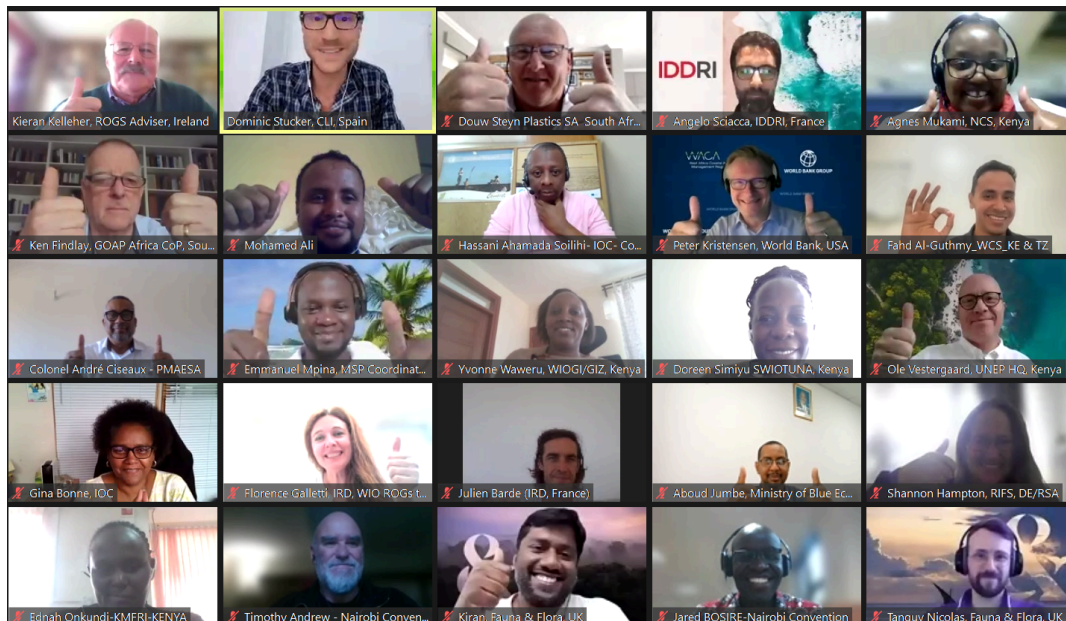


Regional Ocean Governance Strategy (ROGS): A Participatory and Multi-Stakeholder Process

Report on a Technical Dialogue among key stakeholders and the ROGS Task Force on:

“A Regional Blue Financing Architecture”

4 October 2023
14:00 - 17:00 EAT



Co-organized by the Nairobi Convention Secretariat (NCS), with the ROGS Task
Force and Support Team

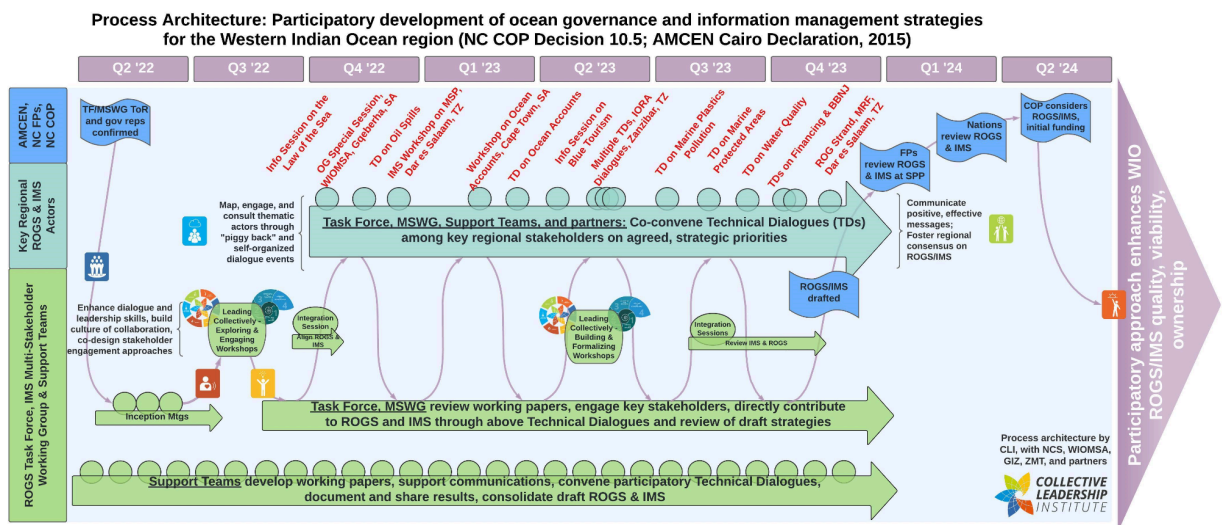
Introduction

Background

Inspired by, and contributing to the African Ministerial Conference on the Environment (AMCEN) Cairo Declaration of 2015, Contracting Parties to the Nairobi Convention adopted a Decision at their 10th Conference of Parties (COP) in November 2021 to develop a **Regional Ocean Governance Strategy (ROGS)** for the Western Indian Ocean (WIO) through participatory processes. Contracting Parties are Comoros, French Territories, Kenya, Madagascar, Mauritius, Mozambique, South Africa, Seychelles, Somalia, and Tanzania.

The **Nairobi Convention Secretariat (NCS)** is actively supporting the implementation of this Decision in partnership with the *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)* through the Western Indian Ocean Governance Initiative (WIOGI), the Western Indian Ocean Marine Science Association (WIOMSA), and the Collective Leadership Institute (CLI), which together constitute the ROGS Support Team. Since May 2022, the ROGS Support Team has been working in tandem with a multi-actor ROGS Task Force including members from across the WIO region.

