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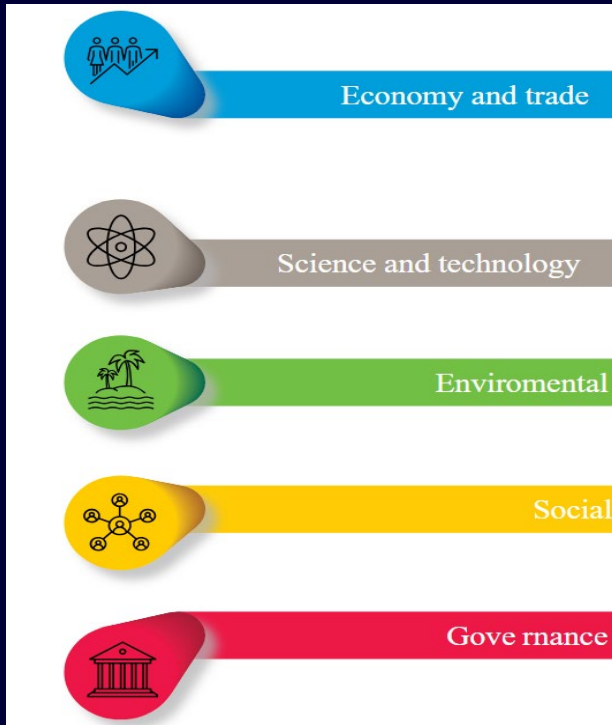
Harnessing Sustainable Blue Economy: Overcoming the Financing Challenge

Side event: Second Preparatory Committee Meeting
April 02, 2024

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What is blue finance?

“SUSTAINABLE BLUE FINANCE” includes various sources that:



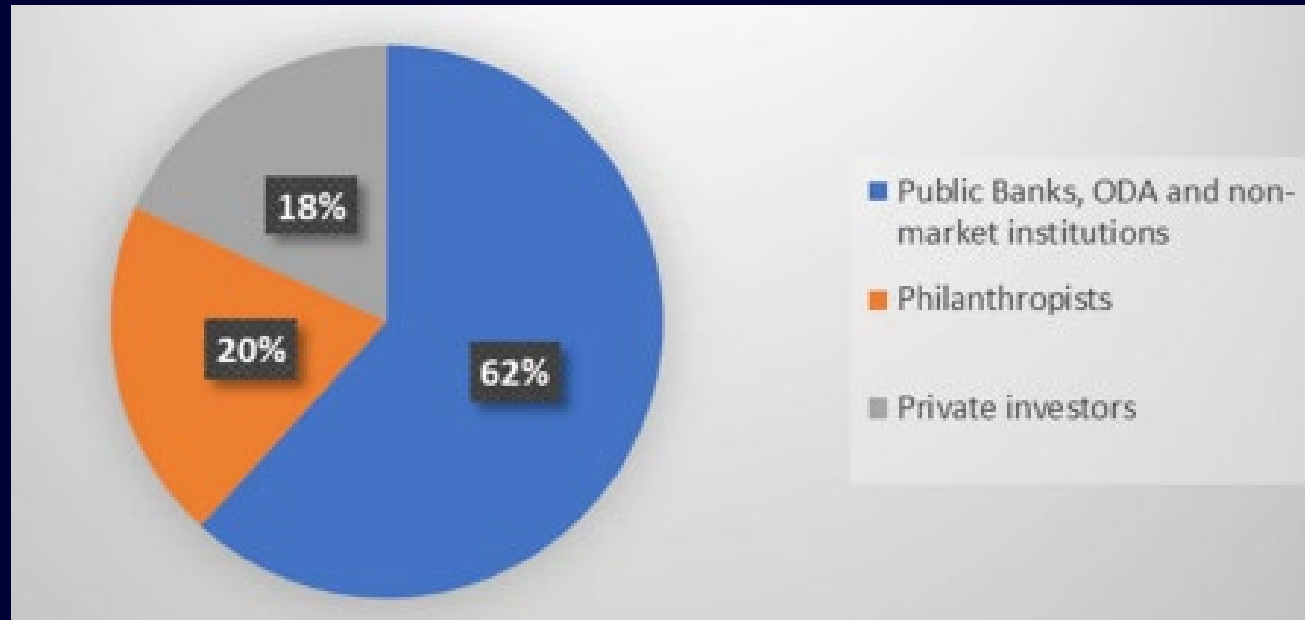
- - support sustainable **economic growth and development** of ocean-based sectors, mitigating negative externalities;
- - invest in project that are based in the **best available scientific knowledge and technologies**;
- - **enables sustainable use and conservation** of marine resources and ecosystems
- - responds to **social solidarity, livelihoods and local economies considerations**, and
- - is **coherent and improved oceans governance** dimensions of SDGs

