# African Ministerial Conference on Ocean Economies and Climate Change

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## Session 4: Making Climate Smart Ocean Economies Happen: Innovative Financing for Growth and Resilience

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# Creating the Enabling Environment

- Morocco – Development of aquaculture sector to generate jobs, especially for women, in rural areas where employment prospects are challenging.
- Sultanate of Oman - Reimbursable Advisory Services Sustainable Management of the Fisheries Sector
- Indonesia - Transforming Indonesia into a Global Maritime Powerhouse

# Improvement of fisheries governance: SWIOFish

Fisheries governance is the first pillar of the SWIOFish program: an improved management of the SWIO fisheries is critical to ensure their sustainable contribution to the region's economies and food security.

1 **Legal framework:** modernization of the fisheries legislation and support to cross-ministerial coordination in Comoros

2 **Monitoring, Control and Surveillance (MCS):** first fisheries surveillance patrol in Comoros (notification of offence of a foreign fishing vessel)

3 **Statistics:**

1

**EFFICIENT STATISTICAL SYSTEMS ARE KEY TO SOUND MANAGEMENT OF FISHERIES SECTORS**

2

**TAILORED STATISTICS IMPROVEMENT:**

Predefinition of realistic objectives and strategy

Adaptation of complexity and costs to national contexts

Integration into national statistical systems and strategies

Piloting mobile data collection

3

**COUNTRIES OF IMPLEMENTATION :**

Comoros, Madagascar, Mauritius, Mozambique, Tanzania

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# Facilitating private sector investment

Access to finance for SMEs – Credit guarantees for the ocean economy  (fishers, small scale aquaculture)

MIGA Risk insurance for Foreign Investors

- **Sierra Leone –** Modernization and expansion of the Sierra Fishing Inc. operations.
- **Benin** – private equity investment in the creation of a virtual port single window (PSW).
- **Senegal** – Upgrade of the Port of Dakar, doubling capacity

# Mobilizing Impact Capital: Blue Bonds

**The Blue Bond is a landmark new kind of transaction that mobilizes capital markets to finance blue economy objectives**

A Blue Bond is a debt security that is issued to raise capital specifically to support sustainable ocean-related or fisheries projects.

Based on the Green Bond concept, it targets impact investors. It benefits from credit enhancement mechanisms to lower their cost

Risks related to the design, the issuance and price. Higher management costs for appraisal and repayments.

Increase access to funding for ocean-related projects, particularly for developing countries and small island developing states

Include a verification mechanism that investments made are indeed "**Blue**" and matching the proposed criteria (similar to Green Bonds)

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# Blue bonds in Seychelles

**$15m**
Volume

**10**
years maturity

**3%**
Blue Bond cost objective

**9.5%**
Potential cost of standard credit

### 1st track of the program

Grants made to public and private entities on a project proposal basis, which will fund the implementation of the Marine Spatial Planning and the Mahé Plateau Fisheries Management Plan

### 2nd track of the program

Onlending to private entities to provide loans to fishers for activities consistent with the provisions of the Mahé Plateau Fisheries Management Plan, focusing specifically on economic diversification and sustainability

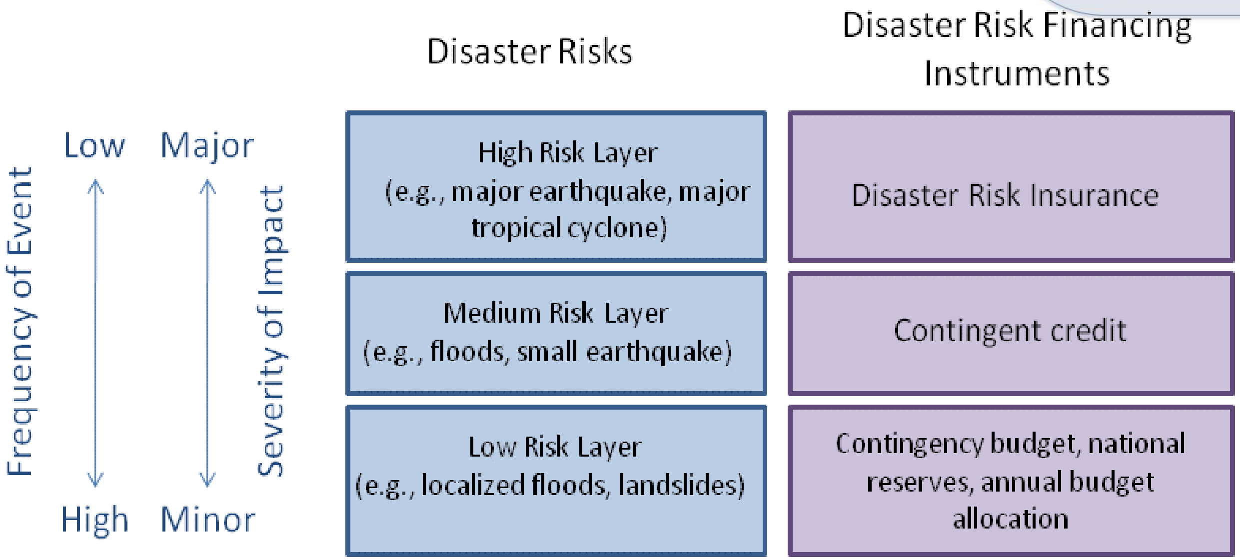
### Overall objective

The Blue Bonds will finance the improvement of marine resources planning and management. It will specifically target the implementation of the marine spatial planning and the Mahé Plateau Fisheries Management Plan.

### Example of activities to be financed by Blue Bonds

Enhanced monitoring, control and surveillance of the natural resources and economic activities, including satellite-based imaging etc.; communication, consultations and capacity-building efforts targeted at the main stakeholders; promotion of more sustainable practices; support to economic diversification

# The World Bank's Disaster Risk Financing and Insurance Framework


**An integrated layered approach to disaster risk financing is most effective**

# Disaster Risk Financing Strategies

**Seychelles - deferred Draw Down Option (DDO) on Development Policy Loan for Disaster Risk Management**

- The DPO focuses on improved DRM resilience and preparedness policies
- The DDO provides immediate liquidity in aftermath of a natural disaster;
- Enhances the country's capacity to manage natural hazard risk.

**South West Indian Ocean Islands**: technical support to establish disaster risk financing strategies:

- Support the establishment of a disaster contingency fund in Madagascar;
- Providing advice on acquiring cyclone insurance provided by Africa Risk Capacity (ARC) and other risk financing instruments;
- Sharing experiences from other regions on establishing risk financing strategies (Caribbean and Pacific).

**Caribbean Catastrophe Risk Insurance Facility (CCRIF)**:

- Provides insurance coverage against earthquake, hurricanes and excessive rainfall to sixteen Caribbean countries by pooling the risks of the countries and transferring a portion of the pooled risks to the re-insurance market.

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# Thank you!