



World Food Programme

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Linking Disaster Risk Finance & Social Protection in the Caribbean

Sovereign Insurance and Social Protection

Caribbean small island developing states are on the frontline of the climate crisis. Weather-related hazards threaten people's lives and livelihoods. The impacts are worst for those living in poverty and facing vulnerability. Experience in the Caribbean shows that when a crisis happens, national social protection systems are critical to minimize the impact, secure development gains and most importantly, support people to meet their essential needs.

As governments grapple with limited financial resources and elasticity, strengthening disaster risk financing is critical to protect investments and assets, and to ensure people receive the support they need most in a timely manner. Adequate and predictable financing is essential for responding to disasters. Effective risk-financing facilitates pre-disaster planning on how to help people when a crisis happens. When governments link social protection with risk-financing tools, people can quickly access the assistance they need to recover.

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WFP-CCRIF Social Protection Top Up Model



WFP's Caribbean Risk Financing Strategy helps governments to explore different options for disaster risk financing and strengthens the link between social protection systems and finance. This emphasizes the need to keep people at the centre of systems while ensuring that governments have the flexibility to finance other response, recovery, and resilience priorities. WFP provides funding, on-the-ground support, and expert knowledge to help governments explore innovative solutions and build stronger communities. Governments gather strategic evidence and gain knowledge on creative options to finance disaster response and recovery.

One flagship initiative is the WFP-CCRIF Top-Up Model. WFP facilitates increased premiums for the governments' tropical cyclone and/or excess rain policy premiums with the Caribbean Catastrophic Risk Insurance Facility (CCRIF-SPC). When a payout occurs, a pre-determined amount of money is provided for cash transfers to affected people through social protection. In exchange, governments commit to strengthening their social protection systems and improving

efficiencies in directing assistance to the people who need it most.

In 2021, the Commonwealth of Dominica was the first to sign on to the model. A contribution from the European Union allowed WFP to provide US\$200,000 to increase coverage under the government's CCRIF Tropical Cyclone policy. This guaranteed that, should the policy trigger, money would be available to help people through national social protection systems. Later, WFP activated the same model in Saint Lucia (2022) and Belize (2023) through the Global Shield Financing Facility.

At the start of the 2024 Atlantic Hurricane Season, seven countries in total had adopted the model. The Canada-CARICOM Climate Adaptation Fund (CCAF) allowed Antigua and Barbuda, Grenada, Jamaica, and Saint Vincent and the Grenadines to access the model to increase coverage in the CCRIF Excess Rainfall and Tropical Cyclone policies.

Complementing the premium support, the Governments and WFP partnered to strengthen social protection programmes and systems to improve their routine functions, ensure continued functioning after a shock and scale up assistance to populations impacted by disasters and crisis.

WFP-CCRIF TOP UP MODEL 2024		
7 countries covered	US \$1.4m for premiums	US \$5.6m for social protection

When Hurricane Beryl hit the Caribbean in July 2024, Grenada, Jamaica and Saint Vincent and the Grenadines each received payouts under the model. In total, US \$5.6 million was available to those governments to support people who were affected by the storm. WFP teams shared technical expertise to assist all three governments to direct the money to affected people.

Photo page 1: WFP/Rheanna Chen

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