

# Fact Sheet

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**Title of the proposed Joint Programme** Blue Invest: A Facility for Caribbean SIDS' Financial Expansion

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**UNCT** Multi country office Barbados and the OECS: St. Lucia, Grenada, Saint Vincent and the Grenadines, Dominica, Montserrat, Antigua and Barbuda, Saint Kits and Nevis, Anguilla and British Virgin Islands.

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**Date** Tue, 03/31/2020 - 12:00

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**RCO focal point** Kenroy Roach - kenroy.roach@un.org

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## Lead UN entity and contact person

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UN entity	Name	Email
United Nations Development Programme (UNDP)	Madgy Martinez Soliman	magdy.martinez-soliman@undp.org

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## Participating UN entities and contact persons

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UN entity	Name	Email
Food and Agriculture Organization (FAO)	Renata Clarke	renata.clarke@fao.org
United Nations Environment Programme (UNEP)	Vincent Sweeney	Vincent.sweeney@un.org

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## Relevant UNDAF Outcome/s and Output/s

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United Nations Multi Country Sustainable Development Framework 2017-2021

- Outcome 4.2: Inclusive Sustainable solutions adopted for the conservation, restoration and use of ecosystems and natural resources.  
Output: Enhanced capacities of national and subnational governments and communities to effectively manage and sustainably use the resources of the Blue Economy for improved ocean resilience and health.

Outcome 1.2 Access to equitable social protection systems, quality services and sustainable economic activity improved

Outputs:

- Strengthened national capacities to undertake effective fiscal, debt and macro-economic management for sustainable development of Blue/Green Economy sectors.
- Increased investment and enhanced adaptive capacity to support sustainable livelihoods in both marine and terrestrial sector of the Blue Economy.

**Relevant objective/s from national strategic document/s**

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- Barbados: Blue Economy Strategy
- Saint Vincent and the Grenadines: National Economic and Social Development Plan 2013-2025 and National Ocean Policy
- Grenada: National Sustainable Development Plan 2030

**SDG targets on which the progress will be accelerated (includes targets from a range of SDGs and development pillars)**

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**Goal 1: End Poverty**

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- Goal 2: Zero Hunger
    - 2.1
    - 2.3
    - 2.4
    - 2.a
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**Goal 3: Good Health and Well-Being**

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**Goal 4: Quality Education**

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- Goal 5: Gender Equality
    - 5.a
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- Goal 6: Clean Water and Sanitation
    - 6.3
    - 6.4
    - 6.6
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- Goal 7: Affordable and Clean Energy
    - 7.1
    - 7.2
- 

- Goal 8: Decent Work and Economic Growth
    - 8.2
    - 8.3
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**Goal 9: Industry, Innovation and Infrastructure**

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**Goal 10: Reduced Inequalities**

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**Goal 11: Sustainable Cities and Communities**

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**Goal 12: Responsible Production and Consumption** 12.2  
12.4  
12.5

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**Goal 13: Climate Action** 13.1  
13.b

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**Goal 14: Life Below Water** 14.1  
14.2  
14.3  
14.4  
14.5  
14.6  
14.7  
14.a  
14.b  
14.c

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**Goal 15: Life On Land**

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**Goal 16: Peace, Justice and Strong Institutions**

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**Goal 17: Partnerships for the Goals**

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**Self-Assessment**

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**The proposal reflects the integrated nature of the SDGs** Yes

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**The proposal is based on an inter-agency approach (two or more UN entities involved), with RC coordinating Joint Programme preparation and implementation** Yes

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**The proposed results are part of the UNDAF and aligned with national SDG priorities** Yes

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**The proposed Joint Programme will be led by government and include key national**

stakeholders

Yes

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The proposal is based on country level consultations, as explained in the Concept note, and endorsed by the government (the letter of endorsement) Yes

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The proposal is based on the standard template for Concept Notes, it is complete, and it includes: Yes

- Theory of Change demonstrating contribution to SDG acceleration and transformation to implement the 2030 Agenda and awareness of relevant financial policy efforts at regional or national level,
- Results-oriented partnerships, including a strategy to engage and partner with IFIs/MDBs,
- “Quick wins” and substantive outcome-level results, and
- Initial risk assessment and mitigation measures.