The ROGS Support Team is currently organizing the co-development of ROGS content through a series of participatory Technical Dialogues among ROGS Task Force members and other key stakeholders, shown as part of this process architecture:



Dialogue Agenda and Goals

The Technical Dialogue set out to achieve these goals:

- **Concrete: Increase shared understanding** of a possible blue financing architecture to support ROGS implementation
- **Concrete: Discuss and generate inputs for the ROGS** regarding blue finance for implementation

- **Relational: Build further trust among key stakeholders** for onward dialogue and collaboration
- **Process: Understand how this Technical Dialogue fits** into the participatory ROGS development process

Please find the full Agenda in the Annex.

Facilitator

- ***Mr. Dominic Stucker, Collective Leadership Institute (CLI)***

Participants

More than 45 participants from across sectors, WIO countries, and beyond participated in this highly interactive dialogue. Please find a full Participant List in the Annex.

Welcome and Opening

Dr. Tim Andrew from the Nairobi Convention Secretariat (NCS) and ROGS Support Team opened the meeting with a hearty welcome to all attendees. He offered an overview of the Technical Dialogue’s goals and emphasized the importance of discussing the proposed “blue finance architecture,” especially in relation to eventual implementation of the ROGS.

Mr. Ole Vestergaard from the United Nations Environment Programme (UNEP) also welcomed participants, emphasizing the importance of linkages between ocean governance, blue economy, and blue financing.

The dialogue went on to focus on increasing the shared understanding of a potential blue financing architecture that could support the implementation of ROGS. The aim was to generate valuable insights, build trust among key stakeholders, and understand how this Technical Dialogue fits into the participatory ROGS development process.

Participants showed high levels of interest in understanding how blue financing could work and they were eager to hear thoughts on how to turn this into a reality. This Dialogue represents a significant part of the ROGS co-development process and the insights provided by Task Force members and related stakeholders were very valuable.

Input: “Financing the Regional Ocean Governance Strategy”

The presentation by ***Mr. Kieran Kelleher, ROGS Advisor*** and member of the ROGS Support Team, focused on "Financing the Regional Ocean Governance Strategy" for the Western Indian Ocean. The key messages included the need for affordable finance for all ROGS priorities, the structural gap between the demand for and supply of finance, the potential of a regional approach to access blue finance, and the requirement for critical appraisal of the proposed regional financing mechanism.

The presentation covered the following key areas:

What is the ROGS? - The ROGS, requested by the Contracting Parties to the Nairobi Convention, aims to elaborate and coordinate ocean governance in the Western Indian Ocean region. It involves a participatory process, including engagement with the Regional Economic Communities and existing institutions. The ROGS is organized into four clusters of key topics.

The Blue Finance Ecosystem - All four clusters of ROGS priorities require finance, with high capital and recurrent costs. The scale of finance required is high and there are special needs for social and environmental aspects, including the need to support Sustainable Development Goal 14, which is necessary for at least 10 other SDGs.

The Financing Gap - There is a structural gap between the demand for and supply of finance. The supply of blue finance in the WIO region is limited, with scarce national public financing, high commercial finance costs, and a weak enabling environment. The actual flow of blue finance is fragmented, and there is a shortfall in private sector finance.

Rationale for a Regional Approach - A regional approach can help address the structural gap in blue finance. The proposed regional Blue Finance Architecture aims to provide a platform for regional dialogue on blue finance, a virtual investment pipeline, a common investment framework, and ocean accounts to track the impact of investment.

Proposed Regional Blue Finance Architecture - The proposed architecture includes four pillars: a platform for regional dialogue on blue finance, a portfolio to scale virtual investment, a taxonomy to guide sustainable blue investments, and ocean accounts to track the impact of investment.

Overall, the presentation highlighted the need for a regional approach to address the financing gap in the Western Indian Ocean region and proposed a Blue Finance Architecture to achieve this. It emphasized the importance of regional dialogue, coordination, and alignment to bring regional blue finance to scale and reduce fragmentation in the financing of the ROGS priorities.

Please find the full Slideset from Mr. Kelleher in the Annex.

Panel: Round 1 Discussion: The Proposed Blue Finance Architecture

The panelists for the discussion on the proposed Blue Finance Architecture were ***Mr. Aboud Jumbe from the Ministry of Blue Economy and Fisheries in Zanzibar, Tanzania, Mr. Peter Kristensen from the World Bank, and Mr. Ole Vestergaard from the United Nations Environment Programme.***

In Round 1, panelists were asked to offer their perspectives on the proposed regional approach to financing ocean governance as well as comment on the proposed Blue Finance Architecture. Participants offered valuable comments, highlighting the need for a properly mapped plan to cover varying interpretations of the blue economy concept across different countries. They also inquired about specific regions beyond the Nairobi Convention's mandate within WIO countries

and how such gaps are intended to be addressed. These inputs underscored the importance of clarity, coordination, and inclusivity in the development of the regional blue financing architecture to ensure effective and equitable financing for ocean governance in the Western Indian Ocean region.

Input: “Accelerating the Transition to a Sustainable, Resilient, and Equitable Blue Economy”

Mr. Ole Vestergaard, UNEP, offered an input on “Accelerating the Transition to a Sustainable, Resilient, and Equitable Blue Economy” emphasizing the core elements of a sustainable blue economy, which include applying circular economy approaches, protecting and restoring healthy ecosystems, delivering on sustainable consumption and production, enabling climate stability and resilience, and ensuring equitable and inclusive processes and outcomes. The presentation also highlighted the cross-cutting enabling actions required for this transition, such as leadership, stakeholder engagement, use of sound science, sustainable finance, and good governance.

One key aspect of the presentation was the Sustainable Blue Economy Finance Principles developed by UNEP. These principles aim to guide the financing of a sustainable blue economy and include aspects such as being protective, compliant, risk-aware, inclusive, cooperative, transparent, purposeful, impactful, precautionary, diversified, solution-driven, partnering, and science-led. The presentation also introduced a related, 87-member community of practice that is focused on translating these principles into action.

