

# Tools to reduce risk and enhance resilience in Small-Scale Fisheries – COAST Insurance and FEWER

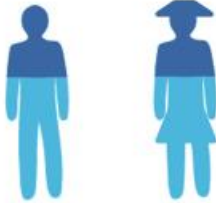


Chopin, Cook, Gudmundsson, Haughton, Sanders and Turner

# THE CONTRIBUTION OF SMALL SCALE FISHERIES AND AQUACULTURE TO LIVELIHOODS AND FOOD



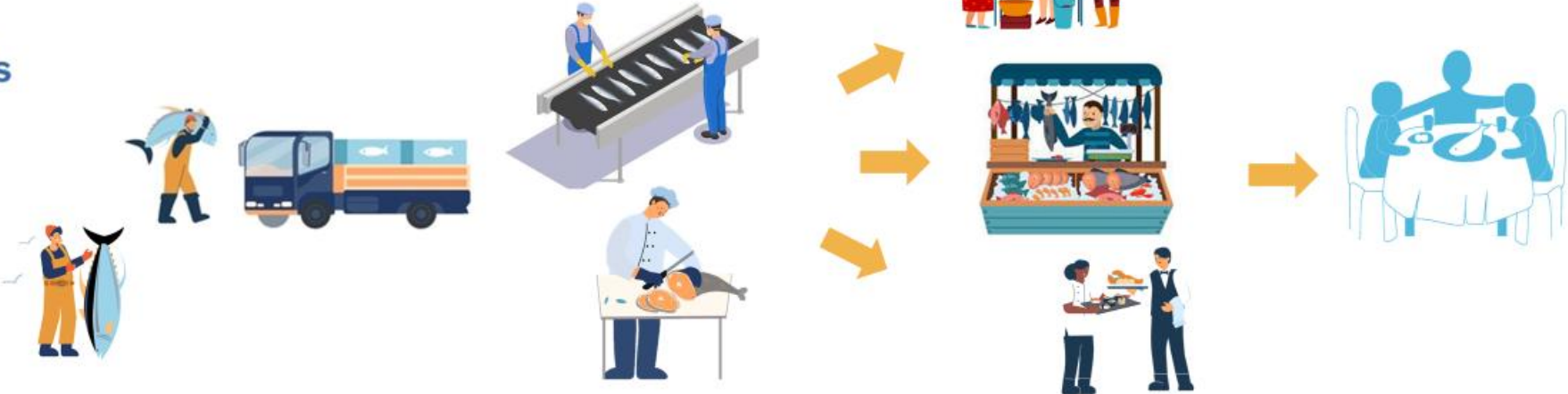
More than 90% work in small-scale fisheries



- Women
- Men
- Directly engaged
- Indirectly engaged



Plus many more ancillary activities and services



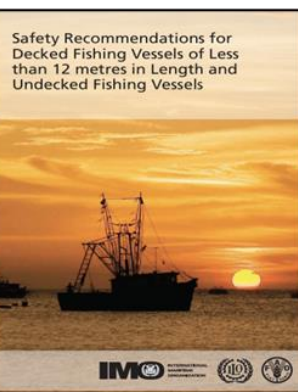
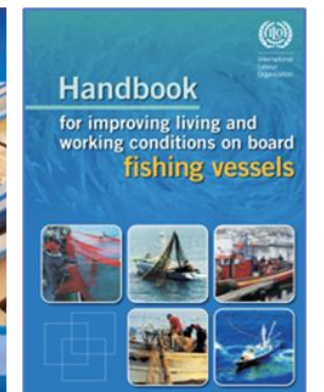
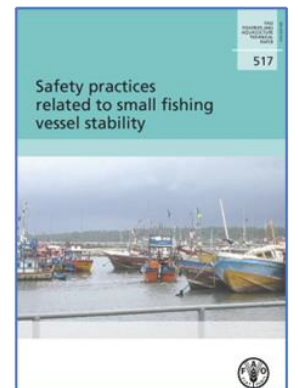
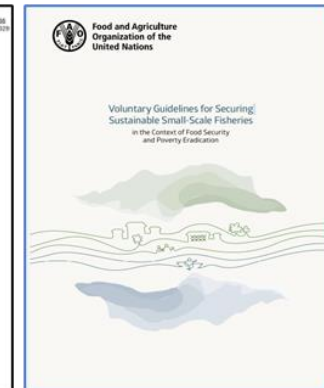
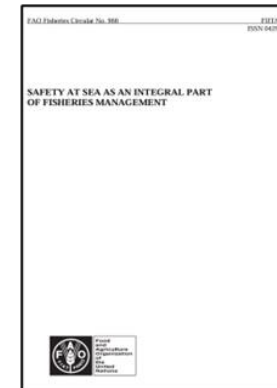
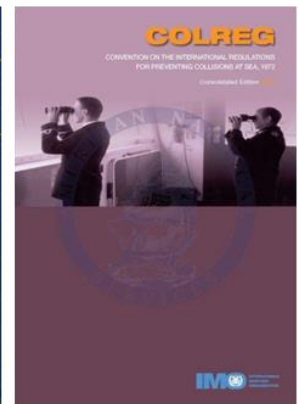
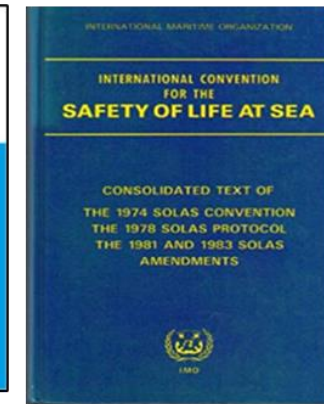
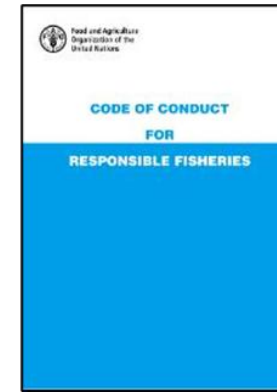
## How Dangerous is Fishing?