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The proposal is expected to leverage resources for the SDGs at scale Yes

## Proposal for Joint Programme

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### 1. Summary of the Joint Programme

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Blue Invest: A Joint Programme that will support three Eastern Caribbean countries: Barbados, Saint Vincent and the Grenadines (SVG) and Grenada to achieve SDGs by catalyzing available finance in the region and facilitating implementation of bankable investment projects in the Blue Economy.

The Blue Economy refers to all economic activities related to oceans, seas and coasts. For Small Islands Developing States (SIDS), the Blue Economy is the backbone to realize the 2030 SDG agenda, for it offers enormous potential in projects with positive social and environmental impact that are financially sustainable, low-carbon, climate-resilient and tailored to meet local stakeholders' needs. Blue Invest will catalyze such projects through technical assistance and financial support that will crowd-in private sector funding into Blue Economy-linked investments.

On one hand SIDS in the Caribbean are highly vulnerable, deeply indebted and, outside tourism, the region's Blue Economy suffers severe underinvestment. On the other hand, DFIs have over US\$ 2 billion to invest in the region as shown by global financial market assessments.

The causes for this mismatch are the lack of depth and breadth in local public and private capacity to identify, formulate, negotiate and implement bankable projects to absorb current DFI appetite and generate economies of scale and replication. This results in very few quality projects being presented for DFI financing, with wide gaps where needs are the highest, such as sustainable fisheries, environmental protection and preservation of natural capital such as coastal reef systems. Since DFI funds generally require government borrowing or guarantees, private capital must be crowded-in to complement DFI investments in Blue Economy sectors.

The activities of Blue Invest will lead to at least USD 50 million of investment in projects in priority Blue Economy sectors over a four-year period.

Blue Invest is a technical assistance and investment facility (TAIFAA) to accelerate project identification, formulation, financing and implementation. It will fill the capability gap in the technical and financial structuring of an investment pipeline of Blue Economy projects, ensuring that this pipeline will be financed by leveraging (a) existing grant programs from development partners, (b) DFI financing, and (c) its own financial instruments and incentive schemes to crowd-in private capital. Such private capital will be sourced from impact investors, institutional investors, commercial banks and philanthropists.

The initiative is in the pre-design phase, with similar initiatives existing for reference, solid partnership with DFIs and transfer of best practices.

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## **2. Thesis and theory of change of the Joint Programme**

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### **Context:**

In SIDS such as those included in the scope of this initiative, the Blue Economy-related sectors are the greatest potential catalyst for the attainment of a wide range of SDGs, specifically SDGs 2, 5, 6, 7, 8, 12, 13 and 14.

Currently, there are pressing investment needs in high-impact Blue Economy sectors, with the priority being: i) waste management, ii) environmental protection and biodiversity, iii) fisheries and aquaculture, iv) energy and v) transport infrastructure. These sectors are all linked, ultimately, to public health, environmental protection and broad-based economic growth and sustainable development.

DFIs and development partners are active in supporting the Blue Economy but there is a lack of bankable projects to move into implementation at a transformational scale. This slows down the deployment of development funding that is readily available.

The bandwidth of local project preparation capacity is very narrow, both in public and private organisations, which results in a shortage in the supply of quality projects. Furthermore, project implementation lead-times are long: approximately 2-4 years on average for complex enterprises. Furthermore, existing project structuring capabilities are often not in the areas where they are most needed or where impact is greatest, resulting in a misalignment between project implementation and development needs.

DFI funds are insufficient to cover all Blue Economy needs, especially since loans are provided on government balance sheets.

Therefore, the main assumption of the TOC of this initiative is that through the Blue Invest TAIFA, countries will have access to the latest information, additional technical expertise and negotiating capacity to develop bankable projects. This will enable them to leverage additional resources to support the Blue Economy and the attainment of the SDGs in an enabling environment for blended finance solutions.

