

DISCUSSION PAPER FOR
**CAF'S STRATEGIC VISION
ON THE BLUE ECONOMY**

EXECUTIVE SUMMARY

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Executive summary

Background

CAF - Development Bank of Latin America is in a process of evolution to become the Green Bank of Latin America and the Caribbean. To this end, among other objectives, it will allocate USD 25 billion in direct financing for green operations over the next five years. CAF is aware that to be green it is also inescapable to be blue, and therefore announced at the United Nations Ocean Conference held in Lisbon, Portugal, in June-July 2022, that it will allocate some USD 1.25 billion in direct financing for projects in the coastal and ocean areas of Latin America and the Caribbean during the period 2022-2026.

CAF - Development Bank of Latin America has asked the [Varda Group](#) to help prepare its Strategic Vision and corresponding value proposition for the ocean in Latin America and the Caribbean. As a first step in this process, the Varda Group has prepared a discussion paper for consideration at the [15th Conference of the Parties](#) to the Convention on Biological Diversity in Montreal (Canada) from December 7 to 19, 2022.

The discussion paper gathers reflections from stakeholders, as well as the Varda Group's own proposals and a Key Opportunity, complemented by parallel actions taking advantage of the synergy raised by the 27th Conference of the Parties to the Framework Convention on Climate Change (COP27), held from 6 to 18 November 2022 in Sharm el-Sheikh (Egypt).

Process

A participatory process was launched in September 2022 to collect stakeholder expectations on CAF's commitment to allocate its own financial resources to promote the blue economy and boost ocean health in Latin America and the Caribbean.

In a first stage, 18 stakeholders from public administrations, academia, the private sector and civil society entities provided their thoughts on the definition and scope of the blue economy, as well as CAF's potential key contributions and the opportunities it can leverage and maximize. These conversations were extended during COP27.

During this period, the Varda Group also developed in parallel an analysis and reflection fed by this participatory process, which culminated in the interaction with CAF of a series of proposals and a key opportunity for the entity in the construction of its Strategic Vision for the ocean and the blue economy.

Key Opportunity and Proposals

Key Opportunity: Ocean Action 2030 Coalition

The [High Level Panel for a Sustainable Ocean Economy](#) is a blue economy initiative established by the Norwegian government in partnership with the [World Resources Institute \(WRI\)](#) and the [World Economic Forum \(WEF\)](#), with a member-

ship of 15 heads of State and Government, including those of Chile, Mexico, Jamaica and Portugal, which are themselves CAF member countries.

In 2022, the Panel launched [Ocean Action 2030](#) with the objective of providing countries with technical and financial assistance to develop and implement sustainable ocean plans, as the basis for integrated and inclusive ocean management that benefits people, nature and the economy.

Ocean Action 2030 is currently comprised of 16 financial and technical entities, including several multilateral banks and agencies.

During the participatory process, Kristian Tel-eki, Secretary of the High Level Panel, and Cynthia Barzuna, Director of Ocean Action 2030, confirmed their interest in CAF's membership. This interest was reinforced with Cynthia Barzuna's participation in CAF's side event at COP27 and in a subsequent bilateral meeting. Ocean Action 2030 would propose a dual role for CAF: financing and energizing the initiative, so that participating countries (25 as of today, with the intention of expanding) propose actions, as well as acting as a focal point for learning events: bilateral and regional meetings with countries to stimulate decision-making. The first learning event is scheduled for the first half of 2023, in Panama or Chile.



CAF's adhesion could be announced publicly at the [Our Ocean Conference](#) (Panama, 2-3 March 2023), where CAF intends to launch its Ocean Vision document, once it has been finalized.



CAF is evaluating this opportunity, which would strengthen its role in the region, also taking into account the complex process of prioritization of actions, given the many urgencies related to the ocean.

Support Americas for the Protection of the Ocean Declaration

The [Joint Declaration on Americas for the Protection of the Ocean](#) is an initiative led by the governments of Chile and Canada, which was signed at the ninth Summit of the Americas held in Los Angeles (US), in June 2022. Seven CAF member countries have joined this initiative: Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, and Chile, who acts as co-sponsor together with Canada and the US.

Julio Cordano, Director for Environment, Climate and Ocean of the Ministry of Foreign Affairs of Chile, expressed his interest in CAF taking a supporting role the implementation of the commitments reflected in the Declaration.

With this in mind, CAF considers supporting the establishment of a permanent secretariat of the coalition, co-chaired by two countries every two years, which would require the appointment of two members of staff.

This initiative would strengthen CAF's positioning throughout the region, as well as actively contribute to the promotion of ocean-related regional and inter-country cooperation and coordination.

Other proposals

Science and innovation

It is proposed that CAF proactively supports scientific projects, with special attention to those developed by start-ups, that investigate different uses of biomass. This initiative would reinforce CAF's credibility by supporting innovatives and high impact scientific projects in the region, through agreements with universities and other scientific institutions. Attention should be paid to the length of these projects, since their impact is in the long term.

Support non-intensive multi-trophic aquaculture in the Atlantic basin

This proposal is focused on seizing opportunities to match the Atlantic and Pacific economies, bearing in mind that the so-called "blue GDP" is less developed in the Atlantic.

This initiative combines potential economic, social and environmental improvements, as well as directly impacting food security. We recommend CAF to carefully take into consideration the risks which investing in environmentally unsustainable activities would entail, and to pay close attention to the risks of industrial and indiscriminate fishing.

Support studies on ecosystem services in the thermal dome of Costa Rica (Eastern Tropical Pacific)

During the participatory process, several stakeholders coincided on the importance of supporting the thermal dome and the Marine Protected

Area (MPA) corridor. The Costa Rican NGO MarViva proposes that the Costa Rican dome becomes the first hybrid marine protected area, i.e., starting from jurisdictional waters, in addition to connecting the [Eastern Tropical Pacific Marine Corridor](#) that brings together and links MPAs in Colombia, Costa Rica, Ecuador and Panama.

This opportunity combines cutting-edge science with conservation and tourism, and reinforces the climate-ocean-biodiversity nexus, as well as representing an opportunity for CAF, since Costa Rica is in the process of raising funds for this initiative. It should be noted that this is a also long-term process.



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