

Revolutionising marine conservation: AXA Climate, Howden, and Blue Alliance Marine Protected Areas partner to protect marine ecosystems

The increasing frequency and intensity of natural disasters is a serious threat to marine ecosystems around the world. To secure the development and resilience of vulnerable marine ecosystems, Blue Alliance Marine Protected Areas (BA) has joined forces with AXA Climate and Howden Broking Group to leverage cutting-edge insurance models and risk management expertise. This partnership was established in 2023 and aims to promote a regenerative approach to marine ecosystem protection.

Protecting vulnerable ecosystems

Blue Alliance Marine Protected Areas is a social enterprise managing Marine Protected Areas (MPAs) to regenerate threatened coral reef biodiversity. BA builds innovative blue economy reef-positive businesses to alleviate poverty and generate long-term income for MPAs. As of early 2024, BA manages 60 MPAs in four networks in Indonesia, Philippines, and Tanzania. To finance this effort, BA has developed a [blended finance facility for MPAs](#) with the support of partners such as the Global Fund for Coral Reefs, UBS Optimus Foundation, Mava Foundation, UNDP, ORRAA, and others.

For MPA projects in tropical countries, cyclonic risks can threaten the financial stability and sustainability of these activities and set back restoration and protection efforts by years. To address this challenge, BA has asked AXA Climate to design a business interruption coverage for the protection of the MPAs and the reef positive businesses, with the first year's premiums to be financed by Howden as a sign of their support for the mechanism:

- The Marine Reserve of the Turneffe Atoll (Belize), representing 132,000 hectares of coral reefs teeming with rich biodiversity, such as manatees, sharks, groupers, and crocodiles, as well as employing over 1,000 fishers.
- The MPA network of North Oriental Mindoro (Philippines), encompassing 90,000 hectares of vibrant coral reef ecosystems and providing livelihoods for over 12,000 fishers.

AXA Climate has proposed a business interruption parametric insurance model that operates based on meteorological information provided by government agencies. The model triggers compensation within a few days of a cyclone passing within a 50-km radius, enabling Blue Alliance to immediately regenerate weakened marine environments (which includes, for example, cleaning up debris and taking care of damaged corals), repair MPA equipment and assets (such as vessels and ranger facilities), and reimburse operating losses (from reef-positive businesses like ecotourism and community-based aquaculture).

Parametric insurance: an innovative solution to growing climate risks

To design this innovative coverage, AXA Climate conducted a risk analysis based on the loss history of the two MPAs and satellite data from suppliers. For example, the model would have provided compensation of \$62,500 in 2015 for damages incurred during Cyclone Melor in the Philippines.

"Cyclones pose a particularly devastating threat to both humans and nature and can radically disrupt marine ecosystems," says Antoine Denoix, CEO of AXA Climate. "At AXA Climate, we are committed to finding solutions to enhance the resilience and regeneration of natural ecosystems through pioneering parametric insurance mechanisms. Today, we provide financial compensation within a few days to support the protection of marine ecosystems through Marine Protected Areas in the aftermath of natural disasters. This approach revolutionises the way we care for and protect nature while also supporting local stakeholders. Our vision of impact insurance is to strengthen the resilience of natural ecosystems by promoting a regenerative approach to their protection."

"Bringing together the financial world and the conservation world requires innovative and collaborative thinking. You need to ensure high-quality project design, reduce risk during execution and at the same time maintain a sustainable conservation strategy that remains rooted in science and communities. Working with experienced partners such as AXA climate allowed us to find this balance', adds Nicolas Pascal, Executive Director at Blue Alliance Marine Protected Areas.

About AXA Climate

AXA Climate is an AXA Group entity committed to addressing climate and environmental adaptation challenges. Its purpose? Reducing our negative impact on the planet is not enough. AXA Climate is driven by the collective challenge to engage in the regeneration of our companies. To that end, AXA Climate offers over 40 hours of digital training content on climate change challenges to major companies that are eager to support their employees in the evolution of their professions. Additionally, it provides consulting services to a variety of sectors such as agri-food, industrial, financial, and public, to help them adapt to climate change and to promote positive interactions between planet Earth and their activities. AXA Climate also uses the best of satellite imagery to provide, within hours, financial support to businesses and vulnerable people when they suffer from climate-related disasters.

To learn more visit www.climate.axa

About Blue Alliance Marine Protected Areas

Our mission is to regenerate vital coral reef ecosystems, safeguard marine biodiversity, protect threatened species, and enhance the lives of local communities. We do this by working with governments and partners to build and manage self-sustaining Marine Protected Areas (MPAs) and create innovative reef-positive businesses in the Blue Economy. This allows us to aid in poverty alleviation and enable our MPAs to generate long-term income. We combine a passion for people and a commitment to conservation with business smarts, employing a social enterprise approach that safeguards marine biodiversity. Blue Alliance, together with local partners, manages 60 MPAs in four MPA networks, preserving 1,480,000 ha of highly biodiverse coral reefs, protecting more than 70 threatened species, and improving the livelihoods of more than 20,000 coastal community members in the Philippines, Indonesia, Zanzibar, and Belize.

To learn more visit www.bluealliance.earth