- Fishing is probably one of the most dangerous professions of all
- Average number of fishing deaths between 24,000 and 32,000 per year
- International Rules for vessels above 24 metres in length
- Most small-scale fishing boats are less than 12 metres in length

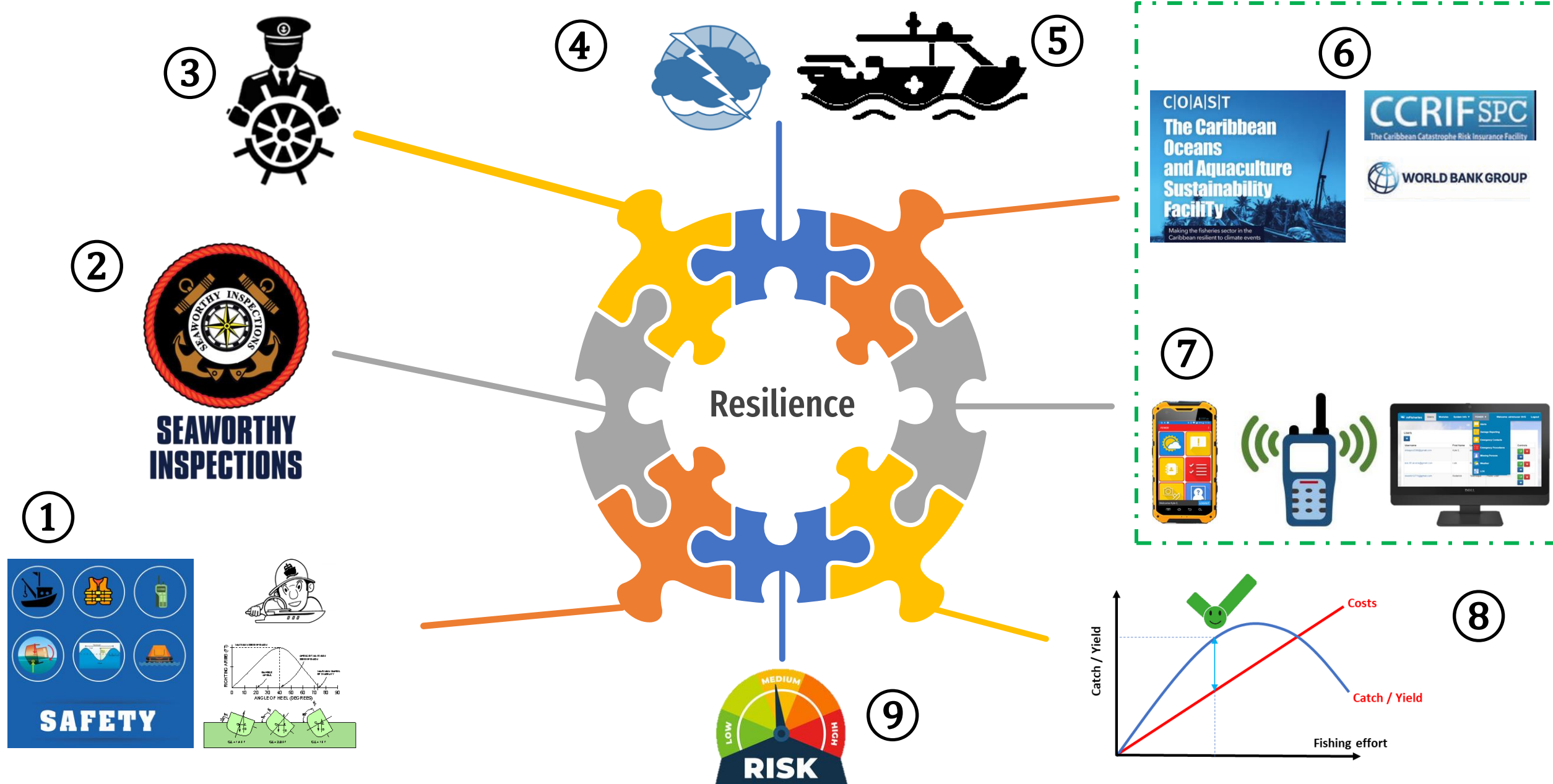


# International Recommendations & Guidelines for Vessel Safety

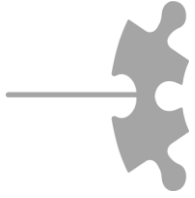
- Multiple instruments for fishing vessels and crews – mostly for vessels >24m in length
- Instruments applicable to vessels <12m are mostly “voluntary” in nature
- The absence of international rules places the burden on national administrations to develop their own sea safety governance framework
- Fishing vessel safety falls somewhere between fisheries & Maritime Administrations
- A functional **Sea Safety Governance Framework** is considered by many a pre-condition to improve safety in Small-Scale Fisheries (SSF)



