

Increasing resilience in coastal areas through insurance and finance products

para Financiamiento de la Economía Azul

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A lack of financial literacy in nature-based solutions

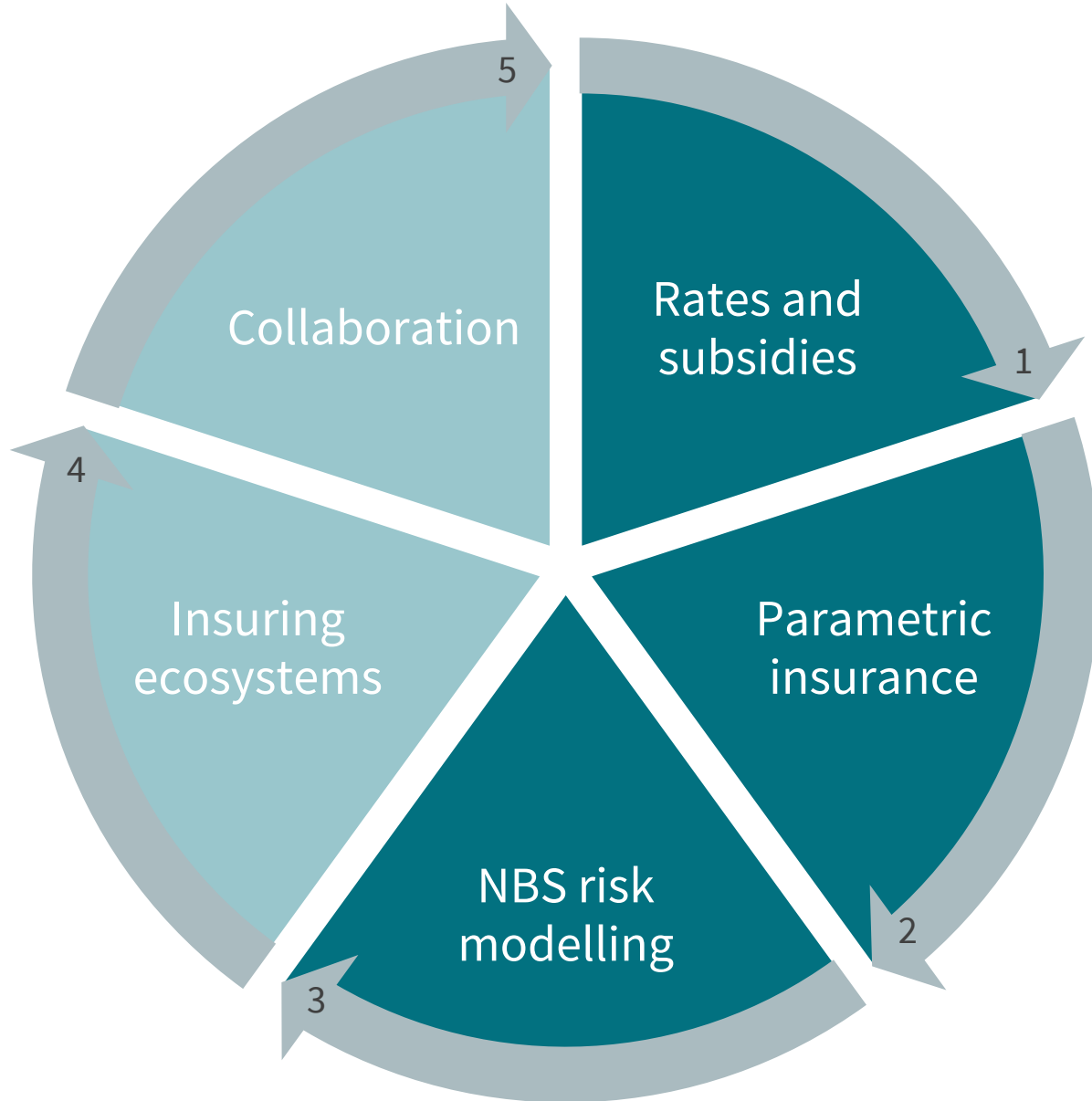
We need:

- 1 A greater understanding of the full range of benefits provided by NBS
- 2 To address science and research gaps, including more research to identify the value of nature
- 3 To quantify the benefits of hybrid approaches which combine green and grey infrastructure
- 4 A greater inclusion of nature-based solutions in benefit:cost analyses and use of proof of concept studies



