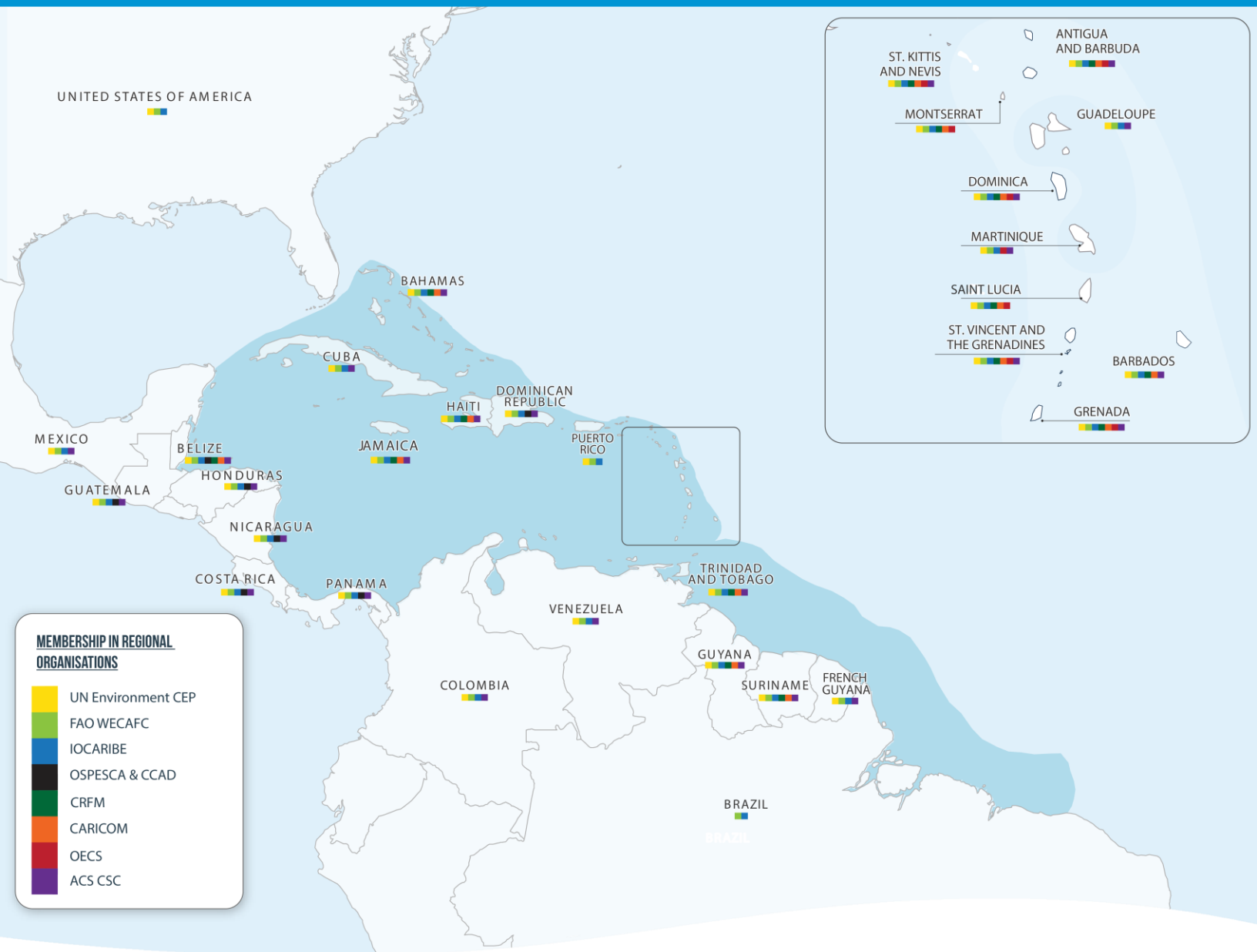


Proposals for a permanent Coordination Mechanism and a Sustainable Financing Plan for Ocean Governance in the Wider Caribbean Region

Centre of Partnerships for Development (GlobalCAD)



Catalyzing implementation of the Strategic Action Programme for the Caribbean and North Brazil Shelf LMEs (2015-2020)



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Key Acronyms

ACS/CSC	Association of Caribbean States/Caribbean Sea Commission
BaU	Business as usual
CARICOM	Caribbean Community
CDB	Caribbean Development Bank
CCAD	Comisión Centroamericana de Ambiente y Desarrollo (Central American Commission on Environment and Development)
CLME	Caribbean Large Marine Ecosystem
CLME+	Caribbean and North Brazil Shelf Large Marine Ecosystems
CRFM	Caribbean Regional Fisheries Mechanism
DSA	Daily Subsistence Allowance
EBM	Ecosystem-based Management
EEZ	Exclusive Economic Zones
GEAF	Transboundary Governance Effectiveness Assessment Framework
GEF	Global Environmental Facility
ICM	Interim Coordination Mechanism
IDP	International Development Partner
IGO	Inter-Governmental Organisation
IOC	Intergovernmental Oceanographic Commission of UNESCO
IOCARIBE	IOC Sub-Commission for the Caribbean and Adjacent Regions
IT	Information Technology
LME	Large Marine Ecosystem
MoU	Memorandum of Understanding
NGO	Non-Government Organisation
OECS	Organisation of Eastern Caribbean States
OSPESCA	Organización del Sector Pesquero y Acuícola del Istmo Centroamericano (Organisation of the Fisheries and Aquaculture Sector of the Central American Isthmus)
PCU	Project Coordination Unit
RFMO	Regional Fisheries Management Organisation
RGF	Regional Governance Framework
SAP	Strategic Action Programme
SDGs	Sustainable Development Goals
SFP	Sustainable Financing Plan
SICA	Sistema de la Integración Centroamericana (Central American Integration System)
sLMR	shared Living Marine Resources
SOMEE	State of the Marine Ecosystems and associated Economies
TDA	Transboundary Diagnostic Analysis
UN Environment CEP	Caribbean Environment Programme of UN Environment
WCR	Wider Caribbean Region
WECAFC	Western Central Atlantic Fishery Commission of FAO

Executive Summary

This report has been prepared as part of Phase 2 of the consultancy “Proposal on Options for a Permanent Policy Coordination Mechanism and a Sustainable Financing Plan for Ocean Governance in the CLME+ Region”. The mandate of this work directly arises from the CLME+ Strategic Action Programme (SAP). The report is submitted to CLME+ countries, the CLME+ SAP ICM and the CLME+ PCU as the basis for national and regional consultations regarding the preferred scope of the proposed permanent Coordination Mechanism for Integrated Ocean Governance in the Wider Caribbean Region (WCR), as well as the preferred sources and mechanism for a Sustainable Financing Plan (SFP) for Integrated Ocean Governance in the WCR. The development of the proposals has been based on intensive consultations with CLME+ countries, IGOs and further stakeholders between September 2018 and April 2019.

Section 1 briefly introduces the background of the consultancy, its objectives, scope and methodology, and summarizes the role of CLME+ countries and IGOs in the implementation of the consultancy. In Section 2, the report describes the prospects of sustainable ocean-based development for the WCR and suggests that integrated ocean governance is a key enabler in order to tap into the opportunities that a sustainable ocean-based or blue economy provides to the Wider Caribbean Region.

Section 3 presents the current state of the Regional Ocean Governance Framework (RGF) in the WCR, particularly describing the gaps and potentials related to the main elements: the intergovernmental organisations with a mandate on ocean-related issues (including the CLME+ SAP Interim Coordination Mechanism – ICM), existing high-level decision-making fora, national intersectoral committees (NICs), and the CLME+ Partnership and Alliance. The section also briefly describes the financing baseline of the RGF.

The main governance and financing proposals are presented in sections 4 and 5 of this report.

Section 4 presents proposals for a permanent Coordination Mechanism for Integrated Ocean Governance in the WCR, particularly proposals for the mechanism’s mandate and functions, its governance structure and resource requirements and cost estimates. Section 5 presents the options for a Sustainable Financing Plan (SFP) for Integrated Ocean Governance in the WCR, addressing both the establishment and operation of the proposed permanent Coordination Mechanism, as well as the sustainable financing of the broader Regional Ocean Governance Framework, particularly the eight IGOs that form part of the current CLME+ SAP ICM as the key RGF constituents.

Throughout these sections, the key steps towards the establishment of the Coordination Mechanism are highlighted which require debate and consensus building among countries to determine the main features of the Coordination Mechanism. In total this includes five steps which follow a logical sequence towards the establishment of the Coordination Mechanism. As the different aspects are interconnected, it is suggested that countries undertake their deliberations and consultations keeping all aspects in mind at all times.

Step 1: Endorse the mandate and select the core and supporting functions of the Coordination Mechanism.

The proposed mandate is to “Promote and facilitate regional collaboration and cooperation by coordinating policies and programmes in the Wider Caribbean Region (WCR) for the conservation, management and sustainable use of the marine environment and coastal and marine resources.” The proposed geographic mandate is the entire WCR (including the Caribbean LME, the North Brazil Shelf LME and the Gulf of Mexico LME), and the proposed thematic mandate covers the shared living marine resources (i.e. the thematic scope of the CLME+ SAP) as well as other thematic areas, sectors and economic activities that are related to the marine environment and resources, such as Tourism, Oil and Gas, Shipping, Mining, Biotechnology, Bioprospecting and Renewable Energy. Climate change resilience is a key cross-cutting theme of the mandate.

The following functions are proposed as a basis for deliberations and selection by countries: (1) Coordination of programmatic approaches for ocean governance and monitoring progress with critical ocean sustainability instruments, goals and commitments; (2) Communication, outreach and awareness raising; (3) Policy Coordination and consolidation of the regional institutional and policy framework for ocean governance; (4) Knowledge management and data and information sharing; (4) Stakeholder engagement; (5) Strengthening science-policy interfaces; (6) Identification of new areas for collaboration and emerging issues; (7) Development of joint programmes; (8) Sustainable financing and resource mobilisation for ocean governance. From those functions, it is proposed to distinguish between a set of selected core functions for the mechanism, which would be implemented on a regular basis (and with regular resource allocation); and a set of supporting functions which would be implemented on a demand basis. In order to fulfil the proposed mandate, the consultancy’s recommendation is to select at least functions 1, 2 and 3 as core functions. All remaining functions can also be supporting functions.

Through the implementation of the different functions, *direct benefits* are expected to be derived from the Coordination Mechanism’s contribution to *good ocean governance*. In economic terms, increased funding leverage and efficiency gains together are estimated to amount to additional available resources of USD 11.6m to 25.3m annually. As the regional ocean governance framework evolves and coordination throughout the WCR enhances, efficiency gains could make around USD 21.1m to 42.2m additionally available. Further, *indirect benefits* can be expected as a result from *enhanced ocean governance effectiveness*. The benefits at stake from selected ecosystem goods and services which would be safeguarded by the Coordination Mechanism are estimated in this report at a value of between USD 2.9 bn to 11.8 bn.

Step 2: Determine the governance structure of the Coordination Mechanism, including the roles and responsibilities of countries and IGOs.

The Coordination Mechanism is proposed to be operated through four main elements: (i) a

Steering Group in which CLME+ countries are represented with the mandate to provide overall guidance and direction; (ii) an Executive Group in which the IGOs are represented with the mandate to lead the management and operation of the Coordination Mechanism technically and strategically; (iii) Working Groups (countries, IGOs and other stakeholders/experts from science, private sector as required) which are constituted by the Executive Group on a “needs basis”; and (iv) a Secretariat, which provides the technical and administrative support.

Step 3: Determine the type of establishing agreement for the Coordination Mechanism.

The establishing agreement can be an informal network/partnership agreement (based on a MoU), a more formal and binding agreement, or a sequencing of both. The consultancy recommends replacing the existing MoU of the SAP ICM with a new or modified MoU for the Coordination Mechanism signed by the IGOs and endorsed by countries, and task the Coordination Mechanism itself with developing a more formal agreement among countries.

Step 4: Determine the type of hosting agreement for the Secretariat of the Coordination Mechanism.

The hosting agreement can be with a member country and/or with an existing IGO. The section provides a list of potential criteria for selecting a host country or organisation, and potential benefits of hosting the Secretariat.

Regarding the resource requirements and costs for the operation of the Coordination Mechanism, the report includes cost estimates for each of the proposed functions. Taking various factors of uncertainty into consideration, the regular implementation of the full scope of functions could cost between USD 1m and 3m annually. The implementation of the three core functions Programmatic Coordination, Communication and Policy Coordination is estimated to cost between USD 600,000 and USD 1.4m per year.

Step 5: Agree on a financing plan for the Coordination Mechanism

The financing plan would ensure reliable, sufficient and resilient funding of the mechanism’s recurring expenses. It would include the commitment to develop inter alia a reliable self-financing solution to be gradually implemented through a transition phase which ends five years after the Coordination Mechanism is established, with financial support from a grant, potentially from GEF. The plan further includes specific milestones for the shift towards self-sufficiency as well as defines the choice of major and complementary funding sources. The report presents the potential funding sources for the Coordination Mechanism and highlights key issues for consideration. For the first three years of operation, the potential sources are: grant financing; co-financing through hosting of the Secretariat of the Coordination Mechanism by an IGO and/or a CLME+ country; in-kind contributions from countries and IGOs; CLME+ and non-CLME+ country support, private sector sponsorship, and a trust fund. For the time beyond 3 years, the following additional potential sources should be considered to achieve financial self-sufficiency of the Coordination Mechanism: regular direct country contributions, regular contributions through IGOs, and own revenue generation.

Yet, the financing of the Coordination Mechanism needs to be embedded into a financially sustainable regional ocean governance framework (RGF) in order to be viable and sustainable in the long term. Therefore, the financing plan proposes the following measures to be adopted by the IGOs for the mid to long term in order to secure sustainable financing of the RGF: (i) coordinated grant leverage; (ii) a strategic regional approach to private sector partnerships and (iii) catalysing investment for a thriving and sustainable ocean-based/blue economy.

The final section 6 of this report summarizes the key steps towards the establishment of the Coordination Mechanism and highlights key agreements and actions needed by the end of the consultancy and the CLME+ Project phase, for consideration by countries. Further, a roadmap with milestones is outlined along three phases: i) a (pre-) establishment phase to determine the scope, governance, legal and financing structure for the Coordination Mechanism and to secure GEF (and other) financing for the transition phase; a transition phase with GEF (and other) financing towards sustainable operation with long-term financing; and a phase of consolidated long-term operation in which work plans are implemented as directed by the Steering Group.

1. Introduction

1.1. Background

The CLME+ region covers two Large Marine Ecosystems (LMEs) that together span across a vast marine area of 4.4 million km² from the Bahamas and the Florida Keys in the North to the Parnaiba River estuary in Brazil in the South (**Figure 1**). 26 Independent States and 18 Overseas Territories share the CLME+ region.



Figure 1 Geographic scope of the CLME+ region

The Transboundary Diagnostic Analysis (TDA) of the UNDP/GEF CLME Project (CLME Project 2011) identified weakness of governance as the overarching root cause for the three main transboundary issues of overfishing, pollution and habitat degradation.¹ To address this root cause, the CLME+ Strategic Action Programme (SAP) proposes as a primary goal: the creation of coordinated ocean governance at the regional level. The mandate for this consultancy is derived directly from the CLME+ SAP, which has been endorsed by more than 35 Ministers representing 26 countries and 8 overseas territories: Antigua & Barbuda, Bahamas, Barbados, Belize, Brazil, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, France (with 6 overseas territories in the CLME+ region), Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Montserrat (UK overseas territory), Nicaragua, Panama, St. Kitts & Nevis,

¹ Other factors related to the key issues are limited human and financial resources; inadequate knowledge; inadequate public awareness and participation; inadequate consideration of the value of ecosystem goods and services; population and cultural pressures; trade and external dependency. See also section 4 on how the root causes and gaps identified through the TDA/SAP process relate to the proposed functional scope of the Coordination Mechanism.

Saint Lucia, St. Vincent & the Grenadines, Suriname, Trinidad and Tobago, the United States of America.

Specifically, Strategy 3 of the CLME+ SAP (2013) is to *“establish and operationalize a regional policy Coordination Mechanism for governance of the marine environment, with initial focus on shared living marine resources.”*

As a step towards the CLME+ SAP Strategy 3, Intergovernmental Organisations (IGOs) in the CLME+ region have already put in place an Interim Coordination Mechanism (ICM) based on a Memorandum of Understanding (MoU) signed by eight organisations with a mandate for Ocean Governance in the Wider Caribbean Region (SAP Action 3.1).

Particularly, this consultancy supports the related CLME+ SAP Action 3.2 to “Evaluate all options and propose a permanent policy Coordination Mechanism with a clear mandate which is financially sustainable, geographically inclusive and politically acceptable and which takes into account the principle of subsidiarity (this may include the identification of appropriate reforms)”. The underlying assumption is that without the establishment of a permanent mechanism for regional coordination, the CLME+ region will gear towards a “Business-as-Usual” Scenario under which the SAP and key Sustainable Development Goals (SDGs) cannot be materialized.

1.2. Objectives, scope and methodology

The objective of this consultancy is to progressively develop and present, for selection and adoption by the CLME+ countries:

- “Proposals for a Permanent Policy Coordination Mechanism (PPCM)², which includes, amongst others, clear specifications of the mandate of the mechanism, and/or the mandate of its constituents, the statutes and/or way of formalization, and its/their relationship(s) to other existing and newly created ocean governance arrangements in the CLME+; and,
- Proposals for a Sustainable Financing Plan (SFP), to enable and strengthen the short, medium and long-term operations of the existing and newly proposed shared living marine resources/ocean governance arrangements in the CLME+ region.”

In this consultancy, a Coordination Mechanism is understood to be a formal or informal mechanism where several parties, with related interests in ocean governance, cooperate to improve synergy, efficiency and impact of their actions.³ Hence, the aim of this consultancy is not merely the design of a coordination unit or secretariat tasked with regional coordination,

² This report refers to the “Coordination Mechanism” instead of “Permanent Policy Coordination Mechanism (PPCM)” as initially defined in the Terms of References and used throughout the Inception Phase and Phase 1. This reflects the discussions held so far with countries and IGOs. The final name for the permanent Coordination Mechanism shall be agreed by countries and IGOs once the scope is defined.

³ Definition based on UN Water (2014)

but to set out the overall mechanism for coordination within the existing ocean governance framework in the Wider Caribbean region: the mandate and functions of the mechanism, the governance structure (incl. role of countries and IGOs and their interactions) and its operation, the associated costs and expected benefits, and its financing.

This consultancy is being implemented in three phases (Inception Phase; Phase 1; Phase 2), with the present report as the key deliverable of Phase 2 to serve as the basis for deliberations among countries and IGOs, and the selection of the preferred solutions for the Coordination Mechanism. Based on the consultation, amendments will be made to this report, and a final version will be submitted which documents the selected solution. The work builds on the work of Phase 1, during which different options for a permanent Coordination Mechanism were developed, presented and discussed among countries and IGOs during a first Major Consultation meeting held in September 2018 in Cartagena, Colombia. The main outcome of the meeting was a set of recommendations for the consultancy to consider and follow for the further development of the mechanism (see Annex 1). Among others, countries recommended that the development of the mechanism should be functionality-driven rather than focused on the institutional and organisational structure. This and all other recommendations are addressed in the present report.

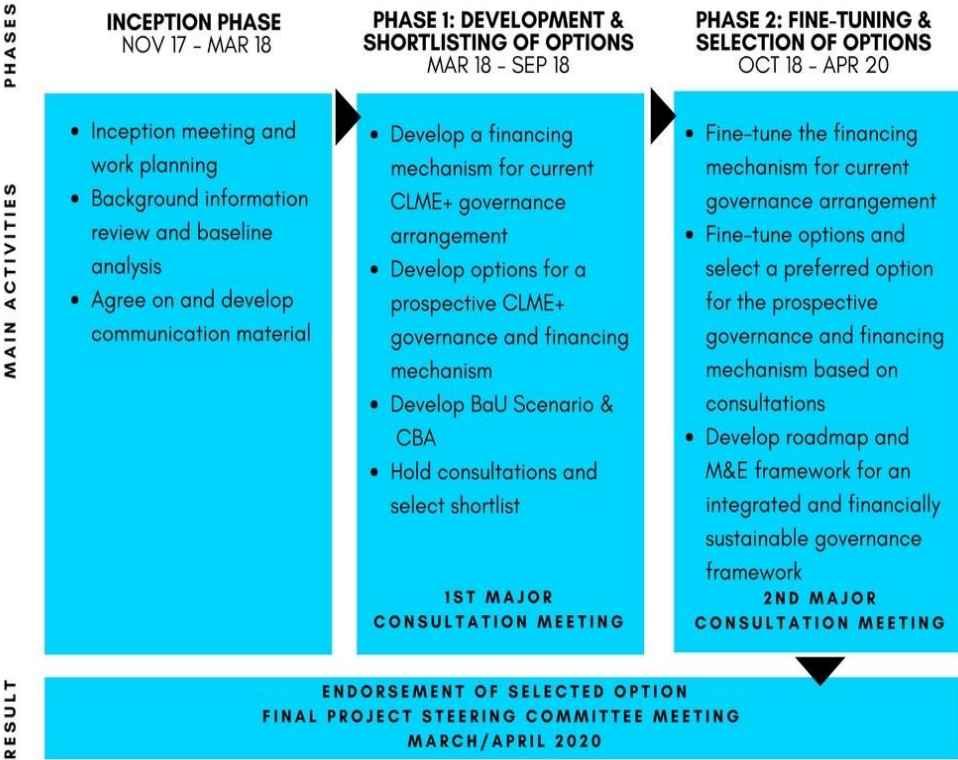


Figure 2 Methodological approach and phases of the consultancy

In the Inception Phase of this consultancy, an assessment of the governance and financing baseline in the CLME+ region had been carried out.⁴ The inception phase included consultations with all IGOs that form part of the ICM.

Besides the recommendations provided by countries, for the elaboration of this report, continuous consultations with representatives from ICM members were held through interviews and e-mail exchange, as well as interviews with a wider range of stakeholders from the region and beyond.

Table 1 Consultations held for the development of this report

Consultation	Stakeholders	Date
1 st Major Consultation Meeting, Cartagena, Colombia	<ul style="list-style-type: none"> • CLME+ countries • ICM member IGOs • CLME+ PCU • Others: ACS, UNDP 	September 2018
ICM teleconference on Phase 2, particularly the mandate and functions of the mechanism	<ul style="list-style-type: none"> • Heads of IGOs 	November 2018
ICM working sessions on sustainable financing (individual teleconferences)	<ul style="list-style-type: none"> • Heads of IGOs • Technical and financing staff 	Between December 2018 and February 2019
Informal meetings	<ul style="list-style-type: none"> • GEF • UNDP 	November 2018
Exploratory calls with stakeholders	<ul style="list-style-type: none"> • Caribbean Development Bank (CDB) • UN Economic Commission for Latin America and the Caribbean (ECLAC), sub-regional headquarters for the Caribbean • UN Environment GEF IW Focal Point • European Commission Delegation Barbados (regional portfolio for the Caribbean) • European Investment Bank (EIB) Barbados (regional portfolio for the Eastern Caribbean) 	Between December 2018 and February 2019

⁴ See Inception Report (CAD, 2018)

	<ul style="list-style-type: none"> • GIZ “Caribbean Aqua-terrestrial solutions” programme based in Saint Lucia (implemented with CARHA) • The Commonwealth Secretariat • The Nature Conservancy (TNC) • UNOPS IATI (regarding fund management arrangements) • Caribbean Biological Corridor (CBC) Secretariat based in the Dominican Republic • Blue Earth Consultants (on behalf of IDB for the establishment of a “Caribbean Coastal Capital Centre of Excellence”) 	
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During this second Phase of the consultancy, a stock-taking exercise of processes and initiatives at policy, strategy and programme level with relevance for regional ocean governance in the WCR was done, related to the work of the ICM members themselves, as well as related to other actors. Interviews were held with most of the organisations involved. Even as the list in Annex 2 is not exhaustive, it clearly indicates that there are many processes and initiatives happening in the region related to the marine environment and fisheries, at varying scales, and in different modalities. It has been confirmed that there is a high need for coordination at programmatic and policy levels, in order to ensure that these initiatives are implemented in a complementary and synergetic manner, rather than duplicating efforts. All the consulted organisations express a strong support for the establishment of the Coordination Mechanism and see a high potential in it; they also recognize the need for additional efforts to achieve sustainable financing.

1.3. Role of CLME+ countries and IGOs in the consultancy

Operationalizing a priority strategy and action of the CLME+ SAP, this consultancy is carried out to the benefit of all CLME+ countries (that have endorsed the CLME+ SAP). The success of this consultancy depends to a large extent on the active engagement of CLME+ countries and IGOs, which have a key role to play during the entire implementation period.

The role of CLME+ countries:

- Review the options and carry out consultations at country level, participate in regional meetings, and provide feedback on the preferred options.
- Engage in deliberations within the IGOs the countries form part of in order to provide guidance on the preferred options from the IGO perspective. Ensuring that country preferences align within the different IGOs.

- During Phase 2, CLME+ countries through the CLME+ Project Steering Committee are expected to select and endorse their preferred option for the Coordination Mechanism and the financing plan.

The role of IGOs:

- Review the options for the Coordination Mechanism and the financing plan, carry out consultations and provide feedback on the proposed options.
- Support member countries in assessing the options, and the respective implications for the respective IGO (mandate, financing etc.)

2. Prospects of a thriving and sustainable ocean-based economy in the Wider Caribbean

2.1. Sustainable ocean-based development and its benefits for the region

The adoption of the 2030 Agenda marks an important milestone for sustainable development in the wider Caribbean region. In a region where socio-economic well-being, economic activity, disaster risk reduction, resilience to the impacts of climate change, as well as the cultural identity are tied to a high degree to coastal and marine ecosystems, and where the ocean plays an enormous role as a generator of subsistence and income, the SDGs provide an umbrella framework for important aspects related to sustainable development such as climate resilience, disaster risk reduction and a sustainable blue economy. The recognition of the relevance of the oceans through a standalone goal in the Agenda 2030 (SDG 14 on Life Below Water) is an important factor which provides additional leverage to sustainable ocean-based development in the region. SDG 17 on partnerships (Strengthen the means of implementation and revitalize the global partnership for sustainable development) is another important SDG in the context of a sustainable ocean-based economy and integrated ocean governance in the wider Caribbean region. The challenges with regards to sustainable development and the 2030 Agenda are too big to be solved by one country alone, which is why regional governance, bringing together not only different countries but also multiple stakeholders is needed to advance towards reaching the SDGs and the objectives of other goals and commitments (CBD, Paris Agreement, etc.) in the region. In this sense the permanent Coordination Mechanism will provide an important contribution to SDG 17 in the region.

A sustainable ocean-based development can further contribute significantly to SDG 1 (on the reduction of poverty), SDG 2 (on the reduction of hunger), SDG 13 (climate change) and others.

SDG 14 (Conserve and sustainably use the oceans, seas and marine resources for sustainable development) specifically recognizes the critical contribution the ocean can make to the development of the smallest and most vulnerable nations. Goal 14 establishes targets to substantially reduce marine pollution, address ocean acidification, sustainably manage marine resources, increase scientific knowledge and transfer marine technology to developing countries, in particular small island developing states (CDB, 2018).

As the region is extremely vulnerable to natural disasters, as well as to climate change, which again increases disaster vulnerability (Paterson SK, 2018), the Sendai Framework on Disaster Risk Reduction and the SAMOA (SIDS Accelerated Modalities of Action) pathway are other crucial development frameworks that will benefit from regional governance and implementation. The SAMOA Pathway articulates the sustainable development pathways and aspirations for SIDS over the next 10 years, with oceans, climate change and disaster risk

reduction goals among the priorities. The Sendai Framework for Disaster Risk Reduction 2015-2030 is the first major agreement of the post-2015 development agenda and outlines targets and priorities for action to prevent new and reduce existing disaster risks, including those related to the coastal and marine environment and specifies opportunities to achieve SDGs through reducing disaster risk, for example, by building resilient infrastructure, also in coastal areas.

Closely tied to sustainable ocean-based development, the concept of a Sustainable Blue Economy has been gaining traction globally and in the Caribbean over the last few years. While a universally accepted definition of the Blue Economy does not exist, specific themes and topics relevant to most definitions include (i) the concept of sustainable and inclusive growth and development, (ii) the reduction of the risk of overexploitation of the ocean's resources, (iii) enhancing the social welfare of coastline communities in terms of economic opportunities and (iv) ensuring resilience to natural disasters and the impacts of climate change (CDB, 2018). This is in line with the Nairobi Declaration published after the first ever global conference on the Blue Economy in 2018, which focuses on the nine following priority areas: (i) smart shipping, ports, transportation and global connectivity, (ii) employment, job creation and poverty eradication, (iii) cities, tourism, resilient coasts and infrastructure, (iv) sustainable energy, mineral resources and innovative industries, (v) managing and sustaining marine life, conservation and sustainable economic activities, (vi) ending hunger, securing food supplies and promoting good health and sustainable fisheries, (vii) climate action, agriculture and fisheries, waste management and pollution-free oceans, (viii) maritime security, safety and regulatory enforcement and, (ix) people, culture, communities and societies – the inclusive blue economy. (Sustainable Blue Economy Conference, 2018). For the Caribbean, the CARICOM Secretariat intends to work on a common understanding among the CARICOM membership of the term during 2019.

The need for a sustainable ocean-based economy or Blue Economy is set in a scenario where two interlinked trends are happening at the same time: A growing ocean economy and declining natural ocean resources. Sustainable development of the ocean economy therefore requires that economic activity is decoupled from a growth in demand of marine natural resources. Accordingly, the report of the Partnership in Environmental Management for the Seas of East Asia (PEMSEA) (Whisnant and Reyes, 2015) reads: "Beyond simply being a collection of coastal and marine industries, blue economy is the set of environmentally and socially sustainable commercial activities, products, services and investments dependent on and impacting coastal and marine resources. Activities that erode natural capital through degradation of ecosystem services are inherently not sustainable, and not 'blue.'" A development model based on such a definition of economic activity addresses existing industries as industries *in transition* to sustainable business models and ensures that emerging industries are environmentally and socially sustainable. Effective integrated ocean

governance and sustainable investment principles are key to enable, catalyse and guide financial resources and the capital needed for this transition (World Bank, 2016).⁵

2.2. The economic potential of a sustainable ocean-based economy in the Wider Caribbean

While an estimation of the economic value of the ocean does not exist for the CLME+ region, data from a World Bank report analysing the Caribbean ocean economy⁶ provides a first approximation on the overall potential and relevance. However, although considered the next frontier for growth and defining the economy of many states and territories in the region, the size of the ocean economy is currently not well measured. The size of the Caribbean ocean economy is in the order of at least 18 percent of the region's GDP and makes up between 14 and 27 percent⁷ of the global ocean economy (although the Caribbean represents less than one percent of the global oceans in size).⁸ While projections are scarce, all indications available suggest that this economy is likely to continue to grow faster than overall rates of economic growth in the coming decades, following a global trend projected by the OECD for 2030 (World Bank, 2016). The projections suggest that between 2010 and 2030, the ocean economy could more than double its contribution to global value added, reaching over USD 3 trillion (OECD, 2016). However, this economic growth potential is intimately linked to the status of the coastal and marine ecosystem of the wider Caribbean region, as the latter is either providing economic revenue, or is impacted by economic activity. Based on the sustainable scenario of the OECD⁹, the Caribbean ocean based economy would employ 8.6 million people in 2030 and would generate a value of 640 bn USD. Various examples demonstrate, that the sustainable use of marine ecosystems can lead to much higher revenue than traditional exploitation of the same. For example the WWF found that sustainable and nature-based tourism in the coral triangle outperforms mass tourism by on average of 60-65% over a 20 year period (WWF Pacific, 2017) and a study on actively managed marine areas showed that the net present value of the area rose to between 4 and 12 times of its original value, comparing the pre- and post-reserve status (Sala, 2016).