# Elements of a Sea Safety Governance framework



Income support for  
weather related loss  
of income



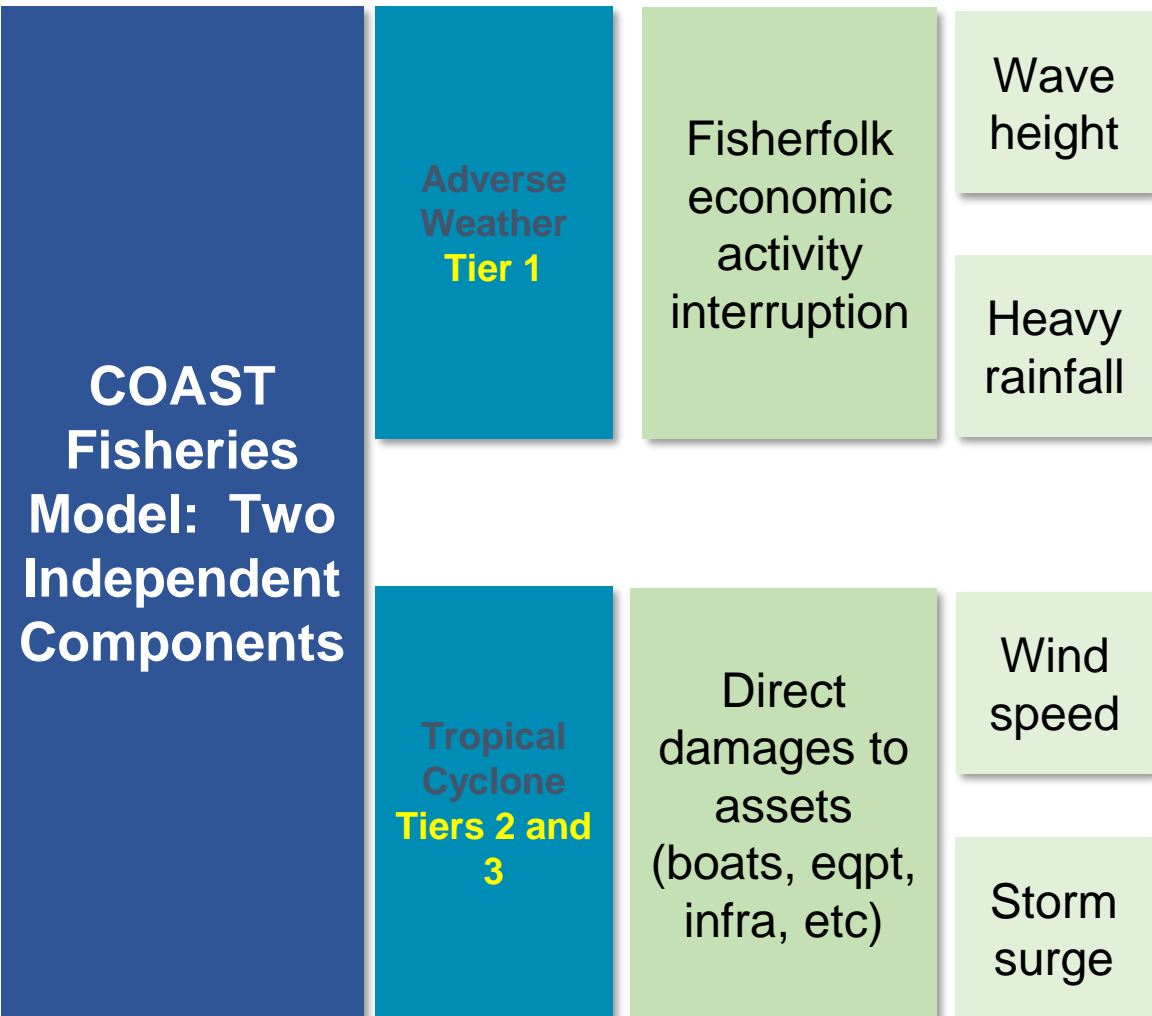
## SESSION Part 2

### ⑥ COAST – Enhancing resilience in Fisheries Value Chains (FVCs)

... a fisheries perspective



# COAST Fisheries Model



- COAST Parametric insurance is a relatively low cost tool to increase the resilience of coastal fisheries
- A key aspect of COAST is simple “across the board” compensation that provides financial remuneration to designated beneficiaries impacted by extreme weather events “rapidly”
- Component 1 (when triggered) makes expedited payments to designated beneficiaries in the event that economic activity has been disrupted ie “lost fishing days”
