



# Stakeholder Engagement Plan and Stakeholder Engagement Framework

For

## Caribbean Oceans and Aquaculture Sustainability Facility (COAST)

Submitted to:

World Bank



*Revised February 2020*

## 1. Introduction/Project Description

The Caribbean Oceans and Aquaculture Sustainability Facility (COAST) is an innovative climate risk insurance mechanism to promote sustainable fisheries, food security, livelihoods of fisherfolks and disaster risk reduction in the Caribbean. COAST was developed through a partnership with the US State Department (donor), the World Bank (supported the product design, government readiness to adopt COAST), the Caribbean Catastrophe Risk Insurance Facility-CCRIF SPC (developed and issued the insurance policies), Caribbean Regional Fisheries Mechanism-CRFM (support implementation of COAST) and Caribbean governments (pilot phase-Grenada and St. Lucia).

The overall development objective of COAST is to strengthen financial resilience of Caribbean countries through insuring against climate-related events that impact the fisheries sector. A parametric insurance product for the fisheries sector will be an essential tool to help address the impacts of natural hazards on food security and livelihoods of those working in the fisheries sector. Parametric insurance products such as those offered by CCRIF SPC (formerly the Caribbean Catastrophe Risk Insurance Facility) are designed to limit the financial impact of devastating hurricanes, earthquakes and excess rainfall events by quickly providing financial liquidity when a policy is triggered. For the fisheries sector, the parametric insurance was designed to provide coverage for losses caused by adverse weather on fisherfolk and for direct damages caused by tropical cyclones to fishing vessels, fishing equipment and fishing infrastructure. Additionally, COAST differs slightly from the other products offered by CCRIF because while it will be governments that purchase COAST policies, the payout will be passed on from the government to individual fisherfolk, including women employed to the fisheries sector.

Stated support from this initiative came on May 15, 2015 from the 9th Caribbean Regional Fisheries Mechanism Ministerial Council (a CARICOM body), where ten Ministers of Agriculture “welcomed and endorsed the initiative in principle to provide a risk insurance facility to fishers and entities operating in the fisheries sector in the region”. Grenada and Saint Lucia are the first two Caribbean countries to roll out the COAST Product.

The fisheries sector in the CARICOM Region is an important source of livelihoods and contributes significantly to food security, poverty alleviation, employment, foreign exchange earnings, development and stability of rural and coastal communities, culture, recreation and tourism. Caribbean countries face many serious challenges in the interaction between the human population and the natural environment that sustains it, an underlying stress that is being exacerbated by climate change, the projected manifestations of which include rising sea levels and an increased frequency and severity of extreme weather events, especially hurricanes, tropical storms and droughts.

The structure of these economies also makes them particularly vulnerable to natural hazards, which result in widespread destruction of the productive economy and also the capital stock of their nations. The Region's tourism, agriculture, forestry and fisheries sectors; water resources; and human rights are considered to be most vulnerable to a changing climate.

The pressures faced by the fisheries sector in the Caribbean include:

- Poor fishing practices and poaching
- Invasive species
- Degradation of supporting habitats
- Ocean acidification due to coral bleaching as a result of climate change
- Climate change exacerbating extreme weather events

There are numerous measures available to decision makers to respond to the increasing threat of climate change to all economic sectors. These responses can be clustered into two main groups: (i) risk mitigation measures and (ii) risk transfer instruments. The introduction of parametric insurance products for the fisheries sector will be essential to help address the impacts of natural hazards upon food security and livelihoods of key players as well as the impacts on GDP.

The intent of the project is to implement the parametric insurance product for the fisheries sector in Saint Lucia and Grenada. The COAST project has two components:

#### **Component 1: Capitalization of CCRIF SPC for COAST**

The objective of this Component is to enable the CCRIF SPC to provide the only available catastrophe coverage for the fisheries sector to the participating countries as a measure to increase resilience in the fisheries sector. The capitalization funds under this component will be used to earn investment income and provide insurance payouts if the COAST policy is triggered. The finance for this component will be provided in a one-time basis, and the amounts to be provided will be determined by the actuarial business needs of the CCRIF SPC COAST product. The financing under this component is only for the purposes of enabling the CCRIF SPC to: (i) Invest and generate income for the Facility to finance the COAST operation; (ii) Make quick insurance payouts to the participating countries; and (iii) Provide the ability to retain and manage the risk until a portion of it is passed to the reinsurance markets.