2.3. The challenges with regards to the marine environment

There is strong evidence that the wider Caribbean region's natural capital is being depleted, largely due to the anthropogenic drivers of overfishing, unsustainable and uncontrolled coastal development, pollution, introduction of invasive species and the impacts of climate

⁵ The European Commission, WWF, World Resources Institute (WRI), and the European Investment Bank (EIB) have recently developed the Sustainable Blue Economy Finance Principles: https://ec.europa.eu/maritimeaffairs/befp_en

⁶ The Caribbean ocean economy includes the following states and territories: Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Bonaire, British Virgin Islands, Cayman Islands, Colombia, Costa Rica, Cuba, Curaçao, Dominica, the Dominican Republic, Grenada, Guadeloupe, Guatemala, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Nicaragua, Panama, Puerto Rico, St. Barthelemy, St. Eustatius, St. Kitts and Nevis, St. Lucia, St. Maarten, St. Martin, St. Vincent and the Grenadines, Trinidad and Tobago, U.S. Virgin Islands, and República Bolivariana de Venezuela.

⁷ For the sake of clarity, any further calculations have been based on a contribution of 20%. See also section 4.1.3. for further details.

⁸ The composition of this economy is dominated by the estimated value of the volume of cargo shipped through the Caribbean Sea, together with tourism and oil and gas in the region's island states and territories (World Bank, 2016).

⁹ which focuses on high economic growth and low environmental deterioration due to the development of resource-efficient and climate-friendly technologies combined with a supportive governmental framework that provides the right incentives to allow the ocean economy to thrive economically while meeting environmental standards

change (CLME Project, 2011). Such depletion represents a significant risk to the economic benefits generated by the region's ocean economy, and likely to future growth prospects (World Bank, 2016). Beaches and coral reefs are regarded as "the essential tourism product" (WTTC, 2018a) of the Caribbean region with travel and tourism accounting for around 15 per cent of the GDP of the Caribbean and 10 per cent of Brazil's GDP. For Jamaica, Barbados and the Bahamas it is as much as 30 to 45 per cent. Tourism accounts for 13.8 percent of employment in the Caribbean and 2.3 million jobs in Brazil (WTTC, 2018a; WTTC, 2018b). Further, the Caribbean Sea harbours the highest species diversity of the entire Western Atlantic, especially "coral reefs, coastal lagoons, mangrove forests and seagrass beds are highly productive ecosystems" (WECAFC, 2017) sustaining industrial and small scale fisheries. The North Brazil Shelf ecosystem supports one of the most important export-oriented shrimp fisheries in the world (Seijo et al, 2017). The fisheries sector accounts for direct employment in the order of 64,000 jobs and another 180,000 of indirect employment in CARICOM countries and approx. 500,000 jobs in North Brazil (CDB, 2018; FAO, 2010). In the Wider Caribbean region, fishery supports the livelihoods of around 4.5 million people (CARICOM, undated).

Overall, in the countries belonging to the Caribbean Development Bank, it is estimated that the cost of inaction with regards to climate change could mean a loss of up to 5% of the region's gross domestic product over the next decade. These losses are only related to the impacts of climate change, natural disasters provide another important risk factor in the Caribbean region, leading to regular annual disaster losses estimated at USD 3 billion with significant loss to social and productive sectors (CDEMA, 2014), as well as potentially undermining the achievement of a number of SDGs, such as SDG 1 (Poverty) or SDG 10 (Inequality) (UN Secretary General, 2017). A Blue Economy strategy which includes investments in more resilient coastlines and infrastructure would not directly reverse these effects but would help countries to be more resilient towards them (CDB, 2016). UNEP (2016) outlines for the Caribbean and Latin America that the overall increase in human wellbeing and ecosystem health will be bigger than the initial costs of social and environmental investment into a sustainability oriented pathway, "resulting in positive feedback for long-term economic growth", as well as improving livelihoods, preserving the cultural value of ecosystem goods and services, and lead to an improved sense of identity. If ecosystem-based business development and job creation activities are built into ocean governance reforms, additional jobs can be generated (UNDP, 2012).

2.4. Integrated Ocean Governance as an enabler for sustainable ocean-based development

To be able to capitalize on the potential of the ocean economy, while at the same time decreasing the pressure on the coastal and marine environment, embracing the concept of a regional Sustainable ocean-based economy presents a huge opportunity for the future of the region. Therefore, coordinated action among CLME+ countries and the multiple existing regional organisations is required. Such coordination would strengthen integrated ocean governance on the regional level as be a basis for a thriving and sustainable ocean economy

aimed at reaching the SDGs and climate goals, attracting investments and reducing investment risks while safeguarding coastal and marine ecosystems and addressing measures of disaster risk reduction.

Several countries and (sub-)regional organisations have already started to adopt policy frameworks and initiatives in that regard, for example the Eastern Caribbean Regional Ocean Policy (ECROP) adopted by the OECS. The need for regional coordination as an enabler for sustainable ocean-based development has also been emphasized by Caribbean SIDS in the context of the SAMOA pathway and by the Caribbean Development Bank, among others. The latter also stresses the need for cooperation, a regional strategy policy framework and functioning institutions in order to put a sustainable ocean-based economy into action.

The financing of the Coordination Mechanism can therefore be regarded not only as a safeguard investment to avoid economic loss but also as an investment to improve the economic return generated by the ocean economy. Based on a hypothetical scenario, the proposed Coordination Mechanism would safeguard annual benefits with a total value between USD 2.9 bn and USD 11.8 bn consisting of provision of fish, recreational and tourism value, protection of shoreline from erosion and storms and carbon sequestration. For further information with regards to these benefits at stake and their method of calculation, see section 4.1.3.

3. Current State of Ocean Governance in the region

3.1. Regional overview

Despite the significant challenges in the WCR, largely due to its geopolitical complexity in terms of diversity of countries in terms of size, development, culture and capacity, the institutional arrangements for regional ocean governance have been emerging by practice from the ongoing efforts of various organisations (Chakalall et al, 2007; Fanning et al, 2009). The region is characterized by a diversity of regional governance institutions. There are about 25 sub-regional, regional and international organisations with mandates for various aspects of living marine resource governance in the WCR (fisheries, biodiversity, coastal zone management, land-based sources of pollution, etc.). These include intergovernmental organisations, sector specific sub-bodies of these organisations, regional bodies of UN agencies, NGOs and a small number of private sector organisations. Geographically, these operate at several overlapping, nested or linked levels (Chakalall et al, 2007). This situation mirrors the global level proliferation and fragmentation of environmental governance that is of concern to many (Young, 2008; Oberthur and Stokke, 2011).

The CLME+ Project uses the following definition of interactive governance (Kooiman et al, 2015):
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“Governance is the whole of public as well as private interactions taken to solve societal problems and create societal opportunities. It includes the formulation and application of principles guiding those interactions and care for institutions that enable them.”

This diverse array of regional and sub-regional organisations has emerged to address both the challenges and opportunities of ocean governance as the issues have arisen through time. Where fisheries are concerned, the multiplicity of organisations and arrangements is potentially more suited to the large diversity of resources that are already mostly exploited by fleets from the region. For these fisheries, key issues relate primarily to conservation, optimization and intra-regional equity rather than access by foreign fishing interests (Chakalall et al, 2007; McConney et al, 2007). Marine biodiversity issues in the WCR have emerged steadily also, initially relating primarily to reef conservation and sea turtles, for which efforts have tended to be more local and NGO-driven in nature than the fisheries issues, but do clearly have a considerable transboundary component, requiring regional cooperation (Miloslavich et al, 2010). Biodiversity issues relating to sharks, seabirds and marine mammals, which have recently gained prominence, are more transboundary in nature. The degradation of coral reefs and the implications for the associated high marine biodiversity is also a prominent concern (Burke and Maidens, 2004). The fact that the tourism industry has been slow to invest in marine EBM is a major impediment, as it is the primary beneficiary. Shipping and oil and gas interests have not been prominent actors in marine governance in the WCR either, although there have been IMO-led activities relating to ship generated pollution, and the Caribbean is a MARPOL special area (IMO, 2010).

As noted, considerable efforts are already being undertaken at local, national and sub-regional levels to deal with the threats to marine ecosystem services. At the regional level, The Convention for the Protection and Development of the Marine Environment in the Wider Caribbean Region (Cartagena Convention, 1983) provides a legal framework for cooperative regional and national actions.¹⁰ The endorsement of the CLME+ Strategic Action Programme (SAP) by 26 countries, and the establishment of the CLME+ SAP Interim Coordination Mechanism (ICM) by eight Intergovernmental Organisations has been a key step in regional cooperation on ocean issues, as well as the Fisheries ICM between the three fisheries bodies. Other examples are the signing in 2012 of a Memorandum of Understanding between the Caribbean Regional Fisheries Mechanism (CRFM) and the Central America Fisheries and Aquaculture Organisation (OSPESCA), and the development of a sub-regional Oceans Governance Policy¹¹ by the Organisation of Eastern Caribbean States (OECS) that supports and complements the CLME+ SAP.

¹⁰ For a comprehensive overview of relevant global and regional arrangements see Inception Report.

¹¹ Eastern Caribbean Regional Ocean Policy (ECROP)

Notwithstanding the progress described above, cost-effectiveness and sustainability of these actions can be jeopardized by inadequate governance, by lack of sustainable financing and by insufficient levels of coordination and harmonization across the CLME+ area. The need to implement ecosystem-based management, and the critical importance of addressing root causes are essential conditions for sustainability. There is increasing recognition that an integrative and well-coordinated, ecosystem-based governance model for the adaptive management of marine resources must be implemented (Fanning, Mahon and McConney, 2011). In this context governance must be perceived in the broad sense as including issues of fairness, equity, and social justice as per the Governance Effectiveness Assessment Framework being used to monitor the CLME+ SAP (Mahon et al, 2017). Ultimately, this regional governance framework should involve all sectors with a stake in the marine environment (e.g. fisheries, tourism, shipping, oil and gas). The complexity of the region and constraints in financial, technical and human capacity make a step-wise approach necessary (Debels et al, 2017).

3.2. Key Concepts

3.2.1. The multi-level Regional Governance Framework

The CLME+ Regional Ocean Governance Framework (RGF) is a conceptual formulation that encompasses the entire set of ocean governance issues, the governance arrangements (Mahon et al, 2015) with responsibility for ocean governance, their policy processes and the interactions among them that are envisaged as being required for effective ocean governance in the CLME+ region. The CLME+ RGF takes the more general LME Governance Framework (LME GF) (Fanning et al, 2007) (Figure 3) and applies it to the specific circumstances of the CLME+ Project region. The more general LME GF was developed for the CLME Project to communicate the overall structure needed for regional ocean governance consisting of policy cycles at multiple levels (from local to global) with appropriate vertical and lateral linkages (Fanning et al, 2007). Application of the LME GF to the CLME Region considers the ocean governance arrangements in place for the issues identified, the completeness and strength of the policy processes for those issues, the lateral linkages among the regional/sub-regional arrangements, the upward vertical linkages between the regional/sub-regional arrangements and relevant global arrangements, and the downward vertical linkages between regional and national arrangements¹².

¹² One could argue that a full framework would also include subnational linkages and functionality as well.

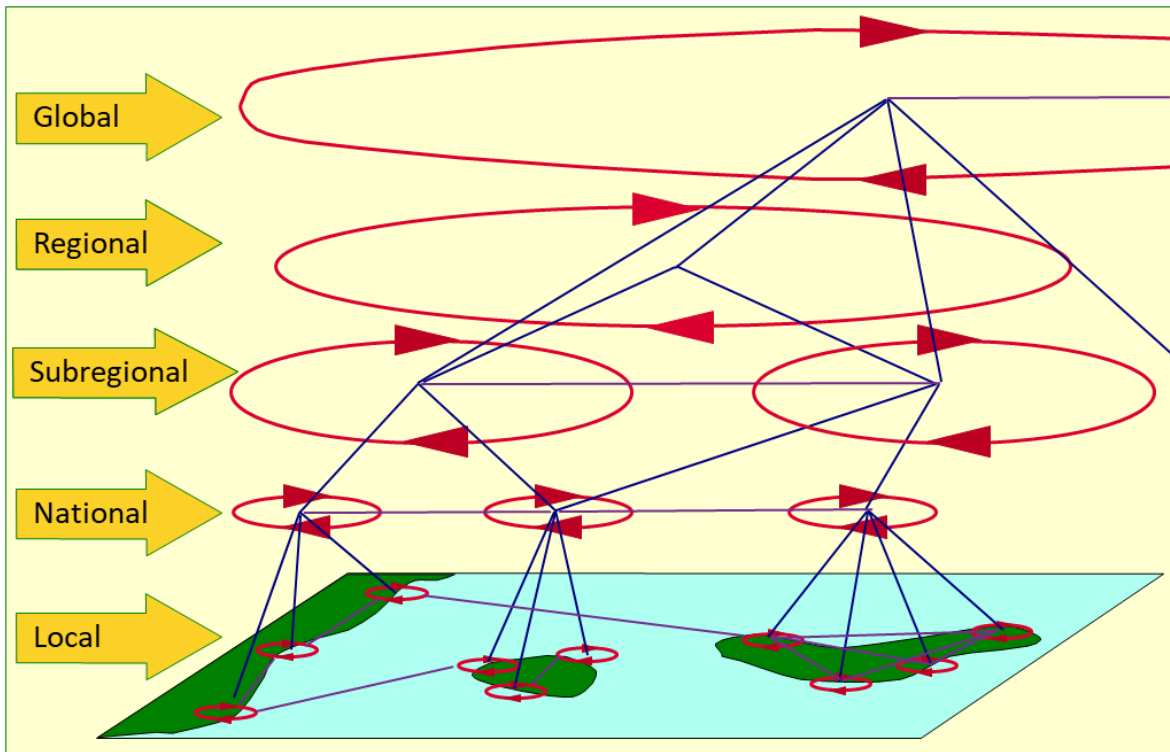


Figure 3 The conceptual formulation of the LME Governance Framework upon which the CLME+ RGF is based.

The CLME+ Region specific depiction of the RGF is shown in Figure 4 which reflects its nested nature. showing how issues may be successively aggregated, both topically and geographically. For example, in fisheries resource specific issues are first aggregated by major habitats, then under fisheries overall. Then fisheries, together with pollution and habitat degradation/biodiversity come together under the overarching heading of EBM at the planning and operational level. Ultimately, EBM issues come together with other ocean governance issues such as shipping and oil and gas extraction all coordinated and linked by the proposed permanent Coordination Mechanism.

The main aim of the RGF is for all stakeholders to have a clear understanding of the overall regional arrangements that are considered necessary for effective ocean governance, and especially where they fit into the RGF and can engage with other RGF partners. It also provides a basis for monitoring the process of building and strengthening the framework. In the context of this consultancy, when addressing the RGF, the focus lies specifically on the eight Intergovernmental Organisations (IGOs) that form part of the CLME+ SAP Interim Coordination Mechanism (ICM) as key constituents of the RGF.

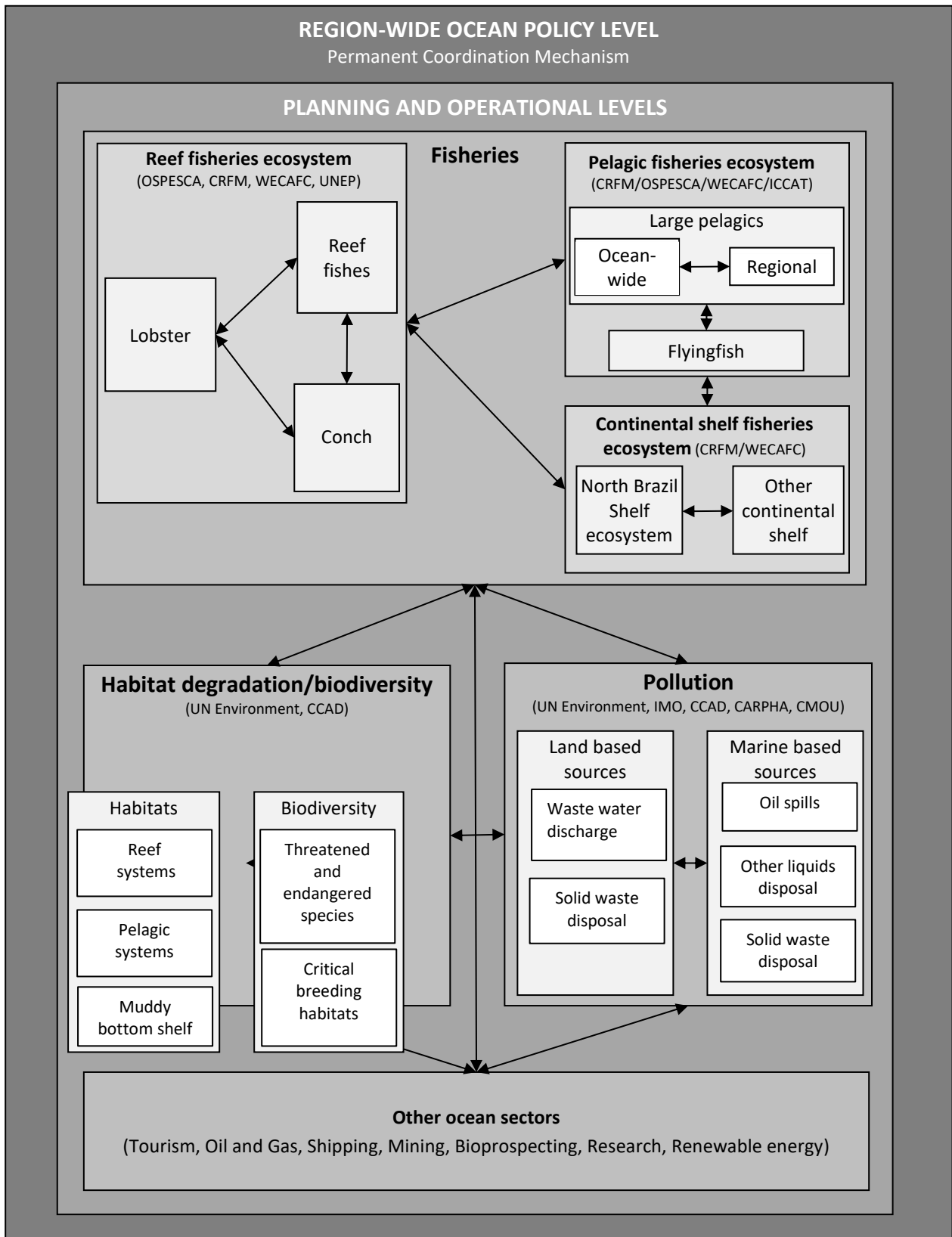


Figure 4 CLME+ Regional Ocean Governance Framework – Multilevel, nested perspective. Ocean governance issues aggregate topically and geographically form the smallest boxes to the largest overarching box

3.2.2. Intergovernmental Organisations (IGOs) and the CLME+ SAP ICM

The regional Intergovernmental Organisations (IGOs) with responsibility for ocean issues are a critical component of the RGF. In all cases they have been established by a signed agreement, have a secretariat and hold regular intergovernmental meetings (IGMs) in which member countries take decisions. These various components might be best referred to collectively as an intergovernmental arrangement. In this report the term IGO refers to the entire arrangement.

Eight IGOs form part of the “Interim Coordination Mechanism for the Sustainable Management, Use and Protection of shared Living Marine Resources in the Caribbean and North Brazil Shelf Large Marine Ecosystems” (CLME+ SAP ICM) with the objective to “enhance regional coordination and collaboration, support oversight and integration of actions for sustainable fisheries and the protection and sustainable use of the marine environment”:

- 1) The Caribbean Environment Programme (UN Environment CEP)
- 2) The Western Central Atlantic Fishery Commission of FAO (WECAFC)
- 3) The IOC of UNESCO Sub-Commission for the Caribbean and Adjacent Regions of UNESCO (IOCARIBE)
- 4) The Organisation of the Fisheries and Aquaculture Sector of the Central American Isthmus (OSPESCA)
- 5) The Central American Commission on Environment and Development (CCAD)
- 6) The Caribbean Regional Fisheries Mechanism (CRFM)
- 7) The Caribbean Community (CARICOM), represented by its Secretariat
- 8) The Organisation of Eastern Caribbean States (OECS), represented by the OECS Commission

In addition to the CLME+ SAP ICM, the three fisheries organisations WECAFC, CRFM and OSPESCA have established an Interim Coordination Mechanism (ICM) for fisheries. Also, a strategic reorientation process for WECAFC started in 2012 and is still ongoing.

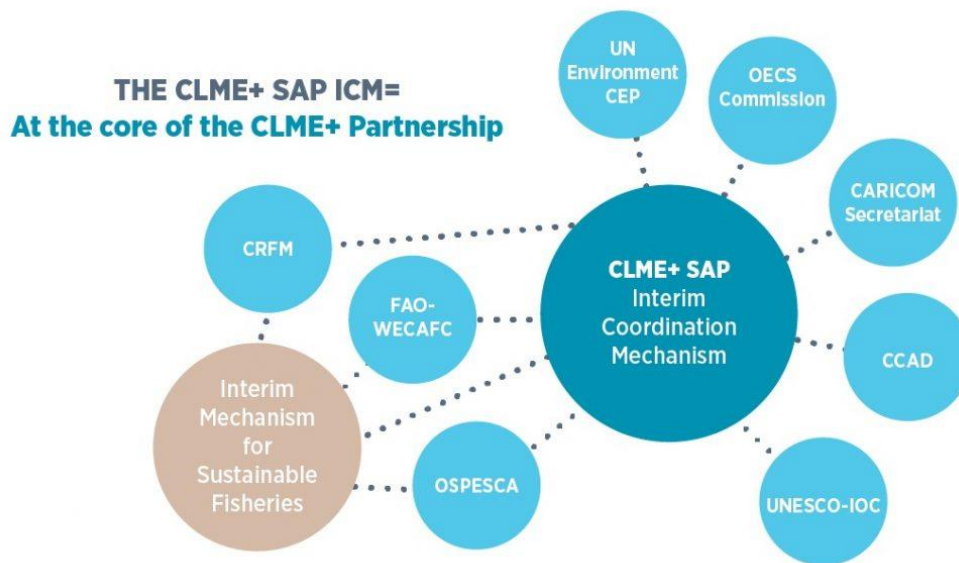


Figure 5 The CLME+ SAP ICM and associated IGOs

The existing regional IGOs vary with regard to their geographic scope and membership, their thematic mandate, with regard to their decision-making and meeting structure, and in terms of capacity.

In terms of geographical scope, the IGOs collectively cover the entire CLME+ region.¹³ WECAFC and IOCARIBE are the only IGOs whose geographical scope extends to the entire CLME+ region. The other IGOs all cover parts of the CLME+ region to different degrees. Together, the IGOs represent all CLME+ countries with overlapping memberships, as shown in Figure 6 (CLME+ countries in bold). Three of the IGOs represented in the ICM are regional organisations of UN agencies and hence have a wide membership in the region: WECAFC and IOCARIBE are the only IGOs that have all CLME+ countries as members, and UN Environment CEP covers all countries except for Brazil which is not a party to the Cartagena Convention, nor is it covered within the current legal scope of the Convention. Besides, four regional political integration organisations are active in the Wider Caribbean Region, with broad mandates covering multiple issues: CARICOM (with CARICOM Secretariat and CRFM) and OECS integrate mostly Caribbean Island states and territories with overlapping membership, while SICA (with CCAD and OSPESCA) integrates the Central American countries and the Dominican Republic. CARICOM and SICA are meeting regularly at the highest level to better coordinate their programmes. Further, the Association of Caribbean States (ACS) integrates a large number of CLME+ countries, with the notable exceptions of the USA and Brazil.

¹³ A large share of the CLME+ region forms part of the Wider Caribbean Region (WCR), as defined in the Cartagena Convention, which extends from the northeast coast of Brazil to Cape Hatteras and includes all coastal States between. While the WCR does not cover the entire NBSLME in the South, it exceeds the CLME+ region in the North by the Gulf of Mexico LME. A similar geopolitical concept is the “Greater Caribbean” used by the Association of Caribbean States, which extends to the areas of its member states, and hence partly covers the CLME+ region.

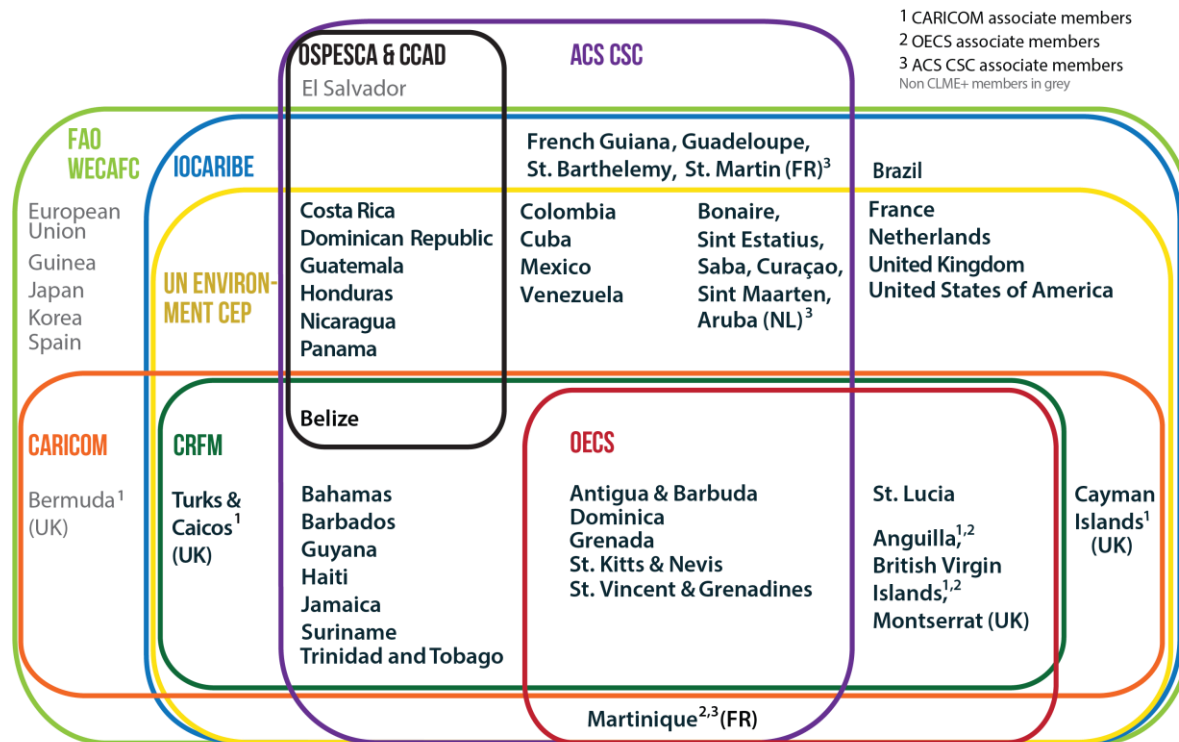


Figure 6 Membership countries of relevant IGOs

In terms of the thematic mandates, the IGOs address the key thematic issues of fisheries and the marine environment in the following constellation:

Table 2 Thematic scope of IGO mandates

IGO	CLME+ SAP issues			Blue Economy
	Sustainable Fisheries	Marine Pollution Control	Marine Habitat Conservation	
UN Environment CEP	As relates to EBM	Main focus	Main focus	As it relates to core mandate
WECAFC	Main focus	As relates to food safety	As relates to EBM for fisheries	As it relates to core mandate
IOCARIBE	As relates to EBM	Major Focus	Major focus	As it relates to core mandate
OSPECSA	Main focus	As relates to food safety	As relates to EBM for fisheries	As it relates to core mandate
CCAD	As relates to EBM	Major focus	Major focus	As it relates to core mandate
CARICOM	As relates to EBM	Major focus	Major focus	As it relates to core mandate
CRFM	Main focus	As relates to food safety	As relates to EBM for fisheries	As it relates to core mandate

OECS	Major focus	Major Focus	Major Focus	Major Focus
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The three fisheries organisations WECAFC, CRFM and OSPESCA have all adopted the FAO Ecosystem Approach to Fisheries (EAF), which is related to marine habitat and biodiversity conservation. The EAF is also an implicit underpinning of the OECS’ ECROP. Vice versa, all organisations that are mandated to work on marine biodiversity are thus contributing more or less directly to sustainable fisheries management. The mandate of the “multi issue” IGOs OECS and CARICOM cover all of the CLME+ thematic areas, as well as a wide range of other issues related to Blue Economy such as tourism, shipping, oil and mineral production etc.

All other IGOs state that their mandates are broad enough to cover certain aspects of the Blue Economy, related to their core mandates. This is consistent with the analysis of gaps and overlaps of IGO mandates carried out in developing the RGF (Mahon et al., 2013). However, an updated analysis of these as they relate to Blue Economy issues and the SDGs is needed to ensure adequate coverage at the regional level. This analysis could be facilitated in the context of the proposed permanent Coordination Mechanism once established.

Most IGOs have technical meetings, the outputs of which are recommendations. These may either be taken to a decision-making level, if there is one associated with the IGO, or taken back for adoption at the national level (see below). While the members of WECAFC and IOCARIBE and the parties to the Cartagena Convention meet every two years, all other IGOs convene their regular meetings at least annually.

3.2.3. High-level Fora

For technical advice to have its greatest impact it should be oriented towards the highest decision-making level needed for the respective issue. This will depend on whether the recommendation requires a policy, legislative or operational response. Given the polycentric¹⁴, multilevel nature of regional ocean governance in the Wider Caribbean, it may, at times, be useful to take technical and policy advice from any IGO to several decision-making bodies in order to ensure the greatest possible level of uptake. Consequently, it is useful for all stakeholders engaged in regional ocean governance to have a clear understanding of the high-level policy making fora in the Wider Caribbean and their geographical and issue coverage.

In the case of the three UN agencies (UN Environment CEP, IOCARIBE, FAO WECAFC), the highest level is a technical intergovernmental forum that develops recommendations for uptake at the national level. On occasion these are taken by sub-regional bodies to their ministerial committees. In the case of IGOs that are affiliated with regional multipurpose bodies namely, CRFM, OSPESCA, CCAD, OECS Commission and the Caribbean Sea Commission, the parent bodies, namely CARICOM, SICA, OECS and ACS, provide opportunities for ministerial review and adoption of advice. These bodies have meetings of ministers of

¹⁴ Polycentric means that there are several centers of activity and decision-making associated with a particular issue to be governed. Polycentricity has pros and cons, for example, it may lead to gaps and overlaps in governance, on the other hand redundancy can provide resilience if one of a suite of polycentric arrangements becomes dysfunctional (Ostrom, 2010)

environment, fisheries and agriculture, foreign affairs, health, trade, transport, etc. to which advice can be taken to inform the decision making of the respective body. Ultimately, they all have meetings of their heads of Government as well.

Navigating this polycentric system to ensure that advice reaches the appropriate forum and level requires understanding of the overall system and interaction among the IGO partners. For example, there are opportunities for outputs from the three UN IGOs, which do not have access to ministerial fora, to be taken up by the regional IGOs that do have such access and to be passed to the appropriate ministerial committees. Another route from the UN IGOs to ministerial fora of the regional multipurpose organisations is for the latter to be represented at senior technical levels by individuals who can then get the outputs of these meetings on the agendas of the appropriate ministerial meeting. Note that for maximum effectiveness, it may be useful for advice to be reviewed at several high level fora comprising decision makers from different sectors, to ensure the widest possible opportunity for uptake. Other high-level decision-making bodies in the region which offer potential for the PCM to engage with are the Caribbean Development and Cooperation Committee (a permanent subsidiary body of ECLAC reporting to Ministers of Foreign Affairs) and the Forum of Ministers of the Environment of Latin America and the Caribbean (UN Environment/ROLAC). Coordinating and monitoring these flows and the outcomes would be an important function of the Coordination Mechanism.

