

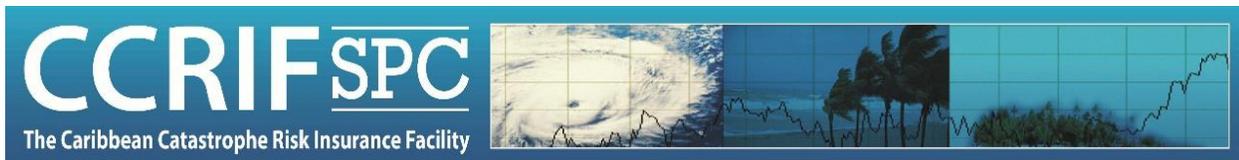


# Strategic Plan

2018 - 21

**CCRIF SPC**

The Caribbean Catastrophe Risk Insurance Facility



## CCRIF Strategic Plan 2018 - 2021

### About CCRIF

CCRIF SPC is a segregated portfolio company, owned, operated and registered in the Caribbean. It limits the financial impact of catastrophic hurricanes, earthquakes and excess rainfall events to Caribbean and – since 2015 – Central American governments by quickly providing short-term liquidity when a parametric insurance policy is triggered. It is the world's first regional multi-country risk pool utilising parametric insurance, giving member governments the unique opportunity to purchase earthquake, hurricane and excess rainfall catastrophe coverage with lowest-possible pricing.

CCRIF was developed under the technical leadership of the World Bank and with a grant from the Government of Japan. It was capitalized through contributions to a Multi-Donor Trust Fund (MDTF) by the Government of Canada, the European Union, the World Bank, the governments of the UK and France, the Caribbean Development Bank and the governments of Ireland and Bermuda, as well as through membership fees paid by participating governments. In 2014, an MDTF was again established by the World Bank to support the development of CCRIF SPC's new products for current and potential members and facilitate the entry for Central American countries and additional Caribbean countries. The MDTF currently channels funds from various donors, including: Canada, through Global Affairs Canada; the United States, through the Department of the Treasury; the European Union, through the European Commission, and Germany, through the Federal Ministry for Economic Cooperation and Development. In 2017, the Caribbean Development Bank, with resources provided by Mexico, approved a grant to CCRIF SPC to provide enhanced insurance coverage to the Bank's Borrowing Member Countries that insure through CCRIF against tropical cyclone, earthquake and excess rainfall risks.



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## MESSAGE FROM THE CHAIRMAN – TIMOTHY ANTOINE

I am pleased to present to you – our members, partners and stakeholders – CCRIF's 4<sup>th</sup> Strategic Plan, which covers the period 2018 – 2021. This also is my first Strategic Plan as Board Chairman.

To prepare this plan, CCRIF utilized a slightly different approach compared to previous years. We engaged our members and key stakeholders in a range of participatory activities to assist us in defining the strategic direction of the Facility over its second decade. Two activities worth mentioning are: a 1-day stakeholder retreat – which involved participation from over 45 individuals comprising member governments, international development partners and key regional organizations; and a stakeholder assessment study which was designed in part to analyze the views and perceptions of stakeholders on CCRIF, including feedback on scaling up of CCRIF in terms of new products, increasing coverage levels amongst existing members and adding new members. Both activities and the results contained therein served as valuable inputs for our Board, management and service provider team to reflect on and infuse into the strategic planning process. This document therefore presents strategic views of our community and we are proud that in the next three years we will be implementing strategies and actions that are based on stakeholder participation and broad consensus.

The CCRIF Strategic Plan 2018 – 2021 is being implemented during a period in which CARICOM has declared its bold ambition to make the Caribbean the first climate-resilient zone in the world. CCRIF wishes to play its part in helping our region realize this stated ambition. Thus, as CCRIF enters its second decade of operations, additional financing and capital injection will be required to support growth and to facilitate scaling up – that is increasing coverage levels amongst existing members, adding new members and offering new products.

The strategic importance of CCRIF and the importance of risk transfer instruments were further highlighted during the 2017 Atlantic Hurricane Season when, following Tropical Cyclones Maria and Irma and the widespread devastation caused – as well as a severe rainfall event in Trinidad and Tobago, CCRIF made payouts totalling US\$62 million to 10 member governments. Despite these significant payouts, CCRIF remains financially solvent and we are proud to state that since inception in 2007, the Facility has made payouts totalling US\$139 million to 13 of our member governments. While these payments are relatively small compared to the overwhelming cost of rebuilding, we consistently receive feedback from recipient governments of how appreciative they are for the rapid infusion of liquidity to assist them with immediate post-disaster priorities.

At the start of this strategic planning cycle we also are welcoming new members – the British Virgin Islands, Montserrat and St. Maarten – bringing our total membership to 20: 19 Caribbean governments and 1 Central American government.

We are always mindful of stakeholder requests for new products to address new sectors or perils. As such we are pleased to inform that the Facility plans to bring to market new products for drought, agriculture, fisheries and public utilities. As we continue to foster a culture of continuous

improvement, these new products will be underpinned by the Facility's new and improved model for tropical cyclones and earthquakes, SPHERA<sup>1</sup>. This new model replaces the previous MPRES<sup>2</sup> model and is based on new developments and current international practices in model development for risk management.

Operating akin to a not-for-profit organization, we will continue to ensure that members benefit from all profits made by the Facility either through reduced cost for policy premiums or through the Facility's well established and impactful technical assistance programme, which is designed to increase the cadre of Caribbean youth working in the areas of risk management, disasters and climate change as well as to increase the capacity of regional and national organizations to prepare for and respond to disasters within the context of a changing climate. These efforts are all designed to advance our member countries' development prospects within the context of reducing overall vulnerabilities and building resilient economic, social and environmental systems.

CCRIF continues to occupy a unique space in the disaster risk management (DRM) arena by being able to effectively provide a level of financial protection for countries vulnerable to tropical cyclones, earthquakes, excess rainfall and drought and allowing these countries to increase their financial response capacity in the aftermath of disasters and reduce their economic and fiscal burden. It is well known that left unchecked, the economic impact of disasters can generate large losses that disrupt long-run economic growth and development trajectories. That said, we continue to be mindful that CCRIF was not designed to cover all losses on the ground but rather to provide capital for emergency relief and early recovery needs thereby reducing post-disaster resource deficits and government budget volatility.

As we look to the future, we recognize that the CCRIF Story is a powerful way to demonstrate the linkages among country DRM strategies, risk transfer, poverty reduction and economic growth and we share the UN 2030 goals for sustainable development and the importance of leaving no one behind in development. Indeed, CCRIF's mission statement declares: "A resilient Caribbean region and beyond with optimized disaster risk management and climate change adaptation practices supporting long-term sustainable development".

***Timothy Antoine***  
***Chairman, CCRIF SPC***

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<sup>1</sup> System for Probabilistic Hazard Evaluation and Risk Assessment

<sup>2</sup> Multi-Peril Risk Evaluation System

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## BACKGROUND AND INTRODUCTION

In 2007, the Caribbean Catastrophe Risk Insurance Facility was formed as the first multi-country risk pool in the world and was the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets. It was designed as a regional catastrophe fund for Caribbean governments to limit the financial impact of devastating hurricanes and earthquakes by quickly providing financial liquidity when a policy is triggered.

In 2014, the Facility was restructured into a segregated portfolio company (SPC) to facilitate offering new products and expansion into new geographic areas and is now named CCRIF SPC. The new structure, in which products are offered through a number of segregated portfolios, allows for total segregation of risk. In April 2015, CCRIF signed an MOU with COSEFIN – the Council of Ministers of Finance of Central America, Panama and the Dominican Republic – to enable Central American countries to formally join the Facility.

Currently, CCRIF offers earthquake, tropical cyclone and excess rainfall policies to Caribbean and Central American governments. The Facility helps to mitigate the short-term cash flow problems small developing economies suffer after major natural disasters. CCRIF's parametric insurance mechanism allows it to provide rapid payouts to help members finance their initial disaster response and maintain basic government functions after a catastrophic event.

CCRIF SPC has 20 members<sup>3</sup>:

**Caribbean:** Anguilla, Antigua & Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, Saint Lucia, St. Maarten, St. Vincent & the Grenadines, Trinidad & Tobago and Turks & Caicos Islands

**Central America:** Nicaragua

Since the inception of CCRIF in 2007, the Facility has made 38 payouts to 13 member governments on their tropical cyclone, earthquake and/or excess rainfall policies totalling US\$139 million. All payments have been made within 14 days of the end of the event, which is a key value proposition of CCRIF. In some cases, partial payouts were made within 7 days upon request by the recipient governments. CCRIF's payouts between 2007 and the time of this report are shown in the table below.

