Mobilizing Financial Resources for Blue Communities in support of Blue Hope

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The Blue Economy

Source: Achieving Blue Growth: Building vibrant fisheries and aquaculture communities (FAO, 2018)
Why it matters...

1. The ocean is valued at more than 24 trillion USD (but is likely much higher because ecosystem services are difficult to quantify)

2. The ocean’s annual economic value—or “gross marine product”—is estimated to be 2.5 trillion USD (noting that two-thirds of this estimate depends on healthy oceans)

3. Furthermore, oceans are only part of the blue economy “picture”. This doesn’t include rivers, lakes, etc.

ECONOMIC Benefits of the Ocean Economy
Overview of industry-specific value added (in USD billions) 2010 vs. 2030

Source: The Ocean Economy in 2030 (OECD, 2016) (note: artisanal fisheries not included in this overview)
SOCIAL Benefits of the Ocean Economy

Comparison of direct employment (in millions) in the ocean economy in 2010 vs. 2030

Source: The Ocean Economy in 2030 (OECD, 2016)
SOCIAL Benefits—Food Fish Consumption (in millions of tons) 2016 vs 2030

<table>
<thead>
<tr>
<th></th>
<th>FOOD FISH CONSUMPTION</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>DATA 2016</td>
<td>PROJECT 2030</td>
<td></td>
</tr>
<tr>
<td>Capture</td>
<td>71.2</td>
<td>74.2</td>
<td></td>
</tr>
<tr>
<td>Aquaculture</td>
<td>80.0</td>
<td>109.4</td>
<td></td>
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<tr>
<td>Global total</td>
<td>151.2</td>
<td>183.6</td>
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</table>

(in millions of tons, live weight equivalent; capture data pertains to human consumption only)

Source: The State of World Fisheries and Aquaculture 2018 (FAO, 2018)
FAO’s Blue Growth Initiative

Business as usual
Focus on individual development interests

VERSUS

Maximize profit and production
Maximize environmental sustainability
Focus on social benefits or livelihoods has traditionally not been prioritized

Maximize environmental benefits
Maximize economic benefits
Maximize social/community benefits

Sustainably developed fisheries and aquaculture

Ecosystem services • Rights of local fishing • Inland fisheries • Aquaculture • Technology & innovation • Fish & nutrition • The Code of Conduct • Livelihoods & decent work
Blue Growth Initiative

“Theory of Change”

**Objectives:**

- Create favorable conditions for transition to blue economy
- Improve governance of aquatic ecosystems
- Preserve biodiversity and habitat
- Include all stakeholders along the value chain
Blue Growth Initiative Activities

Caribbean
With rising populations, tourism and a focus on healthy diets, Caribbean Blue Growth activities are focused primarily on increasing volumes of fish for local consumption by small- and medium-scale aquaculture and aquaponics, in an economically viable, ecologically sustainable and socially acceptable manner.

Asia and the Pacific
In Asia and the Pacific, aquaculture of fish and crops, such as seaweed, are the key drivers to Blue Growth. Combining innovative techniques and financing, farmers in these countries are producing their products more efficiently and marketing them more effectively, generating more jobs, higher income, all while sustainably preserving the environment.

Africa and the Near East
Africa and the Near East are focused on using Blue Growth as a vehicle to achieve Sustainable Development Goal 14, to conserve and sustainably use the oceans, seas and marine resources for sustainable development, particularly in light of population growth and increased migration flows, alongside the added stress of climate-change impacts, which place greater pressure on limited natural resources.
Key Challenges

1. **Blue Economy requires a dramatic shift from Business as Usual**
   - government administration, stakeholder livelihoods, etc.

2. **Blue Economy transitions are expensive**
   - vessel buy-back programs, alternative livelihood training, creation of new enterprises, equipment purchasing to improve food safety and quality

3. **Facilitating/leveraging public loans and grants to finance blue economy transitions (i.e., enabling conditions for sustainable/inclusive fisheries/aquaculture development)**
   - E.g., Africa Package for Climate Resilient Ocean Economies

4. **Engaging the private sector early and raising awareness to help de-risk**
   - the private sector is key to investing in and sustaining blue economy interventions!
Blue Communities
(e.g., coastal, SIDS, migrant)

- Have most to gain
- But also the most at risk
  - Women and girls
  - Youth
  - Indigenous Peoples
  - Migrants
  - Other marginalized groups
- Which is why we need a framework and process…
FAO Blue Communities Theory of Change

Blue Communities GOAL:
Sustainable livelihood opportunities for reducing poverty and enhancing food security increased in small-scale fishing and aquaculture communities

OUTCOMES
- Enhanced financial empowerment
- Increased access to decent work
- Improved social protection
- Rebuilt and resilient fisheries

Through
FAO Blue Communities Theory of Change

**Outcomes**

- Enhanced financial empowerment
- Increased access to decent work
- Improved social protection
- Rebuilt and resilient fisheries
### FAO Blue Communities Theory of Change