3.2.4. National Intersectoral Committees (NICs)

Within the multilevel RGF, the national level is critical. It is the level where most of the implementation needed to address transboundary problems takes place. This is achieved through national policy, enabling legislation, regulation, monitoring and enforcement. For these measures to be effective and harmonised with other countries, clear and efficient communication among national agencies and between the national and regional levels is needed. For this reason, GEF International Waters projects require participating countries to establish inter-ministerial Coordination Mechanisms (ICMs). These are also often referred to as national intersectoral coordination committees (NICs).

The linkage between a country and a regional initiative or IGO should be well structured and follow clear and transparent processes. Ideally, the individual responsible for the issue being considered at the regional level would be part of or have access to the NIC and would use it as a consultative mechanism. Thus, information flowing from the national level to regional level would be a collective national perspective and would be widely known at the national level. Vice versa, information flowing from the regional level to the national level would be shared with the NIC and become widely known by stakeholders. Clear archived documentation of these flows would be a best practice for NICs and would facilitate changeovers in responsibility at the national level, as well as providing critical institutional memory.

From its outset, the CLME initiative has been promoting and researching NICs. Two studies have indicated that while there are mechanisms in many countries, few have what could be

described as a fully functioning NIC based on the guidelines developed for the CLME Project (Mahon et al, 2010; McConney et al, 2016; Compton et al, 2017). The conclusion is that there is considerable work to be done to develop and strengthen NICs and that this needs to be part of ongoing and future initiatives to develop the regional ocean governance framework. Consolidating the RGF is among one of the proposed functions of the regional Coordination Mechanism.

3.2.5. The CLME+ Partnership

The forthcoming CLME+ Partnership (“Global Partnership for the Sustainable Management, Use and Protection of the Caribbean and North Brazil Shelf Large Marine Ecosystems”) recognises that for the RGF to function effectively, it will need to engage with a much wider range of stakeholders at all levels than just the Intergovernmental Organisations (IGOs) and countries which are expected make up its governing structure. The CLME+ Partnership is being developed as a mechanism to engage the full range of stakeholders and to include them in the development and implementation of integrated ocean governance in the Wider Caribbean Region. It is currently being established as an interactive, responsive, dynamic and evolving, voluntary non-legally binding long-term partnership arrangement for the stakeholders of the marine environment of the CLME+ region.

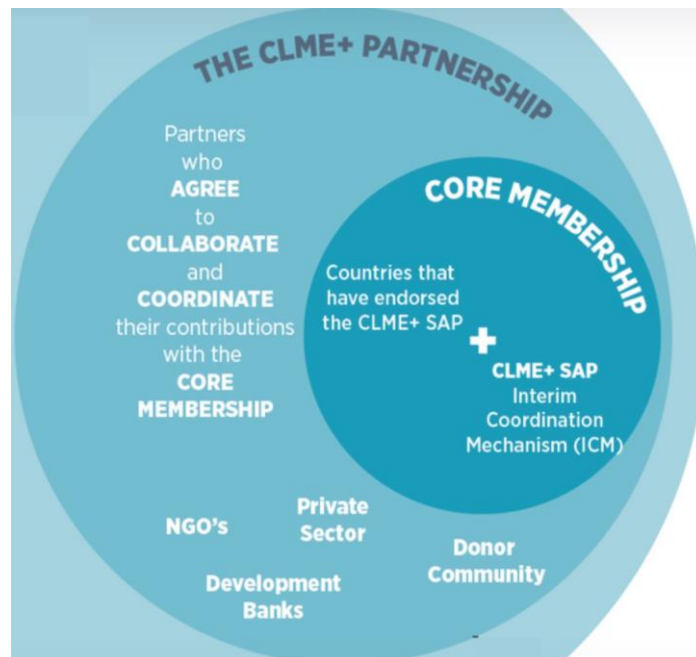


Figure 7 The structure of the forthcoming CLME+ Partnership

The Partnership’s mission is to improve interactive and cooperative ocean governance, for example through the integrated management of the shared living marine resources of the CLME+ region. The CLME+ Partnership Core Membership consists of (a) the countries that have formally endorsed the CLME+ SAP, and (b) the Parties to the Memorandum of Understanding (MoU) that establishes and governs the CLME+ SAP ICM.

3.3. Status of Financing for the Regional Governance Framework

For nearly all IGOs the actual allocation of pledged member contributions and declining regular budgets are the most pressing issue. The agreed regular budget of all IGOs (related to ocean governance) amounts to approx. USD 3.6m annually. Many countries, however, are in arrears with their contributions, due to national budget restrictions. The amount of arrears ranges from 20 to 35% of agreed allocations for individual IGOs (see Table 3 below). All IGOs report that even if all contributions were received, regular budgets are just sufficient to cover their regular institutional costs. In the case that the agreed regular allocation is considered below what would actually be needed (see Table 4) arrears lead to serious constraints.

Despite this situation the available regular allocations are successfully used as “seed money” to acquire donor grants, as well as extra-budgetary member and non-member contributions, leveraging on average more than four times their agreed regular budget annually.¹⁵ Thus, with the actual contributions of less than 3.6m USD (the agreed regular budgets), IGOs leverage additional approximately 16m USD annually for the implementation of ocean governance related programmes and projects to the benefit of their member states.¹⁶ However, programme funding is highly variable, very dependent on donor priorities and cannot substitute reliable regular budget allocation.

Though the IGOs have relationships with a variety of donors, most cover 50 per cent or more of their programme budget with funds from one single donor. Further, larger projects often put a strain on administrative resources and restrict IGO’s capacity to enact other aspects of their respective work programmes. Some IGOs therefore see it as an indication of financial sustainability if the funding from donors does not exceed their respective regular budgets. Proposal development and project management alone take up a lot of resources. All ICM members stress that better coordination is needed to reduce competition for funds.

Table 3 Approximate share of annual contributions actually paid

UN Environ-ment CEP	WECAFC	IOCARIBE	OSPESCA	CCAD	CARICOM Sec	CRFM	OECS
75-80%	n/a	n/a	65%	70%	n/a	75%	80%

Table 4 Higher regular contributions would be required to fulfil mandate completely

UN Environ-ment CEP	WECAFC	IOCARIBE	OSPESCA	CCAD	CARICOM Sec	CRFM	OECS

¹⁵ The ratio between donor finance and regular budget ranges between approx. 15:85 to 70:30, with most IGOs at approx. 30:70. From the available documents a leverage ratio of 1:4.5 has been deducted as average across all IGOs. However, this represents only a snapshot of the latest year of reporting.

¹⁶ These estimates are based on only one or two years of reporting. It has not been possible to verify actual amounts of external project funds on an annual basis for all IGOs. Estimates are based on available documents, interviews and own assumptions.

YES	n/a	n/a	YES	YES	n/a	YES	n/a
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Beside country contributions and donor grants there are no other sources of income among the eight IGOs. All IGOs stress the importance of developing private sector partnerships but so far, no significant contributions from the private sector to ocean governance are made. For most of the IGOs the introduction of consultancy services to diversify funding sources is not a legally feasible option, with the exception of CRFM and OSPESCA.

Effective coordination can be considered a great opportunity to strengthen financial sufficiency, reliability and resilience of the IGOs. Several examples already demonstrate that coordination is beneficial to leverage of donor funds, and several IGOs emphasize that the existence of the ICM is key to these successes. There are already strong ties among the ICM members in the form of MoUs and/or joint project proposal initiatives, which can be further built upon (for details see Annex 5). There is, however, untapped potential to diversify donor relationships by using the CLME+ SAP more strategically to enhance leverage. Also, financial resilience can be further increased by diversifying funding sources and by developing successful private sector partnerships. The biggest challenge seems to be to ensure reliable and sufficient regular budgets, which calls for efforts to assist member countries in securing their agreed contributions (see Section 5).

4. A Coordination Mechanism for Integrated Ocean Governance in the WCR

4.1. Mandate and Functions of the Coordination Mechanism

4.1.1. Key assumptions and approach

There is a wide consensus among the countries and IGOs of the WCR regarding the need for the establishment of a permanent Coordination Mechanism for integrated ocean governance in the region. The vast majority of CLME+ countries have expressed this need formally through their endorsement of the CLME+ SAP, with Strategy 3 particularly stating to *“establish and operationalize a regional policy Coordination Mechanism for governance of the marine environment, with initial focus on shared living marine resources.”*

Countries have confirmed this general consensus repeatedly throughout the implementation of this consultancy, most prominently during the first consultation meeting in Cartagena in September 2018. The recommendations given by countries during that meeting form the basis for the present proposal, both in terms of the approach taken for its development, as well as regarding the substantive content of the proposal. Building on the existing MoU for the CLME+ SAP ICM, guided by countries’ recommendations, and in close exchange with the IGOs, the proposal for the mandate and functions of the mechanism has been developed taken the following key assumptions into account:

- First, the proposed Coordination Mechanism is **not** built from zero, but it builds on and strengthens the existing ocean governance framework in the region. Particularly, it builds on and expands the current cooperation arrangements among countries (CLME+ Project Steering Committee, which currently has a project implementation oversight role) and among IGOs (the CLME+ SAP ICM as described in section 3), and it institutionalizes and gives continuity to the TDA/SAP approach introduced by the CLME and CLME+ Projects (including some of the key SAP outcomes). This means that the mechanism does not represent the establishment of a new regional organisation in the region and does not substitute any existing organisation, but it is a mechanism that is owned and driven by countries and their already existing regional organisations, to facilitate the interaction among them.
- Second, the proposed mechanism is **not** a project implementation body, but it would have an enabling and facilitating role, performing mostly coordination related activities. This also means that the coordination body would not be in competition with existing organisations in terms of fundraising for projects and programmes, but on the contrary it would support them in strengthening their capacity for (jointly or individually) mobilizing resources for ocean governance.
- Third, the proposed mechanism is **not** a policy making body, but it enables the improved coordination and harmonization in the development and implementation of programmes, strategies, policies, action plans, projects and activities relating to ocean governance by IGOs, while promoting greater synergies between national and regional

actions. This means that the mechanism is not a forum in which countries take binding decisions with domestic legal obligations, but it is an arrangement based on voluntary cooperation and collaboration.

The approach taken for the development of the mechanism has been twofold:

- **“Form follows function”**: The first concern for the establishment of the mechanism is its functionality, i.e. what is the mechanism tasked to do. The functions of the mechanism should be those that address the most important gaps in the regional ocean governance framework, and as such focus on those areas where an investment in improved coordination is most necessary and highly promising to deliver the socio-economic and environmental benefits that can only be realized through improved regional ocean governance (see section 2 which elaborates on why integrated ocean governance is required for realizing sustainable development in the Wider Caribbean region). The governance model of the mechanism should respond to its functionality.
- **“Modular approach”**: With each function, specific responsibilities are attached for the mechanism to perform, as well as a certain operational structure with resource requirements and associated costs. These “modules” form the basis for a decision by countries on the preferred scope of the mechanism. This would also allow for a stepwise process, which starts with the strengthening of the existing ICM by expanding its functionality and resources, and allows for the progressive consolidation, enhancement of mandate and scope and institutionalization of the cyclical TDA/SAP process beyond the implementation period of the current CLME+ SAP. Such a process needs to build confidence among all partners concerning its effectiveness and its capacity to satisfy the expectations.

Main gaps identified in the CLME+ SAP and how they relate to a Coordination Mechanism

The proposed Coordination Mechanism is expected to address multiple issues that were identified in the CLME+ SAP as root causes for ecosystem degradation in the region.

These include:

- **Weak governance**

The governance baseline assessed in the consultancy’s Inception Report pointed out the geopolitical fragmentation in the region, as well as the lack of cross-sectoral integration (“silo approach”). Despite the fact of the existence of various successful regional and sub-regional organisations, there is no single entity that addresses all relevant thematic issues across the entire WCR.

A Coordination Mechanism is expected to improve region-wide cross-sectoral coordination among countries, IGOs and other stakeholders from the region and beyond. For the cross-sectoral coordination at national level, and for the effective participation of

countries in the region-wide cross-sectoral coordination process, the functioning of National Intersectoral Committees (NICs) is key.

- **Limited human and financial resources**

As the financing baseline of the Regional Governance Framework (RGF) has shown, the national budgets for ocean governance are constrained in most countries, which limits the financial capacity of IGOs. Generally speaking, environmental issues related to ocean governance (both national and regional) do not rank among the highest priorities in terms of national budget allocations. Some countries have further been heavily affected by natural disasters, with severe consequences on their economies and ability to contribute. Also, donor funds are limited and there is some degree of competition among the IGOs, with no common strategy for resource mobilization in place. This may lead to some level of duplication of efforts and projects.

A Coordination Mechanism is expected to improve coordination for a more sustainable financing of ocean governance, which includes the financing of the respective regional and sub-regional IGOs.

- **Inadequate (access to) data and information (inadequate knowledge)**

A lot of relevant scientific data and other information are being produced in the region and outside, however oftentimes this is scattered across organisations and not readily accessible (and not accessible in all languages of the region).

A Coordination Mechanism is expected to strengthen the knowledge management in the region by building on existing programmes and tools (of the CLME+ Project and IGOs, such as the regular “State of the Marine Environment and Associated Economies report – SOME – which is jointly being developed in its first edition under the CLME+ Project).

- **Inadequate public awareness & participation**

Public awareness on the importance of sustainable management and use of marine and coastal ecosystems and resources for socio-economic development, human well-being and environmental health is still low across wide parts of the region, including decision makers, the private sector and the general public. Also, there is still a limited understanding of the social norms and behaviours that are needed to influence the sustainable management and use of oceans. This situation has effects on the level of political, public and private sector support and spending for ocean governance programmes and policies in the countries of the region.

A Coordination Mechanism is expected to strengthen the region-wide communication on the crucial role of marine and coastal ecosystems and resources for the region, and the need to protect their functioning to safeguard human well-being and socio-economic development, and the performance of many business sectors in particular. It also includes communicating the role that healthy oceans play for achieving national and regional development aspirations and policy objectives laid out in key international processes such as the Agenda 2030 for Sustainable Development, the SAMOA Pathway,

the Sendai Framework for Disaster Risk Reduction and global and regional initiatives related to the sustainable ocean-based economy/blue economy.

▪ **Inadequate consideration of value of ecosystem goods & services**

The inadequate consideration of the value of ecosystems and their goods and services has resulted in a situation in which the resource users (incl. the private sector) do not adequately contribute to the conservation and management of the resources they rely on. On the other hand, there is still an untapped potential for using marine and coastal resources in a sustainable manner with important economic benefits (e.g. renewable energy).

A Coordination Mechanism is expected to promote coordinated actions by countries and IGOs to address this issue in the context of a sustainable ocean-based economy/blue economy approach and a sustainable financing plan.

In addition to these gaps identified by the CLME+ SAP, further specific gaps and challenges for the Coordination Mechanism to address have been identified through a series of interviews and consultations with countries, IGO representatives and other stakeholders. These are:

- Insufficient or missing cross-sectorial region-wide monitoring and programme coordination beyond the current CLME+ Project, and hence potentially overlapping activities in the programmes of different organizations and untapped potential for synergies
- TDA/SAP process not institutionalized beyond the CLME+ Project and no regular mechanism to monitor and report on the status of the marine environment and associated economies
- No region-wide and cross-sectoral communication strategy to create visibility and awareness on key issues related to sustainable ocean-based development, and lack of an efficient communication system/network to systematically address key actors and audiences incl. decision makers, the private sector, potential funders, general public
- Limited degree of coordination within the regional institutional and policy framework for ocean governance, and hence limited degree of policy harmonization
- Insufficient sharing of information and knowledge about ocean governance issues and information on initiatives, to of IGOs and other partners (current information exchange is ad-hoc)
- No arrangement to ensure the sustainability of the CLME+ Partnership post-CLME+ Project, no joint approach to engagement the private sector in ocean governance
- Scientific information and research results are not readily available or accessible and/or not being effectively used for policy making and implementation
- No mechanism in place to jointly identify and assess emerging issues that require regional cross-sectoral action or have the opportunity to generate region-wide benefits; to identify potential new partners for collaboration on these issues, and to explore new and innovative approaches for regional cooperation and harmonization in ocean governance

- Limited degree of joint programme development among IGOs. Programmes developed individually by IGOs or countries can result in certain overlaps and duplication, and hence reduce financial efficiency
- No common understanding/definition of the Blue Economy in the context of sustainable ocean-based development, no joint regional strategy in place
- No common approach to resource mobilization and fund raising, hence potential “new” funding sources remain largely untapped (climate finance, blue economy investments, etc.)

These identified gaps constitute the basis for the proposed functions of the Coordination Mechanism presented below (see also Annex 3). Once these functions are agreed upon and endorsed by countries, the permanent Coordination Mechanism can be established, mandated and operationalized to coordinate the implementation of these functions by various agencies and partners, supported through a lean operational structure.

4.1.2. Proposed scope of mandate and functions

The following proposed mandate for the Coordination Mechanism builds on the MoU for the current CLME+ SAP ICM, countries’ recommendations and was intensively discussed with the CLME+ SAP ICM members at the beginning of Phase 2 of this consultancy.

Promote and facilitate regional collaboration and cooperation by coordinating policies and programmes in the Wider Caribbean Region (WCR) for the conservation, management and sustainable use of the marine environment and coastal and marine resources.

The mandate for the proposed Coordination Mechanism should ***improve the region-wide and cross-sectoral coordination of ocean governance as a key enabler for attaining regional and national aspirations and policy objectives related to ocean-based sustainable development, including strategies for a sustainable ocean-based economy/blue economy and disaster risk reduction strategies.***

In terms of the proposed **geographic scope**, the mandate refers to the Wider Caribbean Region (WCR), defined as the combination of the Caribbean LME and the North Brazil Shelf LME (together referred to as CLME+), as well as the Gulf of Mexico LME. The inclusion of the Gulf of Mexico into the Coordination Mechanism is logical from a governance perspective, taking into account that the relevant regional organisations and agreements in the WCR (such as the Cartagena Convention/UN Environment CEP; WECAFC, IOCARIBE) already cover this part of the WCR. As there is no single definition for the term Wider Caribbean Region, this allows for further adjustments to the exact geographic mandate of the mechanism, upon decision by countries.

Regarding the **thematic scope**, the mandate of the Coordination Mechanism will at least initially cover the three main thematic areas identified in the CLME+ SAP – namely marine pollution, marine biodiversity and fisheries, and the cross-cutting area of climate change, which define the CLME+ SAP ICM’s thematic scope of mandate. However, as recommended by countries during the 1st Regional Consultation Meeting, the mandate of the permanent Coordination Mechanism is proposed to be thematically broader to also cover the other thematic areas, sectors and economic activities that are related to the marine environment and resources, such as Tourism, Oil and Gas, Shipping, Mining, Biotechnology, Bioprospecting and Renewable Energy.

The **proposed functions** build on the current functions of the CLME+ SAP ICM, on countries’ recommendations resulting from the first Consultation Meeting, and on the gap analysis and stakeholder consultations carried out under this consultancy. This process involved representatives of the countries, IGOs and other stakeholders.

In this regard, these functions respond to the coordination needs of the regional governance framework, and their implementation will largely build on the present structures and bodies established by the IGOs, coordinated through a lean dedicated structure of the Coordination Mechanism. Responding to the needs for coordination, the nine functions are proposed as displayed in Figure 8 below.

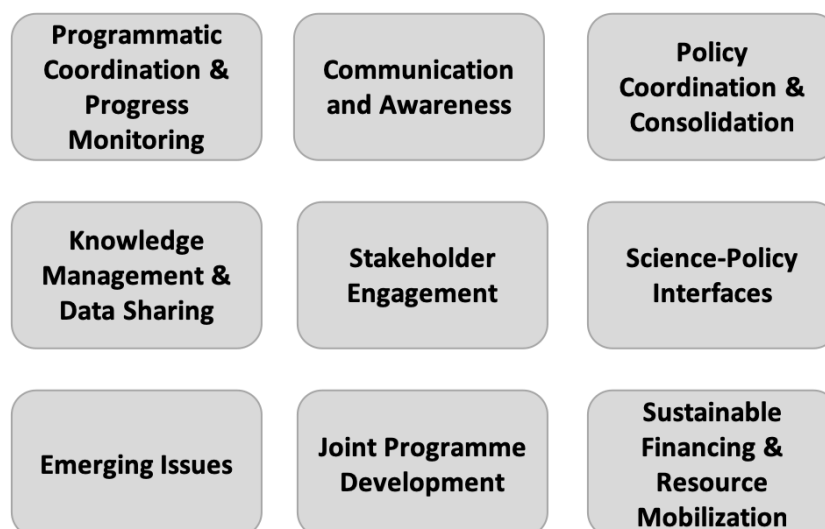


Figure 8 Proposed functions for the Coordination Mechanism

These functions are presented in further detail in Table 5.

Table 5 Details on the proposed functions for the Coordination Mechanism

1 - Coordination of programmatic approaches for ocean governance and monitoring progress with critical ocean sustainability instruments, goals and commitments

- Institutionalize and give continuity to the cyclical TDA/SAP approach, including the coordination of the regular collaborative development of SOMEE reports and the associated periodic revision of Strategic Action Programmes (SAPs), and support a coordinated implementation by countries and IGOs
- Monitor and support national reporting on progress with critical ocean sustainability instruments, goals and commitments in the Wider Caribbean Region, including the SDGs, in particular SDG 14, “to conserve and sustainably use the oceans, seas and marine resources”, and other relevant regional and international commitments¹⁷.
- Identify and discuss overlapping and complementarity actions, to minimize the gaps in the roles and responsibilities of partner organisations, to increase effectiveness and efficiency of actions that contribute to achieving the objectives of critical ocean sustainability instruments, goals and commitments, including the CLME+ SAP and others and to increase efficiency in the use of financial resources.

2 - Communication, outreach and awareness raising

- Maintain an efficient communication system to reach out to stakeholders and the wider public within and beyond the WCR with key messages and information related to the management sustainable use of the ocean, including the ecological, social, cultural and economic benefits
- Communicate the benefits of coordinated regional ocean governance and joint programmes, and the added value of the Coordination Mechanism within the region and beyond, including communication of risk reduction and opportunities for investment

3 - Policy coordination and consolidation of the regional institutional and policy framework for ocean governance

- Facilitate the interactions among regional partner organisations required for the effective operation of the Regional Ocean Governance Framework and for the coordination of regional policies and strategies
- Identify policy gaps and develop policy recommendations for strengthening regional ocean governance in the WCR and harmonizing relevant policies, targeting decision makers at national, sub-regional, regional and international levels
- Develop and communicate a cross-sectorial perspective on regional ocean governance
- Develop formal relationships with regional multipurpose economic integration agencies (CARICOM, SICA, OECS, ACS), providing advice and receiving feedback
- Support national ocean governance, including national level coordination for oceans

¹⁷ Critical ocean sustainability instruments, goals and commitments include (but are not limited to) the CLME+ SAP and the Gulf of Mexico LME SAP (if mandated to do so), SDG 14 and others, the SAMOA Pathway, regional agreements including the Cartagena Convention and Protocols and constituting agreements of IGOs, as well global agreements (UNCLOS, CBD, UNFCCC, MARPOL, Sendai Framework, inter alia).

4 - Knowledge management and data and information sharing
<ul style="list-style-type: none"> • Maintain a regional data and information interface to provide the global gateway (knowledge hub), resources and tools to support countries, partner organisations and the wider stakeholder community to achieve critical ocean sustainability goals and commitments, including e.g. a project database, training portal, etc. • Facilitate identification and sharing of data and information acquired by IGOs, research institutions and other partners, and facilitate the harmonization of monitoring approaches (e.g. for coral reefs).
5 - Stakeholder engagement
<ul style="list-style-type: none"> • Identify and engage with stakeholders from all socioeconomic sectors of the WCR and beyond to achieve ocean related goals and commitments • Address the broader stakeholder community and engage with partners (such as NGOs, private sector, development banks, donors, etc.) by promoting and supporting a global Partnership for the WCR (CLME+ Partnership currently established under the CLME+ Project), e.g. by inviting new stakeholders to the partnership, monitoring and reporting on partnership results and organizing a regular Partnership Forum
6 - Strengthening science-policy interfaces
<ul style="list-style-type: none"> • Identify research institutions, universities and other scientific organisations that undertake research with relevance to ocean sustainability in the Wider Caribbean Region, in particular science that can address knowledge gaps for enhanced policy-making, management, sustainable investments • Establish partnerships with research institutions to share scientific data and information, to coordinate activities and to identify opportunities for collaborative research in the natural and social sciences and technology, and review, report on and revise the CLME+ Research Strategy (developed under the CLME+ Project) • Identify and build connectivity with policy processes that need science inputs to determine research needs
7 - Identification of new areas for collaboration and emerging issues
<ul style="list-style-type: none"> • Identify new areas for regional collaboration beyond current IGO work programmes • Identify and address emerging issues for regional collaboration, including incorporation into regional ocean sustainability instruments (CLME+ SAP and others) and development of common approaches (e.g. certification schemes) • Develop a common understanding and vision for a sustainable ocean-based economy/blue economy in the context of sustainable climate-resilient development in the Wider Caribbean Region
8 - Development of joint programmes
<ul style="list-style-type: none"> • Identify programmatic areas and develop proposals for joint programmes that contribute to critical ocean sustainability instruments, goals and commitments to be implemented by countries, regional organisations and/or other partners

- Identify and develop programme proposals that support and reinforce the transition towards a sustainable and climate-resilient sustainable ocean-based economy/blue economy
- Engage international funding partners to guide programmatic orientation of support

9 - Sustainable financing and resource mobilisation for ocean governance

- Coordinate and monitor the development and implementation of the sustainable financing plan for the Regional Ocean Governance Framework in the WCR and facilitate further joint strategic resource mobilisation efforts to secure continuous funding and support for ocean governance
- Pursue funding for programmes, projects and activities that contribute to critical ocean sustainability instruments, goals and commitments in the WCR, particularly those cutting across sectors and which are in line with ocean-based sustainable development strategies, incl. blue economy, climate change and disaster risk reduction
- Embedded in a strategy for ocean-based sustainable development, develop and implement innovative financing mechanisms to mobilize private investment for ocean governance and the financing of a sustainable ocean-based economy/blue economy in line with the 2030 Agenda, the SAMOA Pathway and the Sendai Framework

The proposed functions are not listed in an order of priority, but two categories of functions should be distinguished:

- A set of **core functions** that are the minimum requirement to deliver on the mandate of the Coordination Mechanism. These functions need to be performed regularly, implemented permanently, underpinned with the necessary resources.
- A set of **supporting functions** identified as priority by countries and IGOs for the Coordination Mechanism to perform. These functions could be implemented based on specific demand and available resources, temporarily and/or at different levels of 'intensity'.

The 'modular approach' for the development of the Coordination Mechanism offers the countries the option to select core functions based on current needs and resources, and to expand the set of functions based on future needs and available resources. Beyond the selected core functions, it is proposed that at any time, countries can review the functions of the mechanism and allocate resources accordingly.

There are several possible configurations for selection of core functions and supporting functions, two of which are displayed below in Figure 9 as examples. In case A, the Coordination Mechanism would have three core functions (Programmatic Coordination; Communication; Policy Coordination) and the six supporting functions, performed on a demand basis. In case B, the Coordination Mechanism would have four core functions

(Programmatic Coordination; Communication; Policy Coordination; Knowledge Management) and five supporting functions, performed on a demand basis.

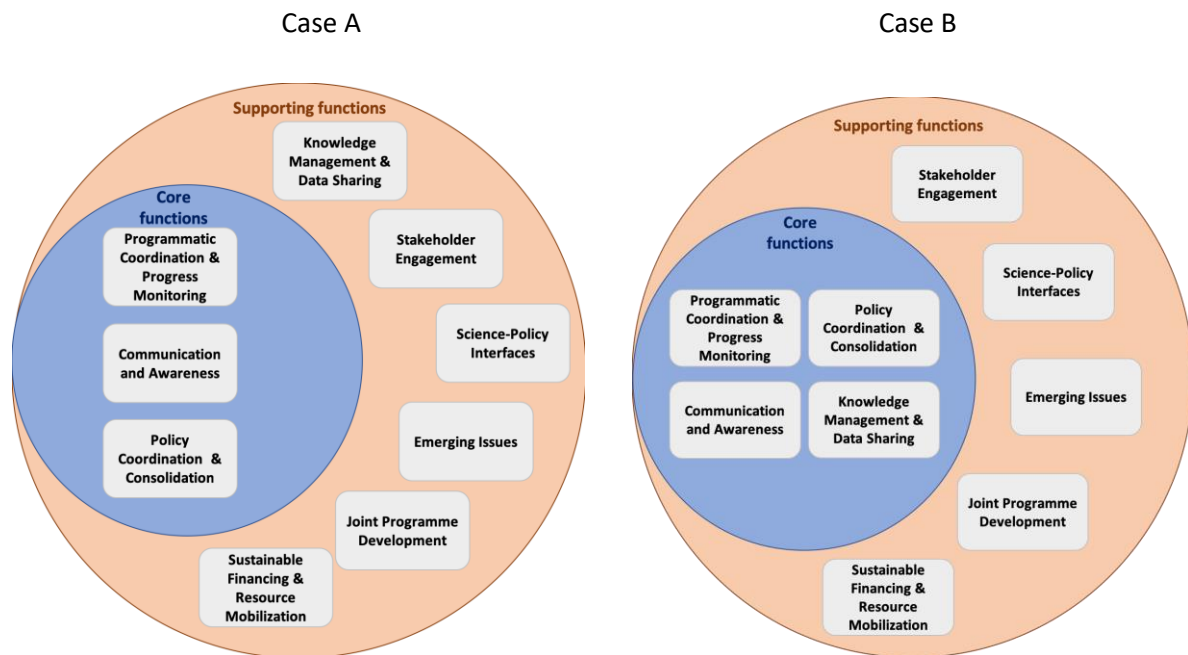


Figure 9 Possible configurations for selection of core functions and supporting functions for the Coordination Mechanism

As discussed, there are several other possible configurations with more or less core and supporting functions to be selected for the Coordination Mechanism, depending on countries' priorities and available resources.

Steps towards the Coordination Mechanism – Step 1

Endorse the mandate and select the core functions which would be implemented permanently by the members of the Coordination Mechanism to be able to fulfill the mandate. This implies regular participation and engagement of country and IGO members, as well as regular financing of those functions. This step also includes the **selection of supporting functions** that the Coordination Mechanism would be mandated to perform on a demand basis.

Consultancy recommendation: include (at least) functions 1, 2 and 3 among the core functions, as these are considered essential for fulfilling the proposed mandate.

4.1.3. Expected Benefits

The proposed Coordination Mechanism for integrated ocean governance is expected to provide significant benefits to the wider Caribbean region. These are summarized below.

The **Transboundary Governance Effectiveness Assessment Framework (GEAF)** (Mahon et al., 2017) has been proposed as a framework that can be used to operationalize governance assessments based on indicator sets. The application of the GEAF particularly for fisheries, biodiversity and pollution has been promoted by the CLME+ Project. The GEAF distinguishes between *good governance* (governance arrangements and processes that have been set up in a way that is consistent with accepted institutional norms and practices) and *effective governance* (governance practices that have achieved what they were established to do, i.e. relating to ecosystem pressure, ecosystem state, social justice, human well-being).