### **Outputs:**

- Focused technical assistance to develop projects (Project Factory) and advise governments on regulatory aspects.
- New financial instruments to support investment.
- A network of funding sources across donors, DFIs and the private sector.

### **Outcomes:**

- Framework for prioritization of Blue Economy investments.
- New sources of private sector financing identified.
- A pipeline of high quality, bankable projects ready for investment.
- Improved regulatory and legal enabling environment for private sector intervention.
- Incentives and instruments in place to de-risk investments and attract private sector financing.
- Greater private financial flows to Blue Economy sectors.

Impact:

- Implementation of priority SDG projects, leading to accelerated progress on achieving the SDGs.
- Lower reliance on sovereign borrowing to implement Blue Economy investments.
- Greater project financial self-sustainability due to involvement of the private sector.
- Increased public awareness of the importance of Blue Economy for long-term sustainable economic growth.
- Long term environmental protection and job creation.

Drivers:

- Broad stakeholder engagement.
- Visionary political leadership.
- Innovative financing structures.
- Successful communication strategy.

Assumptions:

- Government support for potential regulatory changes and the enabling environment.
  - Additional sources of grant financing identified to combine with Blue Invest funding for financial incentives.
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### **3. What are the expected results of the proposed Joint Programme?**

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Short-term results:

- at least 20 new projects identified;
- at least 5 projects shortlisted;
- at least USD 5M complementary grant funding identified;
- at least 20 sources of private financing identified;
- at least 5 feasibility studies and ESIA's completed, including climate vulnerability risk assessments;
- at least 30 staff in government and regional organizations trained.
- at least 75% of the projects have solid gender impact analysis
- at least 75% of the projects have developed Social and Environment Screening Procedures (SESP)

Long-term results:

- at least 5 scalable and replicable projects launched;
- at least USD 50M new investments catalyzed;
- at least 25M in private capital mobilized;
- avoided increase in government debt levels.

Impact indicator examples:

- project cost-impact ratios i) excluding and ii) including externalities
- increase in treated wastewater
- increase in local aquaculture fisheries production
- improved local value capture of artisanal fisheries
- improved seawater quality
- increased biomass in coastal reef areas
- value of committed private funds
- reduction in illegal and underreported fishing

Almost every economic activity in SIDS has a link to the ocean either directly (e.g. tourism, transport and fisheries) or indirectly (local agriculture, culture, waste and wastewater treatment, security, coastal erosion, etc.). This is reflected in current initiatives in target countries:

- Barbados: the new Ministry for Maritime Affairs and the Blue Economy launched a “Roofs to Reefs” programme with strong IDB support.
- SVG: with World Bank support, the country has prioritized climate and fiscal resilience through promoting the Blue Economy
- Grenada: Public policy is based on its “Ridge to Reef” programme and the “Blue Economy Master Plan”.
- All three: comprehensive SDG mainstreaming, with UN policy support in Barbados and SVG

Blue Invest will also build on other UN agencies’ work in the region.

By promoting private sector participation, projects supported by Blue Invest will not be reliant on grants or external support to be sustainable over the long term: they will be set-up to be financially self-sustainable. Capacity building is a key pillar of this initiative. As such, over a period of four years, the TAIFA team will strengthen national institutions in the three countries. Blue Invest will put in place a new financing system for the region that, while focusing in LNOB and promoting sustainable development, is profitable for the private sector and necessary for national institutions and communities.

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#### **4. Describe the innovative nature of the Joint Programme**

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Typical funding models to achieve SDGs in the region are grant-based or financed by DFIs on the government balance sheet. Blue Invest aims to shift away from these models and, as the first facility of its kind in the Caribbean, it shall bridge the gap between investment needs and the vast amounts of private capital seeking investment returns.