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<th>Intermediate-Outcomes</th>
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### FAO Blue Communities Theory of Change

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<td>• Outreach to business community lenders for loan fund capitalization</td>
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<td>• Development/support to business incubation programmes, including access to finance</td>
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<td>Improved social protection</td>
<td>Increased household welfare</td>
<td>• Public works programs and infrastructure created for most vulnerable societal groups</td>
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<td>• Social security and assistance coverage expanded</td>
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<td>Rebuilt and resilient fisheries</td>
<td>Strengthened multi-sectoral policy &amp; regulatory frameworks</td>
<td>• Tenure and access rights secured</td>
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<tr>
<td></td>
<td></td>
<td>• Finance for enterprising/innovative activities</td>
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<tr>
<td></td>
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<td>• Finance for market-based transactions (e.g., easier to import/export)</td>
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## FAO Blue Communities Theory of Change

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<th>Institutional/Technical Partners</th>
<th>Financial Partners</th>
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<tr>
<td>• Outreach to business community lenders for loan fund capitalization • (Micro-)Financial institutions/cooperatives created/expanded</td>
<td>• Ministries of Finance, UN agencies (UNDP, UNECA, UNWTO—tourism), cooperatives, EU DGs</td>
<td>• Commercial banks, rural development banks, IFC, impact investors, UNDP small grants</td>
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<td>• Development/support to business incubation programmes, including access to finance</td>
<td>• UNIDO, WorldFish, CIRAD, CSOs, National training institutes</td>
<td>• USAID, WB, AfDB, EIB, DevCo, UNDP small grants • National/rural development banks, eco-tourism firms, angel investors, impact investors</td>
</tr>
<tr>
<td>• Public works programs and infrastructure created for most vulnerable societal groups • Social security and assistance coverage expanded</td>
<td>• UNILO, UNIDO</td>
<td>• The World Bank, Reg. Development Banks • Blended public-private finance for ports/landing site, processing centers, innovative technology/data-handling firms (e.g., Google)</td>
</tr>
<tr>
<td>• Tenure and access rights secured • Finance for enterprising activities • Finance for market-based transactions</td>
<td>• UNILO, UNWomen, CSOs, academia, subregional fisheries bodies, national ministries</td>
<td>• IFAD, World Bank • Private finance including law firms, insurance companies, labeling/certification companies, processing plants</td>
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The Full FAO Blue Communities Framework!
Conclusions

- Blue economy transitions are expensive!
- Public-Private institutions have an important role to play in seeding and financing initial transitions
- Private industry and finance are key to sustaining the transition--early engagement is essential to this
- Technical agencies can help build capacity at a technical level for such transitions, but also help convene public and private institutions and raise awareness in the private sector and de-risk investments
Grazie!

Thank you!
Extra Slides
Enabling Condition #1: Policy and Law

CARTA A FAVOR DA PROMOÇÃO DO CRESCIMENTO AZUL EM CABO VERDE

1. INTRODUÇÃO

Por ocasião da Conferência das Nações Unidas sobre o Desenvolvimento Durável Rio+20 que decorreu no Brasil em Junho de 2012, os Pequenos Estados Insulares em Desenvolvimento (SIDS), defenderam a integração da gestão durável dos oceanos no conceito de economia verde.

«A Via a seguir», declaração final da IIIª Conferência Internacional das Nações Unidas sobre os SIDS de Samoa, de 1 a 4 Setembro 2014, lembrou que «os mares e os oceanos, bem como as zonas costeiras, formam uma componente essencial do ecossistema da Terra e estão intrinsecamente ligados ao desenvolvimento durável». Além do papel dos mares e dos oceanos na sequestração do carbono, na segurança alimentar ou ainda na identidade e na cultura das populações dos SIDS, a declaração de Samoa insiste no valor económico: «viabilidade das pescas e da aquacultura, o turismo costeiro, a utilização possível dos recursos dos fundos marinhos e as fontes potenciais de energia renovável constituem os elementos de base duma economia oceânica durável para os SIDS». 
Enabling Condition #2: Public-Private Institutions
Enabling Condition #3: Knowledge/Capacity

Harvesting
- Improve safety and security for workers
- Decrease carbon emissions & adopt appropriate technologies
- Adopt appropriate technologies
- Develop ecotourism
- Eliminate IUU
- Preserve biodiversity
- Improve cold-chain

Primary processing
- Improve energy efficiencies
- Lower carbon emissions
- Innovate & adopt appropriate technologies
- Recycle food byproducts

Secondary processing
- Lower carbon emissions
- Improve infrastructure
- Support innovation

Wholesale
- Improve transport
- Use recyclable packaging
- Decrease food waste
- Improve infrastructure

Retail
- Reduce packaging and recycle
- Decrease food waste
- Improve transport
- Promote sustainable seafood choices

Consumer
- Encourage recycling
- Decrease food waste
- Improve nutrition
- Inform about sustainability of seafood & carbon footprint of food

Post-consumption
- Decrease food waste
- Recycle packaging
Enabling Condition #4: Innovation