

SUSTAINABLE BLUE ECONOMY FINANCE INITIATIVE REPORT JUNE 2022 - 2023

CAF is strategically formulating a robust blue agenda to spearhead the battle against the triple planetary crisis¹ and propel the advancement of a resilient blue economy in Latin America and the Caribbean. Our proactive approach involves a substantial boost in the annual approval of green operations, aiming to escalate from 24% in 2020 to an ambitious 40% by 2026. This strategic initiative translates into the mobilization of \$1.250 million over the next five years, dedicated to catalyzing substantial blue growth in the region.



¹ the world has faced three most pressing environmental issues namely climate change, pollution and biodiversity loss simply referred to as the triple planetary crisis.

Actions Taken – Sustainable Blue Economy (SBE) Targets - Alignment with global Agreements

During the previous 18 months we have developed a portfolio of operations that adopt and implement the SBE Finance Principles and SBE targets across their activities.

Ocean Action 2030 Coalition:

During Our Ocean Conference held in Panama, CAF joined the Ocean Action 2030 Coalition. This strategic collaboration is poised to significantly enhance the development opportunities and quality of life for the multitude of Latin Americans and Caribbean people reliant on the ocean for their sustenance. Demonstrating our commitment, CAF has allocated significant investment in order to prepare Ocean strategic action plans for LAC countries. These initiatives encompass the restoration of marine and coastal environments, blue carbon initiatives, the promotion of renewable marine energy, sustainable practices in fishing and aquaculture, integrated coastal management, nature-based solutions, ecosystem service compensation, ecotourism, and the optimization of marine protected area management, among other critical focus areas.

Biocaf Initiative 2022-2026:

This initiative launched in 2022, aims to provide alternatives to the countries for the timely management that avoids the loss of biodiversity. BIOCAF 2022–2026 strategically embraces a comprehensive ecosystem approach, integrating ecosystems based on their pivotal role in global and regional biodiversity, their potential for significant social and economic impact, the tangible risks associated with inaction, the opportune utilization of international public and private financing, and the alignment with national commitments outlined in the United Nations Decade for Ecosystem Restoration.

This visionary initiative is structured around five key components, with a third component dedicated to Biodiversity, Blue Economy, and Ocean Health. In essence, the concerted efforts within this component are designed to actively support CAF member countries in the attainment of Sustainable Development Goals 6, 14, and 15, as well as various commitments aimed at the conservation and sustainable utilization of marine resources.

COP 27 - Climate Change:

During COP27 in Egypt, CAF organized a panel of experts to discuss its institutional ocean strategy for the next five years, focused on lead and coordinate the strategies that Latin American countries develop to reduce the loss of biodiversity, the erosion of coastal areas, establish blue carbon capture mechanisms, promote sustainable tourism and promote innovative initiatives that can be replicated regionally.

Integrated Management of sargassum:

CAF has led the design of an International Water project that will promote the integrated management of sargassum in Latin America and the Caribbean, aligning with national strategies and decisions adopted in multilateral environmental agreements. The expected results include the following:

- Improving responses and planning through monitoring and diagnostic initiatives, and exposure and vulnerability assessment of sargassum drifts,
- Improving forecasting products aimed at the tourism and fishing sectors that support the establishment of national sargassum early warning systems,
- Actions and informed decision making through determining the viability of sargassum valorization as a means of alleviating impacts, Policy recommendations to local governments to promote blue growth initiatives and encourage the development of the blue economy.

CMAR Initiative:

CAF started the implementation of a technical cooperation project of USD 1 million as a contribution to help protect the marine biodiversity of the marine corridor shared by Colombia, Costa Rica, Ecuador and Panama, CMAR, which generates USD 3,000 million annually derived mainly from fishing, tourism, and maritime transport.