Direct benefits are expected to be derived from the Coordination Mechanism's contribution to *good ocean governance* through the implementation of the different functions of the mechanism; and *indirect benefits* can be expected as a result from *enhanced ocean governance effectiveness*, in terms of health of coastal and marine ecosystems and resources, positive effects on livelihoods and social welfare as well as preserving the cultural value of ecosystem goods and services.

Summary of expected direct benefits

- ❖ A higher impact of policies, programmes and projects on the regional level by working towards common goals and objectives (SDGs, SAP and other commitments and targets)
- ❖ Better monitoring of the progress made toward achieving objectives and tracking distance to targets
- ❖ More efficient use of resources by maximizing synergies and minimizing duplications in the work of IGOs, countries and other stakeholders
- ❖ Higher leverage effect for financing and a stronger position toward funding partners through design of joint programmes and projects

- ❖ More effective monitoring and evaluation of the impact of investments in ocean governance and the return on those investments.
- ❖ Enhanced and more targeted commitment and contributions by the private sector to ocean-based-sustainable development through a common approach to engaging the private sector in regional ocean governance a
- ❖ More informed decision-making and allocation of resources based on timely shared information and knowledge.
- ❖ Enhanced environment to support investments towards sustainable ocean-based development in the WCR.
- ❖ Enhanced awareness among key stakeholders – including decision makers, resource users, partners, the general public – about the crucial role of sustainable management and use of marine and coastal resources for attaining sustainable socio-economic development.
- ❖ Better understanding of the multiple links between ocean-based sustainable development, climate resilience, disaster risk reduction and sustainable ocean-based economy/blue economy.

Specific benefits related to each of the functions are described in more detail in Annex 3.

While the benefits cannot be comprehensively quantified in economic terms, the following provides an estimation of some of the direct and indirect economic benefits that can be expected from the proposed Coordination Mechanism and its contribution to strengthening ocean governance in the WCR.

Direct economic benefits of the Coordination Mechanism

In line with the results of the 1st Regional Consultation meeting in Cartagena in 2018, the estimated added value of the Coordination Mechanism in the form of direct economic benefits is presented below. The benefits are estimated for a Coordination Mechanism with all proposed functions implemented. Coordination will increase the resource mobilization and grant leverage potential of the current ICM members individually and as a group and allow for a more efficient use of resources. **Increased leverage and efficiency gains together are estimated to amount to additional available resources of USD 11.6m to 25.3m annually.**

As the RGF evolves and coordination throughout the WCR enhances, efficiency gains could make around USD 21.1m to 42.2m additionally available.

Current Leverage: Overall agreed regular allocations to the eight IGOs of the ICM through members or super-ordinate IGOs amount to approx. USD 3.6m annually¹⁸. With this, approx. 4.5 dollars per dollar invested are leveraged by IGOs. This amounts to an estimated sum of USD 16.2m annually of donor grants and other extra-budgetary resources.¹⁹ **At this current leverage ratio, the regular allocations of approx. USD 1.1m to 2.1m to a Coordination Mechanism with all functions implemented could hence leverage additional resources of between USD 4.9m and 9.4m annually.**

Enhanced Leverage: As mentioned above, improved coordination can further *enhance* the present leverage potential of IGOs, individually and as a group. Factors underpinning this assumption are:

- Quality of proposals may be enhanced when ideas and resources for development are shared
- New acquisition opportunities may arise, if the specific profiles, capacities and experiences of individual IGOs are matched in a synergistic manner
- IGOs increase their significance to donors, if ocean governance is coordinated regionally
- Higher attractiveness to donors, if IGOs demonstrate that duplication of efforts is avoided

Based on this, two hypothetical scenarios are assumed: an increase to an average leverage of 1:5.5 (moderate) and an increase to an average leverage of 1:6.5 (high). **Depending on the scenario and the annual allocation to the Coordination Mechanism, this leads to an additional estimated annual leverage of between approximately USD 9.7m and 21.4m.**

Table 6 Increased leverage and estimated additional benefits with enhanced coordination

	Regular annual allocation (million USD)		Annual leverage (million USD) at present ratio of 1:4.5		Annual leverage (million USD), moderate increase of leverage of 1:5.5	Annual leverage (million USD), high increase of leverage of 1:6.5
	Low	High	Low	High		
ICM, 8 IGOs	3.6		16.2		20	24
Coordination Mechanism, all functions	Low	High	Low	High	Low allocation to Coordination Mechanism	High Low allocation to Coordination Mechanism
	1.1	2.1	4.9	9.4	5.9	13.6

¹⁸ This was based on the budget information provided by IGOs (as available April 2018). For CARICOM and OECS shares indicated in the interviews were included: 0.91% of CARICOM’s core budget and for OECS 285.000 EC\$.

¹⁹ Ocean governance related budget could not be unambiguously verified on an annual basis. Grants and donor contributions vary significantly. Annual averages of project grants were used where project duration was indicated. Some of the amounts taken into account only represent a snapshot of the latest year of reporting. Based on either indication by IGOs or on available budget information, a leverage ratio for each IGO was established. It is approx. 30:70 for most IGOs (regular vs. extra-budgetary), with some exceptions around 15:85. From this, an average ratio of approx. 1:4.5 has been derived. Based on this, the approximation of a leverage of USD 16.2m annually was obtained and cross-checked with existing budget information as available.

Total annual leverage	-	-	21.1	25.6	25.9	37.6
Additional benefit	-	-	4.9	9.4	9.7	21.4

Efficiency gains: Avoided duplication of efforts and synergistic use of existing resources enabled by the Coordination Mechanism will lead to a more efficient use of resources. These become available for more effective implementation of programmes and projects, to the benefit of the member states. In two hypothetical scenarios efficiency gains of 10 and 20 per cent are assumed.

Combining estimated leverage and regular allocation the overall ocean governance related budget of the current eight ICM members amounts to approximately USD 19.8m annually. **With efficiency gains of 10 to 20 per cent, close to USD 1.9m to 3.9m become additionally available on an annual basis.**

Table 7 Estimated annual efficiency gains with enhanced coordination, 8 ICM members

	Approx. annual budget for ocean governance (million USD)	Annual efficiency gain at 10% (million USD)	Annual efficiency gain at 20% (million USD)
ICM, 8 IGOs	19.8	1.9	3.9

Thus, increased leverage and efficiency gains amount to an estimated additional benefit of USD 11.6 m to 25.3 m annually.

Taking into account that the RGF will evolve to integrate more sectors and organizations of the region, efficiency gains can be expected to grow. In order to approximate these long term benefits a second estimate based on the grant value of projects thus far registered with the CLME+ Hub is provided. The total grant value so far is approx. USD 211 million²⁰.

Table 8 Estimated long-term efficiency gains with enhanced coordination, WCR

Approx. total grant value WCR (million USD)	Efficiency gain at 10% (million USD)	Efficiency gain at 20% (million USD)
211	21.1	42.2

Efficiency gains within an evolving RGF could make around USD 21 m to 42 m additionally available.

Economic benefits of enhanced ocean governance effectiveness (indirect benefits)

Enhanced effectiveness of ocean governance achieved through the Coordination Mechanism impacts society as a whole including positive effects on livelihoods and social welfare as well

²⁰ The project database so far includes 179 projects including ongoing, completed and pipeline projects. The status of projects has not been recently updated on the website.

as preserving the cultural value of ecosystem goods and services. This section focusses on the economic benefits of integrated ocean governance, to which the proposed Coordination Mechanism will contribute.

Enabling a sustainable ocean-based economy

The Caribbean Development Bank stresses the need for cooperation, a regional strategy policy framework and functioning institutions in order to put the sustainable ocean-based economy into action (CDB, 2018). The proposed Coordination Mechanism can play a vital role to enable investments into a sustainable ocean-based economy, by facilitating dialogue, knowledge exchange and lessons learnt but foremost by helping to create reliable governance and regulatory conditions for investments (for details see section 2 and 5.3 of this report).

The OECD (2016) projects that between 2010 and 2030, the global ocean economy could more than double its contribution to global value added. For three scenarios (business-as-usual, sustainable and unsustainable scenario) the report concludes that a sustainable pathway for the development of the global ocean economy (USD 3.2tn) outperforms the business-as-usual (USD 3tn) as well as the unsustainable (USD 2.8tn) scenarios in 2030 in terms of global value added as well as in terms of job creation. It claims, the relative advantage of the sustainable scenario will increase over time (OECD, 2016).²¹

According to the World Bank (2016), the gross revenues generated by the ocean economy in the Caribbean were USD 407bn in 2012 representing approx. 18 percent of the total GDP of the Caribbean countries²² and around 14 to 27 per cent of the global ocean economy. In order to allow for a simple comparison of scenarios, we assume the Caribbean ocean economy represents 20 per cent of the global ocean economy.

Table 9 Value and employment of the ocean economy (OECD, 2016; World Bank 2016)

	Value added (USD)-sustainable scenario	Value added (USD)-unsustainable scenario	Employment-sustainable scenario (jobs)	Employment-unsustainable scenario (jobs)
Global ocean economy (OECD, 2016)	3.2tn	2.8tn	43m	37m
Caribbean ocean economy (20%)	640bn	560bn	8.6m	7.4m

²¹ OECD (2016) Scenarios: “The “sustainable scenario” assumes high economic growth and low environmental deterioration due to the development of resource-efficient and climate-friendly technologies combined with a supportive governmental framework that provides the right incentives to allow the ocean economy to thrive economically while meeting environmental standards. “; OECD (2016) unsustainable scenario: “The “unsustainable scenario” assumes low economic growth and serious environmental deterioration. Coupled with faster than expected climate change and environmental damage and low rates of technological innovation, the ocean economy experiences a challenging outlook beyond 2030.”

²² The projection does not include the North Brazil Shelf.

Hence, a sustainable scenario of development of the Caribbean ocean-based economy – driven by effective integrated ocean governance on the regional level – would create USD 80bn of additional economic value and 1.2 million more jobs in the Caribbean region, compared to an unsustainable scenario.

Safeguarding economic benefits at stake

The Coordination Mechanism can be regarded as an important safeguard against the risks posed by marine habitat degradation, marine pollution as well as unsustainable fisheries as identified by the World Bank (2016). Ensuring efficient use of scarce funds for ocean governance and collaboration to address the root causes of the key transboundary issues, the Coordination Mechanism can be considered a prerequisite to achieve the Ecosystem Quality Objectives (EcoQOs), namely “Healthy Coral Reef, Continental Shelf and Pelagic Ecosystems” and the associated Societal Benefit Objective, specifically the “optimization of ecosystems’ contributions to societal well-being and to the region’s development needs” (CLME, 2013).

Quantitative data, however, to assess current value of ecosystems or economic losses associated to their degradation are lacking. The Table 10 below summarizes only direct commercial benefits from a few selected ecosystem services for which data is available, thus only presents a fraction of benefits derived from healthy ecosystems²³. This especially applies to the provision of fish, for which only capture fisheries is accounted for, which does not reflect the full value and importance of fish for food security (CLME, 2011). Further, it is highly probable that the overall indirect economic impact of these revenues exceeds the amounts indicated by several times.²⁴

Addressing the key transboundary issues requires a joint effort from national governments, IGOs, private sector, civil society and the international community. The Coordination Mechanism takes up a key role in this but is of course not the only safeguarding factor. Deducting from this, two hypothetical scenarios are assumed: the contribution of the Coordination Mechanism to safeguarding these benefits is estimated to be at 10 per cent (low ambition) and 40 per cent respectively (high ambition).

Benefits at stake safeguarded by the Coordination Mechanism (selected services): USD 2.9 bn to 11.8 bn.

Table 10 Selected economic benefits at stake safeguarded by the Coordination Mechanism (non-exhaustive/indicative)²⁵

Ecosystem Service	Estimated annual economic benefits	Estimated annual benefits at stake	Estimated annual benefits at stake safeguarded by
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²³ For a full list of ecosystem services provided by marine ecosystems see CLME (2011).
²⁴ For background on how the estimates were obtained as well as underlying assumptions on benefits at stake see Annex 6.
²⁵ An estimation of the total value of coastal and marine ecosystems does not exist for the CLME+. To date, the most comprehensive information available focuses on Caribbean coral reefs and their relevance for the fisheries and tourism sectors as well as for coastal protection (Schuhmann and Mahon, 2015). It is acknowledged that the figures presented cannot substitute a geographically and economically accurate valuation of the ecosystem services of the WCR. Some of the assumptions might include double count, be incomplete and would need to be verified and in some cases adapted to the

	at stake (million USD)	safeguarded by the Coordination Mechanism (million USD) with “10%-scenario”	the Coordination Mechanism (million USD) with “40%-scenario”
Provision of fish (commercial capture fish only, not reflecting importance of fisheries for livelihood & food security in the region)	457	45.7	182
Recreational and tourism value (assuming only 30% visits due to healthy marine & coastal ecosystems)	27 300	2 730	10 920
Protection of shoreline from erosion and storms	1 378	137.8	550
Carbon Sequestration	352	35.2	140.8
Total	29 487	2 948.7	11 792.8

4.2. Governance of the Coordination Mechanism

4.2.1. Role of CLME+ countries and of IGOs

In order to strengthen integrated regional ocean governance in the WCR, the countries of the region need to play a key role in the Regional Ocean Governance Framework, including in the operation of the proposed Coordination Mechanism. This should strengthen the crucial links between the regional and national levels, in both ways: the effective intersectoral coordination at the national level to feed into the regional level coordination processes; and the uptake of regional initiatives and decisions at the national level. To make this happen, the importance of functioning National Intersectoral Committees (NICs) in the countries of the WCR cannot be overstated. While the proposed Coordination Mechanism has a focus on the region-wide coordination, the establishment and strengthening of NICs needs to be further pursued through (sub-)regional and national initiatives.

It is therefore proposed that countries are represented at different levels in the Coordination Mechanism: through their membership in the existing IGOs, as well as a direct representation in a Steering Group of the Coordination Mechanism itself. This will ensure that countries’ priorities are properly addressed in the work of the Coordination Mechanism and help to

regional context, the geographical scope or specified for species and ecosystems. Guiding assumptions and which led to the estimates can be found in Annex 6.

streamline countries' positions and decisions across the different existing intergovernmental arrangements.

The IGOs play a key role in the operation of the Coordination Mechanism. Working together through the mechanism enables them, among other, to improve the coordination of their respective work programmes, the identification of joint opportunities for programming and resource mobilization, joint development of new projects and collective engagement of stakeholders in ocean governance.

4.2.2. Organisational structure

The Coordination Mechanism is proposed to be operated through four main elements:

- The Steering Group in which countries are represented with the mandate to provide overall guidance and direction, based on the principles of sovereignty and regional cooperation of the member countries.
- The Executive Group in which the IGOs are represented with the mandate to lead the management and operation of the Coordination Mechanism technically and strategically according to the orientations and decisions of the Steering Group.
- Working Groups which are constituted by the Executive Group on a “needs basis” for specific purposes related to the different functions of the Coordination Mechanism, supporting the implementation of defined tasks and activities.
- A Secretariat which provides the technical and administrative support for the operationalization of the Coordination Mechanism and supports the work of the other three elements.

A simple diagram depicting the Coordination Mechanism is shown in the below Figure 10.

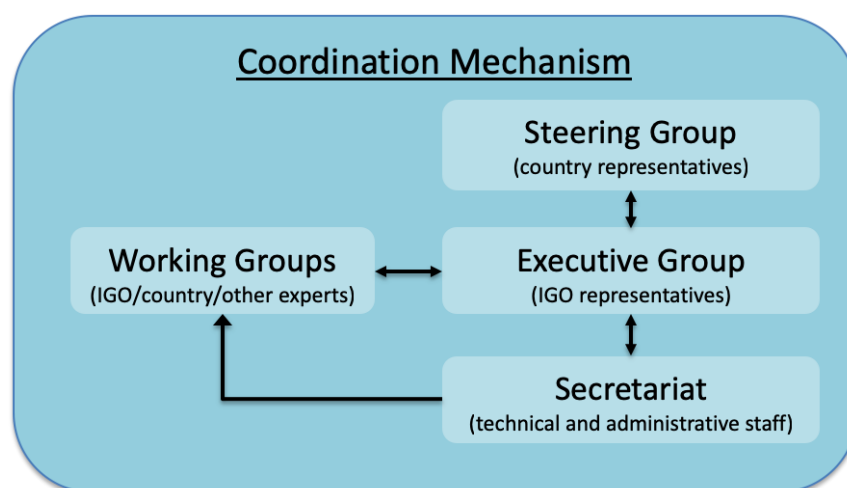


Figure 10 Organisation chart of the proposed Coordination Mechanism

The following Table 11 shows the proposed role, membership, chair, meeting cycle and decision-making process for each of the elements of the Coordination Mechanism:

Table 11 Organisational structure of the Coordination Mechanism

Steering Group	
Role	<p>The Steering Group provides high-level guidance and direction for the Executive Group but does not direct the specific activities of individual IGOs. The tasks of the Steering Group include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ Guiding the Executive Group on thematic milestones, financial and geopolitical issues, ▪ Approving work programmes²⁶ and budgets of the Coordination Mechanism ▪ Identifying and inviting new partners (for example representatives of private sector, or others) to the Coordination Mechanism) ▪ Identifying priority issues to be included in the work programme of the Coordination Mechanism from a country and regional perspective
Members	<ul style="list-style-type: none"> • 1 delegate per country (designated National Focal Points), representing the countries at ministry level: for the designation of Focal Points by countries, it is important to consider that the designated Focal Points represent the country on a regular basis (avoiding rotations of Focal Points as much as possible), that they are well connected with the representatives in the IGOs, and that they represent the country from a cross-sector perspective. NICs are key to achieve this. • The Chair of the Executive Group, representing the Executive Group. He/she reports on the activities of the Executive Group • Invited observers • Coordinator/Director of the Secretariat, responsible for the documentation and reports of the meetings
Chair	Rotating chair (modality to be decided by the country representatives)
Meeting cycle	Every 2 or 3 years (would meet in year 1 of the operation of the Coordination Mechanism).
Decision-making	Consensus

Executive Group	
Role	<p>The Executive Group leads the technical and operational activities of the Coordination Mechanism including, but not limited to:</p> <ul style="list-style-type: none"> ▪ Incorporating the recommendations from the Steering Group and IGOs into the work programme

²⁶ It is important to mention that the meeting cycles and the decision of the working programmes of the Coordination Mechanism need to be in synergy with the on-going IGO work programmes. So far, even if the final decision on the Work Programme of the Coordination Mechanism is the responsibility of the Steering Group, the participation of the IGOs in the development of these programmes is crucial.

	<ul style="list-style-type: none"> ▪ Monitoring the effectiveness of the work programs and reporting to the Steering Group ▪ Appointing the Coordinator/Director and hiring the staff of the Secretariat ▪ Establishing Working Groups whenever required ▪ Overseeing the work of the Secretariat and the Working Groups
Members	<ul style="list-style-type: none"> • Representatives of the IGOs • The Chair (or selected representative) of the Steering Group • Invited observers • The Secretariat (coordinator/staff), responsible for the documentation and reports of the meetings
Chair	Rotating or permanent chair, nominated by the representatives of IGOs (modality to be decided by the Executive Group)
Meeting cycle	Every 6 months (at least 1 physical meeting per year)
Decision-making	Consensus

Working Groups	
Role	<p>Working Groups are formed on an “as per needs” basis to support the operation of the Coordination Mechanism in specifically defined areas or functions, as determined by the Executive Group (based on work programmes and budgets) and whenever required to accomplish the work programme. The Secretariat supports the operational aspects of the activities of the Working Groups.</p> <p>For example, under the function “Strengthening science-policy interfaces”, countries through the Steering Group may request data and knowledge on how different ocean-based economic activities affect coastal and marine tourism in the region, to inform their national and regional policy responses. The Executive Group would form a Working Group with representatives from IGOs, tourism industry and other private sector representatives, independent experts and other stakeholders as needed with a specific mandate and terms of reference to put together the required information. The Secretariat would facilitate the work of the Working Group, by identifying experts and stakeholders, convening and documenting meetings, among other. The Working Group would report to the Executive Group, which would present the results to the Steering Group.</p>
Members	Appointed by the Executive Group, this can include experts, scientists, representatives from IGO staff, government, civil society, private sector and international organisations.
Leader	Appointed by Executive Group
Meetings	As needed
Products	Recommendations to the Executive Group

Secretariat	
Role	<p>The Secretariat provides the required operational, communication and administrative support for the Coordination Mechanism including, but not limited to:</p> <ul style="list-style-type: none"> ▪ Preparing, supporting and documenting meetings, decisions, recommendations and findings of the Steering Group, Executive Group and Working Groups ▪ Preparing draft work programmes and budgets for the Coordination Mechanism ▪ Implementing activities as determined in the work programme of the Coordination Mechanism ▪ Preparing regular performance reports ▪ Providing administrative and financial services to the Coordination Mechanism ▪ Operating, maintenance and regular updating of the Communication System ▪ Representing the Coordination Mechanism through the Coordinator/Director, as mandated by the Executive Group
Staff	Coordinator/Director, technical and administrative staff

Steps towards the Coordination Mechanism – Step 2

Determine the **governance structure** of the Coordination Mechanism. This includes the **roles and responsibilities** for countries and IGOs within the governance structure, as well as the role of the proposed Secretariat.

Consultancy recommendation: endorse the proposed governance structure and associated roles and responsibilities with a high-level steering role for countries, and an executive role for IGOs (through which countries are represented at the executive level), an operational role for the Secretariat.

As previously discussed, the proposed Coordination Mechanism is expected to strengthen interactive ocean governance in the wider Caribbean region. It thus forms an integral part of the Regional Ocean Governance Framework (RGF) and strengthen the coordination and collaboration among the intergovernmental organisations and their member states, and with other actors and existing and emerging initiatives in the region and beyond, including those described in Annex 2. In particular, the Coordination Mechanism pursues the institutionalization of the engagement with the private sector on a regional scale.

The Coordination Mechanism connects to these actors and initiatives in various ways: as invited observers to the meetings of the Steering Group and/or the Executive Group; as participants in issue based Working Groups constituted by the Coordination Mechanism (under all functions), through targeted communication and awareness raising (function 2), through building relationships with high-level decision making bodies (function 3), through building relationships with potential funding partners and investors (function 9), and not least through a dedicated stakeholder engagement function including a multi-stakeholder Partnership Forum (function 5).

Embedding the Coordination Mechanism within the RGF is essential. The following Figure 11 shows the multiple linkages between the elements of the proposed Coordination Mechanism and the existing structures of the Regional Ocean Governance Framework (refer to Section 3 for a description of those elements).

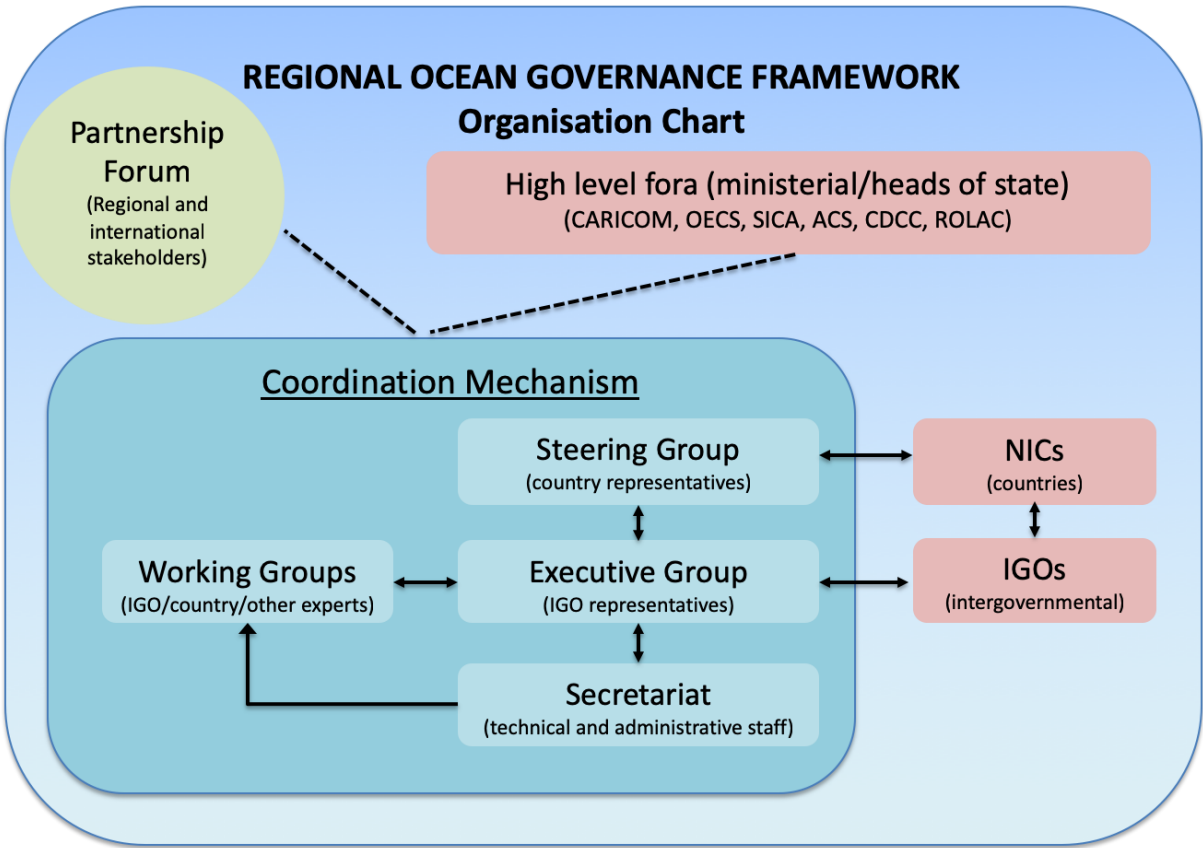


Figure 11 Organisation chart of the proposed Coordination Mechanism within the Regional Ocean Governance Framework

4.2.3. Establishing the Coordination Mechanism

The following provides an overview of potential options to establish the Coordination Mechanism. These options are preliminary in nature and shall serve as a basis for deliberations among countries, to take place once the functionality and the governance structure of the Coordination Mechanism are determined.

Establishing Agreement for the Coordination Mechanism

The establishment of the Coordination Mechanism requires an agreement that includes the mandate, functions and governance structure of the Coordination Mechanism, as decided by countries.

This could be an informal network/partnership agreement (i.e. a MoU), or more formal and binding agreement. These modalities have different implications, which will need to be explored and considered by countries once the scope of mandate and governance structure have been determined.

It is proposed that the Coordination Mechanism will build on the existing CLME+ SAP Interim Coordination Mechanism (ICM), which was established by the Memorandum of Understanding (MoU) between the eight IGOs in 2017. This MoU was endorsed by member countries through their respective IGOs.

Hence, a viable option for the establishment of the Coordination Mechanism is that a new or modified Memorandum of Understanding (MoU) will be drafted to replace the current ICM MoU, and which will be signed by member IGOs and be endorsed by countries. The current IGOs of the ICM are proposed to be members of the Executive Group²⁷ as signatories for the updated MoU. The MoU and membership in the Executive Group could be open for additional IGOs to join, based on a decision by the Steering Group of the Coordination Mechanism.

Another option for the establishment of the Coordination Mechanism would be through a more formal and binding agreement, which would be signed (and ratified) by all countries, similar to already existing agreements in the region.

These options are not mutually exclusive, meaning that the Coordination Mechanism could be established initially based on a MoU signed by IGOs and endorsed by countries, and at a later stage be consolidated through on a more formal and binding agreement among countries.

Steps towards the Coordination Mechanism – Step 3

Determine the type of **establishing agreement** for the Coordination Mechanism: an informal **network/partnership agreement (based on an MoU)** or a **more formal and binding agreement**, or a sequencing of both.

²⁷ The current MoU for the ICM was signed by FAO on behalf of WECAFC. The WECAFC reorientation process is still ongoing and it is not yet clear which form the regional fisheries body will have in the future.

Consultancy recommendation: replace the existing MoU of the SAP ICM with a new/modified MoU for the Coordination Mechanism signed by the IGOs and endorsed by countries, and task the Coordination Mechanism itself with developing a more formal agreement among countries.

Hosting Agreement for the Secretariat of the Coordination Mechanism

The Secretariat of the Coordination Mechanism can be installed in any country of the WCR, based on countries' decision and a hosting agreement with the respective selected country. Another option is for a Secretariat of an existing IGO to host the Secretariat of the Coordination Mechanism, based on a hosting agreement with the respective IGO (and possibly the country in which it is located).

While a host country and/or organisation is expected to make a (in-kind) contribution to the operation of the Secretariat, hosting also comes with a set of benefits. For a country, this includes gains in terms of international reputation as well as benefits for the local economy (e.g. locally recruited staff, service providers and suppliers, etc.). For an IGO, the hosting of the Secretariat can on the one hand raise its profile and on the other provide the potential to tap into potential synergies in technical terms.

Potential criteria for selection a host country or organisation are presented below.

When deliberating on potential host countries and/or organisations, countries may consider the following selection criteria:

Potential criteria for selecting a host country:

- Provision of co-financing/in-kind contributions (e.g. office space)
- Location and connectivity (distance to international hubs, frequency of international and regional flights, etc.)
- Cost for operation of the Secretariat (e.g. benefit levels for internationally recruited staff, salary levels for locally recruited staff)
- Attractiveness for recruiting and retaining international staff (cost of living, security situation, etc.)

Potential criteria for selecting a host organisation (in addition to the ones above):

- Membership in the Executive Group of the Coordination Mechanism
- Consensus among CLME+ SAP ICM member IGOs on the selected host IGO
- Broad geographic mandate in the WCR region and wide membership of CLME+ countries

- Broad thematic mandate related to ocean governance and ocean-based sustainable development
- Provision of co-financing/in-kind contributions (e.g. office space, infrastructure, administrative staff)
- High technical and managerial capacity and financial stability of the Secretariat
- High-level (ministerial/heads of state) decision-making

Further details on the proposed road map for the set-up of the Coordination Mechanism are provided in Section 6.

Steps towards the Coordination Mechanism – Step 4

Determine the type of **hosting agreement for the Secretariat of the Coordination Mechanism**: a hosting agreement **with a member country** and/or a hosting agreement **with an existing IGO**.

Consultancy recommendation: deliberate on the preferred hosting agreement considering the potential for synergies and financial savings, based on potential in-kind contributions by the host country and/or organization

4.3. Resource requirements and cost estimates

4.3.1. Approach to developing cost estimates

While it has been shown that the expected benefits of the proposed Coordination Mechanism for countries and organisations are significant, it is also evident that the operation of such a mechanism requires certain resources. The main resource requirements for the operation of the mechanism are for meetings (Steering Group, Executive Group and Working Groups), the Secretariat operation (office and staff) as well as other activity costs in some of the proposed functions.

In line with the ‘modular approach’ of the proposed Coordination Mechanism, cost estimates for each of the proposed functions have been developed to provide guidance for countries’ deliberations and decisions. The cost estimates may also be used to support resource mobilization efforts by the ICM for the establishment and operation of the mechanism.

The cost estimates for the functions are indicative in nature and present a likely cost range for the operation of the mechanism. In that regard, it is not the intention to present an operational budget for the Coordination Mechanism; rather it is the responsibility of the Secretariat, Steering Group and Executive Group of the Coordination Mechanism to develop

and approve the concrete annual budgets for the mechanism, taking into account programmatic priorities and available resources.