- Component 2 (when triggered) makes expedited payments to designated beneficiaries that incur direct damages from a catastrophic weather event



# COAST Parametric Insurance

## Bank Client Countries

- Grenada, St. Lucia and St. Vincent & the Grenadines

## UBEC Project Component

Comp. 2.1 (b) Expansion of the Regional Climate-Risk Insurance for Fisheries (COAST)

## Comp. 2.1 (b) Investment Activities

- Policy premiums
- Broadening beneficiaries from “fishers” to other value chain workers
- Maintaining and updating the list of beneficiaries







# Parametric Insurance

## CONCEPTS

Beneficiaries receive a speedy payout

- Is a system in place for expedited sharing of beneficiary list?

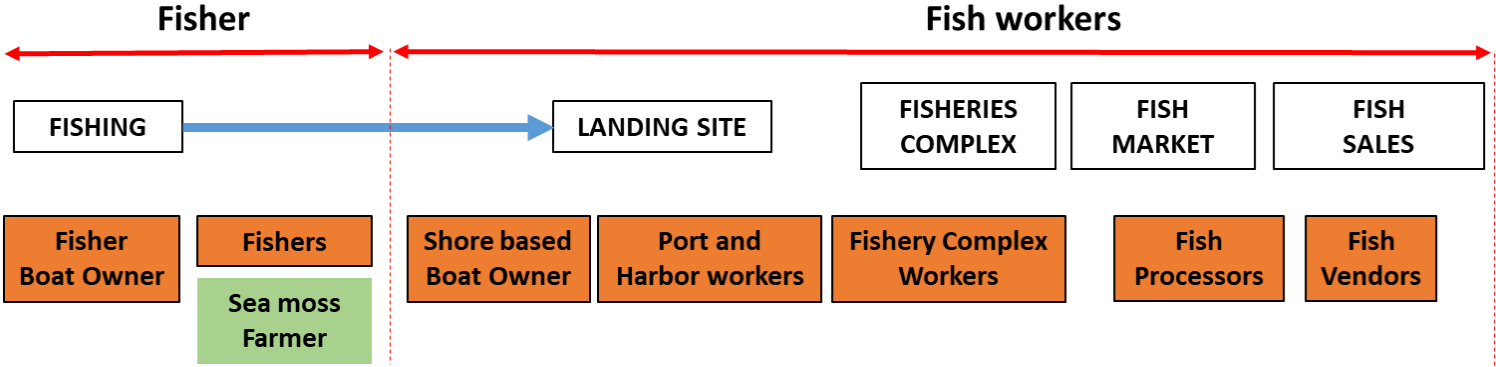
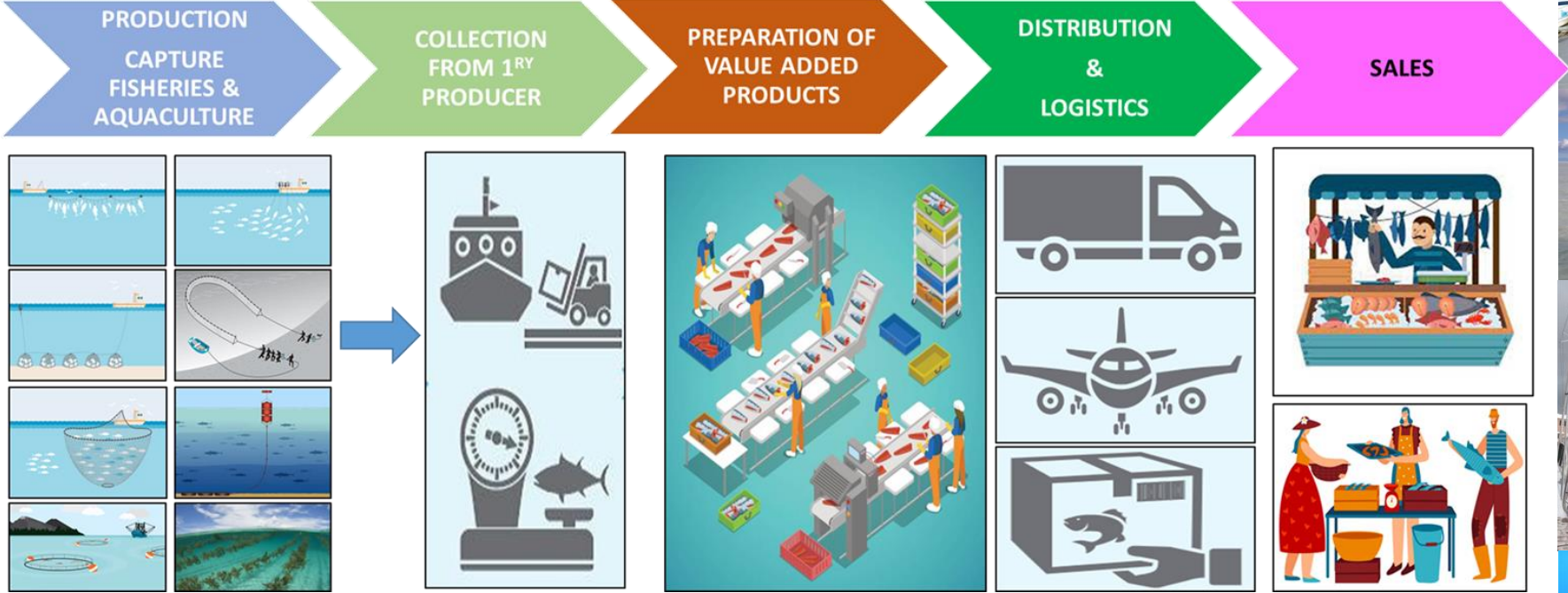
Beneficiaries & the fisheries value chain