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Developing the toolbox



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Coastal Risk Index

The Index assesses ecosystem degradation across three risk sub-indices:

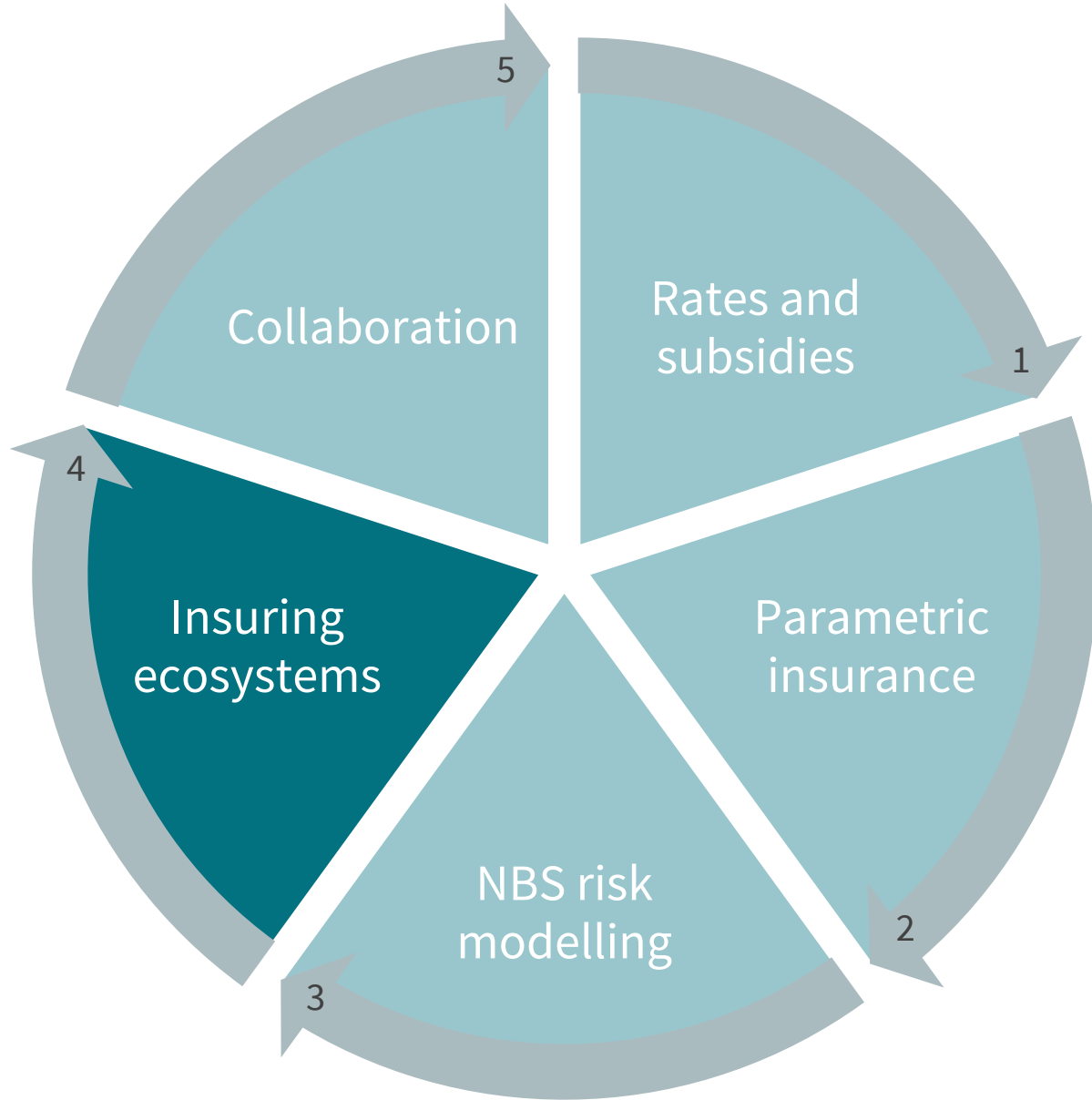
- ➔ **CRI₁: Risks to physical assets from storm surge and sea level rise**
- ➔ **CRI₂: Assessment of social vulnerability and flood hazard**
- ➔ **CRI₃: Risks to income streams linked to degradation and/or loss of marine ecosystems**