#### **Component 2: Payment of Participating Countries' Annual Insurance Premium**

The objective of this Component is to assist the participating countries, Grenada and Saint Lucia, to purchase the COAST parametric insurance coverage for the fisheries sector offered by the CCRIF SPC. Annual premium for each participating country will be covered by the World Bank (PROFISH multi-donor trust fund) with allocation up to \$100,000 per country. Countries will have the choice of selecting the amount of insurance coverage, depending on country risk profile and priority needs. The COAST product is unique as it provides parametric coverage for i) losses

experienced by fisher workers caused by *Adverse Weather* (high waves and heavy rainfall) and ii) losses caused by *Tropical Cyclones* (wind and storm surge) that may damage fishing vessels, fishing equipment and fishing infrastructure.

CCRIF SPC has been the designated entity tasked with developing and implementing the project, given its extensive experience in developing parametric insurance products and also because of the overall success of the Facility. CCRIF SPC is a captive insurance company which is owned by a trust with the shares being held by a trustee (a legal firm in Cayman) and was approved as a Class B Licensed Insurer by the Cayman Islands Monetary Authority (CIMA) on 23 May 2007. Its mission is to serve Caribbean and Central American governments and their communities in reducing the economic impact of natural catastrophes, by providing immediate liquidity through a range of affordable insurance products in a way that is financially responsible and responsive to country needs. CCRIF was set up as a captive because of the nature of the service it provides and the insurance products that it sells, which attract risks that are priced too high by the traditional market. As such, a captive for CCRIF provides a bespoke insurance solution that effectively supports the Facility's overall risk management strategy. CCRIF is a virtual company that includes a board, an executive management team made up of a chief executive officer, a chief risk management officer and a chief operations officer and a team of service providers, made up of six companies carrying out a range of core functions including risk management, asset management, insurance manager, reinsurance broker, technical assistance management and corporate communications manager. CCRIF staff are employed on contract generally for three years with the possibility of renewal. CCRIF service providers are hired through a competitive tender process and are subject to a retender. CCRIF does not maintain a physical office.

For the duration of the project, stakeholder engagement will be key – stakeholder engagement involving public sector entities including those entities of government that CCRIF currently works with on its existing products such as the Ministry of Finance, and the Ministry of Agriculture and Fisheries in both countries; as well as, fisheries cooperatives, individuals living and working in fishing communities and general fisherfolk including market vendors and boat boys.

## **2. Brief Summary of Stakeholder Engagement Activities**

Prior to the official launch of project activities in both countries, and during the CCRIF Policy Renewal Process in 2018, stakeholders at the national level and specifically individuals from the Ministry of Finance (CCRIF's main contact in countries and the entity through which the insurance instrument would have to be approved) were sensitized and engaged around COAST and the potential benefits such a product would have on the fisheries sector as well as the government's thrust for supporting this vulnerable group that continues to be impacted by a changing climate. The objective of COAST as well as the proposed activities that are likely to be implemented were discussed. Information related to the key stakeholders that CCRIF and the COAST team should

engage with was also shared as well as information on the types of data that would be available in the government with respect to the fisheries sector also was discussed. Stakeholder engagement and consultation of key stakeholders will continue throughout the implementation of the COAST project.

