



## **Ocean Conservancy Submission Baku to Belém Roadmap to 1.3T**

### **The Blue Finance Window: Unlocking Ocean Solutions to Deliver Climate, Nature, and Resilience**

#### **Executive Summary**

The Blue Finance Window is a proposed thematic finance mechanism under the UNFCCC Financial Mechanism that would channel predictable concessional finance into ocean-based climate solutions. Despite the ocean's central role in climate regulation and resilience, less than 2% of global climate finance currently supports ocean solutions. Establishing and capitalizing a Blue Finance Window can mobilize new resources—from public budgets, innovative levies, philanthropy, and private investors—to scale offshore renewables, adaptation, and nature-based solutions in developing countries. In the short term (to 2028), the Window could be launched with USD 2–3 billion in concessional funds to de-risk projects and catalyze private capital. Beyond 2028, it could scale to USD 10–15 billion, supporting the mobilization of USD 1.3 trillion while delivering climate, biodiversity, and socioeconomic co-benefits.

#### **(a) Priority actions (short-term to 2028; medium-/long-term beyond 2028)**

In the short term, one potential focus area to mobilize climate finance for ocean climate solutions could be the establishment of a Blue Finance Window under the UNFCCC Financial Mechanism, designed to channel concessional finance toward ocean-based climate solutions. By 2028, Parties could capitalize the Window with an initial USD 2–3 billion from bilateral contributions, MDB tranches, and philanthropic partners. These resources would help de-risk and initiate flagship projects in SIDS, LDCs, and coastal developing nations, including offshore renewable energy, blue carbon restoration, and resilient coastal infrastructure.

Looking beyond 2028, the Window could potentially be scaled to USD 10–15 billion in concessional capital, with the capacity to leverage additional private finance through blended structures. This could support the systematic integration of ocean solutions into NDCs, NAPs, and LTSs, expand coverage to loss and damage responses, and attract institutional investors and sovereign wealth funds. Experience with other thematic finance windows suggests that targeted concessional instruments can accelerate project pipelines, lower risk premiums, and mobilize substantial private investment.

#### **(b) Strategies to enhance financing for adaptation**

A Blue Finance Window could also serve as a dedicated channel for scaling up adaptation finance in vulnerable regions. Some strategies for consideration include:

- Deploying grants and other non-debt instruments to expand nature-based solutions such as mangroves, seagrass, and coral reefs.
- Offering concessional de-risking tools—liquidity guarantees, tariff buy-downs, or FX hedging—that lower the cost of capital for coastal adaptation and renewable infrastructure.
- Creating a tailored facility for SIDS and LDCs, to help ensure equitable access and prioritization for those facing the greatest climate vulnerability.

These approaches could strengthen adaptation finance while delivering co-benefits for resilience, biodiversity, and livelihoods.

### **(c) Other approaches to mobilize USD 1.3 trillion**

The Blue Finance Window could function as an anchor to channel resources from a variety of sources, including:

- Public budgets: increased developed-country pledges, and instruments such as debt-for-climate swaps that create fiscal space.
- Private sector: partnerships with offshore renewable developers, institutional investors, and sovereign wealth funds, attracted through blended structures.
- New sources: ocean-linked levies (e.g., maritime fuel charges or shipping fees), blue bonds, and insurance-linked products.
- Philanthropy: catalytic capital from foundations and private philanthropy that could take first-loss positions to mobilize private finance.

Together, such approaches may expand fiscal space and create non-debt-creating pathways for climate-vulnerable developing countries.

### **(d) Key actors and initiatives**

Delivery of the USD 1.3 trillion target requires coordinated engagement with:

- Multilateral institutions: GCF, GEF, Adaptation Fund, World Bank, regional MDBs.
- Existing initiatives: Blue NDC Challenge, Ocean Breakthroughs, One Ocean Finance Facility, Ocean Investment Protocol
- Private sector: Offshore wind and marine renewable developers (Ørsted, CIP, EDF) and global insurers.
- Philanthropy and NGOs: Foundations and coalitions that can provide catalytic capital and technical expertise.

The Blue Finance Window would act as the coordinating platform to align these actors, ensuring resources are directed toward high-impact, biodiversity-positive, and just-transition-aligned ocean solutions.

## **Conclusion**

By establishing the Blue Finance Window, Parties can provide a credible, practical mechanism to channel concessional finance into ocean-based solutions. This could help deliver on the USD 1.3 trillion target while generating triple wins—for climate mitigation and adaptation, for biodiversity, and for people and economies in vulnerable coastal regions.