Additionally, Mr. Vestergaard provided recommendations for ways to approach ocean related topics that may be harmful or of a risky nature, as well as opportunities for best practices and engagement with clients and project developers. He also highlighted resources such as new guidance on blue bonds and a knowledge product on financing the blue economy, which aims to mobilize investment for a sustainable blue economy in Asia and the Pacific, with a focus on small and medium-sized enterprises (SMEs).

Finally, the presentation introduced the SME Blue Impact-Asia initiative, which aims to raise capital for sustainable small enterprises in the Blue Economy of Asia & the Pacific. This joint UNDP/UNEP and ADB pilot initiative focuses on improving the sustainability and bankability of SMEs, building the pipeline of sustainable Blue Economy SMEs seeking capital, engaging investors, and financing businesses using blended finance instruments to match private with catalytic funding.

Please find the full Slideset from Mr. Vestergaard in the Annex.

Panel: Round 2 Discussion: Possible Implementation of a Blue Finance Architecture

The panelists for the discussion on the possible implementation of the Blue Finance Architecture were *Ms. Marie-May Jeremie from SeyCCAT, Mr. Aboud Jumbe from the Ministry of Blue Economy and Fisheries in Zanzibar, Tanzania, Mr. Peter Kristensen from the World Bank, and Mr. Ole Vestergaard from UNEP.*

The panel discussion in Round 2 addressed several critical questions related to the implementation of the Blue Finance Architecture (BFA). Panelists discussed the coherence among existing financing arrangements for ROGS implementation, the key challenges to building a regional BFA, and the feasibility of the proposed BFA. Additionally, participants raised important questions regarding the management of the platform hosting the proposed blue finance portfolio and taxonomy; the support for women and female-led blue SMMEs; the accessibility of affordable capital for the same; and the appetite for a regional ocean finance platform from different funders. These questions highlighted the need for clarity, inclusivity, and practical considerations in the implementation of the BFA to ensure its effectiveness in financing ocean governance in the Western Indian Ocean region

Participant Inputs for the Regional Ocean Governance Strategy (ROGS)

During the session, participants were invited to offer their perspectives through an interactive poll with carefully crafted questions. The diverse insights and perspectives shared by the attendees are summarized below, providing a comprehensive overview of the collective input and enriching our understanding of the discussed topics for inclusion in the ROGS.

Poll Q1: Is there a clear need or rationale for a regional blue finance architecture (BFA) and/or platform?

The poll results indicated a strong consensus among 19 participants in favor of establishing a regional Blue Finance Architecture (BFA) or platform, with no respondents opposing or expressing uncertainty on the matter.

Poll Q2a: What do you think should be the role of a BFA, e.g. A. a fund; B. a coordinating platform; or C. other role?

A majority of 12 respondents advocated for its role as a coordinating platform, emphasizing the importance of collaboration. Additionally, one participant expressed support for the BFA serving as a fund. Furthermore, 7 participants proposed other roles, reflecting a diversity of ideas and highlighting the nuanced expectations surrounding the BFA's potential contributions, below.

Poll Q2b: If you said 'OTHER' in Q2(a), what role could the BFA have?

Five participants suggested a dual role for the BFA, as a fund and a coordinating platform, emphasizing the potential for a multifaceted approach that combines financial support with effective coordination for comprehensive impact.

Poll Q3a: How should any blue finance platform be institutionalized, e.g. A. by existing regional institutions, B. need a new WIO institution, C. not sure?

A majority of 16 participants advocated for the integration of the platform within existing regional institutions. This approach was seen as a pragmatic and efficient means of leveraging established frameworks. However, three participants expressed uncertainty, emphasizing the need for further discussion to thoroughly understand the institutional arrangements for both options - utilizing existing institutions or establishing a new Western Indian Ocean (WIO) institution. These diverse perspectives underscore the importance of careful consideration and dialogue in determining the optimal institutionalization path for the blue finance platform.

Poll Q3b: Which regional organization(s) could take the lead in advancing the blue finance agenda and/or host a platform?

The Nairobi Convention Secretariat emerged as one of the most popular suggestions, including involvement of the Regional Seas Program. Several participants suggested the Regional Economic Commissions, management bodies, and inter-governmental organizations, including the Indian Ocean Rim Association (IORA). Further options put forward included regional fisheries organizations, WWF, and Our Blue Future.

At least one participant acknowledged the potential involvement of several organizations rather than a singular one. Three participants expressed uncertainty about the ideal organization for this role. These diverse views highlight the complexity of identifying a lead organization and the importance of considering various factors in advancing the blue finance agenda.

Poll Q4: Do the financial partners (e.g., international financial institutions, bilateral partners) need to work more closely?

Seven participants expressed satisfaction with the current state of coordination, believing it to be effective. On the other hand, 10 participants voiced concerns about fragmentation and, in the context of limited resources advocated for closer collaboration to ensure complementarity and reduction of duplication of efforts. A panelist, *Mr. Kristensen*, acknowledged a certain level of effectiveness of current coordination, but emphasized the potential for enhancement through the proposed platform.

Poll Q5: Is it realistic for the major financing partners to align and consolidate their different process requirements (e.g., EIAs, safeguards, procurement, M&E) within a consensus blue taxonomy?

Sixteen participants expressed optimism that such alignment is realistic and needed. *Mr. Kristensen* highlighted examples of successful joint financing agreements with specific countries. At least 3 other participants pointed to the essential nature of such alignment, including to address collaboration in areas beyond national jurisdiction (ABNJ). Two participants expressed uncertainty and raised concerns about the applicability of a standardized approach, citing potential challenges for smaller projects. Overall, the majority supported the idea, recognizing the potential benefits of streamlining processes and enhancing coordination.

Poll Q6: Any other comments or suggestions?