Event	Country	Policy	Payout (US\$)
<b>Earthquake, November 29, 2007</b>	Dominica	Earthquake	528,021
	Saint Lucia	Earthquake	418,976
<b>Tropical Cyclone Ike, 2008</b>	Turks & Caicos Islands	Tropical Cyclone	6,303,913
<b>Earthquake, January 12, 2010</b>	Haiti	Earthquake	7,753,579
<b>Tropical Cyclone Earl, August 2010</b>	Anguilla	Tropical Cyclone	4,282,733

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<sup>3</sup> In 2018, three countries joined CCRIF: the British Virgin Islands and Montserrat, effective June 1 and St. Maarten, effective September 1

<b>Event</b>	<b>Country</b>	<b>Policy</b>	<b>Payout (US\$)</b>
<b>Tropical Cyclone Tomas, October 2010</b>	Barbados	Tropical Cyclone	8,560,247
	Saint Lucia	Tropical Cyclone	3,241,613
	St. Vincent & the Grenadines	Tropical Cyclone	1,090,388
<b>Tropical Cyclone Gonzalo, October 2014</b>	Anguilla	Excess Rainfall	493,465
<b>Trough System, 7-8 November 2014</b>	Anguilla	Excess Rainfall	559,249
	St. Kitts & Nevis	Excess Rainfall	1,055,408
<b>Trough System, 21 November 2014</b>	Barbados	Excess Rainfall	1,284,882
<b>Tropical Storm Erika, August 2015</b>	Dominica	Excess Rainfall	2,402,153
<b>Earthquake, 9 June 2016</b>	Nicaragua	Earthquake	500,000
<b>Tropical Cyclone Earl, August 2016</b>	Belize	Excess Rainfall	216,073
<b>Tropical Cyclone Matthew, September/October 2016</b>	Barbados	Tropical Cyclone	975,000
	Barbados	Excess Rainfall	753,277
	Saint Lucia	Excess Rainfall	3,781,788
	St. Vincent & the Grenadines	Excess Rainfall	285,349
	Haiti	Tropical Cyclone	20,388,067
	Haiti	Excess Rainfall	3,020,767
<b>Tropical Cyclone Otto, November 2016</b>	Nicaragua	Tropical Cyclone	1,110,193
<b>Tropical Cyclone Irma, September 2017</b>	St. Kitts & Nevis	Tropical Cyclone	2,294,603
	Anguilla	Tropical Cyclone	6,529,100
	Anguilla	Excess Rainfall	158,823
	Antigua & Barbuda	Tropical Cyclone	6,794,875
	Turks & Caicos Islands	Tropical Cyclone	13,631,865
	Turks & Caicos Islands	Excess Rainfall	1,232,769
	The Bahamas	Excess Rainfall	163,598
<b>Tropical Cyclone Maria, September 2017</b>	Dominica	Tropical Cyclone	19,294,800
	Dominica	Excess Rainfall	1,054,022
	Saint Lucia	Excess Rainfall	671,013
	Turks & Caicos Islands	Tropical Cyclone	419,372
	Barbados	Excess Rainfall	1,917,506
	St. Vincent & the Grenadines	Excess Rainfall	247,257
<b>Rainfall event, October 18-20 2017</b>	Trinidad & Tobago	Excess Rainfall	7,007,886
<b>Tropical Storm Kirk, October 2018</b>	Barbados	Excess Rainfall	5,813,299
<b>Rainfall event, October 18-20 2018</b>	Trinidad & Tobago	Excess Rainfall	2,534,550
<b>TOTAL</b>			<b>138,815,479</b>
<b>Total for Tropical Cyclone (14)</b>			<b>94,916,769</b>
<b>Total for Earthquake (4)</b>			<b>9,200,576</b>
<b>Total for Excess Rainfall (20)</b>			<b>34,698,134</b>

As part of its corporate social responsibility framework, CCRIF has in place a Technical Assistance (TA) Programme, which is its primary vehicle for supporting capacity building for disaster risk management in the Caribbean. CCRIF makes available resources for the TA Programme by utilizing a portion of its earned investment income (the Facility operates akin to a not-for-profit organization) as reported in the Facility's audited financial statements of the previous policy year.

Launched in 2010, the TA Programme is designed to assist Caribbean countries deepen their understanding of natural hazards and catastrophe risk, and the potential impacts of climate change on the region. It provides an ongoing mechanism for grant support within the Caribbean region for capacity building initiatives and the development and implementation of projects to improve the effectiveness of disaster risk management.

CCRIF was developed under the technical leadership of the World Bank and with a grant from the Government of Japan. It was capitalized through contributions to a Multi-Donor Trust Fund (MDTF) by the Government of Canada, the European Union, the World Bank, the governments of the United Kingdom and France, the Caribbean Development Bank and the governments of Ireland and Bermuda, as well as through membership fees paid by participating governments.

In 2014, another MDTF was established by the World Bank to support the development of CCRIF SPC's new products for current and potential members, and facilitate the entry for Central American countries and additional Caribbean countries. The MDTF currently channels funds from various donors, including: Canada, through Global Affairs Canada; the United States, through the Department of the Treasury; the European Union, through the European Commission; and Germany, through the Federal Ministry for Economic Cooperation and Development. In 2017, the Caribbean Development Bank, with resources provided by the Government of Mexico, approved a grant to CCRIF SPC to provide enhanced insurance coverage to the Bank's Borrowing Member Countries that insure through CCRIF against tropical cyclone, earthquake and excess rainfall risks.

### ***Snapshot of CCRIF's First 11 Years (2007 – 2018) in Operation***

CCRIF's core business is providing sovereign parametric insurance cover against natural hazards and since 2007, has expanded its product offerings and membership. In 2007, CCRIF was established to provide insurance for earthquakes (EQ) and tropical cyclones (TC) to 16 Caribbean governments. In 2013, the excess rainfall (XSR) product was introduced and in 2015, the first Central American government became a member of CCRIF. In 2018, three Caribbean countries became members. Therefore, CCRIF now has 20 member countries. CCRIF is able to provide insurance that is affordable to its members through a number of complementary mechanisms. CCRIF aggregates disaster risks across regions and keeps that risk segregated, achieving the kind of risk diversification and spreading that its members are not able to attain on their own. By pooling countries' risks into a single diversified portfolio, CCRIF is able to provide insurance at the minimum price possible as pooling makes the overall risk more stable and therefore more attractive to the reinsurance market, thereby reducing the cost of reinsurance. CCRIF also brings economies of scale for administration and purchase of reinsurance, and its capital enables it to retain some risk, thus reducing the reinsurance burden. Empirical evidence based on studies

undertaken by the World Bank illustrates that insurance obtained through CCRIF could be as low as half the cost of coverage a member country could obtain on its own.

For the 2018/19 policy year, CCRIF SPC issued 29 policies for earthquake (EQ) and/or tropical cyclone (TC) to 16 CARICOM countries plus 17<sup>4</sup> policies for excess rainfall (XSR) to CARICOM countries, and 3 policies (EQ, TC and XSR) for one Central American country. The year's premium gross income totalled US\$25.75 million (net premium US\$24.29 million), for tropical cyclone and earthquake coverage in the Caribbean. CCRIF's aggregate exposure for policies written for the EQ/TC perils in the Caribbean was US\$685.23 million, with the tropical cyclone to earthquake aggregate split being close to 57:43. Annual premium from the XSR policies totalled almost US\$8.65 million, covering an aggregate exposure of nearly US\$122 million in member countries.

Since 2007, CCRIF has made 38 payouts to 13 member countries: TC policies – US\$94.9 million; XSR policies – US\$34.7 million; EQ policies – US\$9.2 million (total = US\$138.8 million). Over the years, some members have raised concerns both in terms of the size of payouts as well as receiving no payout after an event. CCRIF has sought to address these concerns by meeting with member governments and raising awareness of parametric insurance generally and more specifically its products and the policy elements that determine coverage, during its annual policy renewal road shows.

Additionally, in late 2016, CCRIF developed and introduced a 2-day training programme titled “Understanding Ex-Ante Disaster Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy”, designed to assist countries to better understand CCRIF policies and the country risk profiles, and to explore the range of products CCRIF provides and how parametric insurance works and that modelled losses and any subsequent policy payouts are based on the conditions of the countries' policies and their risk profiles. Five member governments so far have benefited and the intent is to facilitate training in the other member countries through 2018 and 2019.

Parametric products are exposed to basis risk. Whilst basis risk is greater for smaller modelled losses and can be reduced to a minimum, it can never be completely eliminated. In an attempt to reduce the incidence of basis risk, beginning with the 2017/2018 policy year, CCRIF offered a new feature to Caribbean policyholders for their tropical cyclone and earthquake policies, the Aggregated Disaster Cover (ADC). The ADC aims to reduce the probability of a missed payment when there are losses on the ground that may be expected to be covered by the product but were not triggered by the model. The ADC also provides a minimum payment for events that are objectively not sufficient to trigger the CCRIF policy, as the modelled loss is below the attachment point. After Irma and Maria, payments totalling US\$608,550 were made to 6 Caribbean members (Haiti, Bahamas, Saint Lucia, Anguilla, Antigua and Barbuda, St. Kitts and Nevis) on the ADC

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<sup>4</sup> The Bahamas and Trinidad and Tobago each have more than one excess rainfall policy, each of which covers a portion of the country. In 2017/18 The Bahamas had four sub-national policies; Trinidad had two policies – one for each island. This figure counts each sub-national policy as a separate policy.

feature of their TC policies. Also, after an earthquake on October 7 2018, the Government of Haiti received a payment of US\$91,438 on the ADC feature of its EQ policy.

Grant funds together with accumulated premiums and investment income have been sufficient to meet the cost of risk transfer, operating expenses and payouts over the 11-year period of CCRIF's operations. In addition to available reinsurance capital, there is adequate capital and reserves to maintain long-term solvency with a shadow rating of A/A+. The reinsurers and bond holders rating has been maintained at A- or higher through the years.

