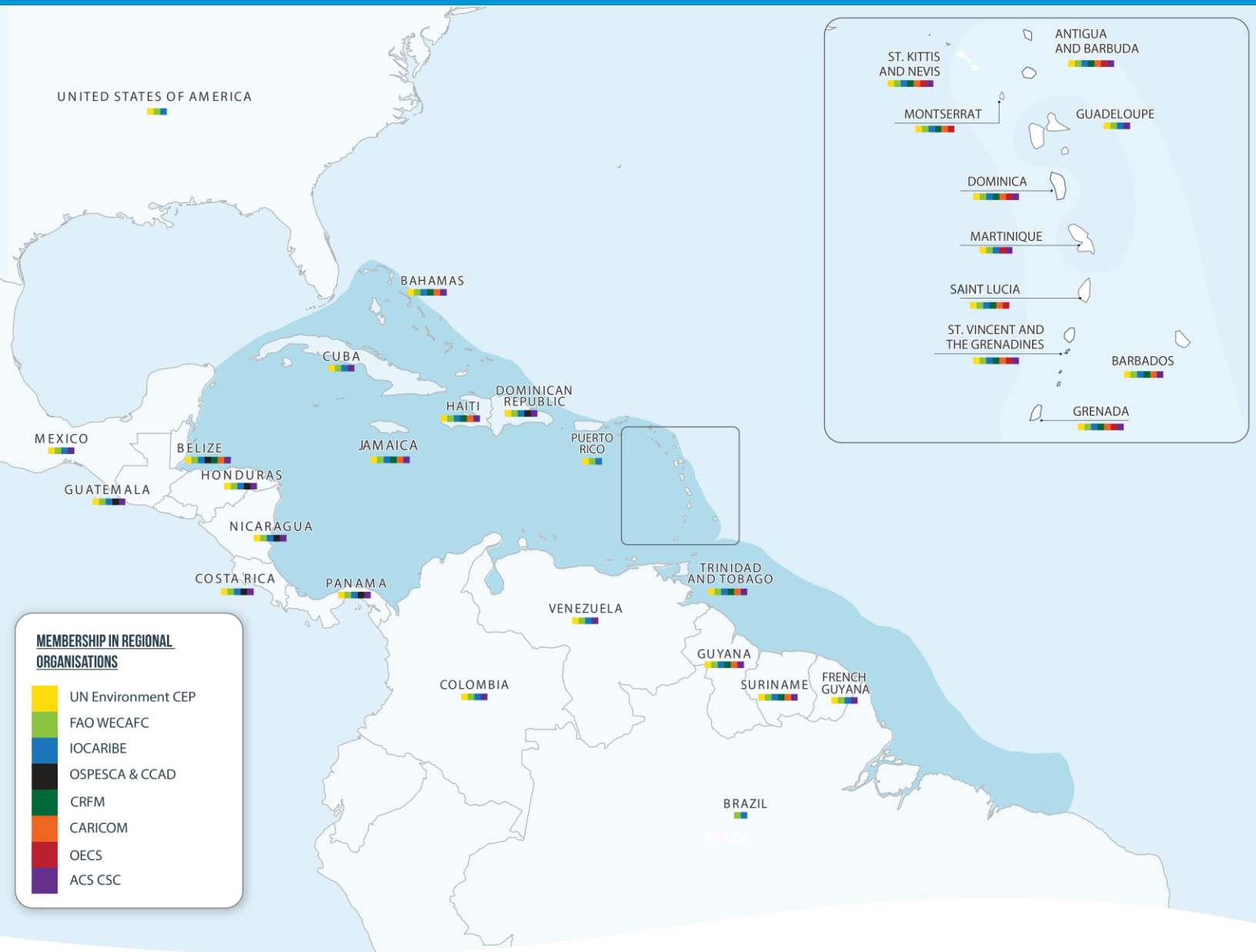


Proposals for a Coordination Mechanism and a Sustainable Financing Plan for Ocean Governance in the CLME+ region Centre of Partnerships for Development (GlobalCAD)



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 is the final deliverable 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 documents the proposal for a Coordination Mechanism for Integrated Ocean Governance in the CLME+ region, providing background information and clarifications. A draft Memorandum of Understanding (MoU) for the establishment of the permanent Coordination Mechanism has been developed and is shared alongside this report (Annex 10). The proposal was discussed among countries during the (virtual) CLME+ Project Steering Committee (PSC) meeting in June 2020 and constitutes the main output of this consultancy. The development of the proposal has been based on intensive consultations with CLME+ countries, IGOs and further stakeholders between November 2017 and June 2020.