- What type of FVC workers to include?
- Who owns and manages the beneficiary data?
- What type of disaggregated data is needed?
- How is information stored, accessed and backed up?
- How secure is the information?



**47% of value chain workers are women**

# Fisheries Value Chains

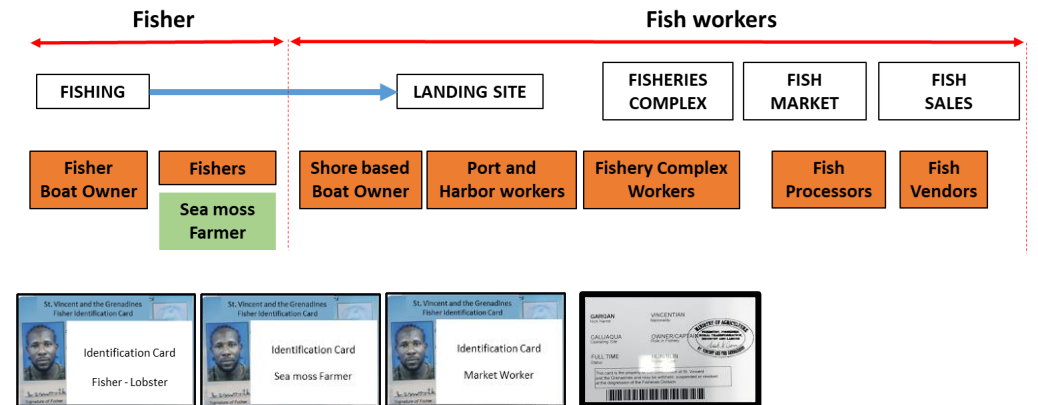


# Parametric Insurance



Compiling a list of beneficiaries – considerations...

1. Map fisheries value chains & identify potential beneficiaries
2. Govt Decide on who to include as beneficiaries
  - How to categorize the type of fishers and fish workers?
3. Compiling an up-to-date beneficiary list
  - What information is in the fishery registry?
  - Is it up to date and when was it last checked?
  - What data needs when adding new categories of beneficiaries
4. The Gov. issued ID Card is a useful way to record and differentiate between different fishers and fish workers