The cost range estimates for each cost category and function are provided in ranges and are based on discussions with the CLME+ PCU and ICM members, taking existing experiences into account. However, there are still uncertainties related to key factors that will determine the real costs of the mechanism, among them:

- 1) Selection of core and supporting functions
- 2) Modality of implementation (e.g. use of virtual meetings)
- 3) Location of the Secretariat and hosting arrangement (which influences the staff, travel and administrative costs)

Taking these factors into consideration, the regular implementation of the full scope of functions could cost between USD 1m and 3m annually. For example, the implementation of the three functions Programmatic Coordination, Communication and Policy Coordination as core functions is estimated to cost between around USD 600,000 and USD 1.4m per year.

The cost estimates shall also serve as the context for the development of a Sustainable Financing Plan (Section 5), and as a starting point to further concretize the costing of the mechanism, including the identification of opportunities for potential in-kind contributions through hosting arrangements and other options for reduction. Particularly, it is assumed that there exist significant potential synergies and economies of scale that could be made use of when mandating the mechanism with a broader set of functions.

It must also be highlighted that these cost estimates do not reflect the costs for coordination efforts by countries and IGOs that are needed for integrated regional ocean governance in addition to the operation of the Coordination mechanism itself.

This includes inter-sectoral coordination at the country level (among other, through National Intersectoral Committees – NICS) or the national level implementation of actions that are needed for integrated ocean governance. It is acknowledged that enhanced regional coordination also requires additional resources from countries to prepare, follow up and implement actions at their respective country level – however the responsibility for this lies beyond the regional framework for coordination, and an estimation of required resources needs to be made in each country, reflecting the specific requirements and context (guidance on the establishment of NICs and related costs has been developed under the CLME+ Project, see Compton et al, 2017). As an exception to this, the costs for country participation in the Steering Group meetings were included in the meeting cost estimates (compared to the cost estimates presented in the Phase 1 report, which assumed that costs of participation were to be borne by countries, see CAD, 2018).

Regarding the IGOs, the cost estimates also do not include the cost for preparing, following up and implementing the required actions for region-wide inter-sectoral coordination in addition to the respective IGO’s work programmes.

4.3.2. Hosting options

As mentioned above, the location of the Secretariat of the Coordination Mechanism will have a significant influence on the real costs of the mechanism (e.g. staff and travel costs), including potentials for cost savings through in-kind contributions by the host country and/or host organisation (e.g. providing office space, equipment, staff time in-kind). This provides an opportunity which should be considered by countries when taking a decision on where to locate the Secretariat.

It is recommended that countries consider the options of hosting the Secretariat in one of the ICM member IGOs, based on an approval of the respective IGO’s member states and based on the assessment of the legal and financial implications of such a hosting agreement for the respective IGO to be carried out by the IGO.

At the same time, it is recommended that those CLME+ countries that consider hosting the Secretariat express their interest to the CLME+ Steering Committee and develop an initial proposal with the contributions they wish to provide.

4.3.3. Indicative cost estimates

The following Table 12 provides an overview on the different necessary cost categories, as well as indicative annual cost range estimates per function.

Table 12 Estimated costs per function

Proposed Functions	Estimated annual costs (USD)
1 - Coordination of programmatic approaches for ocean governance and monitoring progress with critical ocean sustainability instruments, goals and commitments	470,000-1,119,000
2 - Communication, outreach and awareness raising	66,000-153,000
3 – Policy Coordination and consolidation of the regional institutional and policy framework for ocean governance	66,000- 163,000
4 - Knowledge management and data and information sharing	72,000-250,000
5 - Stakeholder engagement	84,000-250,000

6 - Strengthening science-policy interfaces	43,000-143,000
7 - Identification of new areas for collaboration and emerging issues	66,000-163,000
8 - Development of joint programmes	66,000-163,000
9 - Sustainable financing and resource mobilisation for ocean governance	221,000-522,000

The cost estimates for each of the functions have been calculated using the following cost categories.

- Secretariat staff salary (includes the necessary technical and administrative staff for the different functions. Estimates vary depending on the location of the Secretariat and recruitment procedures. Also, the overall amount varies, depending on the seniority of staff).
- Additional costs for specific activities related to the selected functions (the production of the SOMEER Report, the production of communication materials, technical maintenance of a knowledge web portal, the organisation of a partnership forum, a donor round table)
- Translation costs (including the translation of key documents, as well as the option of translation of a wider set of documents such as programmatic reports etc.)
- Administrative costs which include office space, supplies and devices, internet and communication, electricity, water (which vary depending on the location of the Secretariat)
- Meeting costs (Including meetings of the Steering Group, the Executive Group and Working Groups. Estimates vary depending on the location of the meeting, the number of days and the number of participants. Costs for physical meetings include rent, catering, technical support, travel and DSA for all meeting participants, a possibility for virtual meetings has also been calculated)
- Travel cost (for the Secretariat staff)

See Annex 4 for more details on standard cost categories and calculations for the different functions. The cost estimates refer to the annual operation of the mechanism, as these are considered to be the most relevant considerations for decision-making at this stage. Additionally, some costs may incur for the set-up of the mechanism (e.g. the costs for the recruitment process, procurement of basic equipment, etc.).

5. A Sustainable Financing Plan for Regional Ocean Governance in the WCR

5.1. Introduction and approach

Limited financial and human resources have been identified as one of the root causes for pollution, unsustainable fisheries and habitat degradation in the WCR (CLME, 2011). The CLME+ SAP highlights sustainable financing as a key requirement for enhanced integrated ocean governance in the CLME+/WCR region. It stresses that “financial commitments from the participating countries will be critical to the long-term sustainability and continuation of the efforts undertaken. Such commitments will reflect the importance of fisheries and the protection of the marine environment in the regional political agenda.”(CLME+ SAP, 2013). Currently, the eight IGOs that constitute the CLME+ SAP ICM receive regular allocations of around USD 3.6 million annually for ocean governance related activities at the (sub-) regional level. With this “seed money” they leverage more than four times this sum to the benefit of their member states. Closer coordination within the Regional Governance Framework will ensure more effective and efficient allocation of these resources and has the potential to significantly increase the leverage of funds to the benefit of the countries of the region. Additional benefits together are estimated to be around USD 11.6m to 25.3m annually. The Coordination Mechanism could act as facilitator to achieve and secure regional partnership with and commitment from the private sector, a major user and beneficiary of marine ecosystem services and could support participating countries to increase their financial benefit from marine ecosystems. The Coordination Mechanism is thus not only integral part of the evolving Regional Governance Framework²⁸, it is a precondition for enhancing its opportunities to finance ocean governance. Beyond this, effective integrated ocean governance can act catalytically to investment into the transition to a sustainable ocean-based economy in line with the 2030 Agenda, the SAMOA Pathway and the Sendai Framework.

The aim of this financing plan is to give strategic advice to countries and IGOs to secure funding for ocean governance in the CLME+/WCR. ICM members, participating countries and other stakeholders and experts have emphasized that both approaches previously put forward in this consultancy are needed to achieve this: a strategic approach to donor grant coordination and acquisition (“donor centred approach”) and the “beneficiary centred approach” which aims **to finance ocean governance to the largest extent possible by the beneficiaries of marine ecosystem services and/or ocean governance, both public and private.**

Beneficiary centred approach

This approach acknowledges the value ecosystem goods and services provide to society and the need for conservation, restoration and sustainable use of natural capital. Beneficiary centred thinking applies an economic perspective to the use of natural capital. It ultimately follows the concept of internalization of environmental costs and benefits into the economic system. In order to appropriately consider the benefits of ecosystem service provision for equitable and sustainable socio-economic growth and internalize them, it introduces service

²⁸ For a definition of the Coordination Mechanism and the Regional Governance Framework see section 1 of this report.

fees, taxes or user charges which reflect the costs of ecosystem service provision (including the cost for restoration). Beneficiaries of ecosystem goods and services can be e.g. citizens or end consumers, businesses or governments, administrative entities or even intergovernmental organizations. This perspective enables return on investment into conservation, restoration and sustainable use of ecosystems and can help catalyse the private capital needed to reach the SDGs (TEEB, 2010, 2019; World Bank 2016).

Based on this, the broad range of potential financing sources proposed earlier has been further specified and adjusted to context. Regarding timing, the “beneficiary centred approach” with its more sophisticated and politically ambitious financing solutions, is expected to gain more importance at a later stage of the process, which is why the “donor centred approach” is in focus at the beginning of the process of integration of regional ocean governance. For all phases a combination of sources is recommended. Emphasis and specific selection however, depend on the choices of participating countries involved. Therefore, aspects for further consideration by IGOs and participating countries are indicated for each potential source of financing in the following sections.

The plan comprises of two sections: Section 5.2 focusses on specific options available to finance the Coordination Mechanism’s recurring costs (including all cost categories outlined in section 4= - from the establishment through transition (1-5 years) to consolidation (5 years and beyond). It is proposed that funding should gradually evolve from a phase of transitional funding supported by international donors towards self-sufficiency being supported to a significant extent by participating countries. The latter could be enabled by beneficiary oriented solutions at country or regional level in order to provide for a broader resource base for ocean governance.

Section 5.3 focusses on the mid- to long term financing of the Regional Governance Framework. This perspective takes into account but is not restricted to the financing needs of the eight current ICM members and their programmes. It takes a broader view of the opportunities of cooperation and coordination to finance ocean governance for sustainable development in the WCR, proposing how the IGOs can strengthen their grant acquisition potential, how strategic partnership with the private sector can benefit the Regional Governance Framework and how investments into a sustainable ocean-based economy can be catalysed. It further describes how countries can broaden their respective resource base for ocean governance by introducing beneficiary centred financial instruments.

5.2. Financing the Coordination Mechanism: from establishment to consolidation

This section focusses on financing the Coordination Mechanism’s recurring costs including all cost categories outlined in section 4 - from its establishment through transition (1-5 years) to consolidation (5 years and beyond).

Guiding considerations:

The plan assumes that at the very minimum the core functions of the Coordination Mechanism, as outlined in section 4, are implemented. To meet the principles of sustainable financing, reliable and sufficient allocations are as critical as a diverse combination of complementary sources of income to ensure financial resilience. Additionally, the financing plan has to accommodate an evolving Coordination Mechanism and Regional Governance Framework. This means that the funding modalities need to be adaptable to the situation that additional members join the Coordination Mechanism. The willingness and capacity of donors and supporting countries and organisations to contribute will have to be further explored, as well as options for own revenue generation and a strategic approach to private sector partnership and contribution. The choice of sources of financing is upon the participating countries and further depends on the specific legal and functional set-up of the Coordination Mechanism, yet to be agreed on. Therefore, issues for further consideration are included for each proposed source of funding.

Summary of the Sustainable Financing plan for the Coordination Mechanism

At the beginning of the plan the emphasis is on a consecutive project grant from an international development partner which could be complemented by a hosting agreement with an IGO and/or hosting country. It is proposed that financing then gradually moves towards financial self-sufficiency being supported to a significant extent by participating countries. The milestone where member financing sets in is proposed to be set at year 3. Contributions by participating countries are proposed to be differentiated according to their respective economic capacity. It is suggested that they are enabled by the implementation of beneficiary oriented financing solutions at country or regional level outlined in section 5.3.1. However, donor contributions as well as other complementary sources as of income will remain an important source of funding even as the Coordination Mechanism is consolidated. Generation of own revenue by the Coordination Mechanism (for service provision) as well as financial contributions from the private sector have been discussed during consultations with IGOs and countries. Resulting from this, their role during the first years of operation of the mechanism is rather complementary. Depending on the choices of participating countries they may be further developed during the Coordination Mechanism's transition phase and gain importance after consolidation. Especially generation of revenue for service provision may be considered to be developed from a complementary to a major source of funding after the transition phase. As a combination of sources of funding is recommended a trust fund is suggested as an administrative solution to pool resources from multiple sources.

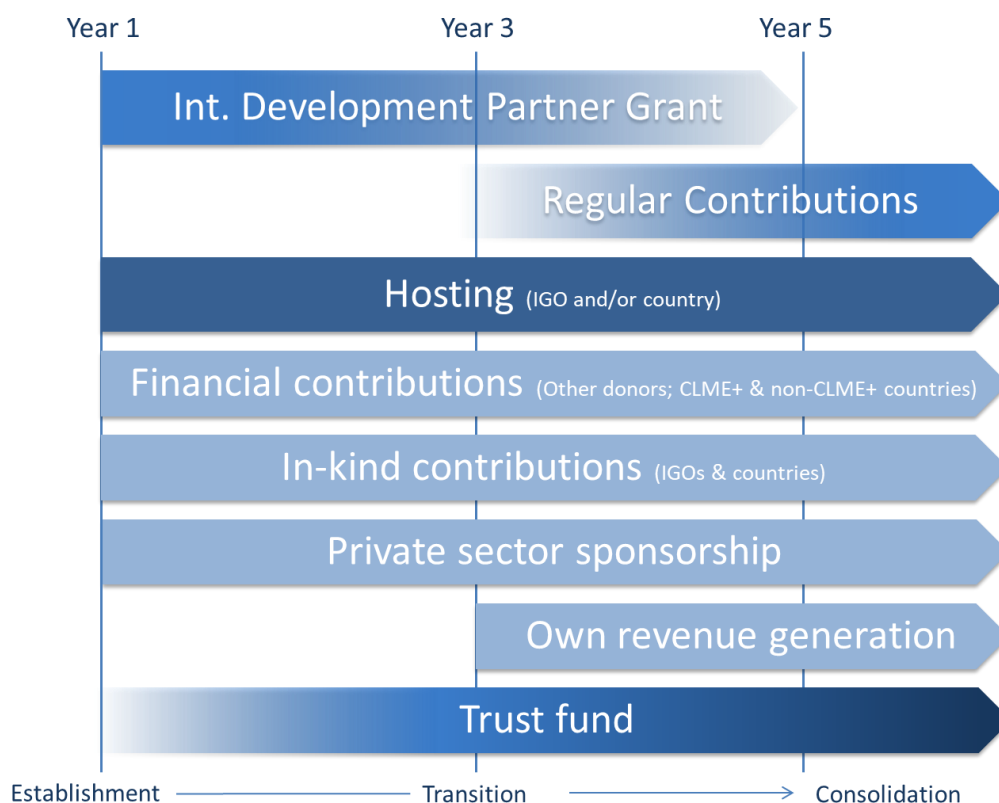


Figure 12 Sustainable Financing Plan for the Coordination Mechanism



Figure 13. Proposed shift from grant towards self-financing during transition

Steps towards the Coordination Mechanism – Step 5

Before the end of the current project period agree on a financing plan for the Coordination Mechanism which ensures reliable sufficient and resilient funding of the mechanism’s recurring expenses. This agreement would include the commitment to develop inter alia a reliable self- financing solution to be gradually implemented until the end of the transition phase. It would further include specific milestones for the shift towards self-sufficiency as well as define the choice of major and complementary funding sources for transition and post-transition which are to be further explored.

5.2.1. From establishment to transition (1 to 3 years)

A hosting agreement with an IGO or country and an International Development Partner grant (e.g. from GEF) could be a viable scenario to finance the establishment and early transition phase of the Coordination Mechanism. In any case, a coalition of committed stakeholders to support the mechanism is critical to share the effort, ensure sufficiency and resilience and to

taking the Coordination Mechanism forward. Agreement to self-finance the mechanism after the transition can be instrumental for acquiring the grant. Complementing sources could be financial support from additional donors and capable CLME+ countries as well as in-kind contributions. Given a coherent private sector strategy and legal feasibility, sponsorship for specific “contribution packages” as e.g. the Partnership Forum could be considered. Development of a balanced self-financing solution for after the transition phase needs to start.

5.2.1.1. International Development Partner (IDP) Grant

Potential cost coverage: Most likely, a GEF grant could provide financing for the operation of the Coordination Mechanism within a broader LME project that would also finance other aspects of SAP implementation and ocean governance. For example: assuming a GEF grant value of USD 12,500,000 over a project period of 5 years (as is the current CLME+ Project), and a Coordination Mechanism with 3 core functions at annual cost of USD 600,000 to USD 1,400,000 (see section 4), the share of the total grant value for the financing of the core function of the Coordination Mechanism would lie somewhere between 25% and 55%. The share of grant financing would decrease over time as the share of other sources of financing increases.

Preconditions:

- Agreement before the end of the current project period to gradually shift toward self-financing of the Coordination Mechanism’s recurring expenses.
- Cooperation on inter alia preparation of a PIF/project concept for grant financing with the required input from IGOs and participating countries.

To consider:

- It would be an enabling condition if ICM members demonstrated capacity and willingness to work as a group by starting to build joint relationships with donors and succeeding on joint action before the end of the current CLME+ project.
- Resilience needs to be ensured by pursuing complementary sources of funding.
- A coalition of committed stake-holders to financially support the establishment and transition would be an additionally enabling condition.

Next steps: Agreement on a timely procedure to prepare inter alia a PIF/project concept for grant financing for the set-up of the Coordination Mechanism, with the required input from IGOs and participating countries.

5.2.1.2. Co-financing through hosting of the Secretariat of the Coordination Mechanism by an IGO

Potential cost coverage: This can range from provision of office space and infrastructure (including basic services) to staff time for administrative or even technical purposes. Additional funding for remaining administrative costs, meetings, travel, translation and staff would be required.

Preconditions: A hosting IGO needs to have the required resources.

To consider:

- For an IGO, the hosting of the Secretariat can on the one hand raise its profile and on the other provide the potential to tap into synergies in technical terms.
- The question of location may further influence this decision. From an operational perspective, for a Coordination Mechanism there will be benefits associated with being located in the vicinity of other relevant organisations.
- If a hosting agreement can be achieved, the physical set-up of the Secretariat could take place relatively fast and save costs.
- Evolution of the Coordination Mechanism may be restricted by the host IGO's capacity. A new solution would then have to be found.
- A hosting arrangement would need to be agreed to by the member countries of the hosting IGO and there may be the need for a separate agreement with the respective host country of the IGO.

Next steps: The identification of a host IGO, based on selection criteria and negotiation of a hosting agreement would need to be initiated. A decision-making process of the hosting IGO's member countries would need to be initiated. A draft legal framework for the legal arrangements of the hosting agreement would need to be developed consulted and decided on.

5.2.1.3. Co-financing through hosting of the Secretariat of the Coordination Mechanism by a CLME+ country

Potential cost coverage: This can range from provision of office space and infrastructure (including basic services) to staff time for administrative purposes. Additional funding for remaining administrative costs may be required. Funding for meetings, travel, translation and staff would be required.

Preconditions: A host country needs to have the required resources and be willing to make a long-term commitment.

To consider:

- A host country would gain international reputation as well as benefits for the local economy (e.g. locally recruited staff, service providers and suppliers, etc.).
- The question of location may further influence this decision. From an operational perspective, for a Coordination Mechanism there will be benefits associated with being located in the vicinity of other relevant organisations.
- Legal arrangements could be achieved faster and more easily if a country was hosting instead of an IGO because less actors would be involved.
- Costs may be higher if the Coordination Mechanism wasn't making use of existing infrastructure.

Next steps: The identification of a host country, based on selection criteria and negotiation of a hosting arrangement would need to be initiated. A draft legal framework for the legal arrangements of the hosting agreement would need to be developed.

5.2.1.4. In-kind contributions from countries and IGOs

Potential cost coverage: IGOs could decide to share certain tasks of the establishment and transition phase among their staff. Countries could also second staff.

Preconditions: One or more IGOs and/or one or more countries have the resources to do this.

To consider:

- This could help to reduce staff costs considerably.
- A group of countries and IGOs supporting the establishment of the Coordination Mechanism can help to demonstrate high ownership to donors. It can also be instrumental in developing the momentum needed to take the Coordination Mechanism forward.
- Supporting countries and/or IGOs could advance their international profile and realize synergies with their existing ocean governance efforts.

Next steps: Identify willingness and capacity of IGOs and countries to contribute in-kind and specify what technical or administrative tasks of the Coordination Mechanism they would be able to cover.

5.2.1.5. Financial support from other donors, CLME+ and non-CLME+ countries

Potential cost coverage: This can contribute to covering meeting, translation, travel or even operational and staff costs.

Preconditions: Commitment of the financially capable participating countries and a shared IGO effort to use existing bilateral donor relationships would be needed. Credible ownership through hosting, in-kind and voluntary financial commitments would be an asset to acquire bilateral donor funds.

To consider:

- This could be a starting point for a donor round table.
- The reliability of commitments would need to be ensured for a defined period of time for secure work planning.
- Early on, financial planning needs to take care of follow up financing for the cost items covered by these partners.
- Bilateral donors and CLME+ participating countries to be approached could among others, the European Union (EU), Germany, UK, Canada the Nordic countries, Japan and the US.
- Multi-lateral donors other than GEF as well as philanthropic foundations could as well be approached.

Next steps: “Contribution packages” and willingness of donors to support would need to be identified. Donors would need to be approached in a coordinated effort, e.g. in the form of a donor round table (which could be a recurring institutionalized event).

5.2.1.6. Private sector sponsorship

Stakeholder engagement (including the private sector) is one of the functions proposed for the Coordination Mechanism (section 4.1.). The CLME+ project pursues private sector partnership on various levels in the form of a Partnership Forum and commitment to Private Sector Actions. The form of institutionalization of the dialogue is currently still a topic of debate. In any case, any approach to engage the private sector financially, needs to be embedded in a coherent long-term engagement strategy (see Section 5.3.2).

Potential cost coverage: While different forms of commitment could be part of a future engagement strategy, in the context of the early operation of the Coordination Mechanism, the private sector is suggested as a sponsoring partner for complementary funding of specific aspects of the overall coordinating effort. This could contribute to cover meeting costs (as e.g. the Partnership Forum), travel or even translation.

Precondition:

- A coherent long-term strategy to engage the private sector.
- Incentives to partner need to be identified and communicated in a coherent and coordinated manner.
- Demonstrated country ownership of the Coordination Mechanism would be an asset to achieve partnership.

To consider:

- Depending on the legal set up of the Coordination Mechanism, the feasibility of private sector sponsoring may be restricted by the legal requirements of the eight ICM members or hosting IGO.
- This source of funding may (but need not) be more appropriate at a later stage of the process as a commonly shared engagement strategy still needs to be developed.
- Commitment for specified period of time needs to be secured in order to allow for reliable planning.
- It is advisable to only allow for private sector sponsorship to a certain degree, as a strong dependence should be avoided.

Next steps: Develop a shared idea of how to best engage the private sector institutionally and financially, identifying synergistic benefits, incentives and a communicative approach in order to develop a coherent long-term strategy (see Section 5.3.2).

5.2.1.7. Trust fund

Potential function: A trust fund could administer grants, donations and other contributions to the Coordination Mechanism, comparable to the Caribbean Trust Fund of the Cartagena Convention.

Precondition: A legal entity as trustee.

To consider:

- A trust fund could be a transparent measure to administer a budget which is composed of multiple sources.
- It could enhance financial resilience, especially if the budget is sourced from multiple donors and contributors.
- It would signal stability and commitment to donors.
- The purpose of the trust fund could be restricted to cater to the operational budget of the Coordination Mechanism and later be expanded if e.g. IGOs and participating countries decide to embark on joint programming.
- If it would be used to finance programmes or projects, duplication with existing trust funds in the region needs to be avoided²⁹.
- Trust fund administration could be covered by the resource mobilization function of the Coordination Mechanism.
- An existing organisation need not but could act as trustee.

Next steps: Identify legal and procedural requirements.

5.2.2. From transition to consolidation (3 to 5 years and beyond)

With a proposed milestone after 3 years, the transitional project grant would gradually start to decrease from year 3 on and would need to be complemented by a sustainable funding mechanism, which would fully replace the transitional grant after 5 years. While recognizing the financial challenges that countries are currently facing, regional cooperation is a key domain of countries' responsibility and mandate. Thus, to ensure financial independence and self-sufficiency, it is strongly recommended to consider country contributions as the main source of funding by the end of the transitional phase. The other sources of funding outlined above could continue to complement and secure the budget. Additional income streams may be accessed through own revenue generation if more functions of the Coordination Mechanism are implemented and additional technical capacity becomes available. Depending on the choice of participating countries, revenue from provision of services could be explored as complementary source of funding during transition and as a main source of funding after transition, thereby reducing the overall requirement for regular country contributions.

5.2.2.1. Regular direct country contributions

Potential cost coverage: Member contributions would at least cover the recurring administrative and staff costs of the Coordination Mechanism. Additional funding for certain functions and activities could complement this.

Precondition: Agreement on a contributing formula would need to be achieved.

²⁹ There are numerous national and regional trust funds in the WCR which have objectives with thematic overlap with the SAP, though they vary in scope, objectives and targeted and involved stakeholders. Regional funds are for example the Mesoamerican Reef Fund (MAR Fund), the Caribbean Biodiversity Fund and the Dutch Caribbean Nature Alliance Trust Funds (DNCATF). Recently, a Sustainable Fisheries Fund for the Western Central Atlantic has been proposed (FAO, 2019).

To consider:

- The formula could take into account:
 - GDP or GDP generated from (specified) ocean-based activity
 - Annual amount already being paid to the ICM members
- Voluntary contributions or offsetting options (e.g. via in-kind contributions) for low income countries could be considered.
- It could be considered to discount contributions against new taxes or payments for environmental services to be introduced at country level. These could enable countries to make their contribution (as e.g. new user fees introduced at country level, for details see Section 5.3.4.).
- Agreeing on regular contribution levels among 28 countries can be a lengthy and complex process.

Next steps: Criteria to establish the contribution formula need to be determined by year two after the establishment of the Coordination Mechanism.

5.2.2.2. Regular contributions through IGOs

Potential cost coverage: Contributions through IGOs would at least cover the recurring administrative and staff costs of the Coordination Mechanism. Additional funding for certain functions and activities could complement this.

Precondition: As outlined in Section 3.3., most IGOs face budget restrictions. Therefore a raise of pledged country contributions to the IGOs may be necessary in most cases in order to be able to make these contributions.

To consider:

- This process would forego negotiations among all participating countries.
- Contributions to the Coordination Mechanism could be approved through the work plans of the respective ICM members.
- While most IGOs have no scope for financial contributions from their current regular budgets, some have signalled they may be able to source some amount from existing programme funds to support the Coordination Mechanism.
- Inter-relation of this sourcing option with a possible IGO-hosting agreement needs to be clarified.
- Contributions of the IGOs could be equal or differentiated (e.g. reflect the geographical coverage).
- The respective raise of member contributions necessary to cover this could be based on the existing formula within each IGO.
- Currently, IGOs already face difficulties to negotiate needed raises of regular budgets.
- All members to the eight IGOs would have to agree to this in separate decision-making processes which could also take a long time.
- It would be even more complex, if the solution was to reflect what individual countries already contribute to the different organisations.

- In case of evolution of the RGF and additional members joining the Coordination Mechanism, the new member could pay an annual fee like all other IGOs.

Next steps: Criteria to establish the contribution formula need to be determined by year two after the establishment of the Coordination Mechanism. Therefore, consideration of the issue needs to start soon.

5.2.2.3. Own revenue generation

The idea of the Coordination Mechanism generating own revenue follows a beneficiary centred or business planning approach: In this context, a beneficiary is anyone who profits from specific services the Coordination Mechanism provides. A beneficiary could be any user of services as e.g. the private sector, IGOs, governments or end-users. Revenue from provision of services could be explored as complementary source of funding during transition and as a main source of funding after transition, thereby reducing the overall requirement for regular country contributions.

Potential cost coverage: The revenue could be especially used to contribute to or fully cover the costs of the technical staff enabling the service provision.

Precondition: The respective functions of the Coordination Mechanism would need to be implemented and the necessary staff capacity would need to be provided.

To consider:

- It has to be clearly differentiated between the services offered to beneficiaries against fees and the mandated functions enabled by and paid for by e.g. country contributions. However, depending on the specific set-up of service provision, revenue generation could cross-fund the mandated functions.
- Services and beneficiaries would need to be defined, possible examples are:
 - Proposal development and oversight of project development are currently taking up a lot of staff time at the Secretariats of the participating IGOs. Technical assistance with their respective initiatives could be offered as an optional service to IGOs and charged for at a certain percentage of the grant value leveraged. Instead of having to commit own permanent staff, IGOs could cooperate flexibly on a proposal basis with the staff of the Coordination Mechanism.
 - The Coordination Mechanisms staff could not only assist individual ICM members but would also be well positioned to co-develop regional proposal initiatives. This could also be charged for at a certain percentage of the grant value leveraged.
 - Other services realizing economies of scale to the benefit of ICM members' work could be identified (as e.g. the project data base).
 - Knowledge and advisory services could be offered to the private sector.
 - Emerging from enhanced cooperation, at a later stage of the process, the development of standard certification schemes for ocean based

economic activity could be considered. Environmental certification provides a marketing tool to the private sector and, if designed and monitored properly, can guide and leverage environmentally and socially sustainable investment. The certification process could be conducted and charged for by the Coordination Mechanism as regional entity. However, development, implementation and monitoring of an effective scheme require dedicated staff and resources.³⁰

- As Coordination is the goal of the Mechanism, this must not be hindered by the payment of fees.
- Depending on the legal set-up of the Coordination Mechanism, own revenue generation may be restricted by the legal requirements of the current ICM members or a hosting IGO (as this is the case for most current ICM members).

Next steps: General agreement on the fact that own revenue generation for the financing of the Coordination Mechanism should play a role. General consideration needs to be given to its desired extent during transition and afterwards. The demand for the mentioned services would then need to be evaluated in more detail and operational criteria developed.

5.3. Integrated mid to long term Sustainable Financing Plan for the Regional Governance Framework

This section takes a broader view of the opportunities of cooperation and coordination to finance ocean governance for sustainable development in the CLME+/WCR region. It takes into account but is not restricted to the financing needs of the eight current ICM members (section 3.3.): A variety of opportunities exists for the IGOs individually and as a group to strengthen financial sufficiency, reliability and resilience, the greatest of which being effective coordination. As outlined before, effective coordination can realize efficiency gains and increase the overall fund leverage potential of organizations, thereby making additional resources available for ocean governance in the order of USD 11.6m to 25.3m annually (section 5.3.1). Specific opportunities for each IGO individually to address financial sustainability are described in the Annex 5. Beyond this, the establishment of the Coordination Mechanism can play a key role to engage the private sector and to facilitate investments into a sustainable ocean-based economy in line with the 2030 Agenda, the SAMOA Pathway and the Sendai Framework (sections 5.3.2 and 5.3.3). A big challenge seems however, to ensure reliable and sufficient regular budgets for ocean governance. Efforts to assist member countries to make reliable contributions should thus be given high priority (section 5.3.4).

5.3.1. Coordinated grant leverage

Thus far, the level of programme implementation by IGOs is often determined by the availability of donor funding and donor preferences. Competition for funding and the fact that proposal development takes up a lot of resources reduce chances to acquire sufficient

³⁰ For a review of experience with voluntary certification schemes in general see e.g. Tröster and Hiete (2018) and a review of the Blue Flag campaign in Latin America and the Caribbean see e.g. Zielinski and Botero (2015).

funding. Joint programming has been proposed as one of the potential functions of the Coordination Mechanism. But even if the mechanism were not mandated to programming, a high level of regional coordination of activities can enhance grant acquisition potential of the ICM members individually and as a group by a) providing an adequate and efficient communication system, by b) increasing engagement of stakeholders and by c) enabling the IGOs to take decisions based on solid scientific data and broader knowledge. This would have the following effects:

- The quality of proposals may be enhanced when ideas and resources for development are shared.
- New acquisition opportunities may arise, if the specific profiles, capacities and experiences of individual IGOs are matched in a synergistic manner.
- Joint initiatives could develop a stronger momentum to leverage funding for regional priorities.
- IGOs increase their significance to donors, if ocean governance is coordinated regionally.
- If IGOs demonstrate that duplication of efforts is avoided this may lead to higher attractiveness to donors in general.