How much blue finance is needed?

- **An estimate of at least \$175 billion per year** is needed to achieve SDG14 by 2030 (FoOA & WEF).
- Between 2015 and 2019, **< \$10 billion was invested** (WEF, 2022).
- **While**
- **Investments of \$2.8 trillion in selected sustainable ocean solutions— would yield net benefits of \$15.5 trillion by 2050** (UNCTAD & HLOP, 2023).
- The small request from UNCTAD, FAO and UNEP of only **\$10 millions under their Inter Agency Plan of Action over 5 years** (IPoA, 2020) to accelerate the implementation of Trade related aspects of SDG 14 by 2030, made at the 4th Oceans forum in 2022 went unfulfilled!

How much has been invested and by whom?

Only \$6 billion were invested in the ocean economy in 2020 Mostly by public sector



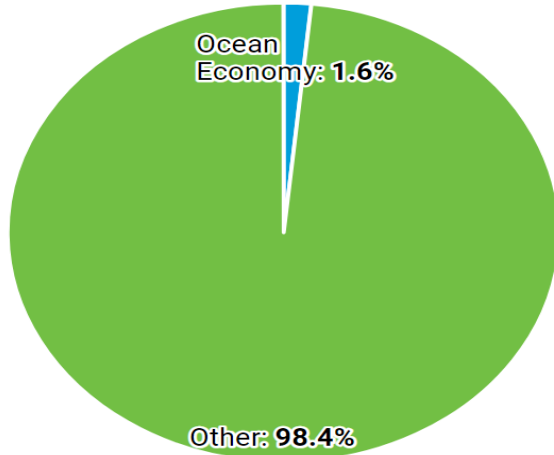
Diana Barrowclough, 2024, based on OECD data, 2023.

SDG 14 is the least funded of all SDGs by Official Development Assistance



The least funded sustainable development goal

Only 1.6% of total Official Development Assistance was directed to the ocean economy from 2013 to 2018