### **3. Stakeholder identification and analysis**

A range of stakeholders will be consulted over the implementation of COAST starting with consultations and meetings with government officials in the key ministries as well as the proposed beneficiaries – the fisherfolk, fishing communities and their associated organizations such as cooperatives. Early meetings and consultations will focus on providing information to government stakeholders and fisherfolk on the product and the rationale and to assess their demand for this type of insurance. The feedback from these meetings will assist with the design of the product. A series of consultations will be held with fishermen during the development of the product to gather key information and data that would be included in the model (hazard and vulnerability modules) underpinning the COAST product. Prior to the roll-out of the product the team will engage with fishing communities and fisherfolk to sensitize them to the product, how it works etc. Meetings were held with Government to prepare the required documentation such as the COAST Operations Manual. The intent is for multiple missions to both pilot countries – Grenada and Saint Lucia prior to roll-out of the product. Once the product is rolled out and made available consultations and meeting will continue with a view to providing support to the government as required and to work with both government entities and fisherfolk and cooperatives to find solutions for the sustainability of COAST, including focusing on determining potential measures to support the financing of future premiums.

The stakeholders that are most likely to be engaged during project implementation in both Saint Lucia and Grenada are as follows:

- Ministry of Finance – CCRIF main contact and also the ministry with responsibility for financial instruments such as insurance
- Accountant General’s Department - because of how COAST is expected to be structured with the beneficiaries intended to be the fishers, the Accountant General’s Department will be a key stakeholder in ensuring that payouts reach the intended beneficiary within a short period of time
- Ministry of Agriculture and Fisheries – the ministries of agriculture in both countries have overarching responsibility for fisheries and are responsible for fisheries policy and other areas that are of relevance to the growth and development of the sector
- Fisheries Division – usually a government entity under the Ministry of Agriculture that has responsibility for the registration of fisheries, collecting data with respect to fish catch, building capacity of fisheries and dealing with of issues related to fishers and fishing cooperatives with the aim to resolve these issues

- Other government agencies such as the Meteorological Offices and Environmental Agencies who may have pertinent information that could support model development as well as work with the project to support other objectives of coast as it relates to the sustainability of the fisheries sector
- Caribbean Regional Fisheries Mechanism (CRFM) – will be key stakeholders and participate in project implementation ensuring that the project objectives remain consistent with the regional fisheries policy. The entity also will lend support to the development of the various fisheries assessments that are required to support model development
- Fishing cooperatives – meso level organizations that are vibrant across the Caribbean that include fishermen and are often owners and managers of landing sites etc. They often play a key role in lobbying governments for improvements in benefits (such as fuel prices) for fisherfolk – essentially cooperatives can be a conduit between the fisherman and the government
- Fishing communities and fisherfolk – the product was developed for fishers – it would therefore be useful to have engagement in communities and with individuals in fishing communities to gauge their understanding of issues affecting the sector, the community and also to obtain a sense of how they believe some of these issues could be addressed. Understanding their knowledge of the sector as well as their indigenous knowledge that they can provide would be key to the overall project. The project also will ensure that women who are critical to overall management of fish markets are engaged during the project and their views on the sector as well as climate change and insurance are captured.

### 3.1 Affected parties

All stakeholders are expected to be positively impacted by the project. The affected parties are the fish workers – those involved in different value chain activities in the sector. Each country provided a definition and a full list of the beneficiaries (including captains, crew members, boat owners, fish vendors and fish groomers) with their respective personal identification numbers, to ensure the delivery of quick and transparent payouts. Notwithstanding, it would be important for those implementing the project to be careful not to raise expectations such that after every rainfall event or bad weather event there is an expectation of a payout. The importance of consultations and sensitization sessions with fisherfolk and fishing communities will be critical to ensuring that these groups fully understand how policies are triggered etc. A well-defined communications and sensitization plan will be developed with clear communication protocols established to ensure that there is both consistent and clear communication with all parties after a disaster – highlighting the payout – and if there is no payout why. The communication protocol for COAST will mirror the current communication protocol utilized by CCRIF which has been proven to be effective.