CCRIF maintains its strong claims-paying capacity and long-term shadow rating of A/A+ after payouts of US\$62 million during the 2017 Atlantic Hurricane Season. CCRIF believes that the Facility can play a much larger role in the region if countries are able to immediately scale up coverage and if CCRIF's capital and risk transfer protection are proportionately increased to support the additional risk. Also there will be need going forward for additional capital to support scaling up in terms of providing new products, services and to support a conservative level of growth of existing programmes.

Launched in 2010, CCRIF's Technical Assistance Programme provides support for tertiary level scholarships; local disaster risk management projects and programmes of NGOs and CBOs; national disaster risk reduction initiatives implemented by government agencies, and the development and implementation of strategic regional projects (with regional organizations such as CDEMA, CCCCC and CIMH<sup>5</sup>) in support of disaster risk management. Total funding for the TA programme to date is approximately US\$2.5 million.

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<sup>5</sup> Caribbean Disaster Emergency Management Agency; Caribbean Community Climate Change Centre; Caribbean Institute for Meteorology and Hydrology

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## BOARD OF DIRECTORS

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### **Timothy Antoine, Chairman and CARICOM-Nominated Board Member, Representing Member Countries**

Timothy Antoine was appointed CCRIF Chairman on 1 July 2018 after serving on the CCRIF Board since 2014. Mr. Antoine is the Governor of the Eastern Caribbean Central Bank. Previously, he was the Permanent Secretary in Grenada's Finance Ministry for 14 years. From 2005 to 2007, Mr. Antoine served as an Advisor to the Executive Director for Canada, Ireland and the Caribbean at the World Bank, working on behalf of the Caribbean and played a significant role in the establishment of CCRIF in 2007.

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### **Ken Blakeley, CARICOM-Nominated Board Member, Insurance Specialist**

A former President of both the Insurance Company of the West Indies (ICWI) and Eagle Star Insurance Company of Puerto Rico, Ken Blakeley has had a long tenure in Caribbean insurance. His 40-year career in the region's insurance market began with a stint as a Resident Inspector in Trinidad & Tobago leading him to positions as a Managing Director, Agency Manager, Technical Adviser and Director at Billy Craig Insurance Brokers in Jamaica. Mr. Blakeley has also served as the Deputy Chairman, Jamaica Association of General Insurance Companies, Chairman of the Board of Studies for the Insurance Institute of Jamaica and as Chairman of the Insurance Institute of Jamaica.

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### **Desirée Cherebin, Vice Chairperson and Caribbean Development Bank-Nominated Board Member, Finance Specialist**

Desirée Cherebin is a Banking Supervision and Financial Services Consultant working with regional and international agencies, including the Caribbean Regional Technical Assistance Centre and the International Monetary Fund to assist countries with strengthening the regulation and supervision of their financial sectors. She was Director of Bank Supervision at the Central Bank of Barbados, prior to her retirement from that institution in 1997. She also worked as an Economist with the Ministry of Trade in Barbados and as an Advisor to the Governor of the Central Bank of Barbados.

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### **Faye Hardy, Caribbean Development Bank-Nominated Board Member, Representing Donors**

Faye Hardy has over twenty years of experience in the areas of finance and accounting, and currently serves in the position of Manager, Accounting at the Caribbean Development Bank. She is a certified investment professional with a Chartered Financial Analyst (CFA) designation, as well as a Fellow of the Association of Chartered Certified Accountants (FCCA). She also holds an MBA from Heriot-Watt University in Scotland. She has provided technical assistance and advice to other regional organizations, and regularly lends her expertise in a financial capacity to a variety of volunteer organizations.

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### **Sandra Bailey, CCRIF SPC Board-Nominated Board Member**

Sandra Bailey is the Group Chief Operating Officer at CGM Gallagher Group and has over 30 years' experience in the insurance industry with primary focus in retail, reinsurance and captives. She is an Associate of the Chartered Insurance Institute of the UK (ACII) and the Institute of Risk Management (AIRM). Mrs. Bailey is a Distinguished Past President of the Kiwanis Club of Eastern St. Andrew, Jamaica, the President of Glenmuir High School Past Students' Association and a director of various public and private sector boards regionally and internationally.

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## EXECUTIVE MANAGEMENT

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### **Isaac Anthony, Chief Executive Officer**

Isaac Anthony was appointed CCRIF Chief Executive Officer on January 1, 2013. Prior to this appointment Isaac served as Permanent Secretary, Planning and National Development in the Government of Saint Lucia. He also has served his country in key positions such as Accountant General, Registrar of Insurance, Director of Finance and Permanent Secretary, Finance. He served as a CCRIF board member appointed by CARICOM from 2007 to 2012. Mr. Anthony brings many years' experience as a senior finance and planning official with the Government of Saint Lucia coupled with service on the boards of key regional financial institutions such as the Caribbean Development Bank and the Eastern Caribbean Central Bank.

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### **Gillian Golah, Chief Operations Officer**

Gillian Golah was appointed CCRIF Chief Operations Officer on 1 October 2015. Before she assumed this position, Mrs. Golah was the Vice President of Business Development at the Trinidad & Tobago International Financial Centre, where she played a central role in the establishment of the financial services outsourcing industry in Trinidad and Tobago. Previously, she served as Chief Operating Officer of Development Finance Limited after gaining substantial experience in credit operations, private equity, grant management and microfinance at the executive and board levels.

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### **Michael Spranger, Chief Risk Management Officer**

Michael Spranger was appointed CCRIF Chief Risk Management Officer on 1 July 2018. He has worked with leading reinsurance firms, a leading reinsurance broker, and catastrophe modelling firms in Asia, Latin America, and Europe. Starting his career developing earthquake catastrophe models as a geophysicist, he has gained significant experience in non-catastrophe pricing and reserving. Dr. Spranger has been actively involved in the development of national catastrophe pool solutions in Europe and Asia. He has undertaken multiple on-site damage inspection surveys in the aftermath of devastating earthquakes in Sumatra, China, Chile, Japan and New Zealand.

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## THE CCRIF TEAM

	<p><b><u>EVALUACIÓN DE RIESGOS NATURALES (ERN) / RISK ENGINEERING AND DESIGN (RED), RISK MANAGEMENT SPECIALIST</u></b></p> <p>The ERN/RED consortium team provides the services of risk management, financial planning, catastrophe modelling and coordination of reinsurance placement for CCRIF. RED, which began in 2008, has expertise in catastrophe risk modelling for earthquakes, tropical cyclones and floods. RED's projects deal with issuance of catastrophe bonds for sovereign countries and designing products for catastrophe risk management of insurance facilities. ERN was founded in 1996 and is the leading catastrophe risk modelling firm in Latin America. ERN has developed models for several perils, including earthquake, tropical cyclone and drought, and for many countries in the world. Paolo Bazzurro is the ERN/RED team leader for CCRIF.</p>
	<p><b><u>LONDON &amp; CAPITAL LTD., ASSET MANAGER</u></b></p> <p>London &amp; Capital is a specialist asset management company head-quartered in London, UK. With more than 20 years' expertise and experience, the company focuses on capital preservation and wealth management. Lisl Lewis is London and Capital Limited's team leader for CCRIF.</p>
	<p><b><u>BUTTERFIELD ASSET MANAGEMENT LTD., ASSET MANAGER</u></b></p> <p>Butterfield Asset Management is a fully integrated group business, operating across 4 jurisdictions – Bermuda, The Cayman Islands, London and Guernsey – and has been an investment manager for primary insurance and captive insurance companies in Bermuda and the Cayman Islands for over 25 years. Butterfield Bank Cayman was incorporated in 1967 as a wholly-owned subsidiary and is regulated by the Cayman Islands Monetary Authority. Andrew Baron is Butterfield's team leader for CCRIF and is Head of Fixed Income for the Group.</p>
	<p><b><u>WILLIS RE, REINSURANCE BROKER</u></b></p> <p>Willis Re, part of Willis Towers Watson, is one of the world's leading reinsurance advisory and broking businesses. Through its global network, Willis Re delivers world-class reinsurance expertise and analytics capabilities to a diverse client base, serving the risk management and risk transfer needs of all the world's major re/insurance carriers and many national catastrophe schemes. Willis Re also works in partnership with the Willis Research Network (WRN), the world's largest collaboration between academia and the finance and re/insurance industries. With over 50 world-leading institutions in the network, the WRN is unique to Willis. It provides an essential foundation for catastrophe model and vendor model analysis. Anthony Phillips, Cameron Roe and David Simmons are Willis Re's team leaders for CCRIF.</p>
	<p><b><u>SAGICOR INSURANCE MANAGERS LTD., INSURANCE MANAGER</u></b></p> <p>Sagicor Insurance Managers Ltd. (SIM) is a member of the Sagicor Financial Group, which is listed on the Barbados, Trinidad &amp; Tobago and London Stock Exchanges. Formed originally as Barbados Mutual in 1840, Sagicor has become the leading indigenous financial services organization in the Caribbean, with a presence in 21 countries across the Caribbean, the United Kingdom, in 41 states of the United States and the District of Columbia. SIM provides insurance management services in the Cayman Islands, and provides regulatory, accounting and corporate secretarial support to CCRIF. Ivan Carter is Sagicor's team leader for CCRIF and is supported by Kimberlyn Battick as the Account Manager.</p>
	<p><b><u>SUSTAINABILITY MANAGERS, CORPORATE COMMUNICATIONS AND TECHNICAL ASSISTANCE MANAGER</u></b></p> <p>Sustainability Managers (SM) is a consultancy company that offers a range of services to public and private sector entities as well as international and regional organizations in the areas of policy development, development planning and capacity building in the areas of environmental management, disaster risk management, climate change and the blue and green economy. SM manages the CCRIF Technical Assistance programme and is a leader for its development communications, strategic planning, training and IT management. Elizabeth Emanuel is Sustainability Managers' team leader for CCRIF and Gina Sanguinetti Phillips is the Programme Director.</p>