CAF resources will encourage joint strategies that promote the participation of governments of the four countries, civil society, international cooperation organizations and NGOs. The biodiversity of the Marine Corridor has a close relationship with the great cultural and tourist offer of customs, gastronomy and crafts. In this sense, sustainable tourism will also be promoted.

GEF Regional Project Chile - Ecuador :

CAF is running the project “Reducing climate vulnerability and flood risk in coastal urban and semi urban areas in cities in Latin America (Chile, Ecuador)” which objective is to reduce vulnerability to climate-related floods, mud flows and landslides in three coastal cities by mainstreaming a risk-based approach to adaptation, building collaboration and networking, and developing a culture of adaptation. The project includes three main outcomes: (i) priority actions to increase resilience; (ii) strengthen capacities for adaptation; and (iii) ICTs and partnership between coastal cities in Latin America.

GEF Regional Project Argentina- Uruguay:

CAF is timely executing the project “Climate Change adaptation in vulnerable coastal cities and ecosystems of the Uruguay River”. The Program seeks to build resilience in the vulnerable coastal cities and ecosystems of the lower Uruguay river, both in Argentinean and Uruguayan territories, by developing instruments, tools and experiences for climate change adaptation planning and implementation as well as climate risk management. The project includes four main outcomes: (i) Territorial planning and risk management; (ii) Increased resilience in flood-prone cities; (iii) conservation of the coastal ecosystems; and (iv) Increased resilience and reduce social vulnerability.

GEF Project Effective Conservation Galapagos Islands :

CAF is running the project with an allocated budget of about USD 1,79 Million Dollars financed by GEF. The project focuses on safeguard biodiversity in the Galapagos National Park by managing threats to terrestrial and marine biodiversity. The project includes three main outcomes: (i) selective eradication of invasive vertebrate species; (ii) Patrol and law enforcement in the Galapagos Marine Reserve; and (iii) Financial Sustainability, knowledge, monitoring and evaluation.

Decalogue of CAF Blue Commitments:

In 2023, a "Decalogue of CAF Blue Commitments" was developed, which serves as the foundational document for the strategic proposal for sustainable ocean and blue economy in Latin America and the Caribbean. It includes commitments such as:

- Building bridges with relevant global entities in ocean conservation and sustainability.
- Accelerating the targets of SDG14 "Life Below Water" in Latin America and the Caribbean.
- Incorporating the blue-green component into all operational guidelines.
- Accelerating the achievement of the objectives and targets of the Global Biodiversity Framework.
- Energizing a portfolio of projects linked to the ocean and Sustainable Blue Economy.
- Designing a project accelerator for the sustainable use of marine-coastal areas.
- Supporting Sustainable Ocean Plans within the framework of the "Ocean Action 2030" coalition.
- Supporting the Declaration of the Americas for the Ocean.
- Adherence to the Global Fund for Coral Reefs.

COP 28 - Climate Change:

During COP 28 in Dubai (2023), the CAF had a pavilion dedicated to Latin America and the Caribbean called "Region Solution." Within this pavilion, several significant events were held, organized with various allied organizations, with four focused on oceans: 1. Blue economy in Latin America and the Caribbean: From vision to action; 2. We are Caribbean, We are the solution; 3. Mangroves: An opportunity for climate change mitigation and blue economy, and 4. Powering The Future: Accelerating Offshore Renewables to Advance Energy Transitions And Climate Resilience.

Short and Long Term Plans

Build bridges and seek synergies with relevant global entities in the conservation and development sector of ocean sustainability, to share experiences and mutual lessons with other regions.

Prioritize projects that favor the decarbonization of the economy, especially in the sectors of the energy production, maritime transport, infrastructure and tourism, favoring the blue carbon ecosystem protection.

Strengthening the CAF structure to ensure the effective implementation of the Strategic Proposal for the Ocean and the Sustainable Blue Economy in Latin America and the Caribbean; as well as the revitalization of a portfolio of projects linked to the ocean and the Sustainable Blue Economy and the development of management instruments.





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