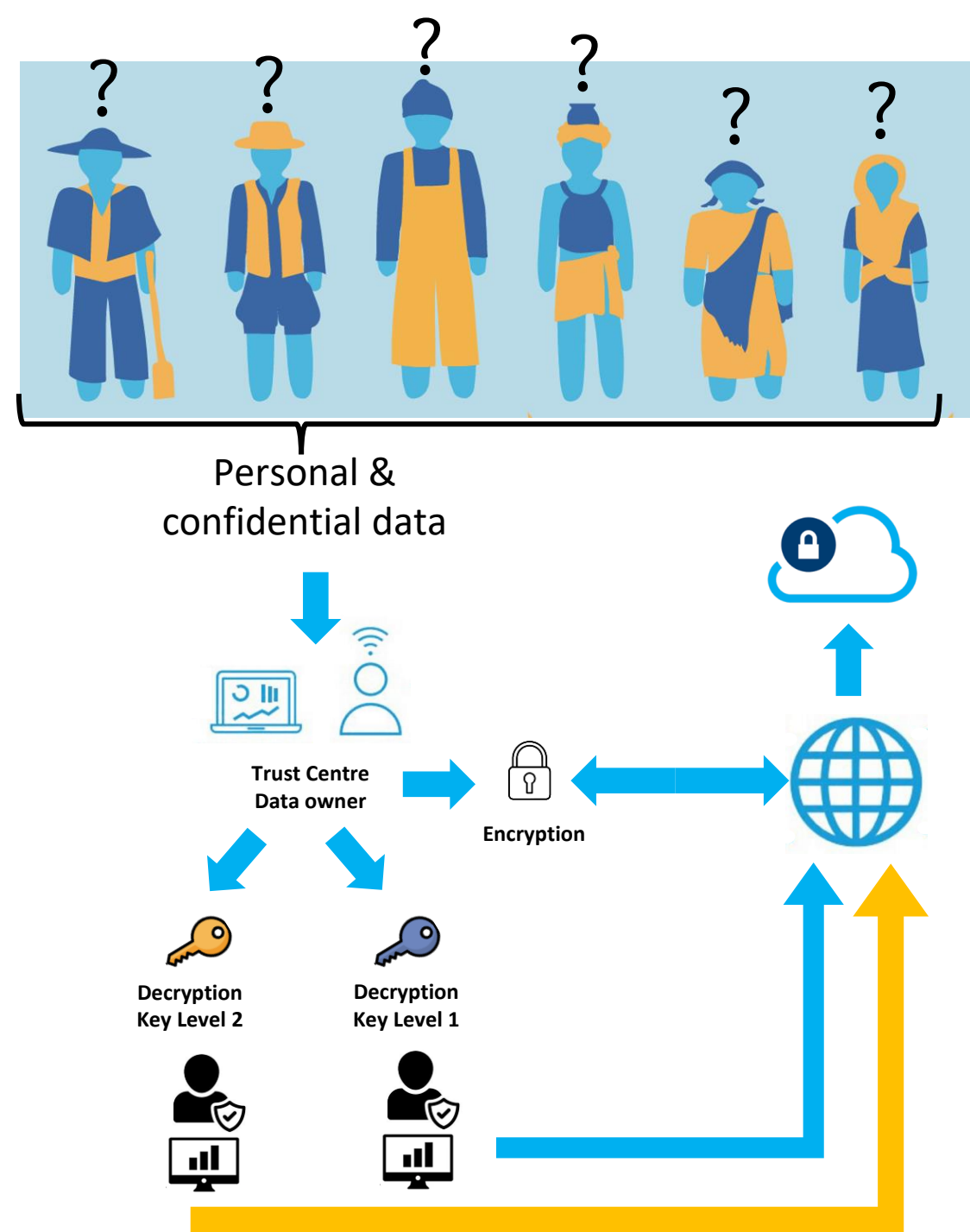
UBEC Funds can be utilized to support development of up to date secure registry of COAST Beneficiaries

# Parametric Insurance

Managing and maintaining an up-to-date beneficiary list

1. Linking BL data to registry data – part of FIMS needs
2. A modern relational database for data analysis
3. Managing & maintaining records
4. Ground truthing of beneficiaries and assets – field work
5. End to End Secure Encrypted data
6. Backing up data in the Cloud

UBEC funds can be used to facilitate data collection and storage



# Parametric Insurance

What level of disaggregation?

## 1. Fishery Level

- Production, value, seasonality and geographic distribution
- Vessel and gear asset inventory for each fisher
- Baseline data on value of assets
- Damage reporting

## 2. Community Level

- Production, value, seasonality and geographic distribution
- Baseline data on value of shoreside assets

## 3. Disaggregated data allows targeted investments to reduce risks and vulnerability

## 4. Disaggregated data on assets & value allows assessment of damages against baseline information

UBEC Funds can be utilized to compile disaggregated data



# Parametric Insurance

UBEC funds can be used to pay annual premiums

How much insurance to buy?

- Need to understand the number of fisherfolk/fish workers on the beneficiary list.
- What is an acceptable amount of payout to cover number of days that fisherfolk were unable to work?
- What happens to payouts when the number of beneficiaries increases?