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## KEY STEPS IN DEFINING STRATEGIC PLAN 2018 – 2021

The process to undertake the development of CCRIF’s Strategic Plan for the period 2018 to 2021 involved undertaking a number of steps as follows:

- Preparing a regional analysis of issues and challenges facing the Caribbean and Central America as well as the preparation of a SWOT analysis
- Conducting a Scaling up Survey<sup>6</sup> to obtain stakeholder perceptions on CCRIF and feedback on various aspects of scaling up of CCRIF in terms of offering new products, increasing coverage levels amongst existing members and adding new members to the segregated portfolios. This was seen as essential because additional financing and capital injection is considered necessary to support growth and to facilitate scaling up as CCRIF enters a second decade of operations
- Undertaking a stakeholder survey to obtain stakeholder feedback on CCRIF’s operations and potential for expansion<sup>7</sup>
- Hosting a Stakeholder Retreat<sup>8</sup> to bring key stakeholders together to provide in-person engagement and create a consensus vision for CCRIF’s operation through 2030 and increasing the understanding and appreciation for the value of CCRIF and its products
- Conducting a Planning Retreat involving the CCRIF Board, Management and Team, in which participants examined stakeholders’ issues and recommendations for CCRIF and analyzed the performance of CCRIF over the previous planning period 2015 – 2018

*The analysis of the issues and challenges affecting members, the SWOT analysis, the stakeholder assessment of CCRIF as well as the review of the 2015 – 2018 strategic plan created a strong platform to advance a range of targeted and strategic discussions. These then led to the formulation of revised strategic objectives and organizational expansion. These discussions also played a key role in defining the 37 key initiatives that are the foundation of this current strategic plan.*

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<sup>6</sup> List of persons/organizations that participated in the stakeholder survey is presented in Appendix 1

<sup>7</sup> list of persons/organizations that participated in the survey is presented in Appendix 1

<sup>8</sup> List of stakeholder retreat participants is presented in Appendix 1

## SWOT ANALYSIS OF CCRIF SPC

This SWOT analysis was developed as part of the study on scaling up of CCRIF SPC.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• A global example and best practice for parametric insurance and internationally recognized example of a risk transfer mechanism</li> <li>• Credibility with the donor community for creating impact with grant funds</li> <li>• Reputation for sound corporate governance practices</li> <li>• Strong claims-paying capacity and long-term shadow rating of A/A+</li> <li>• Financial stability – strong capital base and sound investment policy</li> <li>• Quick payout when a policy is triggered</li> <li>• Flexibility for members in use of payouts</li> <li>• Risk pooling – keeping premium costs as low as possible and affordable – up to 50% lower than if countries purchased coverage outside of CCRIF</li> <li>• Access to the traditional and non-traditional reinsurance market</li> <li>• Improved levels of targeted communication to particular stakeholders – previously was identified as a weakness</li> <li>• Recognized as an innovative and responsive institution</li> <li>• Its operation as a mutual insurance company provides many benefits for members – such as a well subscribed technical assistance programme and ability to provide other financing benefits (e.g. discounts on premiums) to members</li> <li>• Established partnerships with regional organizations and donors</li> <li>• Segregated portfolio structure facilitates new product development as well as entrance of new regions and members</li> <li>• Well defined and successful technical assistance programme</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficient capacity of “CCRIF Secretariat” to address scaling up effectively – R &amp; D capacity, small size of organization</li> <li>• Not sufficiently monitoring and evaluating use of payouts</li> <li>• Lack of comprehensive understanding of CCRIF and parametric insurance by some key stakeholders in member country governments – improved understanding but not fulsome understanding</li> <li>• Perception in some quarters that CCRIF is a complete solution or ‘silver bullet’ for disaster risk management</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Increased demand for CCRIF due to appreciation of CCRIF’s response to recent hurricane seasons (2016 and 2017 in particular) and recognition of benefits of CCRIF</li> <li>• Climate change impacts and the ‘new normal’ – may increase demand for CCRIF products</li> <li>• Availability of climate change funds</li> <li>• Recognition by member governments of linkages between disaster management and sustainable development goals</li> <li>• Reduced premium costs due to increased membership and risk pooling</li> <li>• Viewed as a best practice example by the UNFCCC for climate change adaptation – this represents scope and opportunity for accessing international funding for scaling up</li> <li>• Donors’ recognition that supporting CCRIF and scaling up its operations are an effective means of providing immediate support post disaster</li> <li>• Models can be further developed to simulate the effects of climate change</li> <li>• Ground data exists within member countries and these may be used in the future to improve projects and models</li> </ul>	<ul style="list-style-type: none"> <li>• Debt and fiscal challenges experienced by members – this could also impact the uptake of new products by members</li> <li>• Climate change impacts – increasing potential payouts and possible negative impacts on solvency of CCRIF and on reinsurance companies</li> <li>• Difficulties in accessing climate change funds</li> <li>• Belief among certain stakeholders and the public that CCRIF is sufficient for disaster risk management (and not part of a comprehensive toolbox)</li> <li>• Possible expansion of CCRIF may threaten current core business</li> <li>• Introduction of other financing instruments which may be seen as alternatives rather than complementary to CCRIF insurance</li> <li>• Competition in the provision of parametric insurance from private sector</li> <li>• Lack of grant support for R and D initiatives</li> </ul>

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# STAKEHOLDER FEEDBACK – A SYNOPSIS OF THE 2018 STAKEHOLDER ASSESSMENT

In 2018, CCRIF SPC conducted a stakeholder assessment to obtain stakeholder feedback on its operations and potential for scaling up as the Facility seeks to continuously improve and meet the needs of members and stakeholders, whilst at the same time achieving its vision and mission.

CCRIF has recognized the importance of regular periodic assessments of its key stakeholders and has scheduled these exercises to be undertaken every three years as part of its strategic planning process. This assessment follows two earlier studies:

- A stakeholder assessment of CCRIF for 2011-2014 conducted in 2014
- A beneficiary assessment of CCRIF prepared by the World Bank in 2011, which was used in the preparation of the World Bank's Implementation Completion Report on CCRIF

This assessment was timely as 2017 marked 10 years since CCRIF began its operations. CCRIF used this milestone to reflect on the past 10 years – to assess its operations, reflect on lessons learned and best practices, identify issues and challenges encountered over the years and assess how these were addressed and most importantly engage key stakeholders in charting the strategic direction of the Facility to 2030. Furthermore, the advent of Hurricanes Irma and Maria in 2017 made this assessment more urgent.

The stakeholder assessment used data obtained from three sources:

- **Scaling up Survey**  
A special study on scaling up CCRIF, conducted in January-February 2018 to obtain stakeholder views and perceptions on the Facility and feedback on various aspects of scaling up CCRIF in terms of offering new products, increasing coverage levels amongst existing members and adding new members to the segregated portfolios.
- **General Stakeholder Survey**  
A general stakeholder survey, conducted in February-March 2018, which allowed stakeholders to reflect on the past 10 years of CCRIF's operations and to examine lessons learned and best practices, define issues and challenges encountered over the years and document recommendations for the way forward so that CCRIF can enhance its services to its members
- **Stakeholder Retreat**  
A stakeholder retreat, held in March 2018, which brought together Financial Secretaries and other senior officials from ministries of finance in member countries as well as regional organizations and donors, some of whom participated in one or both of the earlier surveys. The retreat was aimed at creating a consensus vision for CCRIF's operation through 2030 and increasing the understanding and appreciation for the value of CCRIF and its products.

Persons selected to participate in the assessment were considered key stakeholders of CCRIF as outlined below:

- Representatives of national governments: finance ministries, disaster management organizations, meteorology offices
- Representatives from regional partner organizations
- Representatives from international development partners/donors
- Beneficiaries of CCRIF's Technical Assistance Programme: scholarship recipients, interns, recipients of CCRIF small grants

The assessment highlighted stakeholders' level of knowledge of the products and services provided by CCRIF and as well as their perceptions about the Facility. It also captured explicit recommendations provided by stakeholders, which can be used to determine a plan of action to meet the needs of stakeholders.

### Main Results of Stakeholder Assessment

The table below provides the assessment of overall perception of CCRIF SPC for the various stakeholder groups.

Question	Average (out of 10)			
	Member governments	Regional organizations	International development partners	Technical assistance beneficiaries
How successful do you think CCRIF has been?	8	8	8	8
How well is CCRIF working for the region?	8	8	8	8.5
How innovative do you believe that CCRIF is or has been over the past decade?	8	8	8	7.5
My understanding of CCRIF and the products and services it provides	7	8	N/A	7.5

The main findings from the stakeholder assessment organized against the strategic objectives for 2015-2018 are presented in the table below.