Section 1 of this report 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 wider Caribbean region 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 wider Caribbean region, 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 forthcoming CLME+ Partnership. 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.

In a nutshell, the proposal for a permanent Coordination Mechanism for Integrated Ocean Governance in the CLME+ region includes the following, as discussed and decided by the CLME+ Project Steering Committee (PSC):

Objectives

1. To support regional collaboration towards a coordinated approach to the conservation and sustainable use of the marine and coastal ecosystems and their goods and services;
2. To support coordinated and interactive ocean governance in support of attaining ocean-based sustainable development;
3. To promote actions towards the achievement of the long-term vision [articulated in] the CLME+ SAP, and other ocean-related international and regional goals and commitments of the Signatories;
4. To promote partnerships with stakeholders from civil society and the private sector to

facilitate and enhance efforts for the ecosystem-based conservation and sustainable use of marine and coastal resources and to support intersectoral coordination and collaboration.

Geographic scope

The geographic scope of the Coordination Mechanism includes the Caribbean LME and the North Brazil Shelf LME.

Thematic Scope

The thematic scope of the Coordination Mechanism includes land and marine based sources of pollution of the marine environment, marine and coastal habitats and biodiversity, and marine and coastal fisheries. It includes maintaining and enhancing the resilience of biodiversity, ecosystem services, and the human systems supported by these ecosystems to the impacts of climate change and natural disasters [in support of the conservation and sustainable use of the marine environment] [in support of the development of ocean-based economies].

Core functions (within the geographic and thematic scope of the CM)

1. Facilitate programmatic coordination of ocean governance and support the monitoring of progress with ocean sustainability instruments, goals and commitments.
2. Support the sustainable financing and coordinated resource mobilization for ocean governance.
3. Facilitate the coordination of [regional] institutional and policy frameworks for ocean governance across multiple levels.
4. Support, as requested, national ocean governance, including national level coordination for oceans.

Complementary functions (within the geographic and thematic scope of the CM)

5. Coordinate knowledge management and facilitate data and information sharing.
 6. Coordinate outreach, awareness raising and stakeholder engagement
 7. Strengthen science-policy interfaces.
 8. Explore new areas for collaboration (*within IGO mandates*)
 9. Engage in cooperation with the Gulf of Mexico LME.
- Undertake such additional activities as may be necessary to support the objectives of the Coordination Mechanism, as determined by the Signatories.

Format/Structure

3 organs:

- Steering Group – composed of country representatives and the Chair of the Executive Group as a non voting Member

- Executive Group – composed of IGO representatives (*possibly with a non voting member from the Steering Group*)
- Secretariat – Director, and technical and administrative staff

Working Groups including experts and representatives from the countries, IGO's, non-state actors, academia, etc. as necessary and appropriate

Governance

The relationships between the organs and the governance principles will be refined further.

Type of establishing instrument

Memorandum of Understanding (MoU) as a voluntary, non-binding arrangement (*content to be revised*).

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 wider Caribbean region 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.

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 cost for implementing the core functions of the Coordination Mechanism could be between approximately USD 600,000 and 1.1m annually. Including the implementation of all complementary functions, the annual cost would be approximately between USD 800,000 and 1.6m annually.

The proposed 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 voluntary direct country contributions, regular voluntary 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 economy.

The final section 6 of this report outlines a roadmap with milestones 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/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.”

The consultancy’s agreed approach to developing the proposed governance structure of the Coordination Mechanism has been “form follows function”, i.e. to first define the functionality of the mechanism before developing a proposal for a matching governance structure (see section 4.1.1).

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.

This consultancy has been implemented in three phases (Inception Phase; Phase 1; Phase 2).

The present document is a final consultancy report. It is a revision of the previous drafts of the “Phase 2” report. It was first shared with the CLME+ countries and CLME+ ICM membership in June 2019, in preparation for the second regional consultation. At the second consultation the CLME+ countries recommended the consultancy to further develop the main proposal described in the original “Phase 2” report. It was revised and shared in December 2019 taking into account and addressing the feedback and recommendations that were formulated vis-à-vis this particular proposal.

The aim of this report is to document the core aspects of the Coordination Mechanism: its objectives, its geographic and thematic scope, its core and complementary functions, and its governance format/structure (incl. the organs of the Coordination Mechanism and the representation of countries and IGOs).