Coordination can further reduce administrative costs by enabling synergistic use of existing resources and avoiding duplication of efforts. In sum, increased leverage and efficiency gains together could amount to additional resources of USD 11.6m to 25.3m annually (see section 4.1.3).

Some of the ICM members are already closely cooperating, directly with each other and/or through the ICM Secretariat, and have experience with joint resource mobilization on a project basis which can be further built upon (examples include the CROP, MAR2R, IWECO, CREW+, CC4Fish projects). The ICM Secretariat is being consulted with on a regular basis by agencies developing new proposals in order to better align proposals with SAP, avoid duplication and enhance synergies. Several IGO representatives have emphasized that the ICM and its Secretariat are already acting catalytically to successful proposal development. There is indication that there are many more potential synergies untapped, regarding (a) data collection, analysis and dissemination, (b) monitoring and assessment and (c) research. This applies to the three transboundary issues as well as to issues of Disaster Risk Reduction and climate change mitigation and adaptation. Another area for collaboration could be the development of initiatives for a sustainable ocean-based economy including, for example, collaboration on the issue of Blue Carbon (for IGO specific opportunities see Annex 5).

Recommendations to IGOs and participating countries:

- Continuously share information about ongoing and planned projects.
- Identify similar projects and common objectives.
- Incorporate the CLME+ SAP (and its future updates and revisions) into formal strategies and programmes of work, highlighting the specific respective contribution to the activities of the CLME+ SAP.

- Integrate the climate change and biodiversity agendas into the ocean governance issues of pollution control, sustainable fisheries and habitat degradation and vice versa in order to more effectively tap into the respective funding opportunities for climate change mitigation, adaptation and biodiversity conservation.
- Identify a common definition of sustainable ocean-based economy and a possible role of each IGO for and contribution to a common regional strategy sustainable ocean-based economy in line with the 2030 Agenda, the Sendai Framework and the SAMOA Pathway
- Formally adopt resource mobilization strategies in line with the above at IGO level, aimed at enhancing resources for ocean governance, as none of the IGOs have such a formally adopted strategy document in place as yet.
- Introduce a regional donor round table.

A regional donor round table

Regional donor round tables can be a means to enhance effective allocation and efficient use of resources and help to avoid duplication of efforts. Several experts and stakeholders have highlighted the need for a higher level of donor coordination for ocean governance issues. The Coordination Mechanism could initiate such a round table on ocean governance in order to secure continuous support for enhanced ocean governance and sustainable development in the WCR. Such a round table would at best meet regularly (e.g. every two years) in order to establish effective relationships and coordinate with existing donor coordination activities.

5.3.2. A strategic regional approach to private sector partnership

Key business sectors of the region are not only a major beneficiary of healthy marine ecosystems, they also benefit directly from ocean governance, which is needed to sustain these ecosystems. Regional ocean governance can address risks which cannot be solved by one industry or by a sub-regional or sectoral effort alone as the key transboundary issues of pollution, unsustainable fisheries and habitat degradation. Effective integrated ocean governance can provide for investment security by offering a coherent and harmonized regulatory framework, solid scientific data and balancing of interests. Further, it can contribute to the development of new investment opportunities (see Section 5.3.3.). Most IGOs already consider building new private sector partnerships at the project level and there are many examples of activities related to Corporate Social Responsibility (CSR) in the region. On a global level there are strategic initiatives as the Global Compact³¹. But beside the CLME+ Partnership, there are few regional initiatives with a strategic approach in the WCR, one of which is the Caribbean Challenge Initiative (CCI).³²

³¹ The UN Global Compact is a global corporate sustainability initiative to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption; unglobalcompact.org.

³² The initiative comprises of 9 Caribbean countries, 15 companies, several NGOs as well as CEP and OECS and is committed to conservation and management of marine protected areas. Its activities are facilitated by donor grants to the Caribbean Biodiversity Fund, but CCI participants have also pledged to establish a sustainable finance mechanism that will provide long term funding for marine conservation in the participating countries; caribbeanchallengeinitiative.org.

Stakeholder engagement is one of the proposed functions of the Coordination Mechanism (section 4.1.). Most IGOs stress the need to engage the private sector at the decision-making level of regional ocean governance, the form of which is a topic of debate for the governance structure of the Coordination Mechanism. The CLME+ Partnership provides the basis for such a concerted regionally institutionalized dialogue. “Private Sector Actions programmed, with sensitivity to gender concerns and complementing and supporting the implementation of the CLME+ SAP” are a defined output of the CLME+ Project. This output aims to achieve demonstrated private sector commitments to Regional Strategy/Action & Investment Plan implementation by at least 6 private sector organizations/partners (incl. at least 3 with regional-level impacts), by end of August 2020.

For the private sector, the engagement with a reliable strategic partner as the CLME+ Partnership may be very advantageous because it can provide enabling conditions to cater to CSR objectives or even compliance obligations. Opportunities to finance or co-finance ocean governance efforts could be in the area of data collection and research where the dedication of human or financial resources could be synergistic with genuine business activities.

On a project basis, public-private partnerships have been highlighted as a viable form of cooperation for various thematic issues ranging from MPA management to maritime safety and the fight against marine litter. Knowledge exchange through the Coordination Mechanism on best practice examples for such cooperation can be beneficial for all stakeholders.

Recommendations to IGOs and participating countries:

- Identify synergies between SAP and other ocean governance activities with existing CSR and compliance activities and objectives of the private sector.
- Consider options for interactive and participatory governance to include the private sector into ocean governance.
- Develop a coherent strategy to communicate the benefits of ocean governance to the private sector is highly recommended.³³
- Consider to market contribution packages on a tender basis.
- Define effective sector adjusted modes of cooperation and specify measurable voluntary contributions in the Private Sector Actions and pursue MoUs with sectoral associations.

CLME+ Partnership

“With the support of the UNDP/GEF CLME+ Project, a wide-ranging, global and multi-stakeholder partnership for the marine environment of the CLME+ region is now being mobilized: **the CLME+ Partnership** is expected to unite Governments, Academia, Civil Society, Private Sector, and the Donor and Development community, in a joint quest to safeguard essential ecosystem services and to sustainably exploit the richness and benefits provided by our shared marine environment.” (CLME+ Hub, 2019b)

³³ A list of benefits for different sectors of ICZM which may also apply to ocean governance in the wider sense, can be found in Whisnant et al (2015).

5.3.3. Catalysing investment for a thriving and sustainable ocean-based economy

5.3.3.1. Transitioning to a sustainable ocean-based economy

There is currently a broad debate and several initiatives among IGOs, countries and stakeholders of the CLME+/WCR region to embark on a development model which enables a transition to a sustainable use of the region's coastal and marine resource base for economic and social development. A sustainable ocean-based economy, often addressed as Blue Economy, as part of such a development model could catalyse investment for sustainable socio-economic growth and disaster risk reduction while sustaining the marine natural capital it depends on.

Based on reports by World Bank and OECD (2016), it is estimated that a sustainable scenario of development of the Caribbean ocean-based economy – driven by effective integrated ocean governance on the regional level – could create USD 80bn of additional economic value and 1.2 million more jobs in the Caribbean region, compared to an unsustainable scenario³⁴.

In the context of this section, the definition of the Blue Economy by PEMSEA is used to define the sustainable ocean based economy: “Beyond simply being a collection of coastal and marine industries, blue economy is the set of environmentally and socially sustainable commercial activities, products, services and investments dependent on and impacting coastal and marine resources. Activities that erode natural capital through degradation of ecosystem services are inherently not sustainable, and not ‘blue’” (Whisnant et al, 2015). Such a definition would include existing ocean-based industries as industries *in transition* to sustainable business models while emerging industries would need to suffice the above criterion.

5.3.3.2. Conservation and sustainable use as a business case

The preservation and management of critical ecosystems as well as the transition to their sustainable uses can be perceived a business case and generate a financial return. The most prominent of a number of successful examples is currently the Seychelles Blue Bonds: the bonds rely on the idea that sustainable management of fish stocks will lead to higher catch in the long-term.³⁵ Capacity building to introduce value adding activities complements the effort (FAO, 2017). Sizeable business activity and jobs can be generated if such activities are deliberately built into ocean management reforms (UNDP, 2012). Especially in the area of MPA management synergies between fisheries, tourism and conservation can be achieved:

³⁴ These estimates are based on World Bank (2016) and OECD (2016) as well as on the assumption that the Caribbean ocean economy represents 20 per cent of the global ocean economy.

³⁵ For a more comprehensive description of opportunities of a sustainable ocean-based economy please see e.g. CDB (2018) and Whisnant et. al (2015).

the net present value of marine areas was found to rise between 4 and 12 times of its original value when actively managed (Sala et al., 2016).³⁶

The Coordination Mechanism can substantially enhance the knowledge base for the development of these projects, contribute to capacity building and is critical to creating a favourable investment climate as such business models specifically rely on effective ocean governance: Harmonized and clearly defined regulatory frameworks are important factors to reduce the risk profile of investments.

Seychelles Blue Bonds

As part of its Blue Economy investment strategy Seychelles issues the Blue Bonds to raise USD 15m of investment. The bonds are backed by a World Bank and GEF guarantee and proceeds are dedicated to finance the transition of Seychelles' artisanal fisheries to sustainable management (FAO, 2017).

Impact investment for the Barbados Marine Management Area (BMMA)

The Blue Finance initiative under UN Environment focuses on developing finance solutions for conservation, livelihood improvements and climate resilience in Caribbean states. It currently develops a co-management approach for the BMMA. A non-profit NGO is proposed to act as co-management body at its own cost in order add to and improve the existing management efforts. The BMMA is proposed to generate revenue streams from statutory visitor fees and innovative tourism activities. The Co-Management Body would receive initial funding from an impact investor (UN Environment Blue Finance, 2019).

5.3.3.3. Matching capital with investment opportunity

Private investment in the sector of “conservation finance”, had reached USD 8.2 billion in 2016 and it is growing at a fast pace (Hamrick, 2016; FAO, 2019). Impact capital investors have recently started to turn towards ocean finance. Several multilateral development banks and institutions have adopted the approach (e.g. World Bank, UN Environment, FAO, EIB). Additionally, a growing number of philanthropic investors focus on blue investments. At the heart of many innovative mechanisms to finance conservation and emerging blue industries there is usually a “blended finance” approach. “Catalytic” concessional capital from a philanthropic or public institution in the form of low-interest loans, guarantees or grants is used to hedge in the risk and leverage commercial investment. This can help drive down the overall capital costs which would otherwise be prohibitive. The development of these financing solutions though, is time and resource consuming and requires a high level of technical expertise. Transaction costs are even higher when it comes to more complex mechanisms as debt swaps (CDB, 2018). Hence, though capital is readily available investors often face a lack of “high-quality investable deals” (Shujog et al, 2015).

³⁶ Sala and others (2016) propose the model of a “fish bank”, where a share of additional tourism revenue generated from natural reserves is redistributed to fishers who additionally benefit from “spill-over”.

Debt for Nature Swaps

A high level of public debt restricts the fiscal capacity of countries to invest in conservation and other activities, including ocean governance. Especially for countries not eligible to Official Development Assistance (ODA) Debt for Nature Swaps can increase resources for ecological investments. A Debt for Nature Swap is an agreement in which a creditor forgives debt in exchange for a commitment to investment into conservation. It can also only consist of a debt restructuring to achieve more favourable conditions (UNDP, 2017). In 2017 TNC bought up nearly USD 22m of Seychelles' outstanding debt in return for the country designating a third of its marine area as protected. For this TNC raised USD 15.2 million in impact capital loans and USD 5 million in grants. Debt payments are now used to pay back the investors, implement conservation efforts and build an endowment for future conservation work (NatureVest, 2019). TNC has announced the plan to replicate this model with other Caribbean island states in the coming years (Interview with NatureVest).

Currently, initiatives like TNC's NatureVest or UN Environment Blue Finance provide technical resources to develop blue blended finance solutions. The regional development banks (e.g. CDB, IADB, CABEL) are seasoned experts at structuring investments for development projects and some are currently taking up Blue Economy activities. UNDP (2012) finds that if adequate resources are dedicated to the development of investment portfolios, greater leveraging ratios are possible. In addition to resources and technical capacity early stakeholder engagement, government ownership and a coherent strategy have been found to be central to successful implementation of innovative ocean finance instruments (Interview with NatureVest). Credit Suisse and others find, that investment into conservation is hindered because monetary benefits of conservation programs are often not sufficiently well identified or standardized, lacking regulatory intervention leads to externalization not only of environmental costs but also of benefits and that conservation projects need to be set up with the same focus on return maximization and replication as traditional business models (Credit Suisse et al., 2014). A pre-investment facility can help to improve the investment readiness and create a scalable project pipeline.

Conservation and emerging sustainable industries are however only two aspects of sustainable ocean finance. During the next decade, investment in the ocean economy will need to target *the transition of existing ocean-based economic activity to sustainable uses of marine ecosystems* in order to meet the SDGs. In this context, the proposal for a Sustainable Fisheries Fund (SFF) for the Western Central Atlantic presents another example of a forward-thinking approach to provide capital for this transition. It is supposed to address the capital needs of the fisheries sector and aims to enable transition to sustainable practices while at the same time maximizing returns. In this example, the trust fund staff would be taking the role of a pre-investment facility, raising capital, blending it according to the required risk/return profile of operations and applying investment standards defined as objectives of

the trust fund, as e.g. improving stock status, securing sustainable operations, reducing IUU fishing and increasing value generated (FAO, 2019).

Embedded into a harmonized regulatory framework, principles for sustainable investment as put forward by e.g. the European Investment Bank (EIB) and others, are key to guiding investments effectively³⁷. Enhanced coordination could in the long-term further lead to the development of harmonized regional certification schemes in order to market sustainable products and facilitate and attract investment.

5.3.3.4. Moving forward

Nearly all IGOs and many of their member countries are currently developing strategies to actively engage in the sustainable ocean-based economy. All of the current ocean governance related work of the IGOs is supportive of or even necessary for the sustainable ocean-based economy. More and more actors take up the issue of financing. The Caribbean Development Bank stresses the need for cooperation, a regional strategy policy framework and functioning institutions in order to put the Blue Economy into action. It also proposes a Blue Economy knowledge hub to share lessons learnt (CDB, 2018). The Coordination Mechanism could play a key role in enabling favourable regulatory investment conditions for financing the sustainable ocean-based economy and contribute to the identification of investment opportunities as well as promote the necessary knowledge management and exchange of lessons learnt. It is therefore suggested to join forces at a regional event for the sustainable ocean-based economy in order to bring the initiative forward.

Recommendations to IGOs and participating countries:

- Consider cooperating to initiate and acquire funding for a regional Blue Economy conference.
- Consider synergies with and input from stakeholders in the CLME+ Partnership.
- Endorse a common definition of a sustainable ocean-based economy and start to develop a respective regional strategy, which includes principles for sustainable investment.
- Commission an investor landscape mapping and investment needs assessment in order to identify financing needs and opportunities of a sustainable ocean-based economy.³⁸

A pre-investment facility for the sustainable ocean-based economy

A regional pre-investment facility could be critical to scale up current efforts. A unit created for the sole purpose of channelling commercial capital to the sustainable ocean-based economy could work with countries and stakeholders to design scalable and

³⁷ The European Commission, WWF, World Resources Institute (WRI), and the European Investment Bank (EIB) have recently developed the Sustainable Blue Economy Finance Principles: https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/declaration-sustainable-blue-economy-finance-principles_en.pdf.

³⁸ PEMSEA has commissioned such an investor landscape mapping for East Asia (Shujog et al, 2015). The proposal for the Sustainable Fisheries Fund (SFF) further proposes a market demand assessment (FAO, 2019).

bankable investment opportunities and act as a knowledge hub to promote investment activity and build capacity. Such an institution could be established under or closely cooperate with the Coordination Mechanism. It could as well be established as a consortium of regional and multilateral development banks and partners. It could cover its budget through an overhead fee on the investments leveraged.

5.3.4. Enabling countries to financially contribute to ocean governance

For the financial sustainability of the Regional Governance Framework as well as for proof of commitment to the Coordination Mechanism and the institutionalization and continuation of the TDA/SAP process as a key process for enhanced integrated ocean governance regular country contributions play a key role. Given the current situation of arrears and the precarious financial situation in some countries, ways to broaden the resource base and hence to improve reliability of commitments need to be explored. Among these are debt swaps (see Section 5.3.3.), the removal of harmful subsidies and the introduction of a beneficiary centred approach, such as earmarked taxes, user fees and permits.

Payments to the Coordination Mechanism could be discounted for a certain period of time until one of these measures is introduced at country level. From then on, a small share of the new additional revenue stream can be used to pay back arrears in IGO contributions, raise the pledged amounts if required and contribute to the Coordination Mechanism. The Coordination Mechanism could build capacities and assist in introducing these measures. Foremost, it provides the opportunity to seek a regionally harmonized approach.

- The **removal of certain fisheries subsidies** (until 2020) corresponds to target 6 of SDG 14. The WTO is set to achieve agreement on removal of subsidies by the end of 2019. The African-Caribbean-Pacific (ACP) group has supported the UNCTAD-FAO-UN Environment Statement which calls on member states to address harmful subsidies and includes a four-point plan to eliminate them (UNCTAD, 2019).
- **Earmarked taxes** are raised and allocated to specific expenditure programs. In the past two decades, many governments have modified their environmental and natural resource tax and subsidy systems to support e.g. protected areas and biodiversity conservation. Examples are the *Tourism tax on the price of hotel rooms in Costa Rica*, some of which is earmarked for conservation efforts and the *Tourism tax per arriving passenger in Belize*. Tourists are charged a tourist tax of USD 3.75 per passenger arriving in country by plane or cruise ship, with the proceeds going to the Belize Protected Areas Conservation Trust (PACT).
- **User fees or charges** are fees paid based on benefits received or goods or services used (including ecosystem services). They are restricted to users only and revenues are usually dedicated to a certain purpose. They can be charged as a single lump payment or based on volume or time of use. Tariffs can be based on internalization of environmental costs, or simply targeted at compensating the management cost of a

good or service. Generally, they provide an opportunity to incentivize mitigation of ecological impacts. The mechanism is commonly used in the tourism sector in the CLME+ region and has proven its effectiveness in funding environmental activities in e.g. Saba, the British Virgin Islands, St. Kitts, Nevis, Bonaire and Costa Rica. An example is *The Bonaire National Marine Park (BNMP)* where conservation and management of the park are fully financed by entrance and recreation fees for diving.

- **Permits** regulate the use of a good or service. The establishment of permits is not necessarily aimed at generating revenue but can be. Permits can be designed to be tradable which usually entails a more complex scheme and higher administrative effort. Experience in the region includes the *Marine Conservation Permits at the British Virgin Islands*: The British Virgin Islands National Parks Trust manages a system of about 200 mooring buoys that have been installed around the British Virgin Islands to avoid anchor damage to fragile coral reefs. Users of the moorings need to purchase a Marine Conservation Permit. The collected revenues are used for maintenance and operation of the Rhone Marine Park. Another instrument implemented could be the *Compensation for access to waters*. The 1982 U.N. Convention of the Law of the Sea (UNCLOS) states that coastal countries may seek compensation from distant water fishing fleets in return for granting access to their waters.

Recommendation to IGOs and participating countries:

- Sincerely consider the options outlined to secure financing of ocean governance in the long-term.
- In light of the development needs of the sustainable ocean-based economy, thoroughly explore the full exercise of the sovereignty rights within UNCLOS for the EEZ, in case of membership.

A regional service fee for ocean governance

The paramount importance of marine ecosystems to food security, livelihoods, disaster risk reduction/climate change mitigation and overall economies of the region calls for a courageous approach to finance ocean governance and the sustainable ocean-based economy. As all ocean based economic activity depends on effective ocean governance a regional service fee would reflect the effort. The fee per user could be extremely low if it were implemented by all CLME+ countries and at the same time generate a sizeable revenue stream. While a small share of it could be used to enhance country contributions to the ocean governance institutions, some of it could be allocated to a sustainable ocean investment fund.

Consistency with international law (UNCLOS) and regional trade agreements would need to be ensured. A regionally coordinated and harmonized approach to such a financing instrument could ensure benefit for all participating countries and avoid unfair competition.

6. Road map and milestones

6.1. Proposed steps towards the establishment of the Coordination Mechanism

The following is a proposal for consideration by CLME+ countries and the CLME+ SAP ICM on the next steps to be taken towards the establishment of the Coordination Mechanism:

Step 1: Endorse the mandate and select the core functions which would be implemented permanently by the members of the Coordination Mechanism to be able to fulfil the mandate. This step also includes the **selection of supporting functions** that the Coordination Mechanism would be mandated to perform on a demand basis.

Step 2: Determine the **governance structure** of the Coordination Mechanism including the **roles and responsibilities** for countries and IGOs within the governance structure, as well as the role of the proposed Secretariat.

Step 3: Determine the type of **establishing agreement** for the Coordination Mechanism: an **informal network/partnership agreement (based on an MoU)** or a more **formal and binding agreement**, or a sequencing of both.

Step 4: Determine the type of **hosting agreement for the Secretariat of the Coordination Mechanism:** a hosting agreement **with a member country** and/or a hosting agreement **with an existing IGO.**

Step 5: Agree on a **financing plan for the Coordination Mechanism** which ensures reliable, sufficient and resilient funding of the mechanism's recurring expenses. This agreement would include the commitment to develop inter alia a reliable self-financing solution to be gradually implemented until the end of the transition phase. It would further include specific milestones for the shift towards self-sufficiency as well as define the choice of major and complementary funding sources for transition and post-transition which are to be further explored.

The steps 1-5 follow a logical sequence towards the establishment of the Coordination Mechanism, but of course the different aspects are interconnected. Hence it is suggested that countries undertake their deliberations and consultations keeping the different aspects in mind at all times. The following list describes the agreements and actions that are considered necessary to be taken by countries within the given time frame of the consultancy and the CLME+ Project:

By July 2019 (2nd Regional Consultation Meeting)

Regarding Steps 1 and 2 (mandate and functions, governance structure):

- In-country consultations involving different government sectors and other key stakeholders regarding the preferred mandate and (core and supporting) functions and the governance structure for the Coordination Mechanism – based on this report in preparation for the 2nd Regional Consultation Meeting,
- Consultations at IGO level among member states regarding the preferred mandate and functions and the governance structure for the Coordination Mechanism – based on this report in preparation for the 2nd Regional Consultation Meeting,
- 2nd Regional Consultation Meeting (planned for July 2019) to deliberate on the preferred mandate and functions and the governance structure of the Coordination Mechanism, and to come up with joint recommendations to the CLME+ Steering Committee (meeting scheduled for early 2020)

Regarding Steps 3 and 4 (establishing agreement, hosting agreement):

- In-country consultations to discuss the preferred type of establishing agreement, and contemplate potential country interest for hosting the Secretariat of the Coordination Mechanism
- Consultations at IGO level to discuss the member states' preferred type of establishing agreement, and contemplate potential IGO interest for hosting the Secretariat of the Coordination Mechanism at an IGO Secretariat
- 2nd Regional Consultation Meeting to deliberate on the preferred type of establishing agreement for the Coordination Mechanism, and to discuss the way forward on determining the hosting agreement

Regarding Step 5 (sustainable financing):

- Agreement of a timely procedure to prepare inter alia a PIF/project concept for grant financing for the set-up of the Coordination Mechanism, with the required input from participating countries.
- Express commitment to gradually shift towards self-financing of the Coordination Mechanism's recurring expenses during a transition phase and consideration of milestones to reach this objective.
- Explore the willingness of CLME+ and non-CLME+ countries to contribute financially on a voluntary basis to the operation of the Coordination Mechanism
- Explore the capacity and willingness of countries and IGOs to contribute in-kind and/or second staff for the setup and transitional phase of the mechanism
- Define a choice of major and complementary sources of funding to be further explored

Between July 2019 and April 2020 (end of the CLME+ Project phase)

Regarding Steps 1-4 (mandate and functions, governance structure, establishing agreement, hosting agreement):

- Discussion and drafting of an establishing agreement that defines the mandate, (core and supporting) functions and governance structure of the Coordination Mechanism (potential Memorandum of Understanding (MoU) which would amend/replace the existing MoU for the CLME+ SAP ICM with agreement on signatories of MoU
- Selection of a host country (and IGO if applicable) and drafting of host agreement
- Agreement by the CLME+ Project Steering Committee for an establishing agreement
- Agreement by the CLME+ Project Steering Committee for a hosting agreement

Regarding Step 5 (sustainable financing):

- Development of a project concept/PIF for the set-up of the Coordination Mechanism in a transitional phase
- Selection of preferred financing sources for the Coordination Mechanism in the transition phase (based on the SFP proposal of this report)
- Discuss the set-up and possible legal entity of a trust fund to administer the resources of the Coordination Mechanism.
- Agreement by the CLME+ Project Steering Committee for the financing plan for the transition phase

6.2. Phases for (pre-)establishment, transition and long-term operation of the Coordination Mechanism

The following Table 13 presents a tentative timeline in three phases under a scenario in which countries agree to pursue a GEF grant to support the set-up and transition of the Coordination Mechanism towards long-term operation. This serves as a basis for discussion among countries and IGOs on the way ahead, with modifications to be made as decisions are being taken.

- Phase 0 – (pre-)establishment of the Coordination Mechanism: determining the scope, governance, legal and financing structure for the Coordination Mechanism and securing GEF (and other) financing for the transition phase
- Phase 1 – transition with GEF (and other) financing towards sustainable operation with long-term financing (duration 5 years).
- Phase 2 – consolidated long-term operation of the Coordination Mechanism. Implementation of workplan as agreed by the Steering Group and overseen by the Executive Group.

Table 13 Tentative timeline

Phase	Governance - milestones	Financing - milestones
Phase 0 – (Pre-) establishment	Prior to GEF financing: <ul style="list-style-type: none"> • PIF for GEF project submitted to council (June 2020) 	GEF project approved and implementation initiated within 2 years of PIF approval <ul style="list-style-type: none"> • Agreement on Transition Phase

Phase	Governance - milestones	Financing - milestones
	<ul style="list-style-type: none"> • CEO Endorsement (by December 2020) • Agreement (e.g. MoU) on the establishment of the Coordination Mechanism • Agreed location, hosting arrangement and office requirements for the Coordination Mechanism Secretariat 	<p>financing plan by Executive Group/Steering Group</p> <ul style="list-style-type: none"> • Financing plan initiated – Executive Group/Secretariat
<p>Phase 1 – Transition (year 1-5)</p>	<p>After GEF project start (within 1 year of GEF project start):</p> <ul style="list-style-type: none"> • Set-up the Secretariat and recruitment of staff • Develop detailed 5-year transition phase workplan for core functions and additional functions selected • Detailed M&E plan for transition phase (expected outputs and other milestones, likely to include the ‘routine deliverables’ of the Coordination Mechanism) core function and ‘additional’ functions’ outputs • Development of communication/outreach plan for the RGF/Coordination Mechanism <p>Delivery of agreed workplan as expected by the main core functions, including:</p> <ul style="list-style-type: none"> • Report on CLME+ SAP implementation (annual), SAP review and development of ne SAP/Strategy for post 2025 period 	<p>For <u>example</u> (in the transition phase):</p> <ul style="list-style-type: none"> • Year 1 – 100% grant financing • Year 2 – 100% grant financing • Year 3 – 80% grant financing • Year 4 – 60% grant financing • Year 5 – 40% grant financing <p>Develop approach for Sustainable finance raising for Coordination Mechanism/ RGF operation (phase 2) by year 2 with implementation by year 3 of Phase 1</p>

Phase	Governance - milestones	Financing - milestones
	<ul style="list-style-type: none"> • Progress on relevant SDGs and other targets and commitments (biannual) • SOMEET (and other reports) – as directed by Executive Group • Reports/recommendations on improved coordination between IGOs • Report on joint project/programme proposals (and successes) – annual • Meetings of Steering Group/Executive Group completed as planned <p>Reports and other outputs from additional functions to be developed during the Transition Phase and agreed by the Executive Group</p>	
Phase 2 – Consolidated long-term operation (After year 5)	Milestones for the on-going work of the Coordination Mechanism to be agreed during the Transition Phase on a rolling 1-2 years basis. To be reviewed annually and updated/amended	On-going milestones on financing the Coordination Mechanism on annual basis need to be defined based on the Sustainable Financing Plan

6.3. Proposed steps towards sustainable financing of the Regional Governance Framework

Besides the financing options for the set-up and operation of the Coordination Mechanism, this consultancy has developed proposals for enhancing the sustainability of the financing of the Regional Governance Framework, in particular the eight IGOs that currently form part of the CLME+ SAP ICM. These proposals are presented in form of recommendations for the RGF as a whole (Section 5), as well as in the form of strategic opportunities for each IGO (Annex 5).

These proposals were developed in close exchange with the IGOs throughout the consultancy and represent the level of detail that was considered adequate by IGOs in the context of the regional sustainable financing plan.

Ultimately, the adoption and implementation of these proposals and opportunities at the IGO level lies within the sole mandate of IGOs and their own constituents. The consultancy therefore recommends:

- IGOs to undertake internal deliberations and decision-making processes regarding their contributions to the sustainable financing of the RGF, based on the recommendations presented in this report
- IGOs to intensify efforts to tap into the strategic opportunities identified in the context of this consultancy
- IGOs to commit to continue and deepen the ongoing regional inter-IGO collaboration also in terms of sustainable financing in the framework of the proposed Coordination Mechanism, moving toward a joint approach to financing ocean governance in the region.