Strategic Objectives	Key Issues
To provide products, services and tools responsive to the needs of the region	All countries felt that CCRIF insurance was an important part of a country's overall risk management strategy and is a successful model for the rest of the world. Members requested additional products for: drought, landslides, tsunami, agriculture (very important), fisheries, tourism, public utilities

Strategic Objectives	Key Issues
	However, CCRIF SPC needs to avoid being viewed as a “magic bullet” for all challenges in development and disaster risk reduction and recovery and should continue to promote insurance as part of a portfolio to manage and mitigate risk
To enhance capacity for disaster risk management and climate change adaptation	While stakeholders felt that CCRIF is giving back to the region in terms of its Technical Assistance Programme, there was a request for CCRIF to provide greater support for “on the ground” activities
To sustain corporate and financial integrity	Most stakeholders did not have strong concerns about CCRIF’s sustainability although some did indicate uncertainty following the level of payouts in 2017 and the possibility of that being repeated. Many assumed that CCRIF has a sustainability strategy but would like more information about same. They felt that CCRIF should not count on donors in the long term and that ultimately, CCRIF will need to be self-sustaining. Many international development partners felt that CCRIF was already well-capitalized but agreed with the need for additional support for scaling up.
To deepen understanding and knowledge of catastrophe risk and the solutions CCRIF provides	<p>In general, there was good understanding about CCRIF SPC and what it was designed to do. Stakeholders indicated that training of officials by CCRIF on parametric insurance and its products and models has contributed to increased understanding. However, it was felt that CCRIF needs to increase understanding and appreciation of CCRIF among two important stakeholder groups – ministers/politicians and the general public.</p> <p>The willingness of CCRIF to have dialogue with member countries about their concerns and ways in which CCRIF could be increasingly beneficial to them indicates a genuine interest in assisting these countries.</p>
To expand membership	<p>There was wide support for expanding membership in the Caribbean and Central America and also including potentially: other British Overseas Territories; the Caribbean Basin (i.e. countries that border the Caribbean Sea – including South American countries like Colombia)</p> <p>Expanding membership was seen as one way to reduce costs</p>
To deepen strategic partnerships	All partner organizations indicated that their partnership with CCRIF was effective benefiting the organization itself and the region

## Key Recommendations from Stakeholders

- Implement scaling up of CCRIF SPC
- Conduct sensitization at the ministerial levels, and amongst the broader political stakeholders on CCRIF
- Increase public awareness activities about CCRIF for the general public
- Help governments understand their protection gaps, how insurance can help them and how CCRIF fits into their holistic disaster risk management strategies
- Revise the CCRIF vision and mission to include language that places CCRIF SPC as part of a portfolio of activities, policies, and financial strategies to promote development as well as disaster risk reduction and recovery
- Support national governments in informing their citizens to implement mitigation actions
- Increase staffing of CCRIF to facilitate scaling up
- Harmonize overlapping activities to reduce redundancy and realize economies of scale including the coordination of donor participation in CCRIF activities
- Maintain the current flexibility in how payouts can be used that allows governments to spend funds on priority needs as identified for each specific event
- Report the information collected regarding government use of policy payouts to enhance transparency and accountability
- Improve monitoring and evaluation of the use of payouts so that donors have evidence of how payouts are used
- Explore the use of country data in CCRIF models and in the calculation of payouts
- Promote the Livelihood Protection Policy in those countries that have this microinsurance product
- Help governments calculate the value of impacts of climate change on the economy, which will provide a greater case for insurance; complete and expand the Economics of Climate Adaptation (ECA) study
- Develop a clear sustainability strategy

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# CCRIF STRATEGIC FRAMEWORK

## CCRIF VISION STATEMENT

A resilient Caribbean region and beyond with optimized disaster risk management and climate change adaptation practices supporting long-term sustainable development

## CCRIF MISSION STATEMENT

Our Mission is to assist member governments and their communities in understanding and reducing the socio-economic and environmental impacts of natural catastrophes.

We do this by being a global exemplar in providing immediate liquidity through a range of affordable insurance products, developing innovative and dynamic tools and services, engaging in effective partnerships and operating in a way that is financially sustainable and responsive to the needs of the members.

## CCRIF VALUE PROPOSITION

CCRIF promises its clients to:

1. Fill a gap in available insurance offerings for natural catastrophes
2. Ensure speedy payout when a policy is triggered
3. Charge lowest possible premiums consistent with long-term sustainability
4. Facilitate capacity building in disaster risk management and ex-ante risk financing
5. Be transparent and accountable
6. Be innovative and provide new products to meet the needs of our members

## CCRIF STRATEGIC OBJECTIVES



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## DEFINING CCRIF'S STRATEGIC OBJECTIVES

CCRIF's strategic objectives are designed to enable the Facility to fulfill its mission and realize its vision and to aid in the design of its strategic initiatives and key activities. The Facility's strategic objectives have been revised, and there is now one additional strategic objective compared with the last planning period 2015 – 2018. The previous objective regarding governance and financial stability has been replaced by two separate objectives and the previous objective regarding membership has been expanded in scope to include all aspects of scaling up of CCRIF SPC.

The strategic objectives were designed to be SMART (specific, measurable, achievable, realistic and timebound) and will therefore enable us to continuously meet and exceed the needs and expectations of our clients and stakeholders, whilst at the same time practicing continuous improvement.

Over the period 2018 to 2021, CCRIF will endeavour to achieve the following strategic objectives:

- **SO1 INNOVATIVE AND RESPONSIVE PARAMETRIC PRODUCTS:** To provide products, services and tools responsive to the needs of members
- **SO2 RESILIENCE:** To enhance capacity for disaster risk management and climate change adaptation
- **SO3 FINANCIAL SUSTAINABILITY:** To sustain financial solvency and integrity
- **SO4 CORPORATE GOVERNANCE:** To sustain corporate integrity
- **SO5 MEMBER RELATIONS AND ENGAGEMENT:** To deepen our relationships with our member governments and to strengthen engagement with members
- **SO6 SCALING UP:** To increase member coverage, expand membership and develop new products and services
- **SO7 STRATEGIC PARTNERSHIPS:** To expand and deepen strategic partnerships

This section of the Strategic Plan 2018 – 2021 provides a summary of the key elements included under each strategic objective. An attempt is made to articulate what these strategic objectives mean to CCRIF and also to provide a better understanding of what each strategic objective is intended to achieve.

### **Strategic Objective 1: Innovative and Responsive Parametric Products**

Under this strategic objective, CCRIF will focus on providing parametric insurance products for catastrophe risks at affordable prices and being responsive to the needs of its members. CCRIF will continue to offer its members products such as tropical cyclone (wind), earthquake and excess rainfall policies, and will roll out new models associated with these existing products, in the spirit of continuous improvement and as changes in innovations and technology with respect to parametric model development becomes available. The SPHERA (System for Probabilistic

Hazard Evaluation and Risk Assessment) model, which is replacing MPRES<sup>9</sup> for TC and EQ policies beginning in 2019/20, and the XSR 2.1 and Runoff models are clear examples of new innovations in model development.

During this period, CCRIF will focus on bringing to market two new products based on models that have already been developed: drought and fisheries (through the COAST<sup>10</sup> initiative). These new products are being designed to meet the demand of current and prospective member governments in the Caribbean and Central America.

CCRIF will continue to support member governments in their efforts to increase their coverage level of existing policies and purchasing policies for new perils. As requested by members, CCRIF will help to define adequate coverage levels and will deepen understanding of the linkages between policy parameters and payouts when policies are triggered.

To better assess the benefits derived from payouts CCRIF will strengthen its monitoring of the use of payouts by recipient countries and will work with members to strengthen their tracking and reporting mechanisms for payouts received after natural disasters.

CCRIF will endeavour to keep policy pricing as low as possible by exploring options to retain more risk through diversification across cells; securing cheaper reinsurance rates through long-term pricing policies; brokering risk transfer; mainstreaming risk finance into government budgets to avoid renewal costs; optimizing the full insurance profile across products to rebalance risk; and bundling products.

Being responsive to its members' needs will also require CCRIF playing a key role in assisting members to better understand parametric insurance, disaster risk financing and how CCRIF fits into their comprehensive disaster management and fiscal policy frameworks. The 2018 stakeholder assessment showed that, while understanding about CCRIF and its policies has increased among certain key stakeholders, there still remains a need for awareness raising and training to better understand CCRIF policies, the nature of parametric policies and the linkages among risk transfer, disaster management, fiscal policy and national development. To this end, CCRIF will continue to support members in a range of capacity building initiatives and utilize a range of developmental communications approaches to support capacity building of its members. Members also will be kept fully abreast through the CCRIF communications programme of new models and products being developed with the aim of enabling them to understand how the products work but also how these products will fit in with their overall developmental objectives.

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<sup>9</sup> Multi-hazard Parallel Risk Evaluation System

<sup>10</sup> CCRIF is engaged in the Caribbean Oceans and Aquaculture Sustainability Facility (COAST), an initiative of the United States Department of State, World Bank, Food and Agriculture Organization (FAO) and others to develop parametric insurance products to be marketed in the Caribbean to promote the resilience of the fisheries sector against increasing climate change-related disaster risks.