These core aspects are presented as the outcome of discussions held during the CLME+ Project Steering meeting, held virtually on 16-18 June 2020.

Together with this report, a draft Memorandum of Understanding (MoU) as an establishing instrument for the Coordination Mechanism has been developed by the consultancy which further details the aspects of the Coordination Mechanism, incl. details on the functions, the governance principles, etc.). It is submitted for consideration and as a basis for further deliberations among countries and IGOs. A first draft of the MoU was shared in December 2019 with countries and IGO. Feedback was received by countries and IGOs by April 2020, and a revised draft MoU was submitted in May 2020 for consideration by the CLME+ Project Steering Committee.

Additionally, the report includes an estimation of the associated costs and expected benefits of the Coordination Mechanism, and its potential financing, which were included in earlier drafts and subject to discussion during regional consultation meetings.

The main outcomes of these regional consultation meetings were summarized in a set of recommendations for the consultancy to consider and follow for the further development of the mechanism (see Annex 1).

At the second consultation, the countries recommended that alternative modalities for a Coordination Mechanism that take into account the concerns expressed at the meeting would also be revisited, identified and/or explored and developed, with the assistance of the interested countries. In the following section 1.3, the scope of options that have been considered throughout the consultancy is presented.

Colombia has on various occasions more fundamentally commented on the approach taken by this consultancy – which itself was guided by the Consultancy Terms of References, the CLME+ PCU, the CLME+ ICM and the feedback and recommendations emanating from the associated consultation processes.

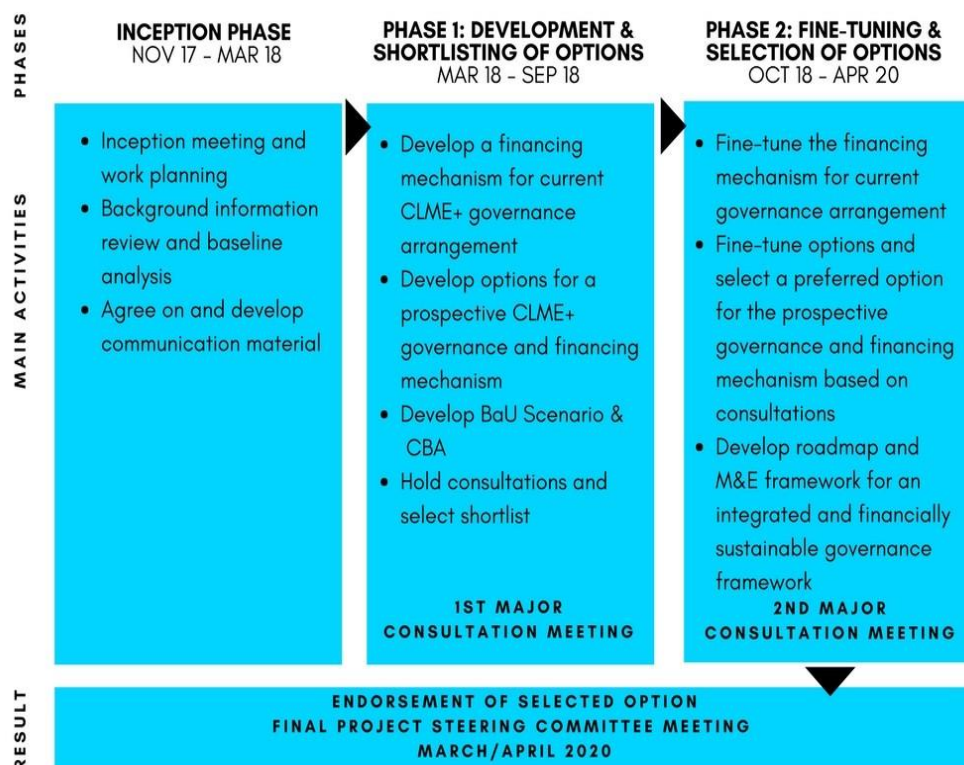


Figure 2 Methodological approach and phases of the consultancy

In the Inception Phase of this consultancy, an assessment of the governance and financing baseline in the CLME+ region had been carried out³ The inception phase included consultations with all IGOs that from 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 Main consultations held for the development of the proposal for a CM in which the consultants participated

Consultation	Stakeholders	Date
CLME+ SAP ICM and CLME+ SAP PCU	<ul style="list-style-type: none"> Consultations with the CLME+ SAP ICM membership and the CLME+ PCU 	Throughout the consultancy November 2017 to June 2020

