

Caribbean Oceans and Aquaculture Sustainability Facility (COAST)



The United States Department of State has partnered with the World Bank, the United Nations Food and Agriculture Organization (FAO), The Nature Conservancy, the Caribbean Catastrophe Risk Insurance Facility (CCRIF), and others to develop a parametric insurance product to promote the resilience of the fisheries sector against the peril of severe weather events and disaster risk. The concept has been endorsed by two CARICOM bodies - at the 9th Caribbean Regional Fisheries Mechanism (CRFM) Ministerial Council and at the 6th Caribbean Disaster Emergency Management Agency Ministerial (CDEMA) Council. A number of Caribbean governments have committed to purchasing the product. The Department of State has committed five million dollars for this initiative and other donors have indicated a willingness to contribute funding with a goal of mobilizing at least twenty million dollars of donor funding for insurance support for more than 180,000 fisherfolk and associated industries throughout the Caribbean.

The following is a summary of the vision for the initiative:

- Donor funds are housed at PROFISH, the World Bank's Multi-Donor Trust Fund with a mission to promote and facilitate sustainable economic growth and better nutrition through fisheries and aquaculture.
- A parametric product is being designed based on the existing CCRIF tropical cyclone model. Parametric insurance is an insurance contract where the payment is determined by a weather or geological observation or index, such as average temperature or rainfall. This new product will aim to address damage caused by a five-year storm event, and is focused on protecting coastal infrastructure that is most relevant to fisherfolk.
- To incentivize risk reduction and sustainable development, premiums will be co-financed for countries that are willing to implement verified policies and practices in the fisheries sector that promote coastal resilience and the long-term health of marine environments.
- To incentivize coordinated disaster management, pay-outs would be supplemented for countries that commit to implement country-led plans to ensure that big, medium and small enterprises and smallholder fisherfolk can receive support after a severe weather event.
- Donor funds would be used to financially support technical assistance for countries to develop food security and disaster management plans, to co-finance premiums and supplement payouts, and to capitalize the new cell at CCRIF.

For additional information, please contact:

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