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Why are coral reef ecosystems important?

- Human well-being depends on the wide range of important services provided by natural ecosystems.
- Healthy coral reef ecosystems provide food (5-10 tons fish/km²/year), generate income (global \$29.8 billion/year) and protection (buffer 97% wave energy).
- This bundle of ecosystems services from coral reefs has an estimated value of \$ 2.1 million/ha/year, including provision of raw materials, maintaining genetic diversity, protection from natural hazards, as well as recreation /economic opportunities and aesthetic enjoyment through sustainable tourism.

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Parametric insurance for nature

Insurance provides pre-agreed amounts of pay-outs based on the occurrence and intensity of a hazard event, which serve as proxies for impact and loss, rather than indemnifying against actual loss (which is the traditional insurance approach)

In Quintana Roo, Mexico:

The insurance will pay out 40 percent of the total when wind speeds reach 100 to 110 knots within the designated area, and in full when the wind speeds reach 160 knots. A fund was set up as the beneficiary for the insurance, with the requirement to only use the pay-out funds for the restoration and rehabilitation of the reef (50 percent of pay-out) and coastal ecosystems restoration (50 percent).



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Proof of Concept: Quintana Roo, Mexico

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Financing Agencies



Practitioners





National Governments







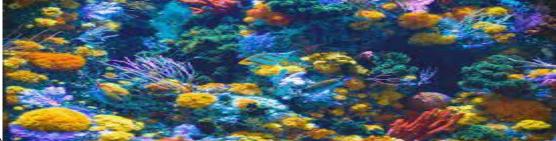


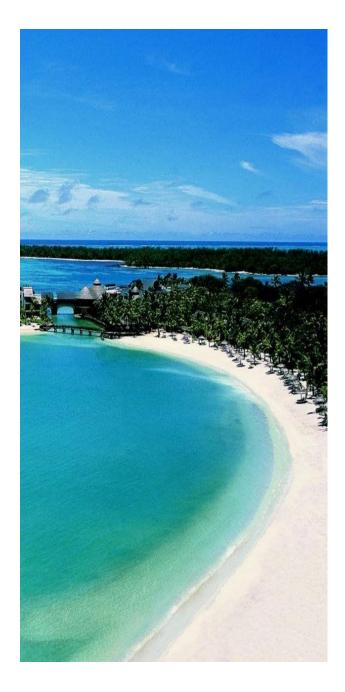
Local Governments

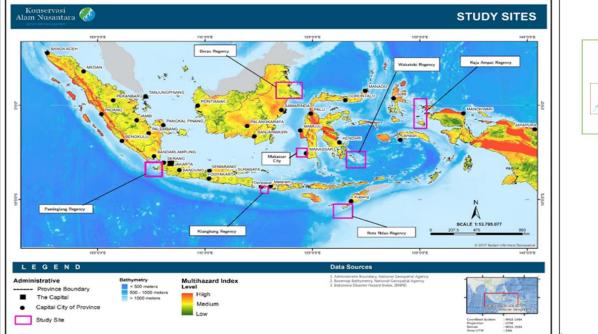


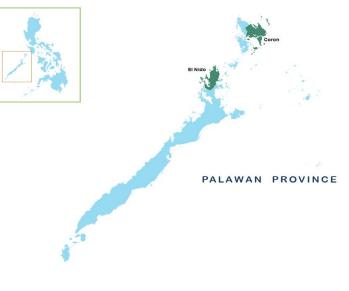


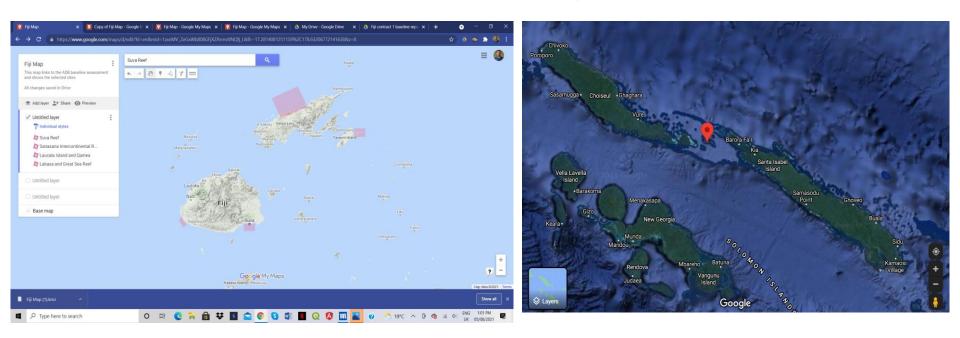












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