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

>90%
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

1. Safety
2. Seaworthy inspections
3. Resilience
4. Safety
5. Seaworthy inspections
6. Resilience
7. Safety
8. Seaworthy inspections
9. Resilience

- CRI1: The Caribbean Oceans and Aquaculture Sustainability Facility
- World Bank Group

Risk

Catch / Yield

Fishing effort

Costs

Catch / Yield
SESSION Part 2

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

... a fisheries perspective
COAST Fisheries Model

COAST Fisheries Model: Two Independent Components

- Adverse Weather Tier 1
  - Fisherfolk economic activity interruption
  - Wave height
  - Heavy rainfall

- Tropical Cyclone Tiers 2 and 3
  - Direct damages to assets (boats, eqpt, infra, etc)
  - Wind speed
  - Storm surge

- 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

Fisher

- FISHING
- Fisher
  - Boat Owner
- Fishers
- Sea moss Farmer

Fish workers

- LANDING SITE
- FISHING
- Port and Harbor workers
- Fishery Complex Workers
- Fish Processors
- Fish Vendors
- FISH MARKET
- FISH SALES
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)

Total: US$ 166,667.00

Tier 1: US$171.50
Tier 2: US$228.60
Tier 3: US$685.90

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
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
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?
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
A Regional Perspective of COAST and FEWER

Milton Haughton – CEO The Caribbean Fisheries Mechanism (CRFM)
SESSION Part 4b

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