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Annexes

Annex 1: Recommendations from the First Consultation Meeting

Recommendations from the 1st Consultation Meeting on PPCM and SFP

25 – 26 September 2018

Cartagena, Colombia

1. Four preliminary, generic options for a possible PPCM were presented at the meeting to inspire discussions on the desirable formats and functionality of such PPCM. The consultancy will move forward with the development of 2 more detailed proposals for further discussion and consensus by countries based on the recommended functions and considerations articulated below
2. Incorporated in these new proposals should be elements of options 2 and 3, as well as the recommendations proposed by States and participants during the 2-day regional consultation. It should be noted that of the four options presented, Option 1 is considered to have too low an ambition (not even maintaining what exists now) and Option 4 is not considered feasible at this point (legally binding decision making and resources needed).
3. The participants request that during phase II of the Consultancy, the consultants incorporate, at the minimum, the following functionality in the development of the proposals for the PPCM:
 - a. **Functions from the SAP ICM MOU**
 - i. Monitoring & Evaluation of the CLME+ SAP and other critical ocean sustainability goals and commitments
 - ii. Communication, outreach and dissemination of information
 - iii. Data and information sharing
 - iv. Stakeholder engagement via the CLME+ Partnership
 - v. Identifying and addressing emerging issues
 - vi. Reporting back to their constituents
 - b. **Functions Proposed During the PPCM Consultation**
 - i. Joint programme development
 - ii. Resource mobilization
 - iii. Reach out to/support national ocean governance, including national level coordination for oceans
 - c. Any additional functions identified during Phase II of the consultancy deemed necessary to the successful functioning of a PPCM
4. The points detailed in the annex brought forward by the working groups are important considerations in formulating the revised proposals. These considerations include:
 - a. That a major focus of the PPCM could either be on programmatic coordination or on facilitating policy harmonization for integrated ocean governance / policy advice, or a mixture of both and clarified through the specification of the functions outlined above. The consultancy team will explore the formats that such coordination could

- take, as well as possible new names for the PPCM which will reflect these roles and mandates.
- b. The PPCM must include active participation and engagement of CLME+ countries, with IGOs in a programme development role.
 - c. Recommendations on how the PPCM should function/work
 - d. The understanding that the PPCM would undergo a progression towards enhanced functionality through a phased approach.
 - e. Proposed options should be adaptable
 - f. Propose an approach for implementing the PPCM
 - g. Learn from existing ICM experiences and successes
5. The PPCM should have a broad thematic scope from the onset, but should initially prioritize its thematic scope to the three key transboundary issues (pollution, habitat degradation and unsustainable fisheries), and the cross cutting issue of climate change³⁹.
 6. The PPCM should support the pursuit of a Blue Economy and DRR in the context of sustainable development.
 7. The PPCM should support countries to meet their international commitments (SDGs, Samoa Pathway, etc.)
 8. It is critical that the PPCM appropriately package and communicate its added value relative to the existing arrangements and to better articulate the costs and benefits to all stakeholders.
 9. The consultancy should present an overview and comparison of the existing functions of the ICM and the proposed functions of the PPCM

³⁹ Solutions to deal with the issues of pollution, habitat degradation and the unsustainability of fisheries should be robust and contribute to enhancing the resilience of the socio-ecological system in the face of climatic variability and change

Annex 2: Overview on relevant initiatives (non exhaustive list)

Name	Organisations	CLME+ countries	Main focus/status	Further information
ICM member related initiatives:				
WECAFC strategic reorientation process	WECAFC	WECAFC member states	The WECAFC strategic reorientation process started in 2012. Delegations of 12 WECAFC Member-states formally requested FAO “to carry-out a strategic reorientation of the functions and mandate of the Commission”. Based on a cost-benefit analysis, different options are currently under discussion.	
Development of a Sustainable Fisheries Fund for the Western Central Atlantic	WECAFC	WECAFC member states	A proposal to establish a Sustainable Fisheries Fund (SFF) in support of the WECAFC to increase access to credit for SMEs active in the fisheries sector. The SFF would have the objective to enhance the conservation and management of marine aquatic resources and promote sustainable fisheries operations and value chains in the Western Central Atlantic.	http://www.fao.org/3/ca3176en/CA3176EN.pdf
UN Environment CEP Strategy	UNEP CEP	UN Environment CEP member states	UN Environment CEP is currently reviewing and revising its strategy, including programmatic and financing aspects. This is taking place in the context of the new Marine and Coastal Strategy of UN Environment Programme for 2020-2030, for which a proposal has been developed.	http://wedocs.unep.org/bitstream/handle/20.500.11822/27379/5.Proposal%20for%20a%20new%20Marine%20and%20Coastal%20Strategy%20of%20UN%20Environment%20Programme%20for%202020-2030.pdf?sequence=9&isAllowed=y
CARICOM Biodiversity Strategy	CARICOM	CARICOM member states	The CARICOM Secretariat has developed a CARICOM Biodiversity Strategy which will guide the protection and sustainable use of natural resources.	
Eastern Caribbean Regional Ocean Policy (ECROP)	OECS	OECS member states	The Eastern Caribbean Regional Ocean Policy (ECROP) was endorsed by OECS member states and informs the establishment of the mechanisms and frameworks necessary for implementing an integrated Ocean Governance programme in the OECS.	http://www.caribbeanelections.com/eDocs/strategy/oecs_strategy/OECS_Eastern_Caribbean_Ocean_Policy_2013.pdf

Mesoamerican Reef Fund (MAR Fund)	CCAD; National Conservation Funds, National Governments, donors/partners	Belize, Guatemala, Honduras, and Mexico	Enable innovate, transnational solution to critical Mesoamerica reef issues through providing meaningful, long-term financial support and trustworthy reef management advice so that future generations can enjoy and benefit from a thriving reef system. The MAR Fund operates as an ecoregional planning and coordinating body which prioritizes projects and allocates funding. The Mesoamerican Reef Fund aspires to be known and respected as a trustworthy and transparent fundraising mechanism able to sustain and finance effective transnational alliances, policies, and practices that conserve the Mesoamerican Reef and advance the health and well-being of the region's people.	https://marfund.org/en/
Capacity Building Related to Multilateral Environmental Agreements in ACP Countries – Phase III (ACP MEAs 3)	UN Environment; FAO Funded by EU	Caribbean ACP countries	Enhance the mainstreaming and implementation of MEAs related to biodiversity and chemicals and waste, with a focus on the mainstreaming of biodiversity in agriculture, the management of chemicals and waste (including hazardous pesticides), the reinforcement of compliance and enforcement measures and the strengthening of the implementation of regional seas conventions in ACP countries.	https://www.unenvironment.org/explore-topics/environmental-rights-and-governance/what-we-do/strengthening-institutions/capacity
Selected relevant initiatives in the WCR and globally				
Regional Coordinating Mechanism (RCM) for the implementation of the SIDS Agenda; Caribbean Development and Cooperation Committee (CDCC)	Economic Commission for Latin America and the Caribbean (ECLAC)	The member countries of CDCC are: Antigua and Barbuda, Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. The associate members of CDCC are: Anguilla, Aruba, British Virgin Islands, Cayman Islands, Montserrat, Puerto Rico, Turks and Caicos Islands, and United States Virgin Islands.	Promote and strengthen economic and social cooperation and integration among the countries of the Caribbean and with Latin America; promote the sharing of information and experiences among its membership; promote common positions and strategies on economic and social issues among Caribbean nations, and on their relations with third countries, and to present those positions to international forums and agencies	https://www.cepal.org/en/subsidiary-bodies/caribbean-development-and-cooperation-committee

Caribbean Biological Corridor (CBC)	UN Environment	Haiti, Dominican Republic, Cuba; Jamaica (observer)	Multi-ministerial mechanism for coordination regarding the protection of migratory species, building a network of sustainable protected areas and initiatives in the Caribbean, the Greater Antilles particularly; promote the conservation of regional connectivity of the biodiversity of countries and preserve the most representative and important biodiversity values in the islands.	http://cbcbio.org
The Blue Economy: A Caribbean Development Opportunity	Caribbean Development Bank (CDB)	CARICOM countries	Paper representing one of the CDB's efforts to support member countries in reducing systemic poverty through innovative social and economic development interventions using existing natural resources. The blue economy presents an option for regional policymakers to embrace the Caribbean's comparative advantage, and to create an environment that better facilitates investments and private sector-led growth. Regional economic transformation grounded in the principles of the blue economy, needs advocacy and commitment at the highest levels, and empowered participation.	
Caribbean Coastal Capital Centre of Excellence (CCCCE)	Inter-American Development Bank (IDB)	Caribbean SIDS / CARICOM countries	In 2016, IDB initiated idea of CCCCE to build local expertise and regional understanding of coastal natural capital. Currently the work is in Phase 2, in which a proposal for the CCCCE is being developed. The work is still under development. At the core will be a virtual center housed in an existing entity. A steering committee exists with 9 representatives from private and public sector from different CARICOM countries	https://blogs.iadb.org/sostenibilidad/en/a-new-thrust-for-caribbean-coastal-capital/

Caribbean Aqua-Terrestrial Solutions (CATS) Programme	GIZ, CARPHA; funded by Germany (BMZ)	Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts & Nevis, Saint Lucia, St. Vincent & Grenadines	Advisory technical assistance for the sustainable management of Marine Managed Areas (MMA) as part of Integrated Coastal Zone Management (ICZM); advisory technical assistance to MMAs towards their Sustainable Financial Management; financial assistance to selected projects at MMA sites critical for the effective operationalising of their management activities. A new project specifically on sustainable financing of MMAs/MPAs is under development.	http://cats.carpha.org
Regional Framework for Achieving Development Resilient to Climate Change	Caribbean Community Climate Change Centre (CCCCC)	CARICOM countries	CARICOM's strategic approach for coping with Climate Change and is guided by strategic elements and related goals, incl. integration of ocean governance into regional and national decision-making on climate change. The Regional Framework is currently under review.	https://www.caribbeanclimate.bz/2009-2021-regional-planning-for-climate-compatible-development-in-the-region/
SIDS Accelerated Modalities of Action (SAMOA) Pathway	UN Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS)	Caribbean SIDS members include Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, British Virgin Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.	International framework that was developed as the outcome of the Third International Conference on Small Island Developing States (SIDS Conference) and which played a significant role in identifying SIDS priorities for the 2030 Agenda. The UN General Assembly will conduct a High-Level Review of the SAMOA Pathway in 2019, and a recent preparatory meeting highlights the need for sustainable financing, regional coordination mechanisms, effective national focal point structures and the potential for SIDS in harnessing the Blue Economy.	https://sustainabledevelopment.un.org/sids/samoareview
Sendai Framework for Disaster Risk Reduction 2015-2030 (Sendai Framework)	United Nations Office for Disaster Risk Reduction (UNISDR)	Global	The Sendai Framework is a, voluntary, non-binding agreement which recognizes that the State has the primary role to reduce disaster risk but that responsibility should be shared with other stakeholders including local government, the private sector and other stakeholders. It aims for the following outcome: The substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries.	https://www.unisdr.org/we/coordinate/sendai-framework

The Commonwealth Blue Charter	The Commonwealth Secretariat	Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, St Kitts and Nevi, St Vincent and The Grenadines, Trinidad and Tobago, UK territories	Agreement by all 53 Commonwealth countries to actively co-operate to solve ocean-related problems and meet commitments for sustainable ocean development; sharing of knowledge, information, expertise, and good practices; mandate a Commonwealth Blue Charter plan of action focused around Action Groups, led by Commonwealth member countries, which will collaborate with partners at national, regional and international levels, in addressing identified priority ocean issues of member countries.	https://bluecharter.thecommonwealth.org
Caribbean Challenge Initiative (CCI)	TNC, Germany (BMZ), UN Environment CEP, The Pew Charitable Trusts, Global Island Partnership (GLISPA), Carbon War Room	Bahamas; Dominican Republic; Jamaica; Saint Vincent and Grenadines; Saint Lucia; Grenada; Antigua and Barbuda; Saint Kitts and Nevis	Coalition of governments, companies and partners working together to accelerate action on the marine and coastal environment. CCI Governments and territories committed to protect and conserve 20 % of their marine and coastal resources by 2020, and establish sustainable financing structures. CCI companies committed to changing business practices and supporting the conservation actions by endorsing the CCI Corporate Compact.	https://www.caribbeanchallengeinitiative.org/
Caribbean Biodiversity Fund (CBF)	KfW, TNC, GEF, WB, RedLAC, UNDP	Bahamas; Dominican Republic; Jamaica; Saint Vincent and Grenadines; Saint Lucia; Grenada; Antigua and Barbuda; Saint Kitts and Nevis.	Provide a sustainable flow of resources for the conservation, protection and maintenance of biodiversity in the Caribbean. The CBF mobilises resources and channels support to partner National Conservation Trust Funds (NCTFs) and directly to selected national and regional projects. National Conservation Trust Funds (NCTFs) are non-governmental organizations and sign Partnership Agreements with the CBF. The Partner NCTFs then lead the grant-making programs at the national level with resources from the CBF and other donors.	https://www.caribbeanbiodiversityfund.org
Blue finance	United Nations Environment (UNEP), and partners including Althelia Ecosphere, Conservation	4 Caribbean sites: Antigua & Barbuda, Dominican Republic, Barbados, St. Kitts & Nevis	Ensure efficient management and sustainable financing of Marine Protected Areas. Blue finance is a NGO acting under the institutional umbrella of United Nations Environment (UNEP). The NGO is based in France, with operating hubs in	http://blue-finance.org

	Capital, Deloitte and Ropes&Gray lawyers		Barbados and Philippines. In the Caribbean, Blue finance is partnering with SPAW-RAC.	
Sustainable Ocean Fund	Althelia, Conservational International and the Environmental Defense Fund	n/a	Pioneering impact investment vehicle that will invest into marine and coastal enterprises that can deliver marine conservation, improved livelihoods and attractive economic returns. The fund builds on recent analysis led by partner EDF demonstrating that profits in the global fishing sector could be grown by \$51 billion USD (115%) a year compared to today, if fisheries were managed sustainably.	https://althelia.com/althelia-climate-fund/sustainable-ocean-fund/
Marine Debt-for-Nature Swaps	TNC, EIB and others	Various	Under marine debt-for-nature swaps, governments transform large areas of their exclusive economic zone into managed marine protected areas. In exchange, a portion of the country's external debt is replaced with domestic payment obligations to fund climate adaptation and conservation projects within those new protected areas.	
Sustainable Blue Economy Finance Principles	European Commission, WWF, the Prince of Wales's International Sustainability Unit, EIB	Global	Framework for securing the long-term health of the oceans. The principles intend to promote the implementation of the SDGs, in particular Goal 14, set out ocean-specific standards while avoiding to duplicate existing frameworks for responsible investment, and comply with IFC Performance Standards and EIB Environmental and Social Principles and Standards.	https://ec.europa.eu/maritimeaffairs/befp_en

Sustainable Ocean Initiative	Convention on Biological Diversity (CBD)	Global	The Sustainable Ocean Initiative focuses on the commitments of CBD Parties and the work undertaken through the CBD on marine and coastal biodiversity to identify opportunities to address capacity needs to achieve the Aichi Biodiversity Targets. The initiative addresses capacity building needs across the major ocean sectors, with a clear focus on improving coordination and cooperation between the fisheries and biodiversity sectors and across the science and policy realms.	https://www.cbd.int/soi/
The Clean Oceans Initiative	EIB, KfW, AFD	Global with focus on Asia and Africa, but also eligibility for LAC countries	The Clean Oceans Initiative was launched in October 2018. Together, the three banks will provide up to €2 billion in lending over five years to help the public and private sectors implement sustainable projects that collect plastics and other waste and clean up wastewater before it reaches the ocean.	https://www.eib.org/attachments/thematic/the_clean_oceans_initiative_en.pdf
Marine Conservation and Sustainable Fisheries. Ten-point Plan of Action	Germany (BMZ)	Global	Programmatic document guiding the German Development Cooperation in the area of ocean governance and fisheries, stating that “in order to preserve coastal habitats for future generations and enable their sustainable use, the BMZ will step up German development cooperation measures in connection with managing coastal economic spaces and with marine conservation.” One of the 10 areas of action is to "Support cooperation initiatives covering multiple countries and sectors".	https://www.bmz.de/en/publications/type_of_publication/information_flyer/information_brochures/Materiale262_marine_conservation.pdf
Caribbean Regional Indicative Programme 2014-2020 (11th EDF)	European Commission support to OECS, CARICOM and CARIFORUM	Caribbean region	Programmatic document guiding the EU support to the Caribbean region. The RIP for the period 2014-2020 addresses Climate Change, Environment and Disaster Risk Management as one of 3 key areas. A follow-on RIP will be developed in the near future. Oceans and blue economy issues will likely be an important thematic area for the future EU support to the region.	https://ec.europa.eu/europaid/sites/devco/files/rip-edf11-caraibes-2014-2020_en.pdf

Partnership for Regional Ocean Governance (PROG)	UN Environment, IASS, IDDRI, TMG	Global	Identify and promote integrated regional models for cross sectoral oceans governance and to advance regional cooperation for the conservation and sustainable use of marine ecosystems and resources.	https://www.prog-ocean.org/
Biodiversity and Protected Areas Management Programme - Phase II (BIOPAMA)	IUCN, UWI, JRC Funded by EU	Caribbean ACP countries	Improve the long-term conservation and sustainable use of biodiversity and natural resources in protected areas and surrounding communities through better use and monitoring of information and capacity development on management and governance. The second phase of the programme was launched in the Caribbean in March 2018. Regional coordination and sustainable financing for (marine) biodiversity conservation are among the key issue that the programme addresses.	https://www.biopama.org
UN Decade of Ocean Science for Sustainable Development 2021-2030	UNESCO-IOC	Global	The United Nations has proclaimed a Decade of Ocean Science for Sustainable Development (2021-2030) to support efforts to reverse the cycle of decline in ocean health and gather ocean stakeholders worldwide behind a common framework that will ensure ocean science can fully support countries in creating improved conditions for sustainable development of the Ocean. The Intergovernmental Oceanographic Commission (IOC) of UNESCO will coordinate the Decade's preparatory process.	https://en.unesco.org/ocean-decade
UN Decade on Ecosystem Restoration 2021-2030	UN Environment	Global	The UN Decade on Ecosystem Restoration 2021-2030, declared on 1 March 2019 by the UN General Assembly, aims to massively scale up the restoration of degraded and destroyed ecosystems as a proven measure to fight climate change, and enhance food security, water supply and biodiversity.	https://www.unenvironment.org/news-and-stories/story/new-un-decade-ecosystem-restoration-inspire-bold-un-environment-assembly

Annex 3: Overview on the functions of the Coordination Mechanism with associated gaps, benefits, operational structure and resource requirements

FUNCTIONS	MAIN RESPONSIBILITIES	GAPS TO COVER	EXPECTED BENEFITS	OPERATIONAL STRUCTURE & REQUIREMENTS	COSTS CATEGORIES
<p>1. Coordination of programmatic approaches for ocean governance and monitoring progress critical ocean sustainability instruments, goals and commitments</p>	<ul style="list-style-type: none"> • Institutionalize and give continuity to the cyclical TDA/SAP approach, including the coordination of the regular collaborative development of SOMEER reports and the associated periodic revision of Strategic Action Programmes (SAPs), and support a coordinated implementation by countries and IGOs • Monitor and support national reporting on progress with critical ocean sustainability instruments, goals and commitments in the Wider Caribbean Region, including the SDGs, in particular SDG 14, "to conserve and sustainably use the oceans, seas and marine resources", and other relevant regional and international commitments. • Identify and discuss overlapping and complementarity actions, to minimize the gaps in the roles and responsibilities of partner organisations, to increase effectiveness and efficiency of actions that contribute to achieving the objectives of critical ocean sustainability instruments, goals and commitments, including the CLME+ SAP and others and to increase efficiency in the use of financial resources. 	<p>Insufficient or missing cross-sectorial region-wide monitoring and programme coordination beyond the current CLME+ Project, and hence potentially overlapping activities in the programmes of different organizations and untapped potential for synergies TDA/SAP process not institutionalized beyond the CLME+ Project and no regular mechanism to monitor and report on the status of the marine environment and associated economies</p>	<p>Direct benefits are due to enhanced efficiency in:</p> <ul style="list-style-type: none"> • (1) Continued coordinated implementation and monitoring of the CLME+ Strategic Action Programme (SAP) , and institutionalization of TDA/SAP process in the region • (2) Monitoring progress towards relevant regional and international commitments. • (3) Better use of available resources through elimination of unnecessary and inefficient use of resources due to overlapping actions • (4) Identification of priorities for action and closing gaps in the programmatic approaches of partner organizations 	<p>Steering Group</p>	<p>Meeting costs Travel/DSA</p>
				<p>Executive Group</p>	<p>Meeting Costs Travel/DSA</p>
				<p>Working Groups</p>	<p>Meeting costs Travel/DSA</p>
				<p>Secretariat with 1 Coordinator/Director (full time) 1 Technical staff (full time) 1 Admin staff (part time or full time)</p>	<p>Salaries Office Space (incl equipment) Travel/DSA Services (translation etc.)</p>

<p>2. Communication, outreach and awareness raising</p>	<ul style="list-style-type: none"> • Maintain an efficient communication system to reach out to stakeholders and the wider public within and beyond the WCR with key messages and information related to the management and sustainable use of the ocean, including the ecological, social, cultural and economic benefits • Communicate the benefits of coordinated regional ocean governance and joint programmes, and the added value of the Coordination Mechanism within the region and beyond, including communication of risk reduction and opportunities for investment 	<p>No region-wide and cross-sectoral communication strategy to create visibility and awareness on key issues related to sustainable ocean-based development, and lack of an efficient communication system/network to systematically address key actors and audiences incl. decision makers, the private sector, potential funders, general public</p>	<p>Increased awareness about the role of oceans for sustainable development, and the opportunities to contribute and engage for different actors</p> <p>Key stakeholders are continuously well informed on ocean governance issues, and are aware of the added values of a coordinated regional ocean governance</p>	<p>1 Communication Officer</p> <p>Communication tools/products</p>	<p>Salaries Office Space Travel/DSA Services (translation etc.) Communication tools/products</p>
<p>3. Policy coordination and consolidation of the regional institutional and policy framework for ocean governance</p>	<ul style="list-style-type: none"> • Facilitate the interactions among regional partner organisations required for the effective operation of the Regional Ocean Governance Framework and for the coordination of regional policies and strategies • Identify policy gaps and develop policy recommendations for strengthening regional ocean governance in the WCR and harmonizing relevant policies, targeting decision makers at national, sub-regional, regional and international levels • Develop and communicate a cross-sectorial perspective on regional ocean governance • Develop formal relationships with regional multipurpose economic integration agencies (CARICOM, SICA, OECS, ACS), providing advice and receiving feedback • Support national ocean governance, including national level coordination for oceans 	<p>Limited degree of coordination within the regional institutional and policy framework for ocean governance, and hence limited degree of policy harmonization</p>	<p>Policy and institutional harmonization are key enablers for integrated governance A consolidated institutional framework allows countries and IGOs to better align their policy objectives and instruments across sectors towards common win-win objectives Harmonization of policies can lead to higher efficiency and effectiveness in policy implementation, by eliminating inconsistencies and promoting co-benefits across sectors and sub-regions</p>	<p>Working Group</p> <p>Secretariat: Technical staff (part time 50%)</p>	<p>Meeting costs Salaries Office Space Travel/DSA Services (translation etc.)</p>
<p>4. Knowledge management and data and information sharing</p>	<ul style="list-style-type: none"> • Maintain a regional data and information interface to provide the global gateway (knowledge hub), resources and tools to support countries, partner organisations and the wider stakeholder community to achieve critical ocean sustainability goals and commitments, including e.g. a project database, training portal, etc. 	<p>Insufficient sharing of information and knowledge about ocean governance issues and information on initiatives, tools and best practices of IGOs and other partners (current information exchange is ad-hoc)</p>	<p>Better access to existing information and knowledge across sectors, covering the entire region and in multiple languages of the region allows partners and stakeholders to work more effectively and efficiently by learning from the</p>	<p>Secretariat: Technical staff Information system manager (part time 50%) CLME+ "Hub" maintenance:</p>	<p>Salaries Office Space Travel/DSA Services (translation etc.)</p>

	<ul style="list-style-type: none"> Facilitate identification and sharing of data and information acquired by IGOs, research institutions and other partners, and facilitate the harmonization of monitoring approaches (e.g. for coral reefs). 		<p>successes and lessons of others, avoiding the duplication of work already done, and focusing on those areas where knowledge gaps exist, and enhanced decision making based on sound scientific knowledge on regional ecosystems, resources and economies</p>	Software (Database, GIS) and equipment	Software (Database, GIS) and equipment
5. Stakeholder engagement	<ul style="list-style-type: none"> Identify and engage with stakeholders from all socioeconomic sectors of the WCR and beyond to achieve ocean related goals and commitments Address the broader stakeholder community and engage with partners (such as NGOs, private sector, development banks, donors, etc.) by promoting and supporting a global Partnership for the WCR (CLME+ Partnership currently established under the CLME+ Project), e.g. by inviting new stakeholders to the partnership, monitoring and reporting on partnership results and organizing a regular Partnership Forum 	<p>No arrangement to ensure the sustainability of the CLME+ Partnership post-CLME+ Project, no joint approach to engagement the private sector in ocean governance</p>	<p>When systematically and continuously engaged, stakeholders can take their role in ocean governance and make their contribution to ocean sustainability, be it governmental agencies, NGOs, businesses, investors or funding partners. The (CLME+) Partnership provides such a mechanism.</p>	<p>CLME+ Forum (every 2-4 years) Secretariat: Technical staff (part time 50%)</p>	<p>Meeting costs Salaries Office Space Travel/DSA Services (translation etc.)</p>
6. Strengthening science-policy interfaces	<ul style="list-style-type: none"> Identify research institutions, universities and other scientific organisations that undertake research with relevance to ocean sustainability in the Wider Caribbean Region, in particular science that can address knowledge gaps for enhanced policy-making, management, sustainable investments Establish partnerships with research institutions to share scientific data and information, to coordinate activities and to identify opportunities for collaborative research in the natural and social sciences and technology, and review, report on and revise the CLME+ Research Strategy (developed under the CLME+ Project) Identify and build connectivity with policy processes that need science inputs to determine research needs 	<p>Scientific information and research results are not readily available or accessible and/or not being effectively used for policy making and implementation</p>	<p>Improved 'science to policy' linkages through building connectivity with policy processes enables efficient and enhanced provision of state of the art scientific knowledge to guide policy making and practice</p>	<p>Working Group Secretariat: Technical staff (part time 50%)</p>	<p>Meeting costs Salaries Office Space Travel/DSA Services (translation etc.)</p>

<p>7. Identification of new areas for collaboration and emerging issues</p>	<ul style="list-style-type: none"> • Identify new areas for regional collaboration beyond current IGO work programmes • Identify and address emerging issues for regional collaboration, including incorporation into regional ocean sustainability instruments (CLME+ SAP and others) and development of common approaches (e.g. certification schemes) • Develop a common understanding and vision for a Blue Economy in the context of sustainable climate-resilient development in the Wider Caribbean Region 	<p>No mechanism in place to jointly identify and assess emerging issues that require regional cross-sectoral action or have the opportunity to generate region-wide benefits; to identify potential new partners for collaboration on these issues, and to explore new and innovative approaches for regional cooperation and harmonization in ocean governance No common understanding/definition of the Blue Economy in the context of sustainable ocean-based development, no joint regional strategy in place</p>	<p>Partner organisations will identify new areas for collaboration that address common challenges and generate opportunities for the entire region; this includes new approaches and innovations in ocean governance.</p> <p>A common regional understanding and vision concerning blue economy strategies will facilitate working together towards common objectives and develop joint strategies.</p>	<p>Working Group</p> <p>Secretariat: Technical staff (part time 50%)</p>	<p>Meeting costs Salaries Office Space Travel/DSA Services (translation etc.)</p>
<p>8. Development of joint programmes</p>	<ul style="list-style-type: none"> • Identify programmatic areas and develop proposals for joint programmes that contribute to critical ocean sustainability instruments, goals and commitments to be implemented by countries, regional organisations and/or other partners • Identify and develop programme proposals that support and reinforce the transition towards a sustainable and climate-resilient blue economy • Engage international funding partners to guide programmatic orientation of support 	<p>Limited degree of joint programme development among IGOs. Programmes developed individually by IGOs or countries can result in certain overlaps and duplication, and hence reduce financial efficiency</p>	<p>Joint programming allows to pool efforts and resources for problems which can only be addressed through regionally integrated comprehensive actions. Joint projects can also realize synergies on the sub-regional level (reducing overlap, pooling resources, enhancing grant leverage potential and effectiveness of implementation)</p>	<p>Working Group</p> <p>Secretariat: Technical staff (part time 50%)</p>	<p>Meeting costs Salaries Office Space Travel/DSA Services (translation etc.)</p>
<p>9. Sustainable financing and resource mobilisation for ocean governance</p>	<ul style="list-style-type: none"> • Coordinate and monitor the development and implementation of the sustainable financing plan for the Regional Ocean Governance Framework in the WCR and facilitate further joint strategic resource mobilisation efforts to secure continuous funding and support for ocean governance • Pursue funding for programmes, projects and activities that contribute to critical ocean 	<p>No common approach to resource mobilization and fund raising, hence potential “new” funding sources remain largely untapped (climate finance, blue economy investments, etc.)</p>	<p>Tapping of additional and potentially sustainable funding sources for partner organisations such as climate finance, blue economy investments, etc.</p>	<p>Working Group</p> <p>Secretariat: Technical staff (part time or full time)</p>	<p>Meeting costs Salaries Office Space Travel/DSA Services (translation etc.)</p>

	<p>sustainability instruments, goals and commitments in the WCR, particularly those cutting across sectors and which are in line with sustainable ocean-based development strategies, incl. blue economy, climate change and disaster risk reduction</p> <ul style="list-style-type: none"> • Embedded in a strategy for ocean-based sustainable development (incl. blue economy), develop and implement innovative financing mechanisms to mobilize private investment for ocean governance and the financing of the Blue Economy 		<p>Stronger financial sustainability of the RGF (including the Coordination Mechanism itself) in the long term through a joint approaches for financial sustainability that include innovative mechanism and sources</p>		
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Annex 4: Indicative cost estimates per function

Indicative cost range estimates (USD) per function			Function 1 Programmatic coordination & progress monitoring		Function 2 Communication and Awareness		Function 3 Policy Coordination & Consolidation		Function 4 Knowledge Management and Data Sharing		Function 5 Stakeholder engagement		Function 6 Scienc-policy interfaces		Function 6 Emerging issues		Function 8 Joint programme development		Function 9 Sustainable Financing & Resource Mobilization	
			Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Secretariat Staff Salary (annual gross incl. benefits etc.) - estimates vary depending on location of the Secretariat and whether recruited as UN Staff			Staff Salary (annual gross)		Staff Salary (annual gross)		Staff Salary (annual gross)		Staff Salary (annual gross)		Staff Salary (annual gross)		Staff Salary (annual gross)		Staff Salary (annual gross)		Staff Salary (annual gross)		Staff Salary (annual gross)	
Senior level technical staff (intl.) [1]	125000	200000	125000	200000															125000	200000
Mid-level technical staff (intl.) [1]	90000	136000	90000	136000	45000	68000	45000	68000			45000	68000			45000	68000	45000	68000		
Entry level technical staff (intl.) [1]	44000	96000							22000	48000			22000	48000					44000	96000
Administrative staff (nat./regional) [2]	24000	60000	12000	60000															12000	60000
Additional costs for activities (except staff related and meeting costs)			Activity costs (average annual cost)		Activity costs (average annual cost)		Activity costs (average annual cost)		Activity costs (average annual cost)		Activity costs (average annual cost)		Activity costs (average annual cost)		Activity costs (average annual cost)		Activity costs (average annual cost)		Activity costs (average annual cost)	
Production of SOME Report (every 4 years) [3] - Function 1	500000	650000	125000	162500																
Production of communication material (annually) - Function 2	10000	50000			10000	50000														
Technical maintenance of knowledge web portal (annually) - Function 4	10000	30000						10000	30000											
Partnership Forum event (every 4 years) - Function 5	70000	125000								17500	62500									
Donor Roundtable (every 2 years) - Function 9	15000	75000																	7500	37500
Costs for translation services (annual) - estimates vary depending on the exact volume of material to be translated			Translation (average annual cost)		Translation (average annual cost)		Translation (average annual cost)		Translation (average annual cost)		Translation (average annual cost)		Translation (average annual cost)		Translation (average annual cost)		Translation (average annual cost)		Translation (average annual cost)	
Translation of key documents into 1 language (meeting reports, concept notes and key internal and external communications etc.) (annually)	20000	60000	8000	24000	6000	18000	1000	3000			1000	3000	1000	3000	1000	3000	1000	3000	1000	3000
Translation of wider set of documents into 1 language (programmatic reports, articles, etc.) (annually)	20000	80000							20000	80000										

Administrative costs (annual for office and expenses) - estimates vary depending on the location of the Secretariat			Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		
up to 3 Staff	20000	50000	20000	50000																	
per additional staff	1500	5000			1500	5000	1500	5000	1500	5000	1500	5000	1500	5000	1500	5000	1500	5000	4500	15000	
Meeting costs (Steering Group, Executive Group, Working Groups) per meeting - estimates vary depending on the location of the meeting, number of days and number of participants			Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		
per physical meeting for 2-3 days (meeting room rent, catering, technical support, participant travel and DSA)																					
10-20 people (Executive Group) [4]	15000	50000	30000	200000																	
10-30 people (Working Groups) [5]	15000	75000	30000	150000		15000	75000	15000	75000	15000	75000	15000	75000	15000	75000	15000	75000	15000	75000	15000	75000
30-50 people (Steering Group) [6]	35000	125000	17500	62500																	
Virtual meeting	1200	2000	1200	2000																	
Travel costs (Secretariat staff) - estimates vary depending on the destination and days of travel			Travel Costs (annual)		Travel Costs (annual)		Travel Costs (annual)		Travel Costs (annual)		Travel Costs (annual)		Travel Costs (annual)		Travel Costs (annual)		Travel Costs (annual)		Travel Costs (annual)		
per person per trip of 2-3 days (transport and DSA) [8]	1000	3000	12000	72000	4000	12000	4000	12000	4000	12000	4000	12000	4000	12000	4000	12000	4000	12000	12000	36000	
Total estimation			Total estimation		Total estimation		Total estimation		Total estimation		Total estimation		Total estimation		Total estimation		Total estimation		Total estimation		
			470.700	1.119.000	66.500	153.000	66.500	163.000	72.500	250.000	84.000	225.500	43.500	143.000	66.500	163.000	66.500	163.000	221.000	522.500	

Annex 5: Strategic financing opportunities for IGOs

1. UN Environment Caribbean Environment Programme (UNEP CEP)

Current situation: The core budget of UNEP CEP is funded through member contributions to the Caribbean Trust Fund (CTF) and in-kind contributions by its members. The level of overall agreed annual member contributions to the CTF is currently USD 1,264,308. Projects and activities are funded mainly by the GEF, member countries and bilateral donors and are co-funded by the CTF. The CTF constitutes a relatively reliable source of funding for UNEP CEP but does not fully support the implementation of programmes and projects. Though extra-budgetary funding covers most of the work programme, parts of it remain perpetually underfunded. Actual payments made by member countries to the CTF have been declining below the agreed contributions over the past years and some countries have accumulated high outstanding contributions. The Secretariat has been actively pursuing the collection of contributions and encouraging members to offset their outstanding contributions by hosting of meetings and mobilizing bilateral support of their own. Due to declining contributions though, some operating costs of the Secretariat must be charged to external project funding. Smaller projects which do not have adequate resources to contribute to the Secretariat's operating costs (including financing dedicated project staff) are sometimes not as effectively implemented.