³ See Inception Report (CAD, 2018)

Exploratory calls with selected CLME+ countries	<ul style="list-style-type: none"> • CLME+ countries (Barbados, Belize, Dominican Republic, Colombia, Mexico, St. Lucia, U.S.) 	July 2018
1 st Regional 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
Informal meetings	<ul style="list-style-type: none"> • GEF • UNDP 	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
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) • GIZ “Caribbean Aqua-terrestrial solutions” programme based in Saint Lucia (implemented with CARPHA) • 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”) 	Between December 2018 and February 2019

2 nd Regional Consultation Meeting, Panama City	<ul style="list-style-type: none"> • CLME+ countries • ICM member IGOs • CLME+ PCU • Observers: ACS, UNDP, ECLAC 	August 2019
5 th CLME+ SAP ICM Meeting	<ul style="list-style-type: none"> • ICM member IGOs • Observer: ECLAC 	August 2019
6 th CLME+ SAP ICM Meeting	<ul style="list-style-type: none"> • ICM member IGOs • Observers 	September 2019
Follow up with CLME+ countries	<ul style="list-style-type: none"> • Written comments submitted by the U.S. (15/10/19) • Conference call with Colombia (17/10/19) and written comments submitted by Colombia (7/11/19). • Conference call with Costa Rica (22/10/19) 	October 2019
Follow up with CLME+ ICM	<ul style="list-style-type: none"> • Conference call with IOC-IOCARIBE (SAP ICM Chair); UNEP-CEP (SAP ICM Deputy Chair); CRFM (Fisheries ICM Chair) 	November 2019
Feedback on draft MoU by CLME+ countries and IGOs	<ul style="list-style-type: none"> • Written feedback received from 8 countries and 5 IGOs 	January - March 2020
CLME+ ICM/PEG Meeting (virtual)	<ul style="list-style-type: none"> • Review country and IGO feedback on the draft MoU (18/03/20) 	March 2020
Follow-on consultations with countries	<ul style="list-style-type: none"> • Conference call with the U.S. (13/05/20) • Conference call with CARICOM countries (02/06/20) 	May-June 2020
CLME+ Steering Committee meeting preparation	<ul style="list-style-type: none"> • Online consultations via Loomio 	May-June 2020
CLME+ Steering Committee meeting (virtual)	<ul style="list-style-type: none"> • Discussions and decisions on some of the core aspects of the Coordination Mechanism: objectives, scope, functions, format/structure, type of establishing instrument 	June 2020

During the 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 wider Caribbean region was done, related to the work of the CLME+ SAP 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. Options considered during the consultancy

Action 3.2 of the CLME+ Strategic Action Programme (SAP) is "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 consultancy has considered the existing arrangements in the wider Caribbean region as baseline, and has reviewed coordination mechanisms in all 20 ocean regions as a global benchmark for regional coordination and integration arrangements, cognizant that a solution for the wider Caribbean region needs to correspond to the region's particularities and does not need to be similar to any existing model.

The consultancy also reviewed the global literature on transboundary intersectoral mechanisms (ocean regions, Large Marine Ecosystems, transboundary river basins) for governance of natural resources and developed a conceptual perspective on the pros and cons of various approaches to such mechanisms.

The proposals presented were developed based on close and continuous consultations with the CLME+ SAP ICM and guided by recommendations from country consultations.

Figure 3 visualizes the approach taken by the consultancy for the assessment of options, since the inception. Any alternative modalities that may be considered by countries should be consistent with the recommendations given by countries in the 1st Regional Consultation Meeting (Cartagena, 2018), which were used as major guidance for the consultancy. Any alternative option should maintain the level of the CLME+ SAP ICM functionality and should be permanent in nature (as stipulated in the CLME+ SAP).

Table 2 presents a summary of the different options that were considered, the assessment made by the consultancy and the guidance received from countries and CLME+ SAP ICM on these options.

Table 3 presents an overview on some of the existing mechanisms in different ocean regions, provided in the Phase 1 report of the consultancy and presented at the 1st Regional Consultation Meeting in Cartagena.

The case of UN Oceans as a global coordination mechanism among UN agencies with an oceans-related mandate is also presented. This case provides the important lesson that for

coordination purposes, a network of organizations without any support structure and dedicated resources is unlikely to deliver its mandate. This scenario should be avoided in the wider Caribbean region.