### **3.2 Other Interested parties**

Other stakeholders that may have an interest in the project include local government authorities in both countries as well as civil society organizations who may work in communities on community development projects or those that work in the areas of disaster risk reduction or environmental management. The affected parties are the fish workers – those involved in different value chain activities in the sector. Each country provided a definition and a full list of the beneficiaries (including captains, crew members, boat owners, fish vendors and fish groomers) with their respective personal identification numbers, to ensure the delivery of quick and transparent payouts. As much as is feasible, these entities also will be engaged and consulted at some level during the implementation of the project. Development Partners as well as organizations such as the Organization of Eastern Caribbean States also may be interested in the project given that they may be working in similar areas and also with similar communities.

### **3.3 Disadvantaged / vulnerable individuals or groups**

The project has a specific objective of ‘leaving no one behind’ consistent with the Agenda 2030 Sustainable Development Goals and as such the project intends to promote gender equality as well as reduce inequalities in the fisheries sector. To this end, there will be a focus in stakeholder engagement to ensure that women are consulted and engaged, and their views and perspectives are considered in all aspects of the project in which stakeholder engagement will be undertaken. Specific strategies will be developed to ensure that women who are engaged in the fisheries sector as market vendors or managers of cooperatives are allowed to participate in COAST and are able to benefit from potential payouts. One strategy that will be employed is to allow women to register as key support to the fisheries sector, in a similar way that fishermen are able to register for licenses. Whilst this is available in Grenada already, it is an activity that will be worked on in Saint Lucia and in other countries that would eventually participate in COAST. Youth are another group that will be taken into account in much the same way as the issues surrounding the participation of women in COAST will be addressed. Youth, particularly young males are engaged in the fisheries sector as ‘boat boys’ providing much needed support to the sector as it relates to fish cleaning, cleaning of boats and gear and also the fish markets – making them active participants in the sector that need to be accounted for.

### 3.4 Summary of project stakeholder needs<sup>1</sup>

Stakeholder	Information Needs
Government Entities	Technical information on how the project will work; the type of support and technical competence required by government entities; roles and responsibilities, potential costs on the fiscal side etc
Cooperatives and NGOs	Information on the project and how it would benefit the fisheries sector, including cooperatives, the interface among the project team the government and the fisheries sector; information on insurance and the linkages between insurance and the sustainability of the sector
Fisherfolk and others working in the sector, fishing communities	Simple non-technical information on the project in an engaging and easy to read manner on the proposed benefits; how insurance would work; what is needed from them; how could their knowledge be used in the development and implementation of the project etc.

## 4. Stakeholder Engagement Programme

### 4.1 Purpose and timing of stakeholder engagement programme

Stakeholders are expected to be engaged throughout the project and CCRIF proposes to expand the responsibilities and capacity of its communications and technical assistance management team to undertake the stakeholder engagement activities for COAST implementation. CCRIF Corporate Communications and Technical Assistance Manager is assigned responsibility for such activities under the project and will ensure consistency with the guiding principles for communicating and engaging with stakeholders as set out in the Facility’s Operations Manual. Stakeholders will be consulted using different media to inform them about the project with a particular emphasis on how the project will add value to the conservation and management of the fisheries sector; how COAST will contribute to livelihood protection; stakeholders also will be consulted in an attempt to have them partner and collaborate with the Project in implementation activities as well as to engage them in sharing information with other stakeholders about the project. Consultations also will involve some level of education whereby it is expected that all stakeholder’s capacity will be built on the importance of protecting the ecosystems that support the fisheries sector and how insurance could act as a buffer to support livelihoods especially in the face of a changing climate. Increasing knowledge of issues related to the conservation of the fisheries sector as well as the importance of livelihood protection of fishers and the promotion of sustainable livelihoods among government officials, beneficiaries of this project as well as users of the ecosystems that support fisheries will enable long-term success and sustainability of the

<sup>1</sup> There will be focus-group discussions (FGDs) and in-depth interviews with key stakeholders within fishing communities and in fish markets. Meetings will take place during non-fishing hours to maximize the attendance of the fisherfolk, and at a convenient location to gather large groups of fishers.

outcomes of this Project. As mentioned above, consultations and capacity building sessions with fisherfolk began during the product development stages, and will continue after roll-out COAST will focus on building the resilience of the fishing industry.