Donors co-funding programme activities include GEF (IWEco, CReW, CLME+ project), and the Governments of Italy (EBM project) and Germany (through ECMMAN project). Several member states also provide extra-budgetary contributions via e.g. hosting of meetings and seconding of experts (e.g. Jamaica, France, the US via Department of State, NOAA and the EPA). For the funding of the Regional Marine Pollution Emergency Information and Training Centre UNEP CEP is also cooperating with the private sector.

Resource mobilization strategy: A resource mobilisation strategy is currently being drafted as part of a new overall strategy for UNEP CEP. Topics of discussion are: Analysis of needs and priorities of the MS and current donor priorities; diversification of the donor portfolio; sustainability and improvement of the status of the Trust Fund; cost reduction potential, increase of human resources by in-kind staff contributions as well as by engaging volunteers and interns, joint approaches to donors with other IGOs, private sector partnerships, to access project funding for biodiversity, Blue Economy and climate change. Donor relations are managed at UN Environment headquarters.

Specific opportunities (incl. for joint resource mobilization): While the Cartagena Convention and its Protocols do not include a reference to climate change, UNEP CEP is mandated to engage in projects and activities addressing climate change if they support the overall objectives of the Convention and its Protocols. Currently, it is being discussed whether to include climate change related issues as well as the Blue Economy more prominently into the new strategy. Both would constitute new funding opportunities for projects. According to UNEP CEP, leverage of funding for biodiversity could be increased and the establishment of the coordination mechanism might support UNEP CEP in establishing itself as a facilitator for projects on marine biodiversity across the region.

UNEP CEP already cooperates with WECAFC, CRFM and OSPESCA and has a MoU with IOCARIBE. For their existing work and closer coordination on the issue of disaster risk reduction and environmental hazards (e.g. Sargassum) joint resource mobilization activities seems advisable.

While UNEP CEP manages the ridge-to-reef project IWEco in the eastern CLME+ region, CCAD implements the ridge-to-reef project MAR2R in the western CLME+ region. To exchange lessons learnt and synthesize knowledge presents an opportunity for both agencies and could be a starting point to explore opportunities to systematically address and channel funds for the ridge-to-reef approach across the region.

2. Western Central Atlantic Fishery Commission (WECAFC)

Current situation: Core costs are currently financed by the FAO Regular Programme with approx. USD 200,000 to 220,000 a year (cash and in-kind). For the implementation of its work programme WECAFC relies on cash and in-kind contributions by member countries, partner organisations, FAO Technical Cooperation Program (TCP) as well as by international development partners. For the past years budget allocated from FAO Regular Programme have fallen short of the amounts requested. WECAFC has recently been very successful in acquiring several GEF grants (REBYC-II LAC; Caribbean Billfish Project; CC4FISH; StewardFish project). However, the involvement in a number of large projects, also increases administrative costs. In the intersessional period from 2016-2018 funding was sufficient to implement two-thirds of the agreed programme of work. Substantial extra-budgetary funding from some individual member and donor countries has been critical to finance travel costs to the regular meetings. Travel costs also present a challenge to the working group meetings which is why the Secretariat encourages participants to seek resources of their own. WECAFC has set up a trust fund for extra-budgetary contributions but no contributions were registered thus far. Besides GEF, the World Bank, the Inter-American Development Bank, and the Government of Norway are among the international donors. Members like France, Japan, the US and Trinidad and Tobago are among the important extra-budgetary contributors. WECAFC further received in-kind support by partner agencies such as CFMC, IFREMER (France), JICA (Japan), CRFM and NOAA (US). The EU which is also a member is providing project grants (e.g. via DG Mare, DG Devco).

Resource mobilization strategy: WECAFC depends on the FAO resources unit for financial rules and donor relationships. The mobilization of resources was assigned high priority in the Medium Term Strategic Plan 2014-2020 adopted by WECAFC 15 and a strategic planning approach was implemented to improve resource mobilization. The legal and funding structure of WECAFC will be subject to change due to a strategic reorientation process, which will result in the establishment of an RFMO. It has not been decided yet, whether the RFMO will be established under FAO or independently. The estimated annual costs are proposed to be covered by member countries based on their respective volume of catch⁴⁰.

Specific opportunities (incl. for joint resource mobilization): WECAFC is already working closely with CRFM and OSPESCA within the fisheries ICM and is successfully promoting partnerships e.g. with scientists and also bringing other regional organizations into the working groups. The establishment of a RFMO could most probably present new resource mobilization opportunities since the new level of regional integration within the fisheries sector will most likely strengthen the RFMO's as well as OSPESCA's and CRFM's position. To evaluate the implications though, the specific legal arrangement

⁴⁰ FAO, 2018. Discussion paper in support of the WECAFC strategic reorientation process, by Teresa Amador, independent legal advisor. Background document for the 1st Preparatory Meeting on the establishment of an RFMO in the WECAFC area.

first needs to be decided upon. If the RFMO were established independent of FAO it could for example liaise with potential donors directly and possibly tap into new sources of income but at the same time an independent new body would first need to establish itself as a partner within the international community.⁴¹

UNEP CEP could be another strategic partner for future joint activities. Since WECAFC has experience as implementing agency for climate change adaptation related activity (CC4FISH), the regional accredited entities with the Green Climate Fund (e.g. CDB, CCCCC) could be strategic partners for future projects on climate change adaptation in the fisheries sector.

It has been proposed that the mandate of the future RFMO could be amended to take into account FAO's Global Blue Growth Initiative. As the Blue Economy presents an outstanding opportunity for the fisheries sector, the future RFMO is well positioned to facilitate and catalyse fisheries related Blue Economy activities within the CLME+ region. Investment for sustainable fisheries could well be pursued in cooperation with the regional development banks.

3. IOC of UNESCO Sub-commission for the Caribbean Sea and Adjacent Regions (IOCARIBE)

Current Situation: IOCARIBE is financed by the UNESCO Regular Programme, voluntary contributions from member states and donor funds. IOCARIBE receives approximately USD 500,000 annually from the UNESCO regular programme for core functions and seed funding for programmes. Allocations from the overall UNESCO budget to IOC are renegotiated every two years at a global level. The US decision in 2011 to withdraw from UNESCO puts significant constraints on the UNESCO budget, which also has an effect on the financing of IOC and its Sub-Commissions. The proper functioning of IOCARIBE has only been possible due to extra-budgetary voluntary contributions from member states and donor contributions. IOCARIBE Member States have established the CLME project in 2001. IOCARIBE contributed USD 180,000 to the CLME+ project, by covering the cost for one staff position, in addition to the official co-financing to the CLME+ project. IOCARIBE raises funds for projects from bilateral donors such as USAID, NORAD, EU and SIDA and develops joint projects with other UN organisations, national universities and research centres.

Resource mobilization strategy: The IOC Medium Term Strategy 2014-2021 calls for an intensification of efforts to mobilize extra-budgetary resources from institutional and private partners, to engage in public-private partnerships and to develop project proposals for extra-budgetary funding in cooperation with other UN agencies and intergovernmental bodies and regional projects. Currently IOCARIBE is developing a resource mobilization strategy in line with their strategy.

Specific opportunities (incl. for joint resource mobilization): IOCARIBE's work is of high relevance to a variety of business sectors and generates valuable input to processes as Marine Spatial Planning, Integrated Coastal Zone Management and harbour development. Data provision and research, the development of early warning systems (e.g. Sargassum, Oil spills, Tsunami risk) reduces investment risks for a variety of business sectors such as tourism and fisheries and improves maritime safety. Hence, strategic cooperation with the private sector (e.g. in the form of co-funding of projects or even private public partnerships) presents an important opportunity. This could also be pursued jointly with other ICM members. IOCARIBE is already closely cooperating with UNEP CEP, UNDP and CRFM. Cooperation in the area of early warning systems (Sargassum, Oils Spills) could be beneficial with the fisheries IGOs and UNEP CEP. Together with IADB IOCARIBE is also exploring relevance to the insurance

⁴¹ FAO. 2018. Discussion paper.

sector. IOCARIBE could also promote the valuation of marine ecosystems of the region, an activity best pursued as a coordinated regional effort. This links to acquisition activity related to climate change mitigation. It could be beneficial for IOCARIBE to explore opportunities for a Caribbean research pilot on Blue Carbon, as UNESCO-IOC is already part of the Blue Carbon Initiative with IUCN. Among the ICM members there is already expertise with the implementation of REDD+ projects, as e.g. with CCAD. Blue Carbon could be a future opportunity to fund conservation of marine ecosystems in the countries of the CLME+ region.

4. Organización del Sector Pesquero y Acuícola del Istmo Centroamericano – OSPESCA (Organization of the Fisheries and Aquaculture Sector of the Central American Isthmus)

Current Situation: OSPESCA is funded by regular annual member contributions and programs funding by donors. The regular budget is USD 200,000. Reliability of member contributions is one of the major challenges for OSPESCA. Agreed contributions are not received on time or are not fully received. To correctly perform the OSPESCA's activities, the directorate estimates that contributions would need to be USD 31,460 higher than currently agreed.

As agreed by member states, for some projects, OSPESCA has the administrative support of the Regional International Organization for Agricultural Health (OIRSA), based on an agreement between both organizations, under which OIRSA charges a 5.5% overhead. In terms of programs financing, the OSPESCA's annual budget has been significantly varying over the last two years. Currently, the CLME+ project is the only one secured source of external project financing. Besides the GEF, the US State Department, the Republic of China (Taiwan), FAO, Spanish Agency for International Development Cooperation (AECID), the Pew Charitable Trust and The Nature Conservancy (TNC) were among the international donors (for projects as: ALINPESCA and PESCAPUERTOS, Support for Governance to combat IUU fishing, among others).

Resources mobilization strategy: The OSPESCA's Regional Directorate is planning to coordinate with national authorities of member countries in charge of budget allocations, beyond the ministries in charge of fisheries, in order to solve the matter of delayed contributions. Besides, intersectoral cooperation within SICA institutions is planned to be enhanced, as well as to reinforce cooperation with fisheries SMEs and NGOs.

Specific opportunities (incl. for joint resource mobilization): The Fisheries and Aquaculture Policy addresses links of fisheries and aquaculture with the wider Blue Economy issues of commerce, tourism and climate change. Currently, a Blue Economy strategy is being prepared by the Regional Directorate. OSPESCA is eligible to generate revenues from services. Such could range from generating a weekly informational bulletin to becoming a facilitator of Blue Economy projects for the fisheries sector, and advisor to project developers in the SICA region.

OSPESCA has signed Memorandums of Understanding with CRFM, CCAD and FAO, among others. OSPESCA cooperates With CCAD through work agreements, and also for the development of a policy on the coastal and marine environment. A joint work agenda which also involves country level coordination between fisheries and environment high authorities is under development. Further, an action plan with CRFM has been developed, but there is lack of resources for their total implementation. OSPESCA has been identified as an important stakeholder to the MAR2R project, although it is not an implementing agency. These close ties to other ICM members could benefit joint efforts for resource mobilization, especially under conditions of improved regional coordination in the fisheries sector.

5. Comisión Centroamericana de Ambiente y Desarrollo – CCAD (Central American Commission on Environment and Development)

Current Situation: CCAD'S work is financed by regular member contributions and donor funds (grants). In some of the projects that CCAD is implementing or in which the organization participates, the budget is not directly executed through CCAD, but through third parties. The regular budget is USD 160,000 annually. Since 2001, actual contributions have been approximately 70% of the agreed. Due to this situation, the CCAD Secretariat is operating with only two instead of three staff members. The budget contributing to ocean governance related work is not specifically defined. Roughly, it is based on a small share of the member state contributions (relative to the staff time and other institutional costs) as well as the budget of the GEF-funded MAR2R project which supports some of the CCAD countries and Mexico. Another important donor is Germany through the Mesoamerican Reef (MAR) Fund. These funds are not directly executed by CCAD, but the organisation is represented in the funds' Board of Directors with one representative. Regarding programme financing, funding is rather available for issues not specifically related to ocean governance, especially climate change and terrestrial ecosystems, such as forest management and REDD+ (GIZ). Japan through JICA is a donor of project funds for biodiversity related issues too.

Resource mobilization strategy: In order to address financing challenges, the CCAD Secretariat has been mandated by the Council of Ministers to develop a financing strategy. A consultant has been hired and recently undertook a diagnosis of the current status, based the strategy has been developed. CCAD plans to diversify its donor base focussing on biodiversity and climate change issues. Recently, CCAD has taken up close cooperation with CABEI. Proposal development for climate adaptation related activities is among the joint activities is. CABEI is a GCF accredited entity.

Specific opportunities (incl. for joint resource mobilization): Technical committees exist for the different thematic work areas of CCAD, and can be created for sub-themes. Currently, there is no committee on oceans. The Regional Environmental Strategy Framework 2015-2020 (ERAM) references an increase in Blue Carbon projects as an objective. CCAD is cooperating with GIZ on REDD+. This could be a starting point to develop a Blue Carbon proposal (e.g. jointly with IOCARIBE). While UNESCO IOC is already a partner of the international Blue Carbon Initiative focussed on research there is also a GEF programme on Blue Forests in cooperation with, among others, UNEP's Blue Carbon Initiative. The topic could be instrumental to integrating climate change, biodiversity and ocean governance issues and could be convincing to donors, especially as a regionally coordinated effort that seeks to avoid overlap. Further, knowledge transfer and exchange of lessons learnt on the MAR2R and IWEco projects between CCAD and UNEP CEP as biodiversity oriented IGOs could be beneficial.

6. Caribbean Community (CARICOM) Secretariat

Current Situation: The CARICOM Secretariat is financed by regular member contributions and donor grants (approx. 70:30 in 2017). Other institutions of CARICOM such as CRFM receive direct member contributions and donor funds. Annual member state contributions were USD 20,197,197. Contributions are made based on a determined formula, which is linked to GDP and updated periodically. 0.68% per cent of the core budget is allocated to the Sustainable Development sub-programme while 0.23% is allocated to the Environment sub-programme. Since 2015 the overall budget has been in decline due to decreasing donor grants. Though some countries are in arrears, member contributions remained relatively stable. Due to national recovery from the 2017 hurricanes contributions by some members are recently impacted. Donor funds are mainly targeted at community

development projects and the Caribbean Single Market Economy. Biodiversity and pollution control issues, especially related to the marine environment are underfunded. While overall CARICOM is working with a diverse range of donors, this is not the case for ocean governance issues. Projects with relevance to ocean governance are currently carried out with support from the EU (Natural Resources Policy and capacity development on MEAs) and the government of Kazakhstan (Water Framework). Japan through JICA is an important donor of project funds with CARICOM.

Resource mobilization strategy: CARICOM Secretariat has a Resource Mobilization and Technical Assistance Department which leads the external resource mobilization function of the Caribbean Community Secretariat, coordinates development cooperation relations and provides training and technical assistance to improve the management of IDP-funded projects. CARICOM Secretariat is improving its M&E systems and strengthening its foreign policy engagement to capitalize on existing and new opportunities with previously unengaged partners. CARICOM is also developing strategies to effectively engage the private sector.

Specific opportunities (incl. for joint resource mobilization): CARICOM's diverse donor relations and special unit dedicated to resource mobilization can be seen as valuable assets for winning international support for ocean governance. At the same time a multi-issue IGO as CARICOM is exceptionally well positioned to identify opportunities to marry economic development and environmental conservation objectives as starting points of a regional Blue Growth or Blue Economy strategy. If CARICOM members developed a regionally coordinated Blue Economy agenda and at the same time the IGO used its position to win and coordinate development partner support, this could invoke a reprioritization of funding to ocean governance issues and benefit the whole region.

7. Caribbean Regional Fisheries Mechanism (CRFM)

Current Situation: CRFM is funded by member country contributions and international donors. The agreed annual amount of member contribution is USD 960,500. Actual contributions received have been around 25% below the agreed level over the past years. The Secretariat tries to cover funding gaps through project overheads. The level of agreed member contributions is considered adequate to cover the core costs but it is difficult to afford the technical in-house expertise for required project tasks. Challenges regarding the sustainable financing of the CRFM Secretariat were already addressed in an Independent Performance Review in 2013, which recommended that there be only one location for the Secretariat and that there be an application or review of agreed sanctions for members that do not contribute. CRFM is eligible to and has generated revenue from the provision of consultancy services at a limited scale. GEF, IADB and Japan are among the donors. CRFM cooperates with partners and contributes to donor funded projects which are not part of CRFM budget.

Resource mobilization strategy: In order to raise additional funding, CRFM cooperates with the CARICOM Resource Mobilization Unit⁴² to secure project funding and has set up its own Resource Mobilization Committee in 2016. Adaptation to Climate Change is among CRFM's strategic goals. According to CRFM Secretariat, the establishment of a trust fund, possibly with private sector participation is being considered. The generation of income from the delivery of consultancy services is considered an option for additional funding if such activities align with CRFM's mandate and strategic objectives.

⁴² The CARICOM Resource Mobilization Unit's mandate includes raising funds to support the policies, programmes and institutions of CARICOM including the CRFM. Their initiatives almost always include the CRFM.

Specific opportunities (incl. for joint resource mobilization): CRFM has developed a project concept on Sargassum, since the 2018 blossom heavily affected the tourism and fisheries sectors. IGOs from the ICM (e.g. IOCARIBE, UN-E CEP, WECAFC) and beyond have been engaged in this effort at an early stage. A JICA financed fact-finding survey is currently being undertaken with broad stakeholder participation. CRFM is also cooperating with JICA to implement a 4-year follow up project to the Caribbean Fisheries Co-management Project which will focus on coastal resource management in 6 target countries. As a result of a technical cooperation with FAO WECAFC (partnering the GEF funded CC4FISH project), CRFM could fast-track the approval of the Protocol on Climate Change Adaptation and Disaster Risk Management in Fisheries and Aquaculture by the ministerial council in October 2018. CRFM has become the lead agency of fish competence for the CIF-funded Pilot Project on Climate Resilience (PPCR). These activities as well as the fact that CARICOM has become a GCF accredited entity are strong assets to leverage funding for climate change adaptation related efforts. CRFM and the Regional Climate Change Centre have developed and submitted a project proposal to the GCF to address climate change in the fisheries and aquaculture sectors. The examples also demonstrate how regional coordination can improve effectiveness of ocean governance efforts in general. The establishment of an RFMO could further benefit grant leverage for CRFM, as a regionally coordinated approach is persuasive to donors. A regional Blue Economy framework or strategy could also enhance funding for CRFM's activities, since especially in the fisheries sector there is high potential for Blue Economy projects. CRFM and the Latin American Development Bank have developed a Project Identification Form for a regional project focused on promoting Blue Bio-trade.

8. Organisation of Eastern Caribbean States (OECS)

Current Situation: The core institutional budget, which consists of contributions by member states and self-financing units of the Commission amounts to 40% of the overall budget. Projects are mainly funded by IDPs. Ocean governance related projects are funded by GEF (CROP), the EU, UK CMEP and the Government of Germany (ECMMAN) through TNC. Other donors include UNICEF, WB, UNDP, GIZ, GCF and AFD.

Resource mobilization strategy: OECS plans to decrease cost and strengthen the partnerships with donors. A resource mobilisation strategy is currently being developed and a national level levy for contributions to OECS is being discussed.

Specific opportunities (incl. for joint resource mobilization): The Eastern Caribbean Regional Ocean Policy (ECROP) which provides a framework for enhanced coordination and management of ocean resources among member states is a strong asset and can enhance grant leverage. The Caribbean Regional Oceanscape Project (CROP), a major GEF-funded project with the objective to “preserve and strengthen resilience of coastal and marine resources, and implement regional policies to stimulate blue growth”, contributes to the implementation of the ECROP. Additionally, the Climate Change and Disaster Risk Management Unit's Climate Change Programme addresses issues related to coastal zone management, biodiversity and climate change adaptation. The ECROP presents a viable foundation to acquire finance for Blue Economy projects throughout the OECS region which could serve as example and scalable pilots to the WCR. Specific opportunities to strategically broaden sources of funding for ocean governance include (i) aligning the ECROP to the SDGs, (ii) matching climate change adaptation and ocean governance issues as well as (iii) intensifying cooperation with the other ICM members.

Annex 6: Assessment of benefits at stake

Economic context

Economies of the region are very or even highly dependent on the tourism sector. Beaches and coral reefs are regarded “the essential tourism product” (WTTC, 2018a) of the Caribbean. In addition to the importance of seafood to the industry, healthy marine ecosystems continue to be a major driver supporting this sector’s growth (Barker, 2002; Christie et al., 2015; Gopal et al., 2015). The World Bank estimates that economic benefits derived from coastal tourism among island states and territories in the region could increase up to 50% in 2024 compared to 2012 (World Bank, 2016). Given the sector’s sensitivity to healthy ecosystems, growth could be offset by increasing import costs in the medium term, followed by an overall decline of the sector due to eroding ecosystem health, as numerous experts caution (Barker, 2002; World Bank, 2016; Burke et al., 2011).

Table 14 Dependence on tourism sector (WTTC, 2018a; WTTC, 2018b, WTTC, 2017).

	% of GDP	Direct employment	Direct visitor spending ⁴³
Brazil⁴⁴	10	Approx. 2.3 m jobs	USD 59.6 bn
Caribbean	15	13.8%	USD 31.4 bn

Table 15 Countries with very high dependency on tourism sector (WTTC, 2018a; WTTC, 2018b)

	% of GDP
The Bahamas	44.8
Antigua & Barbuda	60.4
Aruba	88.4
Jamaica	30.3
Barbados	39.9

The Caribbean Sea harbours the highest species diversity of the entire Western Atlantic, especially “coral reefs, coastal lagoons, mangrove forests and seagrass beds are highly productive ecosystems” (WECAFC, 2017) sustaining industrial and small scale fisheries. Especially small scale fisheries are critical for food security throughout the region. The North Brazil Shelf ecosystem supports one of the most important export oriented shrimp fisheries in the world (Seijo et al., 2017). FAO-WECAFC (2017) reports on 33 species within its mandated region (excluding North Brazil Shelf), of which 30 species are fully exploited or overexploited.

Table 16 Importance of fisheries sector (CDB, 2018; FAO, 2010; CARICOM, undated)

	People directly employed	People indirectly employed	People directly & indirectly dependent
WCR			4,500,000

⁴³ Brazil in 2017; Caribbean in 2016.

⁴⁴ Statistic references Brazil as a whole, while only the North of Brazil with the NBSLME is part of the CLME+.

CARICOM	64,000	180,000	
North Brazil	500,000 ⁴⁵		

Estimates of Benefits at stake

Estimates quantifying the benefits at stake in case the transboundary issues are not addressed are presented in Table 17. The table summarizes only direct economic benefits from a few selected ecosystem services (due to the lack of data/information), thus only presents a fraction of benefits derived from healthy ecosystems⁴⁶. This especially applies to the provision of fish, for which only capture fisheries is accounted for, which does not reflect the full value and importance of fish for food security (CLME, 2011). Further, the values indicated in the table only include direct commercial benefits. The overall indirect economic impact of these revenues very probably exceeds the amounts indicated by several times.

Table 17 Selected economic benefits at stake ⁴⁷

Ecosystem Service	Annual economic benefits at stake (USD)
Provision of fish (commercial capture fish only, not reflecting importance of fisheries for livelihood & food security in the region)	457,000,000
Recreational and tourism value (assuming only 30% visits due to healthy marine & coastal ecosystems)	27,300,000,000
Protection of shoreline from erosion and storms	1,378,000,000
Carbon Sequestration	352,000,000
Total	29,487,000,000

Assessment of four ecosystem services

The coastal and continental shelf ecosystem types of coral reefs, mangroves, seagrass beds, beaches and pelagic ecosystem provide for numerous services which are usually divided into four categories: provisioning services (e.g. fish for food and recreation), regulating services (climate regulation,

⁴⁵ The figure includes inland fisheries.

⁴⁶ The coastal and continental shelf ecosystem types of coral reefs, mangroves, seagrass beds, beaches and pelagic ecosystem provide for numerous services which are usually divided into four categories: provisioning services (e.g. fish for food and recreation), regulating services (climate regulation, protection of shoreline from erosion and storms), cultural services (e.g. recreation and tourism value) and supporting services (e.g. nursery grounds for fish) (for a full list see CLME, 2011).

⁴⁷ It is acknowledged that the figures presented cannot substitute a geographically and economically accurate valuation of the ecosystem services of the WCR. Some of the assumptions might include double count or be incomplete and would need to be verified and in some cases adapted to the regional context, the geographical scope or specified for species and ecosystems.

protection of shoreline from erosion and storms), cultural services (e.g. recreation and tourism value) and supporting services (e.g. nursery grounds for fish) (for a full list see CLME, 2011).

Quantitative data to assess current value of ecosystems or economic losses associated to their degradation are lacking. As yet there is no empirical evaluation of ecological and economic effects ex-post the establishment of a coordinating entity for any LME, which could serve as reference here. An estimation of the total value of coastal and marine ecosystems does not exist for the CLME+ (as conducted for e.g. the South China Sea or Bay of Bengal LMEs). To date, the most comprehensive information available focuses on Caribbean coral reefs and their relevance for the fisheries and tourism sectors as well as for coastal protection (Schuhmann and Mahon, 2015). Schuhmann and Mahon (2015) among others have thus recommended integrating a valuation framework for ecosystem services into the SAP to ensure that informed decision making in knowledge of the economic benefits of ecosystem based management can take place. Based on the information available and the importance of the tourism and fisheries sectors outlined above, the value of the following four ecosystem services was assessed: provision of fish, recreation and tourism value, shoreline protection and climate regulation.

Provision of fish

The following represents a rough estimation of the commercial value of capture fisheries in the CLME and NBSLME based on FAO Statistics (2017) and a report prepared for WECAFC (Seijo et al., 2017). However, this does not reflect the full value of fish provision for food security in the region as a significant proportion of the population in the region directly or indirectly depends on fishing for their survival (CLME, 2011).

In 2015 the total catch of FAO region 31 was 1.4 mt (WECAFC, 2017). Based on FAO (2017), the average global value for capture fisheries in 2015 was USD 1305 per ton of catch⁴⁸. Applying this to the total catch of region 31, total value landed is estimated to be more than USD 1.8 bn (1,827 million). Based on the assumptions for NBSLME of a 23 per cent resource rent (Seijo et al., 2017), the rent would be USD 420.21m. These calculations do not include capture fisheries of North Brazil, which is included in FAO region 41.⁴⁹ For the NBSLME it was estimated that the resource rent of shrimp species, sea bob and ground fish for the period of 1998 to 2013 was USD 590.9m (Seijo et al., 2017). This represents an average of approx. USD 37m year. Summing up FAO region 31 and NBSLME the resource rent of capture fisheries would be USD 457.21m a year.⁵⁰

Recreational and tourism value

The recreational and tourism value can be approached using the revenue generated by travel and tourism in the region. WTTC (2018a) estimates that visitors spent USD 31.4bn in the Caribbean in 2016. This contributed around USD 56.4bn to total GDP. In Brazil direct visitor spending was USD 59.6bn in 2017 with an estimated total contribution to GDP of USD 163bn (WTTC, 2018b). It can be assumed that a significant share of these revenues is linked to healthy ecosystems, such as beautiful beaches, coral reefs for diving and wildlife. However, there is very little information available regarding the actual share or quantification of potential losses. Only one figure is available: Burke et al. (2011) have warned of potential annual losses of USD 100 to 300m for the tourism sector due to ongoing degradation of

⁴⁸ We acknowledge that this value may be different if obtained from the region.

⁴⁹ FAO region 31 covers 15 million km², including the Gulf of Mexico, the South East coast of the USA and the Caribbean Sea. It extends far into the Western Atlantic, 51 % of it being Areas Beyond National Jurisdiction (ABNJ). The Northern Brazil Shelf LME is part of the WECAFC management area but is part by FAO area 41.

⁵⁰ The figure might include double count of catch data for Guyana, Suriname and French Guiana.

coral reefs and erosion of sandy beaches in the Caribbean. Compared to overall tourism revenue as outlined above, this range probably rather reflects the lower boundary of benefits at stake. Even if it were assumed that only 30% of tourists visit the CLME+ region because of the natural beauty and healthy marine and coastal ecosystems, the direct annual benefits accredited to healthy ecosystems would still amount to USD 9.3bn in the Caribbean and around 18 billion USD in Brazil, with indirect benefits exceeding this by several times.

Protection of shoreline from erosion and storms

Based on a study by Burke et al. (2008) on ecosystem services of coral reefs in Trinidad and Tobago and Saint Lucia, an average annual value per hectare of coral reefs of 530 USD is assumed⁵¹. Given there are 26 million ha (26,000 km²) of coral reefs in the CLME+ region, the value of the service of shoreline protection amounts to USD 1.378 bn.

Climate regulation: Carbon sequestration

Mangroves are important carbon sinks. Based on a carbon price of 5 USD per tCO₂equivalent, the World Bank (2016) estimates a value of mangroves for the Caribbean Sea of USD 90m a year⁵². The report emphasizes though, that at the “real social cost” of carbon amounting to USD 40 per tCO₂e, this value would equal USD 704m. Since publication of the named report the carbon price has increased significantly, with European Emission Allowances (EUA) currently being at around 20 EUR in April 2019. It therefore seems justifiable to approximate the carbon price with USD 20 per tCO₂e for the purpose of this assessment. Based on the World Bank (2016) estimations, this would result in a value of carbon sequestration by Caribbean mangroves of USD 352m.

⁵¹ Minimum USD 460 for St. Lucia and USD 600 for Trinidad and Tobago.

⁵² This does not include the NBSLME.