



British
High Commission
Bridgetown

NEWS RELEASE

For more information contact:

Tedra Kirby

Network Communications Manager

Barbados & the Eastern Caribbean

Email: Tedra.Kirby@fcdo.gov.uk

Tele: 1 (246) 430-7876

Mobile: 1 (246) 262-1657

<https://www.gov.uk/world/barbados>

27 May 2026

How the Caribbean's Ready-to-Go (Pre-arranged) Finance Is Changing Disaster Response – and the UK's role in making it happen



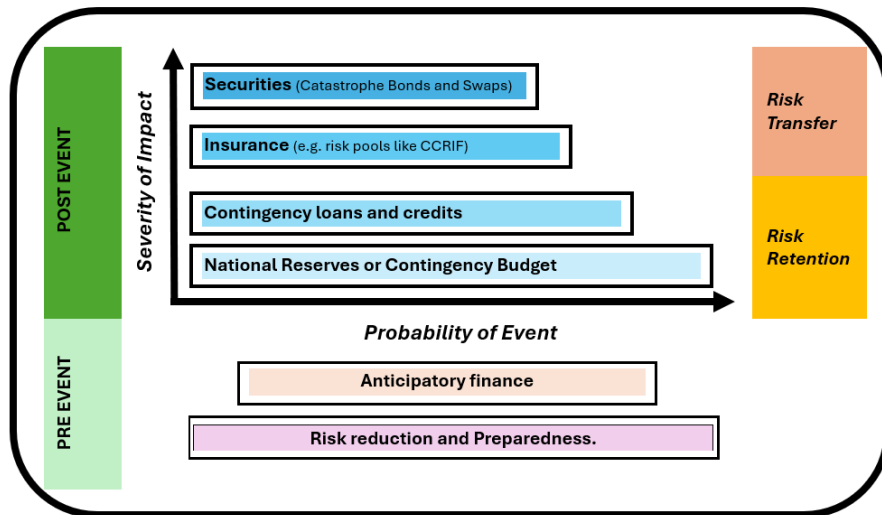
By Simone Banister: UK FCDO Caribbean Senior Climate and Disaster Resilience Adviser

Disasters in the Caribbean are predictable only in their inevitability. Just months ago, Jamaica was struck by the strongest tropical cyclone ever recorded, a stark reminder that climate volatility is accelerating. Caribbean states also face concurrent events. In 2021, St. Vincent and the Grenadines battled a volcanic eruption during a dengue outbreak and a pandemic, only to be hit by severe flooding. This is the new reality: compounding disasters layered atop significant exposure and capacity risk.

For Caribbean nations and their people, every hurricane season is no longer just a test of physical resilience. It is a test of fiscal discipline, strategic foresight, and political will.

The United Kingdom has stood with the region through these mounting pressures and will continue to be a reliable partner as they intensify. Since 2007, the UK has helped Caribbean governments strengthen protection plans, offering technical assistance, financial support, and innovations in disaster finance. London – the global capital for insurance, reinsurance, risk modelling, and financial services – is also home to the Global Centre for Disaster Protection, which provides planning, training, and value-for-money advisory support designed to help countries get ahead of crises, not merely react to them.

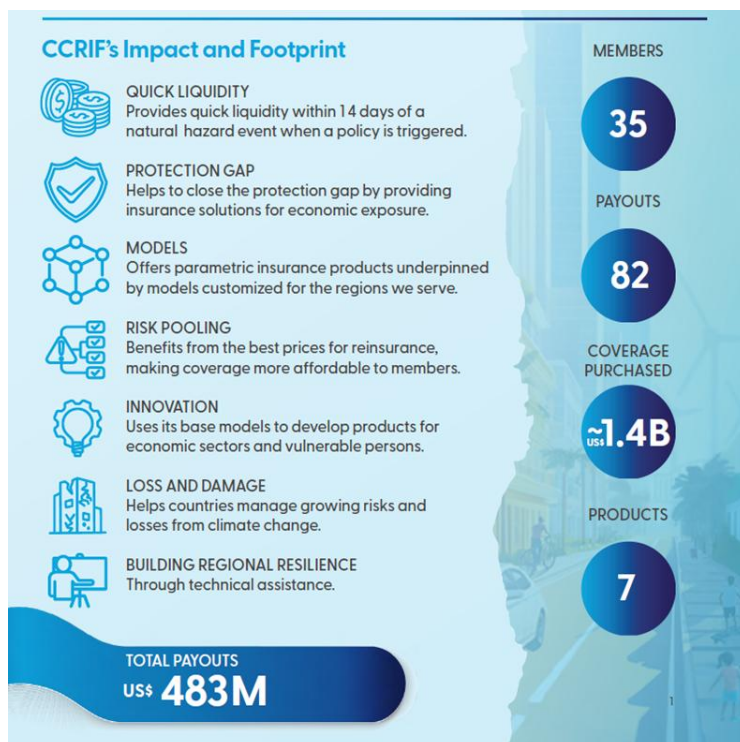
Jamaica and Grenada, hit hard by Hurricanes Beryl and Melissa – are proving what smart preparation looks like. With prearranged disaster financing that unlocks money fast, they’re setting a new standard. This is the Caribbean story the world needs to hear.