- ➔ **Enable risk transfer** for coastal communities calculated to be most exposed/vulnerable to ocean risk (relative to their GDP)
- ➔ **Catalyse the protection and sustainable management** of coastal ecosystems to increase resilience and biodiversity
- ➔ **Assist local policymakers in mapping their liabilities** and enable them to direct financial flows more effectively
- ➔ Help multilateral agencies to **better assess the risk profile** of target countries and regions for development assistance



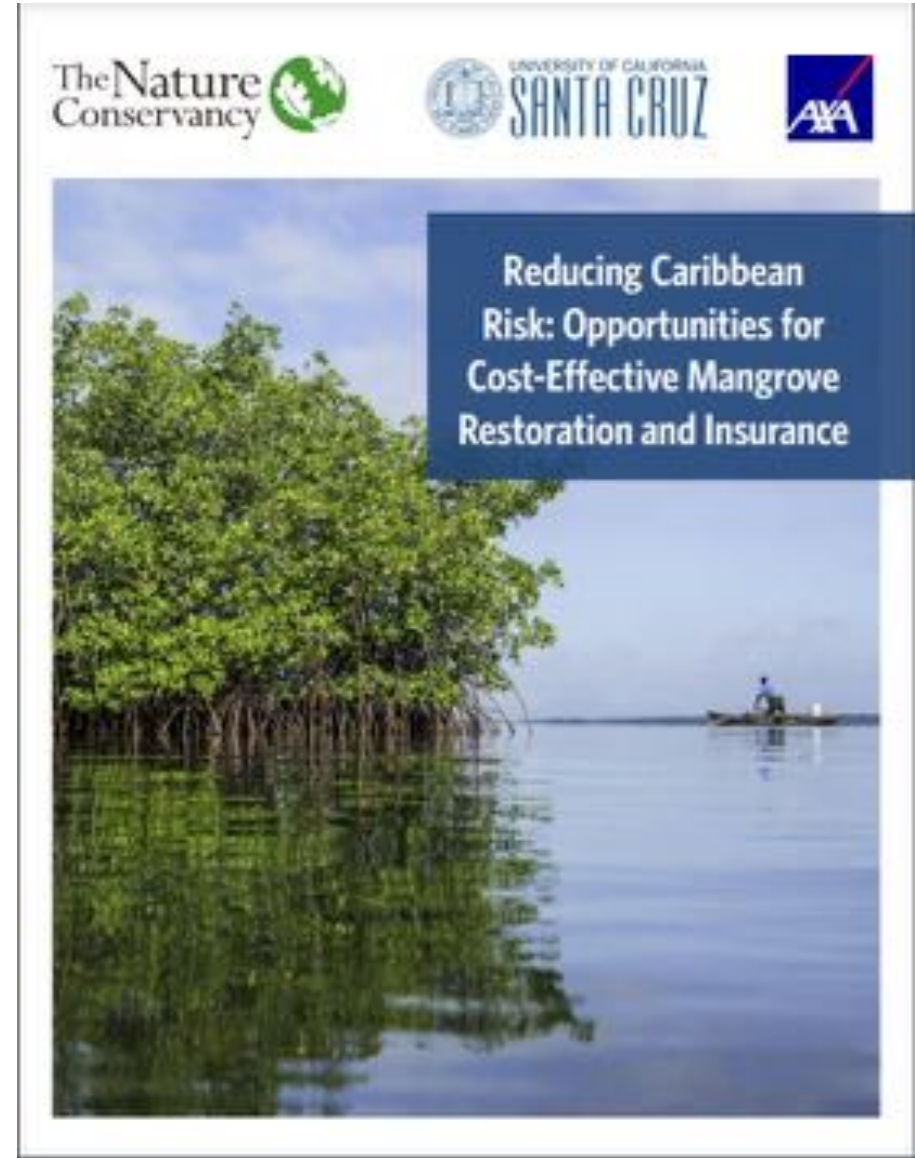
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Costs of Mangrove Restoration



<https://axaxl.com/about-us/ocean-risk-initiative>

Ecosystem interruption insurance (mangroves)

