives

Countries in the Caribbean are vulnerable to extreme weather events such as tropical cyclones and the frequency and severity of these weather events are predicted to increase over time. The fisheries sector across the region is particularly impacted by extreme weather events as well as direct damages caused by tropical cyclones. Fishing communities lose assets such as vessels and gear, and face continuing disruption of public services such as electricity, fueling, piers, and roads, disproportionately impacting poorer communities.

The Caribbean's fisheries sector is also severely under-insured. Although local development banks have tried to provide insurance to fishers, most have targeted medium to large-sized vessels over smaller-scale fishers. Many of these smaller operations are characterized by an informal business environment, lack of financial records, and the vulnerability of smaller vessels to storms, excess rainfall, and large waves.

In response to this need for increased access to insurance, the COAST Facility was launched by the Caribbean Catastrophe Risk Insurance Initiative Segregated Portfolio Company (CCRIF SPC) as an innovative climate risk insurance mechanism that promotes food security, the livelihoods of fisherfolk, resilient fisheries, and disaster risk reduction in the Caribbean. In the short term, COAST will promote formalization of the sector by giving fishers incentive to register in order to obtain the benefit of the insurance, and at the same time paving the way for better control of fishing effort and capacity in the sector. In the long term, COAST will contribute to improving the monitoring and control of fishing activities as well as better addressing natural shocks affecting the sector. This will reduce the risk that both overexploitation and climate-change induced natural disasters pose to food security in the fisheries sector and stimulate policy reforms that promote sustainable and climate-smart fisheries, as well as coastal resilience.

This project aims at strengthening financial resilience of selected Caribbean countries (Antigua and Barbuda, Belize, Dominica, Dominican Republic and Jamaica) through insuring against specific climate-related events that impact the fisheries sector. This technical assistance will be based on the success of the COAST pilot in Grenada and Saint Lucia over the past two years.

Main Activities

- **Assessing fishery activities in each of the involved countries to determine the scope, scale, and nature and identify fishers eligible to benefit from COAST**
 - This component is establishing clarity as to which subsectors and actors would be involved in the insurance scheme and extent of existing capacity to roll out insurance product.
 - A report will be produced that will indicate fisheries activities in each country and the fisherfolk eligible to register for the insurance product.
- **Supporting the refinement of the parametric risk insurance model to specify payouts for each country under the two following categories: Adverse Weather and the Tropical Cyclone.**

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- Under this component, a functioning model is being developed for each of the involved countries that incorporates key country contextual information.
- **Developing Country Operational Manuals to ensure accountability, transparency, monitoring, and sustainability of the COAST product**
 - This component is dedicated to enhancing country capacities to implement COAST effectively and efficiently through the rollout of Operational Manuals.
- **Establish the national fisher rosters and encourage eligible fishers to register for COAST**
 - This component will result in the establishment of a roster through which fishers can easily register for the insurance product.

Results

This project is in its inception phase.

Partnerships and Coordination

This project's primary counterparts are CCRIF SPC and the Governments of Antigua and Barbuda, Belize, Dominica, Dominican Republic and Jamaica, particularly Ministries of Finance and Ministries responsible for fisheries in these countries.

Countries

- Antigua and Barbuda, Belize, Dominica, Dominican Republic and Jamaica

Caribbean Regional Resilience Building Facility Component

- Expanding Financial Protection Against Disasters in the Caribbean Sovereign Countries

Amount approved

- EUR 445,000 / \$500,000

Duration

- 12/2021 – 02/2023