Attracting private financing requires innovative financing mechanisms, such as guarantees, first loss capital, equity risk capital, subordinated debt, venture capital, interest rate subsidies and social performance incentives. These can be combined with existing instruments such as political risk guarantees, insurance and investment grants. Debt swaps, Blue Bonds and Public-Private Partnerships (PPPs) offer attractive means to transfer financing from government balance sheets to the private sector.

Furthermore, Blue Invest will support enhanced cooperation between UN agencies and DFI partners under a single roof to help identify new mutually reinforcing initiatives to increase the UN system’s impact.

Initiatives such as Blue Invest include Renewable Energy Performance Platform, REPP, to support funding of renewable energy investments in Africa, or the ASEAN Catalytic Green Finance Facility, ACGF, for publicly financed green infrastructure investments in Southeast Asia. These provide a proof of concept: a TA can accelerate project preparation and implementation. What makes Blue Invest different is that this will be the first time that a facility is established specifically to crowd-in private funding for Blue Economy investments in SIDS.

Blue Economy is a main programmatic pillar of the UN Multi-country footprint. Building on existing partnership with DFIs (CDB, IABD, World Bank and EIB) on the policy and research areas, but also project/investments cooperation, the Blue Invest will leverage additional resources in support of Government’s national priorities.. Blue Invest is a missing link for all actors.

An alternative to Blue Invest would be to provide assistance to a single Ministry in each country concerned (e.g. Fisheries, Environment, etc.). This, however, limits the scope for cross-sectoral analysis and identification of cross-cutting issues or regional/replicable interventions, and would mean the proposal is fully reliant on the implementation capacity of that single Ministry.

This traditional approach of DFIs placing loans with governments has probably attained its debt ceiling and exposure limit for the DFIs themselves. Governments have multiple priorities but not the capacity to formulate except first-tier priority bankable projects. Lastly, the

private sector needs support to scale-up investment through de-risking initiatives such as Blue Invest TAIFA.

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## **5. Expected added value of the UN and the Joint SDG Fund**

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Donors & DFIs have been supporting the BE with TA for studies and capacity building, but without sufficiently funding the use of innovative financing mechanisms to attract private capital. Furthermore, these efforts have not brought the desired long-term effects and the same challenges remain resulting in slow progress, duplication of efforts, cost inefficiencies and underinvestment in the BE.

Coordinating these efforts to align them to the SDG goals linked to the Blue Economy would produce immediate benefits. Tackling the BE priorities in a focused, holistic and coordinated manner through an independent and respected family of organisations such as the UN Agencies will help capture and enhance these benefits. The 2030 Agenda and SDGs, particularly the LNOB, underpin Blue Invest. Consequently, projects characteristics will be different to those driven by a loan placing focus.

The UN is respected for its independence, stakeholder engagement, technical capabilities and expertise and effectiveness in implementing programs. The UN is proven convener and broker for all stakeholders, with no agenda other than accelerating SDG targets attainment.

Development partners launch sector-specific initiatives, but none in the Eastern Caribbean have yet taken a broad, large-scale and holistic approach akin to Blue Invest to exploit the synergies between the different Blue Economy sectors. Without the Joint SDG Fund, it is unlikely that such an initiative would ever be launched considering the expertise, degree of innovation and risk it entails.

The UN has a track record in mobilizing private capital to reach the SDGs through the UN Global Compact, with a forthcoming Sub-Regional Network to be established for the Eastern Caribbean in 2020. Blue Invest will deliver a valuable tool to support the achievement of the Global Compact's objectives, and in parallel respond to the issue of often raised lack of capacity in governments to prepare and support SDG-related projects.