Specific participants provided valuable comments, suggestions, and questions:

1. **Representation of Private Sector:** How can the private sector, particularly SMEs, be effectively represented at the regional level?
2. **Alignment with Country Policies:** It is important to align initiatives with country policies and constitutions.
3. **NCS and REC Mandates:** The NCS and REC mandates seem complementary, with the former focused on marine environments and the latter on economic topics. This may be good reason to include both types of institutions in an eventual BFA platform.
4. **Learning from Best Practices:** Let us learn from countries that are advanced in sustainable practices, such as Seychelles and Gabon. INGOs also make substantial contributions and possess relevant expertise, e.g. The Nature Conservancy.
5. **Platform Assistance/Facilitator Function:** It may be valuable to integrate an assistance/facilitator function in the BFA platform to guide recipients on the appropriate instruments and parameters for financing.
6. **Expanding Indicators:** There is an opportunity to extend ocean accounting indicators beyond SDG14, including ocean aspects of other SDGs and commitments like GBF and the BBNJ Treaty.
7. **Real-time Measurement of Environmental Damage:** Real-time measurement of environmental damage and its consequences is important, including to guide financing decision-making.

Reflections on Participant Inputs

Ms. Gina Bonne from the Indian Ocean Commission (IOC) was invited to comment upon participant responses. She expressed her appreciation for all the participants and the insightful presentations that effectively highlighted the challenges and experiences crucial for fostering meaningful dialogue. In summarizing the participants' perspectives gathered from the roundtable questions and presentations, she made the following key points:

On Questions 1 and 5: All participants emphasized the importance of establishing a coordinated blue finance architecture or platform among partners. This recurrent theme, echoing discussions in the WIO region over the years, indicates a renewed focus on this critical aspect.

On Question 2: The role of the Blue Finance Architecture seems focused on being a coordination platform. However, the extent of coordination and the entity responsible for managing the architecture remained unclear. Some participants highlighted the significance of both aspects—coordination platform and funding mechanism. Ms. Bonne stressed the need for a clearer architecture, whether focused on funding management, partnership coordination, or as a decision-making body.

On Question 3: Many participants suggested leveraging existing platforms and institutions, a viewpoint with which Ms. Bonne concurred. Creating new platforms would entail additional costs for countries, and utilizing existing structures, such as regional organizations dealing with seas, regional fisheries bodies, and intergovernmental organizations, was deemed more practical. However, Ms. Bonne emphasized the need for caution, as programs may conclude, whereas institutions tend to be more permanent.

On Question 4: The majority advocated for institutions to coordinate agency funding, underscoring the prevalent issue of numerous funding agencies lacking effective coordination. This underscored the urgent need for streamlined coordination in acquiring funding.

In conclusion, Ms. Bonne highlighted that participants unequivocally emphasized the necessity for coordination among institutions and advocated for the use of existing structures. Notably, no specific institution was singled out, and the precise role of the coordination body or platform remained unspecified.

Participant Feedback Summary

At the end of the Technical Dialogue, **18 participants rated fulfillment of goals** on a scale of 1 (low) to 5 (high). **Overall goal fulfillment was 4.43 / 5.0.**

Goal	Score
Concrete: Increase shared understanding of a possible blue financing architecture to support ROGS implementation	4.41
Concrete: Discuss and generate inputs for the ROGS regarding blue finance for implementation	4.47
Relational: Build further trust among key stakeholders for onward dialogue and collaboration	4.35
Process: Understand how this Technical Dialogue fits into the participatory ROGS development process	4.47

Furthermore, participants rated the **organization and facilitation of the dialogue as 4.62.** Participants added comments, including:

- Well done! Let's cross the finish line!!
- This is a complex subject but we were led through the session in a clear way. Thank you.
- Very interactive dialogue
- Well done and we expect more engagements in the future
- Was a wonderful experience, well done team
- Very clear presentations, good discussions, and good facilitator

Closing Remarks and Next Steps

Dr. Tim Andrew from NCS closed the meeting, emphasizing these key upcoming events in the ROGS co-development process:

The onward ROGS co-development process

- **11 Oct:** *Technical Dialogue on BBNJ (14:00 - 17:00 EAT)*
- **2 Nov:** *ROGS Strategy Check (14:00 - 17:00 EAT)*
- **6-9 Nov:** *Marine Regions Forum, ROG Strand, Dar es Salaam, Tanzania*
- **5-7 Dec:** *WIO Science to Policy Platform*
- **Q2 2024:** *Nairobi Convention Conference of Parties (COP)*

This report is posted to the Nairobi Convention Community of Practice to enable a period of public consultation. If you wish to participate, [please sign up for the Nairobi Convention Community of Practice here](#) and add your comments. Thank you!

Together with public comments, the content generated during this Technical Dialogue will be integrated into the ROGS and delivered in draft form to Nairobi Convention Focal Points leading up to the Nairobi Convention COP in early 2024.

Learn more about the ROGS Task Force and participatory strategy development process [on the Nairobi Convention website](#).

Annex

Annex 1: Agenda

Technical Dialogue among key stakeholders and the ROGS Task Force on: “A Regional Blue Financing Architecture”

4 October 2023

Agenda

Time	Session
14:00	Agenda Item 1. Opening remarks <ul style="list-style-type: none">• Dr. Timothy Andrew, Nairobi Convention Secretariat (NCS): “The Participatory Regional Ocean Governance Strategy (ROGS) Process and Technical Dialogue Goals”• Mr. Ole Vestergaard, UNEP Programme Officer: “Importance of Blue Financing”
14:10	Agenda item 2. Adoption of agenda
14:15	Agenda item 3. Proposed ROGS Blue Finance Architecture (BFA) <ul style="list-style-type: none">• Mr. Kieran Kelleher, ROGS Advisor: “Financing the Regional Ocean Governance Strategy”
14:40	Agenda item 4a. First Panel Discussion <p>Key questions</p> <p>Panelists will address a series of questions and respond to questions from participants.</p> <ul style="list-style-type: none">• Is there a need for a regional approach to financing ocean governance?• Comments on the proposed BFA? <p>Questions from Participants</p>
15:15	Short Break
15:30	Agenda item 4b. Second Panel Discussion <p>Key themes</p> <ul style="list-style-type: none">• Coherence among existing financing arrangements• Feasibility of the proposed Blue Finance Architecture (BFA)• Key challenges to building a regional BFA• Alternative approaches to blue finance for the ROGS <p>Questions from Participants</p>