*Empowering a resilient future with **multi-layered disaster financing** – a schematic of different tools for different severity of events*

Years ago, both countries made the strategic choice to create multi-layered disaster risk financing (DRF) systems, among the most sophisticated anywhere in the developing world. In Jamaica, this transformation was championed by then Finance Minister Nigel Clarke, whose “wake-up call” came in 2016 when Hurricane Matthew revealed how little fiscal space existed for a major shock. At the time, Jamaica had just J\$94 million (US\$0.6 million) in its Contingencies Fund and only a single layer of insurance. It was a dangerous vulnerability.

Grenada learned a similar lesson after Hurricane Ivan in 2004, which devastated the island and impacted eight other Caribbean states. That disaster helped catalyse the creation of the Caribbean Catastrophe Risk Insurance Facility (CCRIF) – the world’s first non-profit regional risk pool – co-financed by the UK almost twenty years ago. CCRIF pioneered the use of parametric insurance in the region, where payouts are based on the magnitude of an event rather than lengthy loss assessments. The result was faster, more affordable protection.



Extract from CCRIF SPC | ANNUAL REPORT PARAMETRIC POWER 2024-2025
<https://www.ccrif.org/publications/annual-report/ccrif-spc-annual-report-2024-2025>

The benefits of this forward planning were clear after Hurricane Melissa. Jamaica mobilised an extraordinary US\$662 million in early-response financing from all its prearranged layers – US\$150 million from its catastrophe bond, US\$92 million from CCRIF, and additional layers working exactly as designed. It has since secured over US\$6 billion for reconstruction and recovery over the next three years from multilateral partners and private investment.

Grenada, for its part, triggered five CCRIF policies following Hurricane Beryl a year before – the earliest forming Category 4/5 hurricane in the Atlantic – which included new social protection top up cover that provides cash or food assistance to vulnerable persons.



Linking disaster risk financing with social protection

Photo credit: WFP/Abdul Momade 2025

CCRIF has expanded dramatically with UK and other partner support. Its risk pool model has now been replicated in five additional regions. CCRIF today has 35 members and provides over US\$1.4 billion in protection. It has delivered 82 payouts totalling US\$483 million – all within 14 days of impact. Its products have grown beyond tropical cyclones and earthquakes to include excess rainfall, drought, and targeted coverage for critical services such as electricity and water utilities, fisheries, tourism assets, and even small or micro-business livelihoods.

Many of these innovations have benefited from the Global Shield, a trust fund that the UK helped establish, to close the most urgent protection challenges facing climate-vulnerable countries on the front line.

New instruments now allow for early-warning-triggered support to help low-income households prepare before impact, state loans with clauses that pause debt payments after disasters, targeted financing that protects health and education continuity as well as coral restoration and digital platforms to improve reach and effectiveness. These innovations are still in early stages but hold enormous potential for scale.

No nation can face climate change alone, especially when losses of 20–57% of GDP, seen in Grenada and Jamaica, or even 226% of GDP, as in Dominica in 2017, can occur in mere hours. Strengthening prearranged finance aligns with the UK and Bridgetown Initiative’s joint push for the global system to increase prearranged disaster finance from just 2% today to 20% by 2035.

Disaster risk financing cannot stop a hurricane. But it can stop a hurricane from becoming a humanitarian and economic catastrophe. It is not just smart policy; it is lifesaving policy.

Faster money together with prepared delivery channels means faster recovery, which means less human suffering. It means people return to their homes sooner, businesses reopen faster, and communities rebuild stronger.