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## **6. Leadership and implementation of the Joint Programme**

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1. RC/RCO: Oversight, coordination and support to UN entities to ensure overall cohesion of results, leadership and partnership with governments, partners and key stakeholders.
2. UN entities: UNDP (leading agency) to support supervision and general management of the TAIFA,. All PUNOs (UNDP, FAO and UNEP) will provide expert input, support regulatory and capacity building activities, technical assistance and implementation support in their respective sectors.
3. National counterparts: Under the leadership of the respective Prime Ministers, Ministries of Finance and Blue Economy/Environment will lead the inter-ministerial coordination mechanism to prioritize efforts and ensure support for Blue Invest.
4. DFIs: provide expertise, provide long tenor financing, support access to guarantee instruments.
5. Bilateral donors: provide sources of grants for financial instruments, support policy and regulatory work.
6. Impact investors and private equity funds: provide equity capital.
7. Institutional investors: provide long term investment capital for infrastructure projects.
8. Commercial banks: provide loans to companies implementing investments.
9. Philanthropists: provide grants to de-risk investments.
10. Export agencies: to provide insurance for foreign direct investment (FDI)
11. Chambers of commerce: identify investment bottlenecks, support stakeholder engagement.
12. Civil society organizations / NGOs: support stakeholder engagement.

Blue Invest will consist of a core team of three long-term experts and a seasoned project manager with relevant experience and an administrative specialist. This team shall approach Blue Economy projects holistically and avoid the silo-approach. External resources shall be drawn upon where necessary.

For Blue Invest to deliver at full capacity it requires effective partnerships with all players listed above in this point. Partners key to success include the governments, Caribbean Development Bank, Inter-American Development Bank, the World Bank and the European Investment Bank, all of whom have signed support letters, and the UN Agencies themselves.

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## **7. Expected period of implementation**

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Since Blue Invest shall focus on priority projects, 4 years is considered appropriate to achieve its objectives. This timing takes into account project identification, project prioritization, stakeholder engagement, conducting of feasibility studies, ESIA's and climate vulnerability risk assessments, preparation of tender documentation, identification of sources of financing, capacity building support to the government, passing of required supporting legislation, tender processes, project launch and start of monitoring process.

Critical milestones:

1. Hiring of the sectoral experts, PM and administration expert for core Blue Invest team
2. Identification of project long list and short list of priority projects for each of the three countries with stakeholder validation
3. Definition and launch of training in government agencies;
4. Definition and achievement of required changes to business enabling environment;
5. Identification of complementary donor funding and setting-up of financial instruments;
6. Full disbursement of investment funds and project launches.

The countries covered by Blue Invest have identified improving the ease of doing business as critical to stimulate new investment in their economies.

DFIs seek Blue Invest support to liaise with national counterparts for the development of bankable project pipelines.

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## **8. Cost, co-funding, and co-financing of Joint Programme**

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Blue Invest targets a USD 10M budget to be spread over a 4-year period. 70 %, will go for de-risking and technical assistance. This would include USD 3.5 M of catalytic financial instruments such as seed grants to crowd-in the private sector where required. Other USD 3.5 M would fund sectoral experts, feasibility studies and other technical assistance needed (USD,3.5M). The remaining 30 % (USD,3M) will be for capacity building, direct support and team management.

Blue Invest will require the following technical capabilities for:

- Financial analysis, structuring and negotiation, de-risking instruments, management of investor and development partner relationships;
- Regulatory, policy and programmatic analysis and development to eliminate barriers and deliver project viability;
- Thematic technical expertise to underpin project viability and sustainability;
- Environmental and social impact analysis;
- Expertise in PPP business model definition and supervision;
- Project tendering processes, monitoring and supervision;
- Local knowledge and network to source projects and engage all necessary partners from across the full spectrum of stakeholders.

To support the above, Blue Invest will have three senior experts for the following roles:

- 1– Financial structuring expert

2– Engineering, procurement and ESIA expert

3– Legal and regulatory expert

Additionally, a project manager and an administration specialist will provide operational support. The core team shall be complemented with external sectoral expertise where necessary.

The experts will be located at the UN Multi-Country Office for Barbados and the OECS, thereby minimizing logistical costs and ensuring direct and fluid communication with the PUNOs and the RCO.

The USD 10M budget of Blue Invest is expected to catalyze USD 50M in new investment funds, of which 5M will be additional grants, and the remaining USD 45M will be from equity investment and loan financing. Non private sector donor funds shall mainly be structured in the form of de-risked financial instruments such as first loss capital. The private sector shall account for at least 50% or USD 25M of the total.

