



THE BLUE ECONOMY

A CARIBBEAN DEVELOPMENT OPPORTUNITY

DR JUSTIN RAM

Director of Economics, Caribbean Development Bank



LOW ECONOMIC GROWTH AND HIGH DEBT

Regional GDP grew at an average **0.4%** annually from 2008-17

Median government debt rose to **64.3%** of GDP in 2017



HIGH ENERGY COSTS

Energy tariffs for net importers are **3X** tariffs in the United States

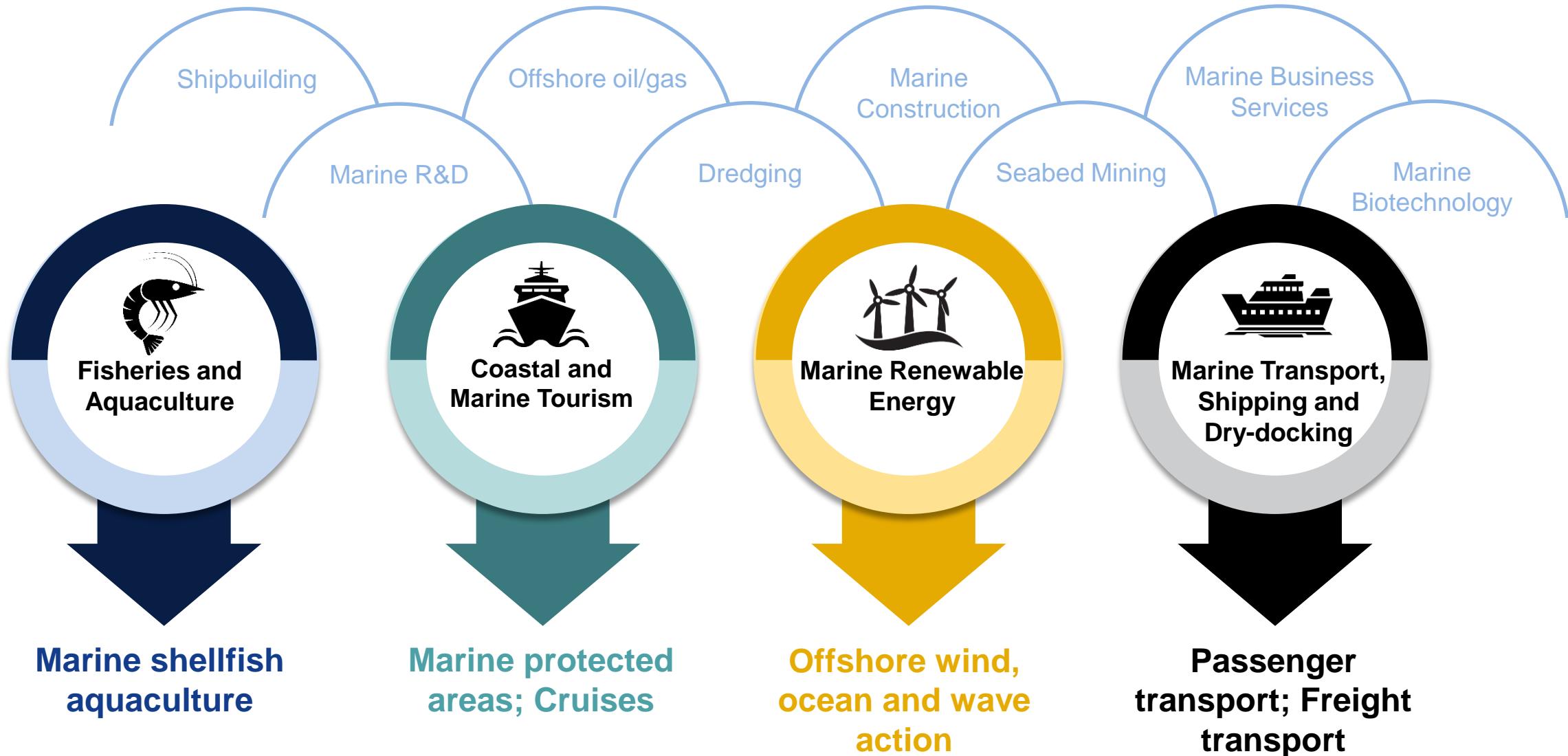
80% of the Region's energy comes from imported petroleum



