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PROJECT BRIEF

CARIBBEAN

Coral reefs fringing the Caribbean coastline are critical natural defences against some of the region's most pressing climate threats and millions of livelihoods rely on reef-related tourism and fisheries for employment, income, and sustenance. To address these challenges, ISF is supporting the development of a regional reef insurance programme, led by the Caribbean Biodiversity Fund (CBF). Acting as the insurance policyholder, CBF will coordinate post-hurricane reef response efforts with the support of four National Conservation Trust Funds (NCTFs) in the Dominican Republic, Jamaica, Saint Lucia and St Vincent and the Grenadines, which will serve as payout distribution partners. These NCTFs will channel funds to local organisations responsible for carrying out rapid reef restoration activities.

PRODUCT CHARACTERISTICS

Target group
Direct: Reef responders, boat captains for post-hurricane reef response
Indirect: Fishers, tourism, SMEs that rely on healthy coral reefs

Target region
Caribbean reefs of target countries (Dominican Republic, Jamaica, Saint Lucia, Saint Vincent and the Grenadines)

Insured asset
Post-hurricane coral reef response costs

Insured peril / hazard
Tropical storm (hurricane)

Insurance type
Meso-level approach
Adaptation of existing insurance product

Own contribution
50.1% of total ISF project costs

PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Development and formalization of reef response governance, plans, capacities, and rapid fund distribution systems and procedures
- Design and execution of an efficient and effective regional reef insurance policy
- Engagement with regional, national, and local reef stakeholders to raise awareness of the reef insurance program and its value
- An assessment of an enhanced reef insurance product characteristics, which allow for the more explicit funding of social protection of poor and vulnerable people after hurricanes
- Sustainable financing mechanisms to fund reef insurance premium in the long-term

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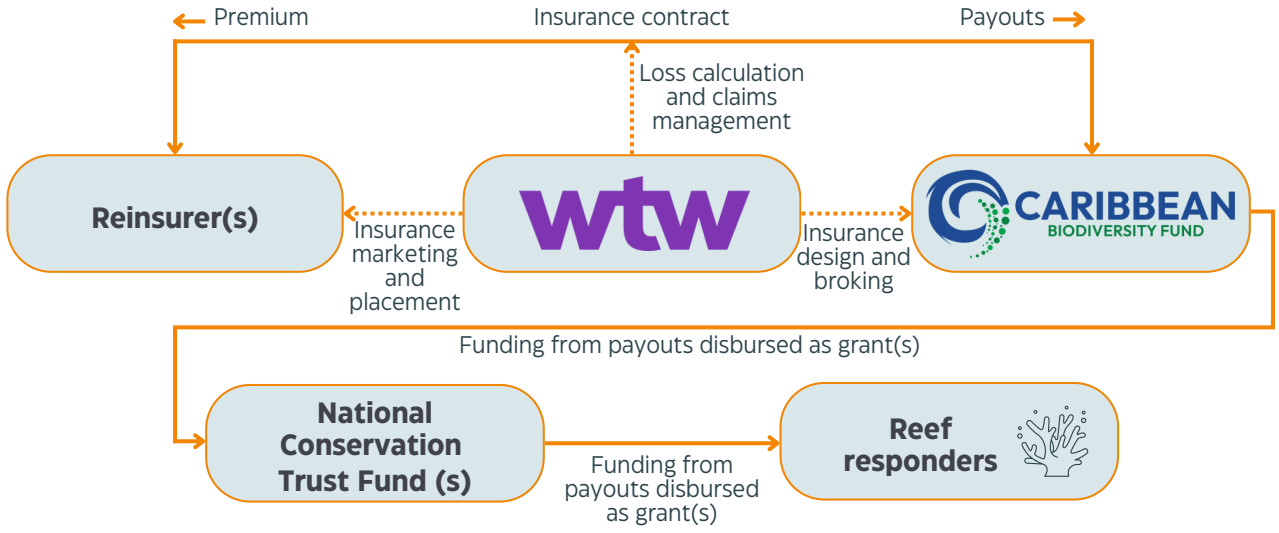
PROJECT SET UP



EXPECTED IMPACTS

The objective of the project is to develop and implement an effective, efficient, and sustainable regional reef insurance programme to reliably finance post-hurricane reef response in the Caribbean, thereby providing shock-responsive liquidity for responders, improving the health of Caribbean coral reefs, and enhancing the resilience of vulnerable people who rely on healthy reefs for livelihoods, food security, and/or coastal protection. The proposed project will build on the successful piloting of reef insurance in the Mesoamerican Reef (MAR) region, as well as a feasibility study that was already conducted to establish the viability and further needs to replicate this instrument in the Caribbean. The product will cover at least one site in each of the target countries.

PROJECT PARTNERS

DEMAND

- Caribbean Biodiversity Fund (CBF) / Environmental Fund, NGO / JM

SUPPLY

- Willis Limited (WTW) / Reinsurance broker / UK
- Meso-American Reef Fund / Environmental Fund, NGO / GT

EXPECTED BENEFICIARIES [1]

622k-1.4m till project end
54-61% vulnerable

IMPLEMENTATION PERIOD

SEPT 2025 — OCT 2027

GRANT AMOUNT

EUR 720,395

[1] Based on submission documents requiring use of IGP M&E Methodology.