Already, seven development partners (Caribbean Development Bank, European Investment Bank, World Bank, Inter-American Development Bank, New Zealand High Commission, Canadian High Commission and the European Commission) have indicated their interest in partnering with Blue Invest. Also, different impact investors, philanthropists, private investors and regional commercial banks have been identified as additional sources of financing. There may be a role for some government financing, but the potential scope for implementing privately financed, well-prepared PPP projects is large.

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## 9. Risk assessment

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Risk: Insufficient bankable projects identified

Mitigating factor: Blue Invest is specifically conceived to reduce this risk. Firstly, the 5 selected Blue Economy themes are broad and have high investment needs. Secondly, Blue Invest has a large component for technical assistance and an expert team to ensure conversion to bankable projects.

Risk: Insufficient TA funding to prepare bankable projects

Mitigating factor: Projects from different sectors will be selected during the prioritization phase, and TA funds allocated accordingly, to avoid a single project from absorbing all funds. If it becomes apparent that there is insufficient TA funding, then other sources of TA from other development partners can be leveraged.

Risk: Projects do not attract private investment.

Mitigating factor: Where project preparations show that investments will not show an adequate return to attract private financing, then this is strong evidence for the use of grants from development partners to support the projects and reduce private investment costs. Alternatively, the relevance or approach of the project needs to be reassessed in terms of its financial feasibility.

Risk: Inadequate government support to prepare projects to implementation stage.

Mitigating factor: Blue Invest has been designed to fill the capacity gap that governments are facing. Governments recognize that the future welfare of their citizens, including business opportunities, job creation, environmental sustainability and international competitiveness, is intimately linked to the success of their blue economies. At project selection, one of the important criteria will be the level of government support for the project.

Risk: pandemic threatens the implementation of activities

COVID 19 pandemic has exacerbated underlying vulnerabilities of SIDS, particularly the dependency on tourism.

Mitigation measure: project implementation will start in 2021 once the pandemic is over and lessons learnt can be applied.

Strengthening the BE can promote resilience and sustainable development.

The main assumptions underlying this assessment is i) that Blue Invest is staffed with senior experts with the competencies and drive

and ii) that the initiative specifically responds to existing needs at country level and funding appetite from potential investors.

Blue Invest implementation shall follow UN rules and regulations. UNDP is the second most transparent aid organization in the world Aid Transparency Index and both UNEP and FAO have solid record as implementing partners. Continuous close communication, knowledge-sharing and transparency will ensure the safeguarding of UN principles and avoid any possible reputational risks. All relevant to procurement and project management standards shall be followed.

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## **10. Convening the private sector and engaging IFIs/DFIs**

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The RCO for Barbados and the OECS has launched the Private Sector Dialogue (PSD) on the 2030 Agenda and the SDGs, leading to the establishment of a Sub Regional Global Compact Network. The PSD process shall serve to establish and/or enhance existing private-public partnerships for Blue Economy investments and for identifying key private sector investors for the TAIFA, thereby increasing financing of the SDG agenda in the Caribbean. These forums shall also be used to divulge the TAIFA and its novel mechanisms for crowding-in private investment.

Additionally, in October 2020, Barbados will be the first Small Island Developing State to host the 15th quadrennial United Nations Conference on Trade and Development (UNCTAD). This Conference presents an opportunity to not only focus on global trade and development issues but to mobilize the private sector to scale-up investment and to undertake concrete actions towards the TAIFA and achievement of the 2030 Agenda and SDGs.

Regarding DFIs, already 7 development partners including CDB, EIB, World Bank, laDB, New Zealand High Commission, Canadian High Commission and the European Commission have indicated their interest in partnering with Blue Invest. CDB, laD and EIB support letters enclosed.