16:05	Agenda item 4c. Collecting Participant Inputs
16:25	Agenda item 4d. Appreciating Participant Inputs <ul style="list-style-type: none"> ● Ms. Gina Bonne, Indian Ocean Commission (IOC): Review and appreciation of participant results
16:50	Agenda item 5 Feedback and closing remarks <ul style="list-style-type: none"> ● Dialogue feedback ● UNEP / NCS: Next steps
17:00	Closure

Annex 2: Participants List

	Name	Organization	Country
1	Hassani Ahamada Soilihi	Indian Ocean Commission (IOC)	Comoros
2	Angelo Sciacca	IDDRI	France
3	Florence Galletti	IRD	France
4	Julien Barde	IRD	France
5	Cecilia Torres	Blue Action Fund	Germany
6	Kieran Kelleher	ROGS Advisor	Ireland
7	Nana Moseti	GIZ WIOGI	Kenya
8	Yvonne Waweru	GIZ WIOGI	Kenya
9	Ednah Nyakerario Onkundi	Kenya Marine and Fisheries Research Institute (KMFRI)	Kenya
10	Bellinda Akello	Ministry of Environment, Climate Change and Forestry	Kenya
11	Agnes Mukami Muriuki	Nairobi Convention Secretariat (NCS)	Kenya
12	Bonface Mutisya	NCS	Kenya
13	Eunice King'ori	NCS	Kenya
14	Jared Bosire	NCS	Kenya
15	Timothy Andrew	NCS	Kenya
16	Colonel Andre Cisneau	PMAESA	Kenya
17	Doreen Simiyu	South West Indian Ocean Tuna Forum SWIOTUNA	Kenya
18	Bellarmino Musebe	The Nature Conservancy	Kenya
19	George Maina	The Nature Conservancy (TNC)	Kenya
20	Ole Vestergaard	UNEP	Kenya

21	Fahd Al-Guthmy	Wildlife Conservation Society (WCS)	Kenya / Tanzania
22	Virginie Lauret	Cap Business OI	Madagascar
23	Guy Celestin Rakotovao	MIHARI Network	Madagascar
24	Gina Bonne	IOC	Mauritius
25	Sophia Chambe		Mozambique
26	Rennan Leitão Rocha	Blue Economy Development Fund (ProAzul)	Mozambique / Brazil
27	Marie-May Jeremie	Seychelles Conservation and Climate Adaptation Trust (SeyCCAT)	Seychelles
28	Mohamed Ali Muse	IGAD	Somalia
29	Abdulqadir Omar Ziyad	Somalia National University	Somalia
30	Ken Findlay	GOAP Africa Community of Practice	South Africa
31	David Willima	Institute for Security Studies	South Africa
32	Douw Steyn	Plastics SA	South Africa
33	Shannon Hampton	Research Institute for Sustainability (RIFS)	South Africa/ Germany
34	Dominic Stucker	Collective Leadership Institute (CLI)	Spain
35	Sibylle Riedmiller	Chumbe Island Coral Park (CHICOP) Ltd.	Tanzania
36	Aboud Jumbe	Ministry of Blue Economy and Fisheries (MBEF)	Tanzania
37	Nassor Abdalla Nassor	MBEF	Tanzania
38	Emmanuel M. Mpina	The Nature Conservancy (TNC)	Tanzania
39	Lucy Magembe	TNC	Tanzania
40	Siajali Pamba Zegge	University of Dar es Salaam	Tanzania
41	Obakeng Molelu	WIOMSA	Tanzania

42	Kiran Mohanan	Fauna & Flora	United Kingdom
43	Tanguy Nicolas	Fauna & Flora	United Kingdom
44	Richard Pagett	SWIOP	United Kingdom
45	Peter Kristensen	The World Bank	United States
46	Ivan		

**Western Indian Ocean
Regional Ocean Governance Strategy
(ROGS)**



TECHNICAL DIALOGUE
Online, 4 October 2023

FINANCING THE REGIONAL OCEAN GOVERNANCE STRATEGY

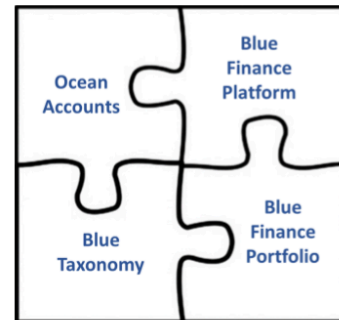
Kieran Kelleher
ROGS Adviser

key messages on affordable blue finance

1. all ROGS **priorities** require affordable finance
2. **structural gap** between demand for and supply of finance
3. a **regional approach** can help access blue finance
4. the proposed regional **mechanism** require critical appraisal

contents

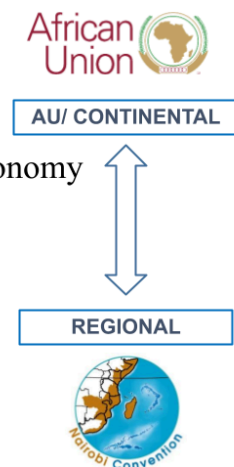
1. what is the **ROGS?**
2. the blue finance **ecosystem**
3. the financing **gap**
4. rationale for a **regional approach**
5. proposed regional **Blue Finance Architecture**



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1. what is the ROGS? 'political' mandate - recap

- African Union decisions
- AMCEN to 'coordinate' ocean governance & blue economy
- AMCEN decision: Regional Seas Conventions lead
- Nairobi Convention COP decision
 - prepare ROGS
 - participatory process
 - engage with the RECs
 - use existing institutions



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ROGS ‘skeleton’