Figure 3: Approach of the consultancy for the assessment of options

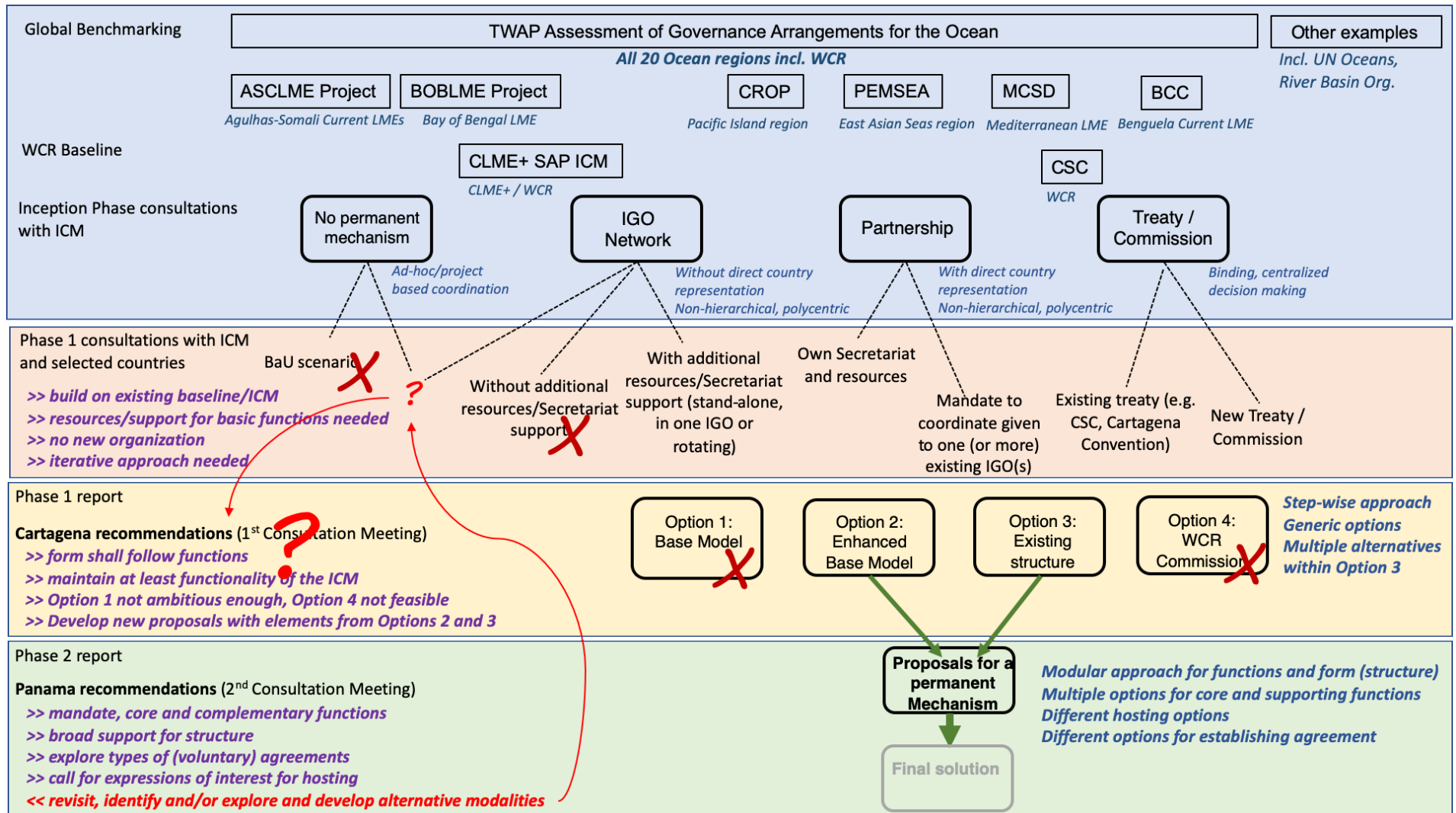


Table 2: Summary of Options

	No permanent mechanism	IGO Network	Partnership	Commission / Treaty
Type of coordination mechanism	Project-based / ad-hoc coordination among individual IGOs	Polycentric governance model in line with global practices Without direct country representation	Polycentric governance model in line with global practices With direct country representation	Binding, centralized decision making
Consultancy assessment	*Does not meet the CLME+ SAP mandate for a <i>permanent</i> mechanism Technical feasibility: No Political acceptability: (dismissed through Cartagena recommendations) Geographic inclusiveness: weak	*Limited country ownership and leadership *Capacity to fulfill minimum the ICM functions only with basic support structure (Secretariat, regular meetings) and if adequately resourced Technical feasibility: Only with sufficient resources/support structure Political acceptability: (direct country representation requested in Cartagena recommendations) Geographic inclusiveness: IGO mandates	*Country ownership and leadership *Sufficient capacity to fulfill minimum ICM functions through basic support structure (Secretariat, regular meetings) and with resources additional to IGO budgets Technical feasibility: Yes Political acceptability: Yes (in line with Cartagena recommendations) Geographic inclusiveness: Through MoU signed by all countries and IGO mandates	*Country ownership and leadership *Potential duplications with existing arrangements in the region *Significant resource requirements Technical feasibility: Yes Political acceptability: No (dismissed through Cartagena recommendations) Geographic inclusiveness: If ratified by all countries
Guidance from consultations	*Not presented as a viable option, but as an undesirable BaU scenario	*IGO Network element taken into the refined proposal as the “Executive Group” *Un-resourced network model dismissed by countries as it does not meet the criteria of a <i>minimum ICM functionality</i> of the mechanism and <i>direct country representation</i> in the mechanism	*Elements to be taken into the refined proposal *Refined proposal includes a “Steering Group” (<i>direct country representation</i>) and options for hosting and establishing agreement	*Dismissed by countries: legally binding decision making <i>not considered feasible</i>

Table 3 Regional Policy Integration Mechanisms (from Phase 1 report of the consultancy)

LME/ocean region	Agulhas-Somali Current LMEs	Bay of Bengal LME	Benguela Current LME	East Asian Seas region	Pacific Islands Region	Mediterranean
Number of countries in LME/region	10	8	3	14	21	21
TWAP Completeness score (and risk level)	47% (medium)	50% (medium)	80% (low)	n/a	51% (medium)	78% (low)
TWAP Integration score (and risk level)	0.1 (very high)	0.1 (very high)	1.0 (very low)	n/a	1.0 (very low)	1.0 (very low)