By engaging stakeholders in a practical manner, managing expectations, and maintaining the dialogue process, actions formulated through the stakeholder engagement processes will benefit from stakeholder insights and experiences. Stakeholder participation and consensus-building are therefore critical for ensuring long-term sustainability. In creating the platform for enhancing knowledge and communication the following will be considered:

- Increasing the level of knowledge about the Project and its components and how the Project will contribute to the effective management of the overall fisheries sector
- Generating buy-in and support for the Project among a range of stakeholders including persons living in fishing communities and using ecosystems that support the fisheries sector
- Creating synergies between this Project and other similar initiatives that support ecosystems management or initiatives that are implementing projects in the fisheries sector
- Increasing the visibility and importance of the fisheries sector and raising demand for sustainable development practices that integrate ecosystems management, protected areas and biodiversity conservation as part of a wider strategy to address each of the country's environmental challenges and advance environmental sustainability and climate change adaptation
- Creating awareness of where to get technical information about fisheries policy and best practices in fisheries management
- Increasing participation of stakeholders in the implementation of communications and awareness activities

#### **4.2 Proposed strategy for information disclosure**

In undertaking the stakeholder engagement strategy, a full basket of communication tools will be carried out through CCRIF's corporate communication platform. The variety of stakeholders and diversity of messages and approaches envisaged have implications for the mechanisms and communications tools required. Various communication tools and activities will be identified/selected based on the stakeholder being addressed and activities will be designed to bring clarity to the issues associated with the project. In all cases the most appropriate tool will be used to communicate stakeholders. Both tools and activities will be tailored to the level of time and human and financial resources available. The communication tools that will most widely be used to implement the stakeholder engagement strategy are presented in below:

## Outreach

one-on-one interaction with key partners/stakeholders, community meetings, missions, meetings with government officials,

## Press/TV

interviews with key stakeholders, government information magazines aired on television, press releases

## Multi-media

Web Pages, Photos, Blogs, Social Media, Verbal and Visual Presentations and Shows, Electronic reports and Documents, E-newsletters,

## Workshops and Conferences

Papers, Manuals, policy briefs,

## Print

policy briefs, operational manuals, mission reports cabinet notes and submissions technical publications Brochures, Posters, Booklets, Flyers, Articles in Regional and Int'l Magazines, Newsletters, Case Studies ; non technical papers

## Public Relations

Speeches, Speaking Notes, Press Conferences, Participation in relevant expos, meeting and conferences etc.

The development of all communication and information materials will be guided by the following:

- Clear messages using simple language
- Openness, honesty, credibility, and trust in all communications
- Two-way communication, with feedback valued and asked for
- Ongoing commitment to the communications process
- Tailored to specific groups
- Content that is interesting to the target audience
- Regularity, timeliness and currency of information
- Use of change agents to get information to some audiences

### 4.3 Proposed strategy for consultations

Consultations on the project are expected to involve both government as well as cooperatives and fishing communities and will be underpinned by participatory processes. With respect to government entities, most of these consultations will take the form of meetings and/or workshops. In the case of fishing communities, and fishers, the consultations are expected to employ a social constructionist approach so that these engagements will be better able to examine subjective meanings, experiences, local perceptions of these stakeholders related to

their understanding of the fisheries sector, their perception of insurance and their knowledge of financial inclusion, their appreciation for protecting the ecosystems that support the sector and their roles and responsibilities.

Focus-group discussions (FGDs) and in-depth interviews with key stakeholders will be conducted within fishing communities and in fish markets etc as well as with government (e.g. senior policymakers) and non-governmental stakeholders who have a stake in the sector. Participants in focus group discussions may be provided with short



questionnaires. The information that is analyzed from these questionnaires will provide a more quantitative assessment and a generalized assessment related to individual views, perceptions, knowledge, attitudes and practices within the fisheries sector and will support the various fisheries assessments that will need to be undertaken.