1. The **policy** framework
 - vision, objective, mandates, principles
2. WIO **Status** and Trends
3. Regional **Priorities** – 4 clusters
4. **Implementation** mechanisms
 - 4.1 Institutional arrangements
 - 4.2 **Financing**
 - 4.3 Knowledge & Capacity Development
 - 4.4. Monitoring, Review & Adjustment

NC - COP ‘decision’

- in preparation
- a **recommendation** to the NC Parties
- cooperation on **all** ocean actions
- it may **go beyond** the NC mandate, e.g. finance

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2. the blue finance ecosystem

- **demand** for blue finance
- **supply** of blue finance
- the supply/ demand **gap**



DEMAND. all 4 clusters of regional priorities require finance

- ❑ **scale** is high (\$)
- ❑ capital **and** recurrent
- ❑ ‘shovel-ready’ to concepts
- ❑ social and environmental -special needs

<i>Regional priorities identified by the Task Force</i>	
Maritime Security cluster	Blue economy cluster
<ul style="list-style-type: none"> • maritime security / maritime connectivity • ABNJ/ BBNJ 	<ul style="list-style-type: none"> • Tourism, Fisheries • Offshore energy, Deep sea • ports, trade • circular blue economy • IT, marine biotech, telecoms
Environment and natural resources cluster	Knowledge management and science cluster
<ul style="list-style-type: none"> • Climate Change • marine plastic pollution • coral reefs/ critical ecosystems, Biodiversity • MSP & MPAs 	<ul style="list-style-type: none"> • Science to governance • Human capacity • Transfer of technology • scientific cooperation • Public awareness

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SUPPLY. SDG 14 - least finance of all the SDGs

- ❑ % of global SDG expenditure

16. Peace and Justice	13%
<i>(e.g., maritime security/ anti-piracy)</i>	
6. Clean Water and Sanitation	4.5%
13. Climate Action	3.8%
17. Partnerships for the Goals	2.5%
14. Life Below Water	0.7%
- ❑ SDG14 necessary for at least 10 SDGs
 - (SDGs: 2, 3, 6, 8, 9, 11, 12, 13, 15, 16)



Selected SDG funding (UN data)

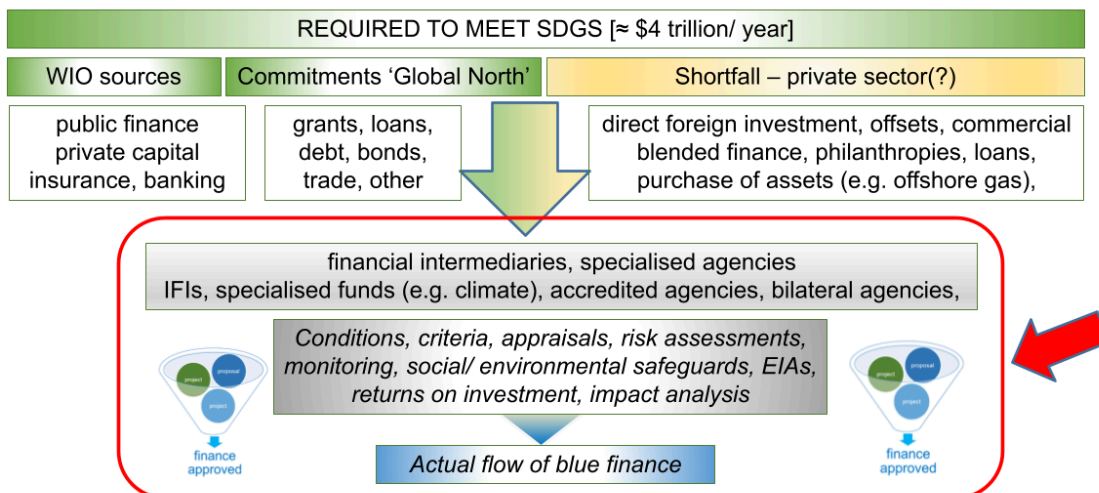
the supply of WIO blue finance

- national **public** financing scarce – weak tax base, public debt, ...
- high **commercial** finance costs – interest, inflation, risk, short-term
- **enabling environment** weak – reporting, transparency, ‘Doing Business’
- mostly **project-by-project** financing
- some **pooled finance** and regional projects, e.g.,
 - SAPPHIRE, ACLME, WIOSAP, SWIOFP (GEF)
 - MASE, ReCoMaP (AFD); SWIOFish (World Bank)
 - SWIO Seascape (WWF and others)



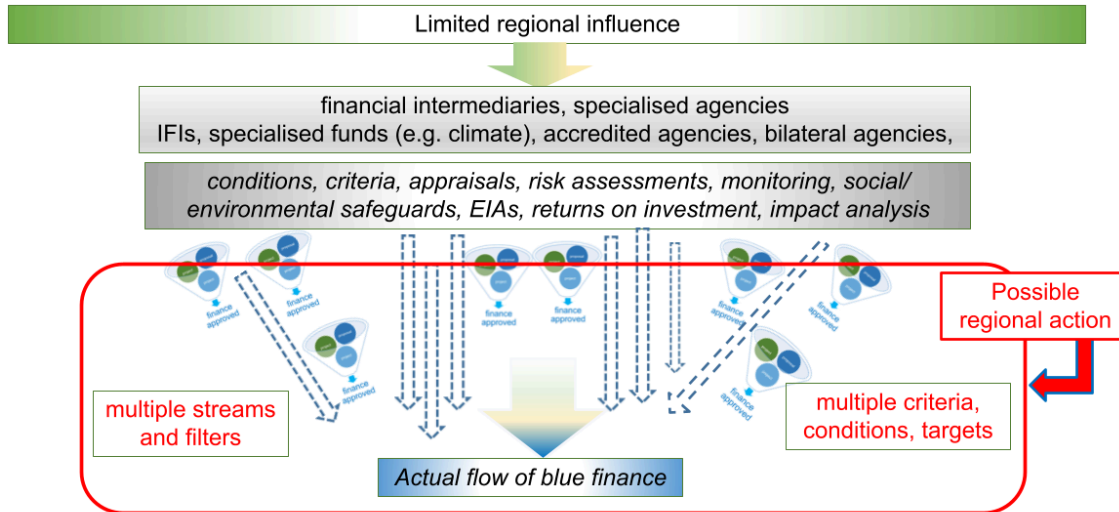
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SUPPLY: notional sources & flow of funds



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SUPPLY: fragmentation



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SUPPLY - fragmentation ... the structural gap




- ❑ guidelines, template, safeguards, EIAs, manuals, rules, review, evaluations, assessments, appraisals
- ❑ costs
 - human resources
 - duplication
 - delays
- ❑ solutions?