Market



- Governance indicators
- Current size of insurance market
- Macroeconomic indicators

Product



- Parametric
- Indemnity
- Combination

Customer



- Public infrastructure and local communities
- Private sector
- Residential

Next steps

Fragility curves

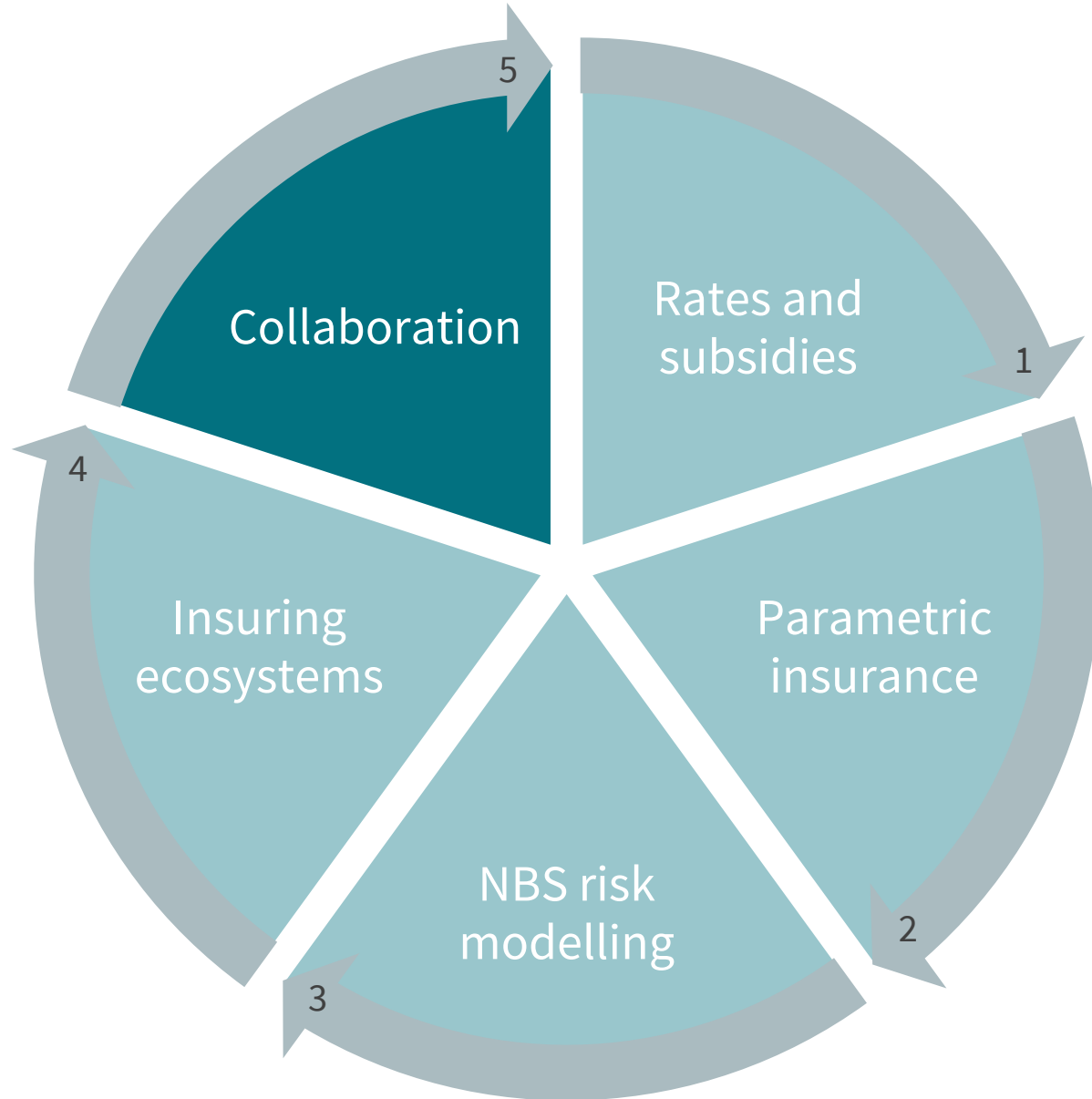
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Increased granularity

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Market analysis

Developing the toolbox



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Gracias

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