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## **11. Leverage and catalytic function**

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The target is a multiple on the Blue Invest budget of at least 5 times: USD 50M of blended funds shall be mobilized in a 4-year period leveraging the TAIFAs USD 10M of funding, of which USD 3.5 M shall also be used to fund investments. Furthermore, at least half of the funds shall be sourced from the private sector: a minimum 2 time multiple on development funds. The key to attaining this leverage is:

- Offering governments lower impact on their balance sheets to attract support and high-impact projects
- Offering DFIs better cost-impact ratios and faster and additional deployment of capital
- Crowding-in private investment funds by using innovative financial instruments to de-risk

Examples of leverage and catalytic function:

- Blue Invest prepares a feasibility study, ESIA and tender documentation for a waste-water treatment plant in partnership with a DFI. The project is tendered on a PPP basis. Blue Invest supports the government in negotiations with the winning bidder and structuring a USD 5M loan guarantee facility. The private sector invests USD 10M in commercial bank debt and USD 5M in equity into the plant and operates it for 20 years.
- Blue Invest prepares a sustainable fisheries plan in partnership with FAO. The plan foresees retraining of fishermen, the construction of a processing facility, and improved product traceability. Blue Invest works with local commercial banks to offer a partially guaranteed loan to the fishermen to construct the processing facility. Because of the guarantee, the commercial banks will offer financing to a sector that has traditionally been perceived as too risky. Total investments are USD 5M.
- Blue Invest supports stakeholder engagement for a new coastal marine spatial plan. The plan forms the basis for new legislation to

create managed marine protected areas (MPAs). Blue Invest identifies grant funding from bilateral donors to support retraining of fishermen and implementation of monitoring and surveillance processes. Blue Invest supports the government tender process for a consortium of NGOs to manage the MPAs and works with impact investors to provide funds to establish the MPAs and develop a tourist center. Total investments are USD 3.5M with USD 1M additional grant support coming from the bilateral donors. Initial deployment shall establish best-practice processes and high-impact project templates before replication in other EasternCaribbean countries and beyond in other geographies and even SDG targets in need of investment facing similar barriers to bankable projects.

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## **12. Technical support and seed funding**

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The following tasks need to be completed to prepare a detailed proposal and action plan to launch Blue Invest.

Structure and operations of Blue Invest:

- drafting of detailed terms of reference for Blue Invest;
- definition of expert profiles and job descriptions;
- definition of advisory and governance framework;
- definition of detailed budget;
- definition of operating procedures;
- definition of monitoring indicators.

Stakeholder engagement and building partnerships:

- stakeholder engagement on initial long list of projects;
- stakeholder engagement on private sources of financing;
- engagement with governments on priority sectors and projects;
- engagement with DFIs on financing terms and eligibility criteria;
- inventory of sources of grants and existing financial de-risking instruments, including eligibility criteria and analysis of requirements to access these;
- inventory of potential financing models to maximize private sector financing;
- inventory of innovative Blue Economy projects from around the world and lessons learned.

One of key success factors of Blue Invest will be its capacity to establish financial instruments to promote private investment. These shall be used discretionally according to the project profile, and will leverage to the extent possible existing guarantee and de-risking instruments (for example, IDB Guarantee Scheme for SMEs in Barbados, Eastern Caribbean Partial Credit Guarantee Scheme for SMEs in the OECS, USAID Development Credit Authority guarantees, World Bank Multilateral Investment Guarantee Agency). When an inventory of existing instruments has been completed, a gap analysis will be conducted to define what potential new financial instruments will be required for Blue Invest to catalyze more private investment in the Blue Economy.

New financial instruments may bring a host of requirements linked to risk management, finance and control, management of payments and reflows, separation of duties and avoidance of conflict of interests. Potential governance requirements will need to be closely examined and clarified.

An expert will be required to conduct the gap analysis, and subsequently a cost-benefit analysis of potential new financial instruments that Blue Invest can utilize.

Altogether, a budget of USD 100,000 is required for external consulting support to complete the drafting of the Joint Programme.

## Signatures

Signed Signature Form

[Signature Page Component 2 BBDOECS.pdf](#) 50.57 KB

## Government Endorsement

Letter of Endorsement

[Govt Endorsement -DP support letters\\_1.docx](#) 1.43 MB