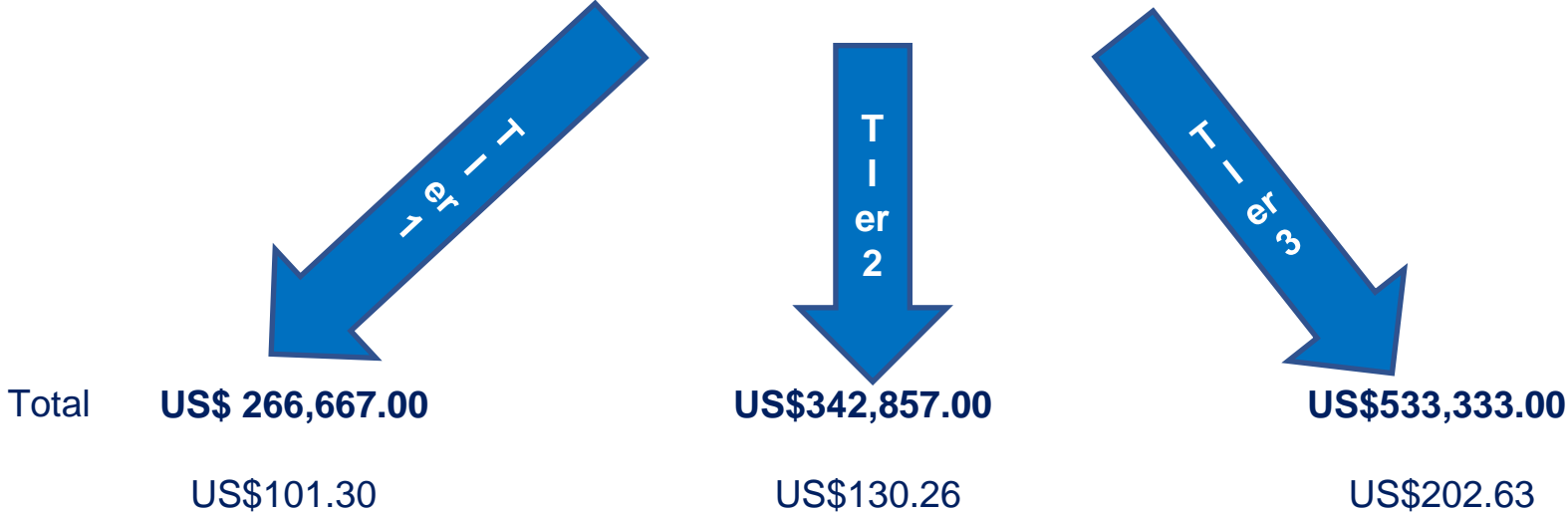
Distribution Mechanism for payouts

- Does the government have a distribution mechanism in place?
- Are fisherfolk aware of the process to receive a claim?
- How is information stored & accessed?



# Grenada COAST Payout Structure

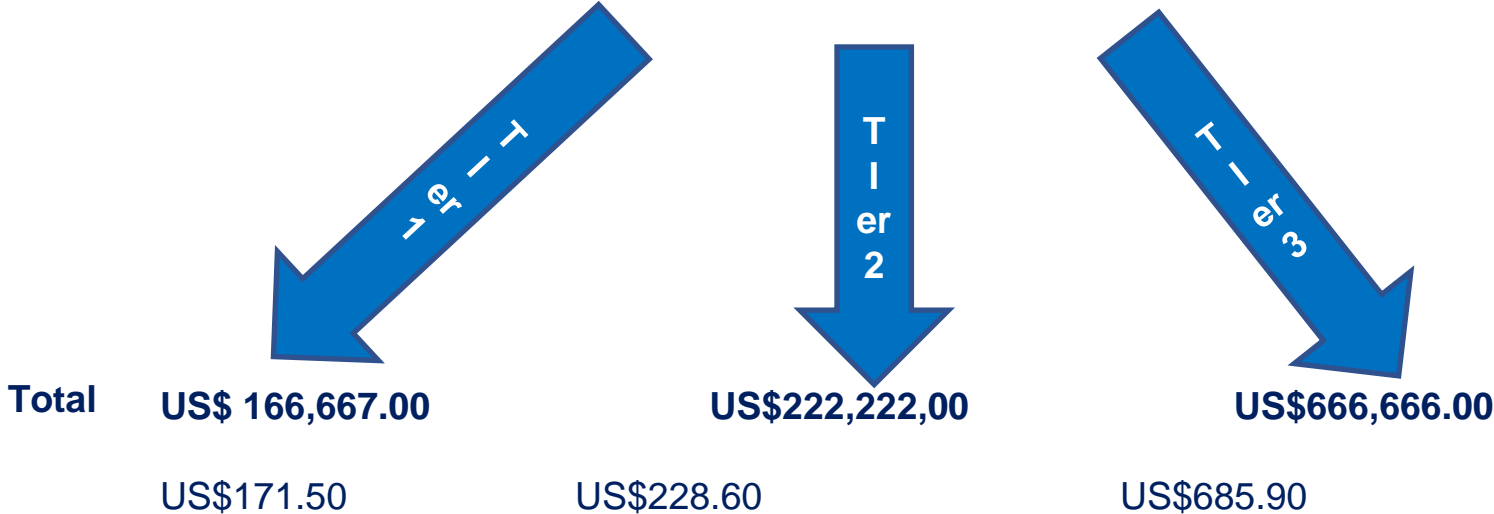
(2,642 registered beneficiaries)