CCRIF also will continue to develop and deliver communication and messaging programmes that centre around developmental communications to strengthen the Facility's reputation and to support better understanding of its services and its relationship with comprehensive disaster management. To achieve this, CCRIF will develop and deliver awareness raising and/or education programmes for CCRIF's primary contacts in the ministries of finance and other relevant policy makers in member countries to influence support for CCRIF programmes and to foster improvements in the understanding of CCRIF as a key component of country disaster risk reduction activities and an essential tool in climate change adaptation. CCRIF also will continue to prepare a range of technical publications to build capacity among members.

CCRIF will continue to deliver the CCRIF Training Programme, "Understanding Ex-Ante Disaster Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy" to member countries, targeting finance, disaster management and meteorology officers and key technocrats. This programme is being institutionalized within tertiary institutions in the region.

Over the period, emphasis also will be placed on increasing the number of persons in the region who are able to access the Livelihood Protection Policy (LPP) which serves low-income, vulnerable persons. CCRIF will work with the Munich Climate Insurance Initiative (MCII) and partners on Phase II of the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project to increase coverage within the three pilot countries (Jamaica, Grenada and Saint Lucia) and to promote the LPP within two new countries (Belize and possibly Trinidad and Tobago). This will require increasing marketing initiatives and building knowledge and awareness of the importance of microinsurance within the private and public sectors – and will explore how governments can facilitate access to microinsurance products such as the LPP or how the LPP could be infused into social protection policies and strategies of governments.

The Facility will continue to provide tools such as the Real-time Forecasting System (RTFS) to its member governments and will strive to always be innovative and continuously develop other services and tools to meet the needs of members in an effort to enhance their disaster risk response and management capabilities.

## **Strategic Objective 2: Resilience**

Under this strategic objective, CCRIF will play a key role towards enhancing capacity for disaster risk management and climate change adaptation among its members, towards reducing vulnerabilities and building resilience. CCRIF will support its members in the development and implementation of strategies for disaster risk management and adaptation to climate change. Although CCRIF's mandate is to provide catastrophe insurance to its members, the Facility views comprehensive disaster management (CDM) as an integral component of regional development and shares with members their desire to achieve sustainable economic growth, ensure environmental sustainability, promote fiscal responsibility and eliminate poverty.

To advance this strategic objective, CCRIF will ensure that its support for disaster risk management in the region builds on existing mechanisms, tools and capacities and the work already being undertaken by other institutions. To this end the Facility will develop and implement programmes in collaboration with other regional organizations to strengthen

Caribbean governments' disaster response and mitigation capacity. Much of this will be undertaken through partnerships with regional organizations and the establishment of memoranda of understanding (MOUs) and the execution of work plans to support the achievement of the objectives stated in the MOUs.

CCRIF recognizes that risk transfer and its parametric insurance products will continue to play a key role in climate change adaptation and will help to advance CARICOM's ambition of making the Caribbean the world's first climate-resilient zone in keeping with Agenda 2030 Sustainable Development Goals and the global ambition of "leaving no one behind" in development. To this end, CCRIF will explore opportunities to be involved in new products, programmes, partnerships, and projects aligned with the Caribbean Climate-Smart Coalition and similar initiatives.

CCRIF will continue to work with decision makers, policy makers, and stakeholders working in disaster, environment and meteorology organizations to better understand climate change, develop strategic frameworks for assessing climate risk, build capacity to develop adaptive capacity, and identify adaptation options and strategies. To this end, CCRIF will: provide support to regional universities to offer courses in risk transfer as a means of strengthening the capacity of the region in this critical area of sustainable development; establish and make available a knowledge bank of relevant and credible resource materials on risk transfer, CCRIF products and disaster risk reduction; facilitate the exchange of technical, scientific and management information on risk transfer mechanisms; and facilitate and support research on emerging issues in disaster risk reduction and the linkages with CCRIF's products.

CCRIF also will support the development of new tools. For example, the Facility will implement the Integrated Sovereign Risk Management in the Caribbean initiative in partnership with the Caribbean Development Bank among others. This project will allow for countries to take a more proactive approach towards country risk management, moving beyond planning for disaster risks such as climate change and other extreme events and recognizing the intrinsic linkages between disaster risk and other types of risk such as economic, technological and financial risks and the impacts of these on socioeconomic development as well as current attempts to transition to a green, blue and circular economy. This initiative will enable the development of a standardized integrated risk management framework for use by all Caribbean countries and will advance the institutionalization of country risk coordinators within countries who would act as a central point of contact for the purposes of managing a comprehensive multi-area risk portfolio.

As a key regional entity, CCRIF – as part of its corporate social responsibility – is committed to increasing the focus of Caribbean governments on disaster risk reduction as part of national planning and sustainable development efforts. The implementation of the Facility's technical assistance programme, which is well underway, will continue and be expanded to include additional support for initiatives "on the ground". The TA programme consists of three components: a scholarship/professional development programme; a regional knowledge building component; and support for local disaster risk reduction activities.

### **Strategic Objective 3: Financial Sustainability**

To sustain financial solvency and integrity as well as long-term sustainability, CCRIF will work to maintain its strong capital base and will continuously review its investment policy to be able to be flexible in negotiating advantageous rates to its members and to be able to retain its claims-paying capacity. This is particularly important in light of the 2016 and 2017 Atlantic Hurricane seasons, in which CCRIF made payouts to nine member countries after three major hurricanes – Matthew, Irma and Maria – devastated the region. These payouts accounted for 64 per cent of the total payments between 2007 and 2017. Furthermore, it is accepted that climate change will increase the frequency of intense storms and that claims are likely to increase in future years. To advance this strategic objective CCRIF will analyze impacts of climate change on its portfolio and continue to explore mechanisms for diversifying the investment strategy of the Facility.

### **Strategic Objective 4: Corporate Governance**

To sustain corporate integrity, CCRIF will continue to enhance its current management framework to facilitate sustained growth that addresses both decision making and governance with a focus on high quality internal controls towards enhancing efficiencies and reducing the risk of business interruption all within a frame of continuous improvement. Governance for CCRIF is important because the Facility believes that it must be fully accountable to its members, stakeholders and supporting donors. CCRIF operates within a good governance framework as outlined in its Operations Manual. CCRIF will continue to ensure that the concepts of transparency and accountability for sustainable development are integrated at all levels of our decision making and into business planning as well as management information and control systems. The Board and Executive Management team will ensure that the CCRIF Team provides reports that measure performance against the strategic objectives in a timely manner so that it can effectively monitor the progress being made on the implementation of initiatives and, where required, ensure that corrective action is taken. CCRIF also will provide its stakeholders and make public its annual report and audited financial statements in a timely manner and also upload these documents to its website and other online platforms. CCRIF also will support regional stakeholder events not only to seek feedback from our stakeholders but also to report to them on our performance.

### **Strategic Objective 5: Member Relations and Engagement**

Under this strategic objective, CCRIF will seek to strengthen relations with its members and seek to enrich their experiences with CCRIF. This will not only cultivate higher levels of trust, but will promote member engagement and member retention, loyalty and satisfaction. Strengthening our relations with members also will enable us to better understand our members' needs and enable us to meet and exceed their expectations.

Engaging with our members also will require us to effectively utilize developmental communications products and tools – both online as well as face to face. In terms of online communication, we will utilize technology-enabled solutions and ensure that our website and other social media tools are dynamic and up to date and provide members with the latest information. We will launch an online newsletter to provide relevant and easy to peruse

information to members. Also, we will strengthen the use of online platforms to facilitate policy dialogues with members on new and emerging issues as well as issues that may be of concern to them, a process that started with the launch and first meeting of the CCRIF online policy forum for ministry of finance officials. This and other policy fora will allow for increased interactions between different member states and will serve as a conduit in which members can share lessons learned and best practices with each other. Additionally, the online fora will be so structured to also allow members the opportunity to connect and learn from experts, and knowledgeable sources in the area of risk transfer whilst at the same time promoting member development on a professional and personal scale. The online fora also will be strategic and facilitate ongoing messaging. All of these online mechanisms will be designed to ensure that CCRIF communications with members is frequent, valuable, highly visual and incorporates interactive sound-bites in a variety of channels. Additionally, whilst CCRIF was not established as a treaty organization of CARICOM under the revised Treaty of Chaguaramas, the Facility under its governance framework is accountable to CARICOM and will seek to ensure that there are higher levels of engagement at CARICOM meetings and also with heads of governments.

Engagement with members also will require us to continue to develop and disseminate a range of informational products (booklets and technical papers, among others, centred around subject areas relating to disaster risk, risk transfer solutions and climate change) as well as organizing capacity building initiatives (workshops, training programmes etc.) as a means of facilitating and promoting informed decision making by our members. We also will ensure that our publications place focus on technical capacity building by continuously providing technical and cutting-edge information, strategies and solutions.