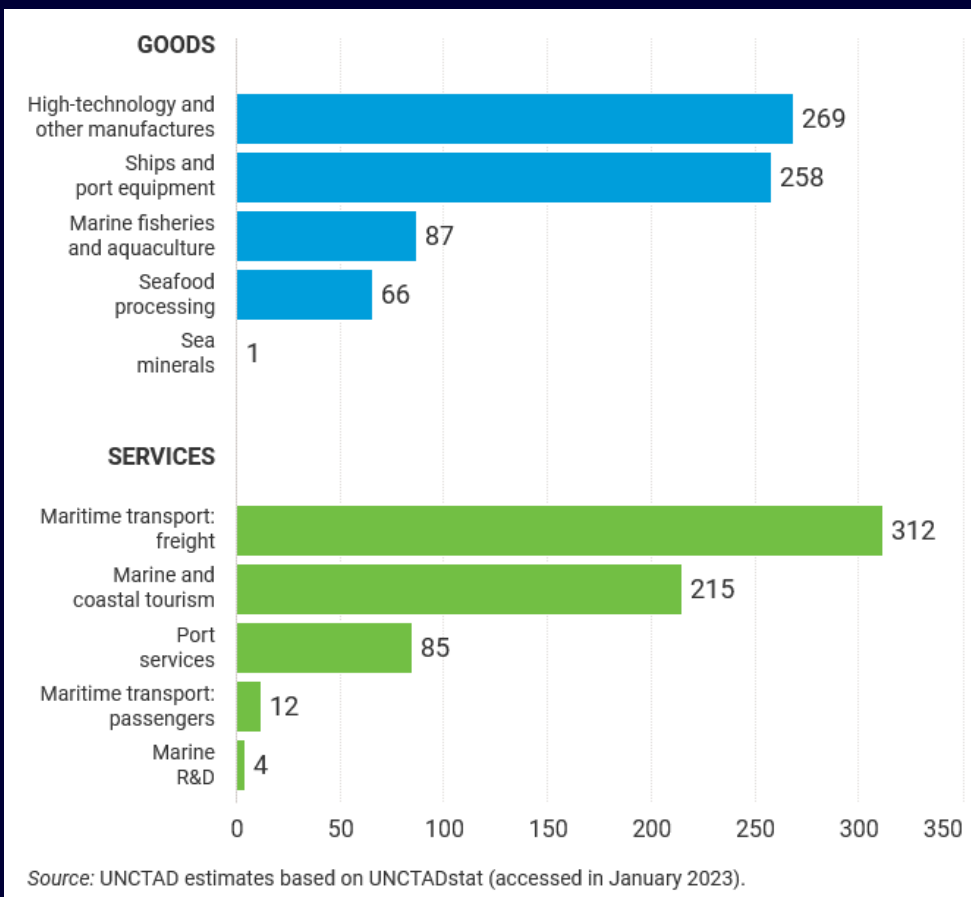
Source: UNCTAD calculations.

Vivas, Barrowclough and Contreras, 2024, based on OECS data, 2022

Year	Other ocean economy ODA	Sustainable ocean economy ODA	Total Ocean	% Change
2010	1.2	1.3	2.5	-
2011	0.4	0.9	1.3	-47.8
2012	1.1	0.8	1.9	47.3
2013	1.2	1.6	2.8	44.6
2014	1.4	1.0	2.3	-16.8
2015	1.4	1.2	2.6	11.6
2016	1.7	1.4	3.0	17.4
2017	3.1	2.5	5.6	84.9
2018	0.7	2.5	3.2	-43.2
2019	1.3	1.8	3.1	-2.5
2020	0.7	2.8	3.5	13.2
2021	0.49	2.08	2.57	-27.0

Diana Barrowclough, 2024, based on OECS data, 2023

Trade data can tell you where to invest in bankable projects...



Source: UNCTAD estimates based on UNCTADstat (accessed in January 2023).