Maximum Potential Payout: USD 800,000.00 (Tier 1 + Tier 3)  
USD 303.95 per beneficiary

# Saint Lucia COAST Payout Structure

(972 registered beneficiaries)



Maximum Potential Payout: USD 833,333.00 (Tier 1 + Tier 3)  
USD 857.40 per beneficiary



# SESSION Part 3

FEWER – an ICT tool to support COAST





# FEWER

## What is FEWER?

- FEWER is an android Phone Based APP
- Fisheries Early Warning and Emergency Response support tool based on CAP hazard emergency alerts
- Providing 2 way communication between fishers and shore-side agencies tasked with DRM and ER
- Piloted in Dominica, Grenada, Saint Lucia, St. Vincent and the Grenadines 2017 to 2018





# THE FEWER APP



## Fisheries Early Warning & Emergency Response

### What value added can FEWER provide for COAST?

- Reduced fisher vulnerability to Weather Hazards
- Improved accident & damage reporting
- Increased SAR effectiveness - Points of contact, Procedures, missing persons, texts
- Enhanced decision making
- Is there the potential to embed a claims and payout mechanism in the app?



**Damage Reporting**



**Emergency Contacts**



**Weather**



**Alerts**



**Messaging**



**Emergency Procedures**



**Missing Persons**



**Local Ecological Knowledge (LEK)**



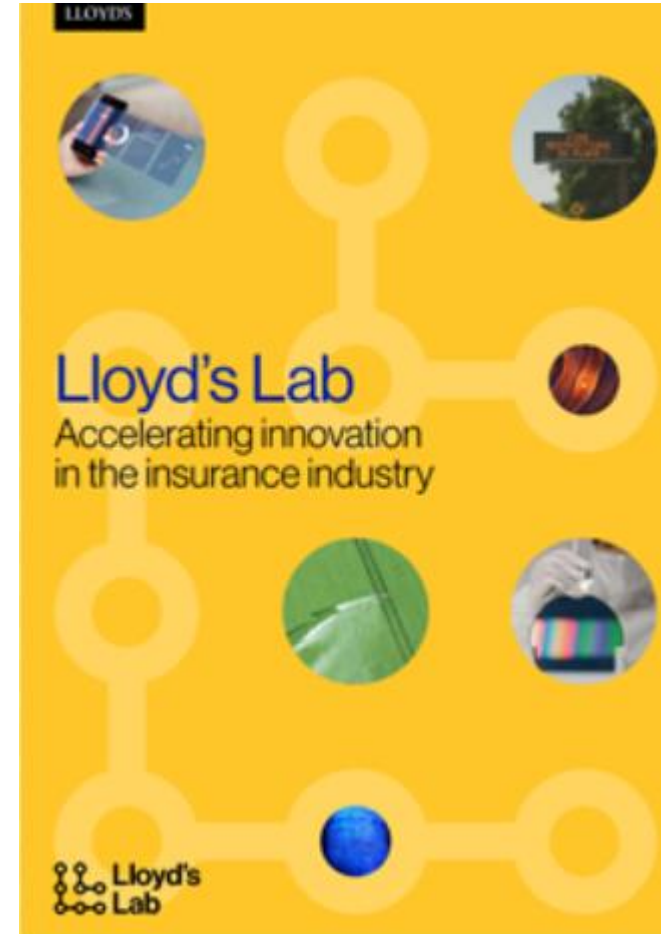
# Leveraging Private Sector Expertise or InsurTech

Lloyd of London Market Association Innovation Hub  
“Lloyd’s Lab”

Leveraging experience from the housing and auto sectors:

- Forms Can be filled out from the phone
- Expedited assessment of damages
- Photographic records facilitate text based assessments
- Date & Time stamped
- Upload of photos pinpoint vessel location

Requires registration of beneficiaries in the app and links to mobile payment systems



# SESSION Part 4a

A Regional Perspective of COAST and FEWER

Milton Haughton – CEO The Caribbean Fisheries Mechanism  
(CRFM)

## SESSION Part 4b

Facilitated Discussions on COAST Beneficiaries and FEWER

## Acknowledgements

Jeremy Turner – Naval architect (former Chief Fishing Operations FAO HQ)

Jessica Sanders – Fisheries policy expert

Ari Gudmundsson – Fishing Vessel Safety (former Chief Fishing Operations FAO HQ)

Francisco Blaha – Photos

IIED – graphics

FAO – graphics

SPC - graphics

CRFM graphics

**FEWER App**

Kim Mallalieu

Caribbean ICT Research Programme

Milton Haughton

Maren Headley ICT4Fisheries Consortium Consultants

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