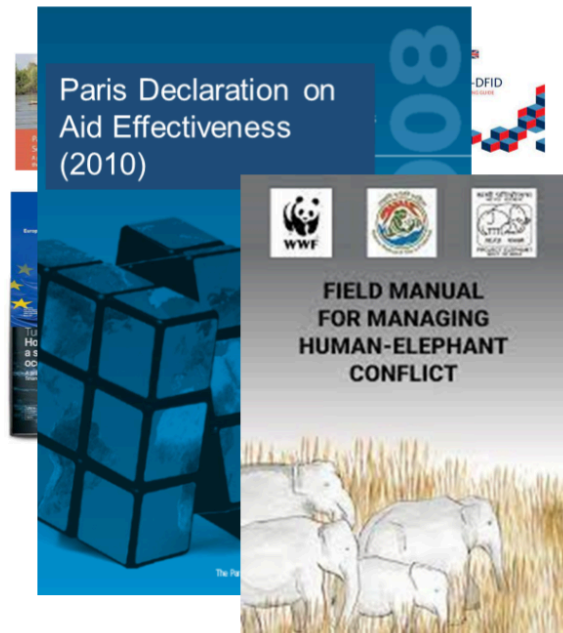


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Paris solution - 2010?

Paris commitment to resolve fragmentation

-  over 500 bilateral & multilateral **agencies**
-  over 100 climate-related **trust funds** managed by the World Bank alone
-  over 100 **pages** World Bank Environmental and Social Framework



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structural challenges - 'business as usual'

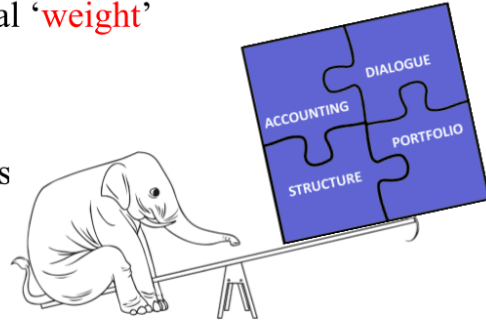
- projects **individually** financed and assessed
 - baselines, risks, returns, economic viability, social and environmental benefits, safeguards and management modalities
 - project-specific indicators and monitoring
 - project-specific contributions to externally financed projects
- high transaction **costs**, often '**separate**' budgets and staff
- integration** with other projects challenging
 - oceans, climate, poverty, or human health
- attribution** of impacts challenging
- co-benefits not fully reflected



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need regional ‘weight’ to move the ‘agenda’

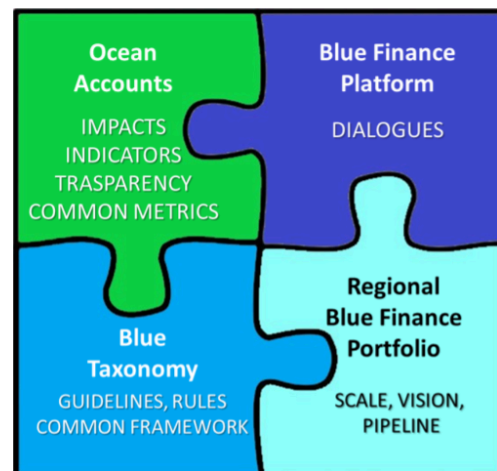
- ❑ proposed **Blue Finance Architecture** provides an approach
- ❑ **dialogue** to find solutions
- ❑ combined blue projects provide regional ‘**weight**’
- ❑ alignment generates **efficiency**
- ❑ **knowledge** management for support
- ❑ use **existing** institutions for effectiveness



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Pillars of the Blue Finance Architecture

- I. Platform
 - regional dialogue on blue finance
- II. Portfolio
 - scale, *virtual* investment pipeline
- III. Taxonomy
 - common investment framework
- IV. Accounts
 - ocean accounts, common indicators, metrics



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Blue Finance Platform

Role

- regional **coordinating facility** on blue finance
- **host** the regional (virtual) blue portfolio & taxonomy
- link ocean accounts to investment impact
- **NOT a fund**, but could propose financing modalities

Stakeholders

- **countries** & Regional Economic Communities
- regional **business** organisations
- major **sources of finance** open ended – regional/ global
- **facilitators** with implementing/ facilitating capability

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Regional Blue Investment Portfolio would

- compile a virtual regional blue portfolio of investment demand to bring regional blue finance to **scale**
- present the portfolio as a **pipeline** and **vision** of sustainable investment opportunities
- structure the portfolio to align with supply of finance through a blue taxonomy
- **identify** financing opportunities at regional scale
- reduce transaction **costs** & risks



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blue taxonomy

- ❑ framework to structure, prioritise & guide sustainable blue investments
- ❑ sets consensus criteria & metrics for sustainable investment
- ❑ drives coordination among sources of finance
- ❑ reduces fragmentation
- ❑ drives blending of finance instruments
- ❑ links to investment and impact
- ❑ enables harmonised monitoring



national & regional ocean accounts

- ❑ standardised reporting on ocean state and trends
 - quantitative & qualitative transparent assessment
 - captures environmental, social and economic information
 - captures changes in ocean wealth & flow of costs/ benefits
- ❑ means of tracking the impact of investment
 - aggregate impacts – not project-by-project
- ❑ already under development
- ❑ ROGS Task Force consensus on utility



start of a journey ...