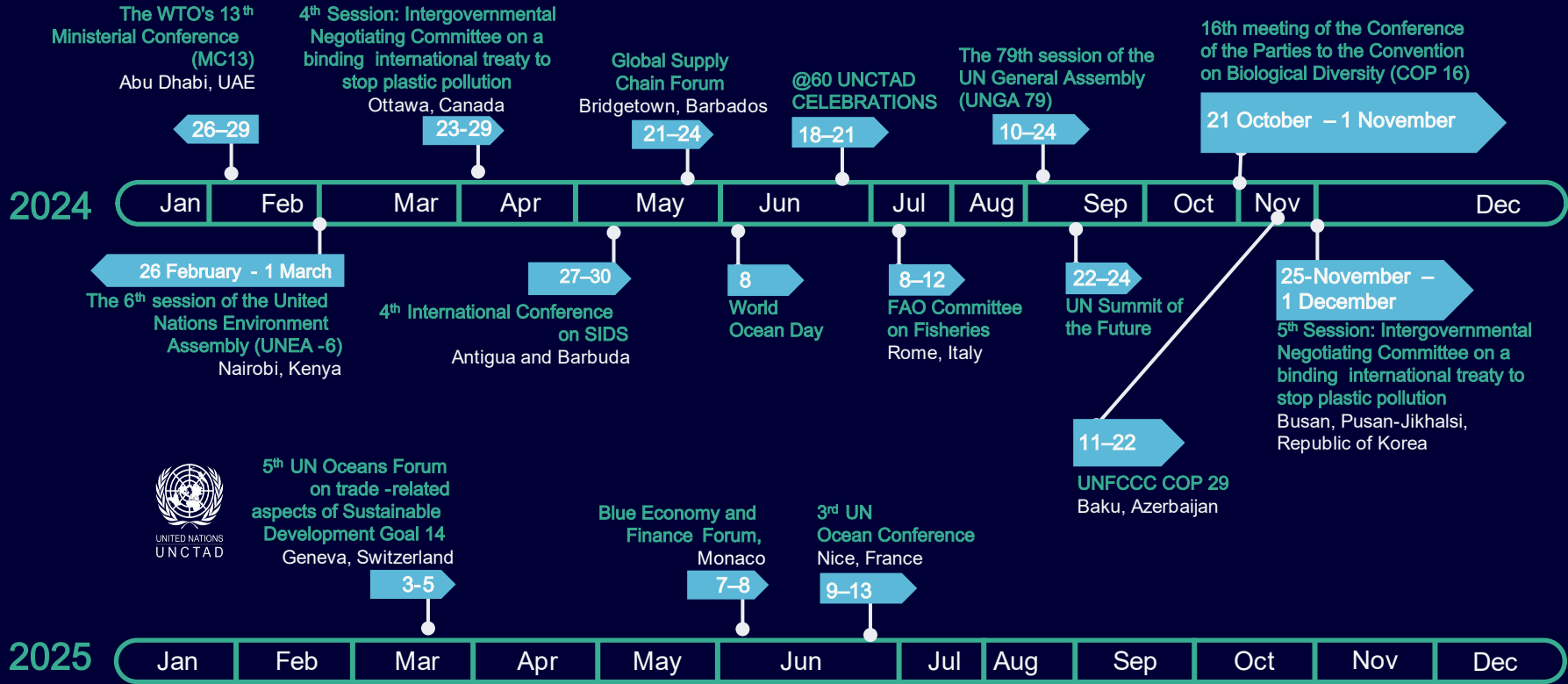
- Growth rates in trade can point at ocean-based sectors where more promising investments can be made
- Export value of ocean-based goods and services (2021): \$1.6 trillion (6 ± % global trade [\$28 trillion])
- The export of ocean-based goods (\$808 billion) overtook those of services (\$801 billion) in 2021 closely.
- 150 million direct jobs

Some blue finance instruments explored with co-chairs

	Issuers	Type of instrument
Non-market blue finance: Official Development Assistance (ODA)	All interested developed countries and some emerging economies	Non-reciprocal technical assistance and sometimes financial assistance
Blue bonds and blue loans	A growing number of countries and banks are now experimenting with these, including ADB, IFC, Indonesia, Fiji, Philippines Seychelles,	Sovereign bonds & blue loans
Debt-for-Nature swaps	Ecuador (Galapagos Marine Reserve + Hermandad Reserve) , GGGI and CAF as well as Seychelles, Belize and Barbados	Blended instruments linked to conservation collateral and investment.
<u>A Blue Bank</u>	All UN Members as proposed by UNCTAD staff and South Centre in 2022	No dedicated blue bank currently exists although several banks have blue platforms or departments.

- **Expand sources of ODA for a sustainable ocean economy** for the needed hard and soft infrastructure
- **Use UNCTAD Ocean Trade database** to identify which are the sustainable ocean sector with growth potential
- Design, create and discuss the idea of a **Blue Bank** for projects that can return revenues
- Develop **multilateral financial taxonomy and regulations** for Blue bonds, blue loans nature for debt swaps and other innovative instruments
- Invest on the **BLUE DEAL** proposed by UNCTAD for sustainable oceans solutions on: 1) decarbonization of international shipping & fisheries; 2) sustainable ocean-based food and non-food goods production, 3) offshore wind and tidal energy production; 4) conservation and restoration of mangroves and kelp forest & seagrasses.

Looking towards a BLUE FUTURE



INC 3: Nairobi Kenya

Source: UNCTAD secretariat based on United Nations System websites and reports.



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