Face-to-face interaction with members also will be critical as we seek to strengthen relationships and deepen and broaden our engagement. We also will engage in country visits and host workshops and conferences and support these in member countries as well as engage in networking events as a means of enhancing our member engagement. The results of the 2018 stakeholder assessment of CCRIF also will be used to ensure that we are effectively responding to member needs. We also will continue to utilize stakeholder assessments as a means of ensuring that we are meeting the needs of members. Each quarter, the CCRIF Board and management will endeavour to meet with key stakeholders in country as part of this strategy. The overall outcome that we seek to achieve through enhancing member relations and engagement is the identification of champions at the highest political and policy levels promoting CCRIF and risk transfer and parametric insurance products as key to disaster risk management and fiscal and debt sustainability.

### **Strategic Objective 6: Scaling Up**

Scaling up will essentially involve three key areas of focus: increasing member coverage, expanding membership and developing new products and services. Based on stakeholders' input and recommendations<sup>11</sup>, the following chart depicts a snapshot of what an expanded or scaled-up CCRIF could look like by 2030. CCRIF will define strategies to enable the Facility to scale up in

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<sup>11</sup> Drawn from the 2018 scaling up survey and associate study as well as the 2018 stakeholder assessment of CCRIF

terms of increasing member coverage, expanding membership and developing new products to move closer to this goal.

Products	Services	Members	CCRIF - The Organization
<ul style="list-style-type: none"> <li>•TC</li> <li>•EQ</li> <li>•XSR</li> <li>•Drought</li> <li>•Agriculture</li> <li>•Tourism</li> <li>•Tsunamis</li> <li>•Public Utilities</li> </ul>	<ul style="list-style-type: none"> <li>•Increasing coverage of members</li> <li>•Microinsurance to individuals and institutions</li> <li>•Vehicle to access donor resources to support climate change adaptation</li> <li>•Support vulnerability assessments and the development of building codes in member countries</li> <li>•Expand economics of climate adaptation study</li> </ul>	<ul style="list-style-type: none"> <li>•Caribbean</li> <li>•All CDB BMCs</li> <li>•Central America</li> <li>•British, Dutch and French Overseas Territories</li> <li>•South America</li> <li>•Caribbean Basin to include Guyana, Suriname, Colombia</li> </ul>	<ul style="list-style-type: none"> <li>•Increased capacity for R &amp; D - models, market research, new products</li> <li>•Expanded technical experts and service providers in organization</li> <li>•Expanded CCRIF Secretariat</li> </ul>

One critical requirement will be to secure funding to facilitate this scaling up; the Facility will explore options with international development partners as well as other sources of funding such as the Green Climate Fund and others. CCRIF and partners will explore incentives to attract donor support such as linking resilience activities to subsidized insurance premiums. Engagement with these partners will build on the scaling up study, which identified specific areas of scaling up that donors would support.

CCRIF will continue to identify new strategies to increase membership in both the Caribbean and Central America. The impacts and CCRIF’s response during the 2017 Atlantic Hurricane Season prompted many countries and donors to consider CCRIF membership and three Caribbean countries joined CCRIF in 2018. CCRIF and COSEFIN signed an agreement in 2015 to enable Central American countries to participate in CCRIF, with one country joining at that time. CCRIF will implement a more focused strategy to encourage other Central American countries to join the Facility.

CCRIF will continue to conduct research and development and to build its own internal capacity to support the development of new emerging products and business processes.

**Strategic Objective 7: Strategic Partnerships**

CCRIF considers fostering partnerships as a critical strategy to achieving its mission and its vision, and works with partners – donors and local, regional and international organizations – as well as regulators, members, other risk pooling facilities, and other key stakeholders to advance common goals related to resilience and sustainability. The importance of strategic partnerships cannot be overstated as these not only enable CCRIF to effectively undertake its core business, but allow for capitalization, advancing research and development and also for enabling support

in critical areas of disaster risk management, climate change adaptation and new developments in risk transfer towards ensuring that member countries enhance their developmental prospects.

We know that it will be critical to effectively partner with our development partners and regional organizations as we seek to engage more in research and development and bring to market new and innovative products and services.

CCRIF will continue to participate in meetings and conferences at the regional and international levels towards sharing best practices and lessons learned in the area of risk transfer, while showcasing the work of the Facility and to facilitate strengthening disaster risk management strategies and climate resilience efforts. CCRIF also will organize regular donor engagement activities and continue to report to donors on activities.

CCRIF will continue to be a full partner in capacity development for disaster risk management in the Caribbean and will aim to be in Central America as well. Through its technical assistance programme CCRIF aims to help member countries deepen their understanding of natural hazards and catastrophe risk, and the potential impacts of climate change on the region. To do this, CCRIF has been actively developing strategic alliances through memoranda of understanding (MOUs) and other mechanisms to support capacity building initiatives, education, research and development, knowledge sharing for greater proactive disaster preparedness and management.

CCRIF has MOUs with the Association of Caribbean States (ACS), Caribbean Community Climate Change Centre (CCCCC), Caribbean Disaster Emergency Management Agency (CDEMA), Caribbean Institute for Meteorology and Hydrology (CIMH), Organisation of Eastern Caribbean States (OECS), University of the West Indies (UWI) and UN Economic Commission for Latin America and the Caribbean (UNECLAC) and will continue to work with these organizations to develop work plans and implement projects and programmes to advance common goals and to reduce existing vulnerabilities in the small island and coastal states of the region. Additionally, CCRIF will continue to strengthen collaborations with other regional and international entities as well as with other risk transfer facilities towards sharing best practices and adopting lessons learned.

In the spirit of south-south cooperation, CCRIF will engage with key members, donors and organizations in member states to provide an opportunity for regions to engage in the ongoing risk transfer, DRM and climate talks and provide recommendations in a range of areas – innovations, knowledge, technology, policy directions, financing and institutional development and strengthening. We hope to use these strategic partnerships to share our lessons learned but also to benefit from best practices of other similar risk pooling agencies around the world.

## ALIGNING CCRIF'S STRATEGIC OBJECTIVES WITH ITS KEY INITIATIVES 2018 - 2021

CCRIF has identified 37 key initiatives to be implemented over the 2018 – 2021 period. These initiatives will support the achievement of the Facility's strategic objectives. These initiatives and the strategic objectives to which they are aligned are presented in the table below.

Strategic Objective	Main Initiatives
<p><b>SO1: Innovative and Responsive Parametric Products:</b> To provide products, services and tools responsive to the needs of our members</p>	<ol style="list-style-type: none"> <li>1. Annual policy renewals – Caribbean and Central America</li> <li>2. Roll out new models:               <ul style="list-style-type: none"> <li>• SPHERA model for TC/EQ</li> <li>• XSR 2.1, Runoff</li> </ul> </li> <li>3. Roll out new products:               <ul style="list-style-type: none"> <li>• Drought</li> <li>• Fisheries</li> <li>• Public Utilities</li> <li>• Runoff</li> <li>• Agriculture</li> </ul> </li> <li>4. Promote LPP within CRAIC project</li> <li>5. Implement COAST</li> <li>6. Advisory services</li> <li>7. Update and offer new monitoring tools:               <ul style="list-style-type: none"> <li>• RTFS, XSR rainfall monitoring</li> </ul> </li> </ol>
<p><b>SO2: Resilience:</b> To enhance capacity for disaster risk management and climate change adaptation</p>	<ol style="list-style-type: none"> <li>8. Explore opportunities via InsuResilience, Caribbean Climate-Smart Coalition and other similar initiatives</li> <li>9. CCRIF Training programme</li> <li>10. Scholarship programmes</li> <li>11. Internship Programme</li> <li>12. Small Grants Programme</li> <li>13. Sovereign risk management project</li> <li>14. Expand support for insurance sector development</li> <li>15. ECA Phases 2 and 3</li> </ol>
<p><b>SO3: Financial Sustainability:</b> To sustain solvency and financial integrity</p>	<ol style="list-style-type: none"> <li>16. Re-evaluate financial stability given impacts of 2017 hurricane season</li> </ol>
<p><b>SO4: Corporate Governance:</b> To sustain corporate integrity</p>	<ol style="list-style-type: none"> <li>17. Enhance audits and compliance efforts</li> <li>18. Corporate governance framework</li> <li>19. Business continuity</li> </ol>

Strategic Objective	Main Initiatives
<p><b>SO5: Member Relations and Engagement:</b> To strengthen relations with our members and seek to enrich their experiences with CCRIF</p>	<ul style="list-style-type: none"> <li>20. Implement developmental communications plan (making use of both face-to-face engagements, as well as multimedia and other types of publications etc. to engage stakeholders)</li> <li>21. Increase use of technology-enabled solutions to support engagement – blogs, online policy forum, social media etc</li> <li>22. Publications management, capacity building initiatives</li> <li>23. Networking and face-to face meetings</li> <li>24. Undertake stakeholder assessment of CCRIF</li> </ul>
<p><b>SO6: Scaling Up:</b> To increase member coverage, expand membership and develop new products</p>	<ul style="list-style-type: none"> <li>25. Secure financial resources to support scaling up, within the context of Addis Ababa framework</li> <li>26. Increase organizational structure to support internal capacity within CCRIF SPC</li> <li>27. Identify strategies to recruit new members</li> <li>28. Develop new products: <ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Utilities/infrastructure</li> <li>• Microinsurance</li> <li>• Government assets in sectors such as education and health as well as sub-national such as municipalities</li> </ul> </li> <li>29. Conduct research and development to support additional new products and business processes</li> </ul>
<p><b>SO7: Strategic Partnerships:</b> To deepen strategic partnerships as a critical strategy to achieving the mission and vision of the Facility</p>	<ul style="list-style-type: none"> <li>30. Stakeholder engagement - regionally and internationally</li> <li>31. CRAIC project</li> <li>32. Leadership in Caribbean climate resilience</li> <li>33. Implement/revise current MOUs and develop new MOUs within and outside the region – the latter will focus on the exploration of best practices, lessons learned in developing states</li> <li>34. Strengthen partnerships amongst organizations in Central America (such as</li> </ul>