- ❑ stakeholder feedback
- ❑ session - Marine Regions Forum
- ❑ ROGS review
- ❑ continue dialogue in other processes?
 - REC blue economy
 - AMCEN, other



**Safiri salama,
bon voyage,
boa viagem!**

*Kieran Kelleher
kkelleherWB@gmail.com*

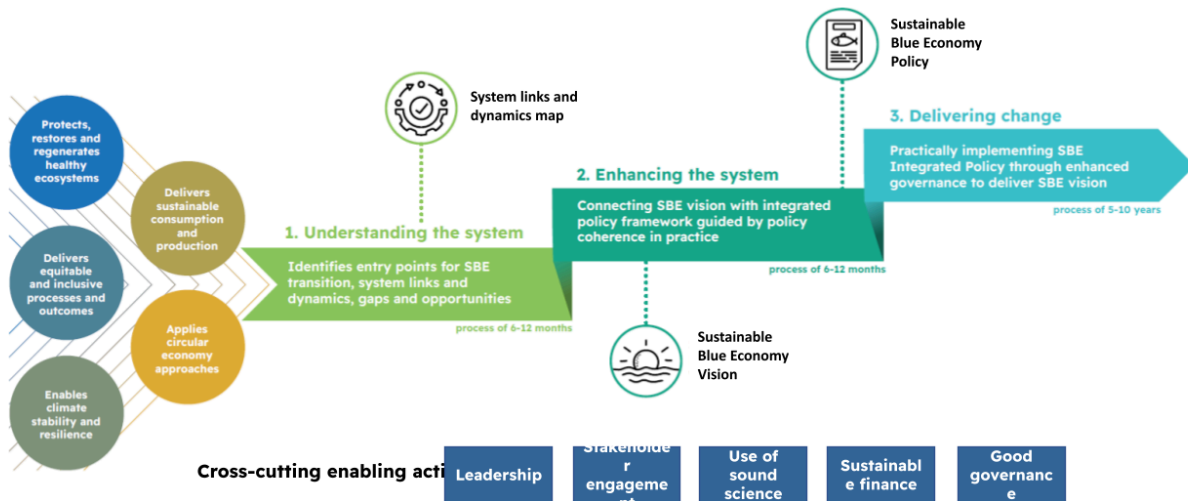
Annex 4: Input Slides: Ole Vestergaard

Accelerating the transition to a Sustainable, Resilient and Equitable Blue Economy

Ole Vestergaard
Sustainable Blue Economy Initiative



Accelerating transition to Sustainable Blue Economy



Financing a sustainable blue economy



Funded by the European Commission

A vision for any ocean-linked sectors and economic activities

Sustainable use of marine resources

Reduced carbon emissions and pollution

Enhanced energy efficiency

Harness the power of natural capital, and halt the loss of biodiversity

Promotes economic growth and preserving and improving livelihoods

Rebuild Ocean Prosperity

Restore Biodiversity

Regenerate Ocean Health

Sustainable Blue Economy Finance



Funded by the European Commission

Community of practice:

87 members | USD 11trn total assets



WORLD
RESOURCES
INSTITUTE



European
Investment
Bank

Global community – banks, insurers, investors

Expert, pioneering network

Actionable Guidance

Sustainable Blue Economy Finance Principles

Linked to UN Environment Programme

Sustainable Blue Economy Finance Principles

- | | |
|----------------|---------------------|
| 1. Protective | 8. Purposeful |
| 2. Compliant | 9. Impactful |
| 3. Risk Aware | 10. Precautionary |
| 4. Systemic | 11. Diversified |
| 5. Inclusive | 12. Solution Driven |
| 6. Cooperative | 13. Partnering |
| 7. Transparent | 14. Science-Led |

www.unepfi.org/blue-finance/the-principles

From Principles to Action



Recommendations for activities across ocean-linked sectors to...



Avoid financing	Too harmful Too risky
Challenge	Activities & topics to engage clients / project developers on
Seek out	Best practise Opportunities



Contact: Dennis.Fritsch@un.org



From Principles to Action



Contact: Dennis.Fritsch@un.org

Check out these resources for free here:



New Guidance on Blue Bonds



- Voluntary guidance:
 - To provide issuers with guidance on the key components involved in launching a credible “blue bond”;
 - To aid investors by promoting availability of information to evaluate the environmental impact of their “blue bond” investments;
 - To assist underwriters by offering vital steps that will facilitate transactions that preserve the integrity of the market.

- Guidance builds on the existing global market standards that underpin the global sustainable bond markets and draws on pre-existing specific blue guidance.

- Building on this foundation, the new global guidance further refines:
 - the blue economy typology and eligibility criteria,
 - key performance indicators,
 - latest case studies in the field,
 - highlights the critical need for increased financing to achieve Sustainable Development Goal 14, and other global sustainability targets.



Knowledge Product: Financing the Blue Economy



This joint ADB/UNDP/UNEP report highlights opportunities for mobilizing investment for a sustainable blue economy in Asia and the Pacific, focusing on small and medium-sized enterprises (SMEs):

- Defines boundaries and SME sector priorities
- References available standards, principles and guides in all blue economy segments for best practice implementation and impact measurement
- Estimates of the blue economy financing gap
- Proposes tools and resources to support new financial connections between international capital and local actors
- Recommended the establishment of a new blended finance platform—SME BlueImpact Asia



<https://www.adb.org/publications/financing-blue-economy>

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SME BlueImpact Asia

SME BlueImpact-Asia is an initiative to raise capital for sustainable small enterprises in the Blue Economy of Asia & the Pacific



Joint UNDP/UNEP and ADB Pilot

- *Establish Governance and IT-Platform on behalf of participating development partners*
- *Develop, scale and replicate successful business models across the region*
- *Support Catalytic funding application and mobilize matching private sector financing*
- *Create measurable sustainable economic, environmental and social impact*

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