Some guiding principles that would be employed when undertaking the consultations are:

- Facilitators will use the focus group discussions as an opportunity to listen and learn, and not to lecture participants in any way
- Facilitators will avoid leading questions. Examples: Don't you think that sustainable fishing practices should be promoted?
- Facilitators will be sensitive to local norms and customs
- Facilitators and organizers always will remember that participants'/stakeholders' time is valuable to them.
- Participants and local leaders will be thanked after the conduct of the focus group discussions or meetings and follow-up actions will be provided in a timely manner to the various stakeholders whether government or others.

#### 4.4 Proposed strategy to incorporate the view of vulnerable groups

Women have been identified in the project as a vulnerable group and as such, will be afforded special attention by which the project team can engage in discussions either individually or collectively with them about the project as well as their views and perceptions of the project.

#### 4.5 Timelines

From the start of the project and even after the product is rolled out in both countries, consultations and stakeholder engagement will be a key feature. At various points of the project the team will engage stakeholders to obtain their views and perceptions on the project, obtain

data, build capacity in areas related to disaster risk management and climate change, provide project updates, share documents and other outputs for review and feedback. Consultations and engagement that are face to face will be undertaken through country missions but it is expected that there will be engagement through emails, teleconferences and also via social media platforms.

#### **4.6 Review of Comments**

Comments will be gathered from stakeholders either through oral means or through writing. With respect to government entities and being fully cognizant of government protocols, comments will be accepted from the key project lead which most likely will be the Permanent Secretary in the Ministry of Finance.

#### **4.7 Future Phases of Project**

All stakeholders will continue to receive information on the project and new developments even after the launch of the project. This would be achieved using both CCRIF and World Bank stakeholder engagement platforms as well their distribution channels for communication.

## **5. Resources and Responsibilities for Implementing Stakeholder Engagement Activities**

### **5. Management Functions and Responsibilities**

While the CCRIF CEO is ultimately responsible for all communication activities and stakeholder engagement activities on CCRIF, the CCRIF Corporate Communications and Technical Assistance Manager is assigned responsibility for such activities under the project and ensures consistency with the guiding principles for communicating and engaging with stakeholders as set out in the Facility's Operations Manual. Lists of all stakeholders that have been consulted with on the project will be documented in CCRIF stakeholder databases to ensure that communication with these stakeholders are sustainable. The communications manager has extensive experience working with stakeholders and engaging in participatory process in a range of developmental programs and projects at the sovereign level and are expected to add significant value to this project.

### **6. Grievance Mechanism**

CCRIF will utilize its existing procedures for conflict resolution and grievances as laid out in its Operations Manual, its Complaints Policy and Complaints Protocol. CCRIF's Complaints Policy provides guidelines for ensuring that the Facility responds in a timely manner to, and deals with complaints fairly, efficiently, effectively and consistently where a response is expected or legally required. Complaints in this policy are defined as an expression of dissatisfaction about CCRIF or its programs and services and directly related to complaints received by external parties, member governments etc.

As an organization dedicated to continuous improvement, CCRIF uses feedback on its programs, products and services, including complaints, to constructively inform and improve its services and to maintain public confidence in the organization and its overall mission and strategic objectives. With respect to organizations that CCRIF is engaged with contractually as well as service providers, the Operations Manual states inter alia that any relevant matter or any controversy between CCRIF and another party shall be settled by negotiation between the Parties. Should any disagreement arise that cannot be resolved at the operating level the area(s) of disagreement are to be stated in writing by each Party and presented to the other Party for consideration. If agreement on interpretation is not reached within thirty (30) days, the points of contact are to forward the written presentation of the disagreement to the respective higher officials for appropriate resolution; and any dispute relating to the interpretation or execution of a project, which cannot be settled amicably will be settled by binding arbitration. Stakeholders always have the right to access their national courts if they are not satisfied with the solutions provided by the project.

The United Nations Commission on International Trade Law (UNCITRAL) arbitration rules will apply. Binding arbitration must in all cases be preceded by a conciliatory procedure under UNCITRAL rules. With respect to its own staff, CCRIF is in the process of developing a human resource policy to guide grievances that may arise.