



# INSURANCE TO SUPPORT THE RESILIENCE OF MARINE COASTAL ECOSYSTEMS

11 November 2021, Thursday / 3:30-5 p.m. Manila Time (GMT+8) / Zoom

This online event explored ways and examples of designing effective insurance solutions for coral reefs and provided an overview on the work of ADB and the Asia-Pacific Climate Finance Fund (ACliFF) in this area. Case study speakers from Fiji and the Philippines shared insights on the implementation of maintenance and protection for marine coastal ecosystems.

Andrea Camargo, a consultant supporting ACliFF, explained the key considerations for designing insurance and risk financing solutions for coral reefs, while Arun Abraham of ADB, discussed the core elements of the approach that ADB plans to undertake, and the importance of partnerships as a part of this work.

Guest speaker Angelique Songco shared insights from the Tubbataha Reef National Park's experience in the Philippines. Katy Miller of the Vatuvara Foundation shared a recorded

**The possibility of transferring the risk of reef damage through coral reef insurance is such a novel idea for us. Such an approach gives us confidence that the park could have the finances it needs to recover from such eventualities.**

**ANGELIQUE M. SONGCO**  
Protected Area Superintendent,  
Tubbataha Reef Management Office, The Philippines

message highlighting the conservation work of the foundation in Fiji, and experiences in dealing with the effects of the Category 5 Tropical Cyclone Winston. Lynda Miller of Vatuvara Private Islands provided insights on how sustainable tourism can promote protection for marine coastal ecosystems.

## SPEAKERS



**ANDREA CAMARGO**  
Risk Financing Specialist  
(Consultant), ADB/ACliff



**ANGELIQUE M. SONGCO**  
Protected Area Superintendent,  
Tubbataha Management Office,  
The Philippines



**JOSH LING**  
Climate Change  
Specialist /ACliff Fund  
Manager, ADB



**ARUN ABRAHAM**  
Senior Environment  
Specialist (Consultant), ADB



**LYNDA MILLER**  
Director of Vatuvara  
Private Islands, Fiji



**KATY MILLER**  
Director, Vatuvara  
Foundation, Fiji

## MODERATOR

## KEY MESSAGES

- The Asia-Pacific Climate Finance Fund (ACliff) aims to unlock capital for climate investments and improve resilience to climate change impacts through the innovative use of financial risk management products. These products support ADB's developing member countries to scale up the adoption of climate change technologies, mobilize new sources of private sector climate financing through blended finance solutions, support investment into climate-sensitive sectors, and address extreme weather events through insurance.
- The 'Partnerships for Coral Reef Finance and Insurance in Asia and the Pacific' project carries the objective of enabling large-scale finance to increase the climate resilience of coastal businesses, communities, and livelihoods in selected countries of the region through an innovative coral reef financing and insurance model. Coral reef insurance is new for the region and has involved a process of socialization with relevant stakeholders, but positive changes are already emerging.
- Coral reefs provide a myriad of services to governments, communities and businesses - including disaster risk reduction - that are essential for survival and development. Coral reefs reduce the probability of disasters by reducing wave height and energy. Across global reef coastlines (71,000 km), reefs reduce the annual expected damages from storms by more than \$4 billion.
- Various threats to coral reefs signal an urgent need to develop innovative approaches for their protection, including the creation of sustainable financing and insurance schemes.
- The conditions for a technically feasible coral reef insurance scheme include that: (1) coral reefs should provide quantifiable services to "owners of action" or those who benefit directly or indirectly from coral reef services, (2) risk threats should be insurable, (3) insurance should be a cost-efficient tool to restore and protect, and (4) the site selection process is crucial for a scheme's sustainability.
- Key enabling factors include: (1) supply side: a sufficiently developed insurance market and existing programs for restoration and conservation of MCEs, (2) demand side: a wide range of "owners of action" with the willingness and ability to pay for insurance products, and (3) enabling environment: characterized by policy, regulatory and self-regulatory frameworks that provide mandates to "owners of action" take proactive steps to protect marine coastal ecosystems.
- The approach to design a coral reef insurance includes core elements such as: identifying and creating the business case for the identified sites, designing a sustainable financing mechanism, developing revenue streams for maintenance and investments in strengthening resilience of biodiversity and ecosystems services, capacity development and training in post storm response (reef repair, rehabilitation, restoration), and defining the features of the risk transfer mechanism.
- These initiatives fall under ADB's Healthy Oceans and Sustainable Blue Economies Action Plan, along with the Coastal Resilience and Ocean Finance and Blue Economy flagship programs.

## FURTHER INFORMATION

Asia-Pacific Climate Finance Fund  
<https://www.adb.org/acliff>

Mapping Ocean Wealth Explorer  
<https://maps.oceanwealth.org>