Strategic Objective	Main Initiatives
	<p>planning and development and DRM organizations)</p> <p>35. Strengthen partnerships with regional, international, donor community and other similar risk pooling organizations</p> <p>36. Foster south-south cooperation</p>

## Appendix 1: List of Participants/Organizations that Contributed to the Development of CCRIF Strategic Plan 2018 – 2021

- 1 – Participant in scaling up survey
- 2 – Participant in general stakeholder survey
- 3 – Participant in Stakeholder Retreat

COUNTRY	NAME	TITLE	ORGANIZATION	1	2	3
<b>MEMBER COUNTRY REPRESENTATIVES</b>						
Anguilla	Hon. Victor F Banks	Chief Minister and Minister of Finance	Ministry of Finance, Economic Development, Investment and Commerce	X		
	Dr. Aidan Harrigan	Permanent Secretary Finance				X
Anguilla	Ms. Melissa Meade	Director National Emergency Operations Centre	Department of Disaster Management	X	X	
Antigua and Barbuda	Ms. V. Beverly Airall	Assistant Financial Secretary	Ministry of Finance, the Economy and Public Administration			X
Antigua and Barbuda	Mr. Philmore Mullin	Director	National Office of Disaster Services	X	X	
Antigua and Barbuda	Mr. Keithley Meade	Director	Meteorological Services		X	
Bahamas	Hon. Kevin Turnquest	Deputy Prime Minister and Minister of Finance	Ministry of Finance	X		
	Ms. Christine Thompson	Chief Economist				X
Bahamas	Capt. Stephen Russell	Director/National Disaster Coordinator	National Emergency Management Agency	X		
Barbados	Ms. Lorna Leacock	Chief Management Accountant	Ministry of Finance	X		
Barbados	Ms. Kerry Hinds	Director	Department of Emergency Management	X	X	
Barbados	Ms. Sonia Nurse	Director (Ag)	Barbados Meteorological Services		X	
	Mr. Clairmonte Williams	Deputy Director (Ag)			X	
Belize	Ms. Alma Gomez	Supervisor of Insurance	Office of the Supervisor of Insurance, Ministry of Finance	X		X
Cayman Islands	Hon. Roy McTaggart	Minister for Finance and Economic Development	Ministry of Finance	X		
	Mr. Michael Nixon	Sr. Asst. Financial Secretary				X
Cayman Islands	Mr. John Tibbetts	Director General	National Weather Service		X	

COUNTRY	NAME	TITLE	ORGANIZATION	1	2	3
Dominica	Mr. Marshall Alexander	Senior Meteorological Officer (Ag)	Meteorological Service		X	
Grenada	Ms. Kim Frederick	Permanent Secretary (Ag)	Ministry of Finance, Planning and Industry			X
Grenada	Mr. Kemron Dufont	National Disaster Coordinator (Ag)	National Disaster Management Agency		X	
Jamaica	Hon. Fayval Williams	Minister of State	Ministry of Finance and the Public Service	X		
	Ms. Darlene Morrison	Financial Secretary		X		
	Ms. Yvolyn Maxwell	Chief Macro-Economist				X
Jamaica	Mr. Evan Thompson	Director	Meteorological Service		X	
St. Kitts and Nevis	Mr. Carl Herbert	National Disaster Coordinator	National Emergency Management Agency	X		
	Mrs. Claricia Langley Stevens	Deputy National Disaster Coordinator		X	X	
Saint Lucia	Ms. Adria Sonson	Accountant General	Department of Finance			X
Saint Lucia	Ms. Velda Joseph	Director	National Emergency Management Organisation	X		
St. Vincent and the Grenadines	Ms. Michelle Forbes	Director (Ag)	National Emergency Management Organisation	X		
Trinidad and Tobago	Mr. Narine Charran	Assistant Director (Ag.), Macro Fiscal Unit, Economic Management Division	Ministry of Finance, Planning and Development	X		
	Ms. Vernessa Teesdale	Economic Policy Analyst, Economic Management Division				X
Trinidad and Tobago	Captain Neville Wint		Office of Disaster Preparedness and Management		X	
Trinidad and Tobago	Mr. Kenneth Kerr	Climatologist	Meteorology Service		X	
Turks and Caicos Islands	Hon. Sharlene Linette Cartwright-Robinson	Premier and Minister of Finance, Trade and Investment	Ministry of Finance	X		
	Mrs. Athenee Harvey	Permanent Secretary, Finance				X

NAME	TITLE	ORGANIZATION	1	2	3
<b>REGIONAL ORGANIZATION REPRESENTATIVES</b>					
H.E. Dr. June Soomer	Secretary General	Association of Caribbean States		X	

NAME	TITLE	ORGANIZATION	1	2	3
Mr. Joseph Cox	Assistant Secretary-General for Trade and Economic Integration	CARICOM Secretariat	X		
Ms. Evelyn Wayne	Director, Economic Policy and Development				X
Dr. Ulric Trotz	Deputy Director & Science Adviser	Caribbean Community Climate Change Centre		X	X
Dr. Mark Bynoe	Assistant Executive Director			X	
Mr. Ronald Jackson	Executive Director	Caribbean Disaster Emergency Management Agency			X
His Excellency Dr. Didacus Jules	Director General	Organisation of Eastern Caribbean States Commission	X		X
Mr. Chamberlain Emmanuel	Head of Environmental Sustainability		X		
Dr. David Farrell	Principal	Caribbean Institute for Meteorology and Hydrology (CIMH)			X
Mr. Omar D. Bello	Coordinator, Sustainable Development and Disaster Unit	Subregional headquarters for the Caribbean - UN-ECLAC		X	
Prof. Dale Webber	Pro-Vice-Chancellor (Graduate Studies and Research)	University of the West Indies		X	
Mr. William Iton	University Registrar			X	
Prof. Richard Robertson	Director	UWI Seismic Research Centre		X	
Mr. José Angel Recinos	Technical Advisor	Council of Ministers of Finance of Central America, Panama and the Dominican Republic (COSEFIN)			X
Mr. Timothy Nielander	Secretary to the Management	Central America SP Management Committee			X
<b>INTERNATIONAL DEVELOPMENT PARTNERS</b>					
Dr. Warren Smith	President	Caribbean Development Bank	X		
Ms. Cheryl Dixon	Coordinator, Environmental Sustainability Unit				X

NAME	TITLE	ORGANIZATION	1	2	3
Mr. Benoît-Pierre Laramée	Senior Director, Caribbean Regional Programme	High Commission of Canada			X
Ms. Natalie Hutchinson	Senior Development Officer, Development Section, Barbados and the Eastern Caribbean		X		
Mr. James Clark	Senior Analyst - Climate Finance	Global Affairs Canada	X		
Dr. Nicola Ranger	Senior Disaster Risk Finance and Insurance Advisor	UK Department for International Development			X
Ms. Nicola Jenns	Climate Risk Insurance Adviser, Private Sector Department		X		
Ms. Therese Turner-Jones	General Manager, Caribbean Country Department	Inter-American Development Bank	X		
Mr. Yuri Chakalall	Disaster Risk Management Specialist		X		
Mr. Musheer Kamau	Regional Operations Advisor				X
Mr. Simon Hagemann	Special Unit on Climate	Federal Ministry for Economic Cooperation and Development (BMZ)	X		
Mr. Stephen O'Malley	UN Resident Coordinator and UNDP Resident Representative, Barbados and the OECS	United Nations Development Programme	X		
Mr. Bruno Pouezat	UN Resident Coordinator and UNDP Resident Representative, Jamaica		X		
Mr. Pascal Ledroit	Programme Officer Green Economy, Energy and Resilience	Delegation of the European Union to Barbados, the Eastern Caribbean and CARICOM/CARIFORUM			X

NAME	TITLE	ORGANIZATION	1	2	3
Mr. Niels B. Holm-Nielsen	Global Technical Lead for Resilience and Disaster Risk Management (DRM)	World Bank	X		
Mr. Francis Ghesquiere	Head, Global Facility for Disaster Reduction & Recovery (GFDRR) Secretariat		X		
Mr. Rashmin Gunasekera	Disaster Risk Management Specialist				X
Mr. Joaquin Toro	Regional Coordinator for Disaster Risk Management, Europe and Central Asia				X
Ms. Mirtha Escobar	Operations Analyst				X
Ms. Mary Boyer	Disaster Risk Management Specialist				X
<b>OTHER ORGANIZATIONS</b>					
Mr. Nikhil da Victoria Lobo	Regional Leader Americas Managing Director, Global Partnerships	Swiss Re			X
Ms. Nadja Riedwyl	P&C Structurer for Latin America				X
Dr. Simon Young	Strategic Advisor CSP Practice	Willis Towers Watson			X



**CCRIF SPC**

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