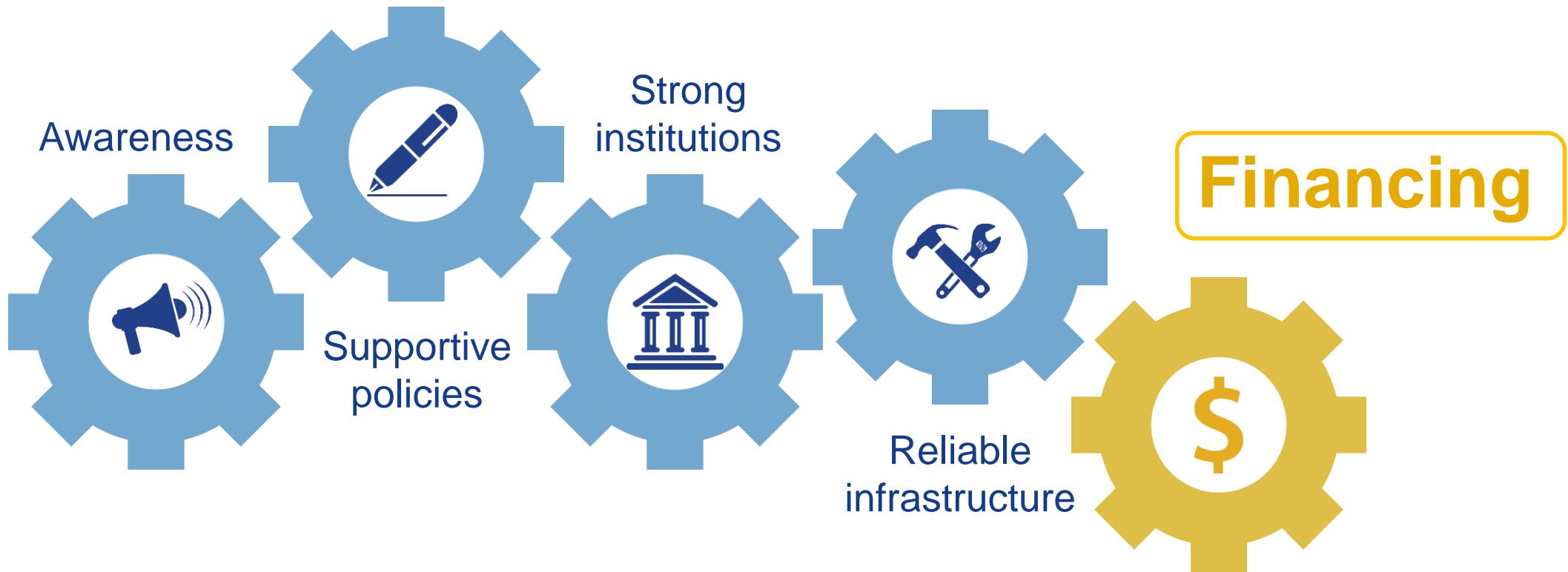
WEAK RESILIENCE TO EXTERNAL SHOCKS

Natural disasters cost the Region on average **2%** of GDP per annum

20% of the Region's aggregate population lives in poverty



Key enablers:





Some new(er) financial strategies and instruments include:

BLENDED FINANCE



Strategic combination of public or development finance with private capital to enhance resources for investment

RECOVERABLE GRANTS



Grants that reduce the risk and upfront of costs of exploratory phases of projects. Often converted to a loan if certain conditions are met

BLUE BONDS



Multilateral Financial Institutions and governments can issue “blue bonds” to fund investments in sustainable ocean and coastal activities

DEBT-FOR-NATURE SWAPS



Sovereign debt is exchanged (at a discount) for in-kind investments in conservation interventions

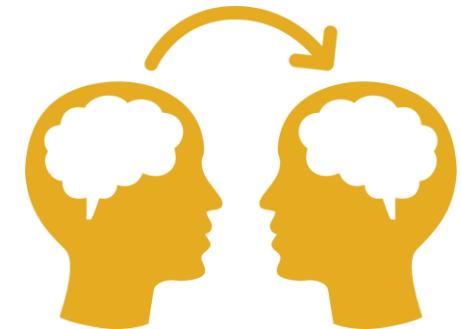
See more at:
http://bit.ly/CDB_BlueEconomy



The Private Sector can invest in the Blue Economy through



PROJECT FINANCING
AND ENTERPRISE
DEVELOPMENT



KNOWLEDGE
TRANSFER AND
CAPACITY BUILDING



INNOVATIVE
MANAGEMENT AND RISK
REDUCTION PRODUCTS



Regional policy for
economic sharing

TO ADVANCE THE
BLUE ECONOMY,
WE NEED



Regional
knowledge hub



Regional agency for
ocean management
and governance



Improved doing
business environment
and infrastructure



Advocacy and
participatory
development