TWAP Engagement score (and risk level)	69% (low)	87% (very low)	71% (low)	n/a	64% (low)	85% (very low)
Regional Policy Integration Mechanism	No overarching regional integrating arrangement for ocean affairs; ASCLME Projects appear to be performing that role to some extent. The Regional Seas Nairobi Convention is the main integration arrangement, but covers only pollution and biodiversity	No agency that is formally mandated to provide transboundary integration for living marine resource issues in this region. The BOBLME Project is filling this role in an unofficial capacity.	Benguela Current Commission - the first inter-governmental commission in the world to be based on the Large Marine Ecosystem concept of ocean governance	Partnerships in Environmental Management for the Seas of East Asia (PEMSEA), a partnership arrangement involving stakeholders in the Seas of East Asia, including state and non-state parties,	The Council of Regional Organisations of the Pacific (CROP) functions as a coordination mechanism between the heads of eight regional organisations in the Pacific, and as a high-level advisory body, to provide policy advice and may assist in facilitating policy formulation at national, regional and international level.	The Mediterranean Commission on Sustainable Development (MCSDD), in association with the Barcelona Convention
Regional Policy Integration Mechanism inclusive of all countries (y/n)?	Yes	Yes	Yes	Yes	Yes	Yes
Decision making	The Conference of Parties (COP) is the main decision making body of the Nairobi Convention, composed of experts from each country. A "Western Indian Ocean Sustainable Ecosystem Alliance" had been established under the ASCLME Project, including a variety of stakeholders from government, academia, civil society, private sector (but seems to have expired with end of project).	A "Consortium for the Conservation and Restoration of the BOBLME" has been proposed in the SAP	The Ministerial Conference convenes at least every two years, and takes related to the Convention, the SAP, among other. The Commission meets annually and coordinates the implementation of the SAP, workplan and budgets and takes related decisions on an operational/technical level. Decisions are taken by consensus. Concerning decisions on transboundary issues affecting only two Parties, consensus means that	The EAS Partnership Council Meets every 18 months. EAS Congress monitors the SDS-SEA programmes and projects through the Ministerial Forum and the International Conference	CROP heads of organisations meet once each year, but the main consultative work is done by a series of sectoral working groups, including Marine Resources, Health and Population, Land Resources, Education, Information and Communication Technologies, etc.	The MCSDD is an advisory body to the Contracting Parties to the Barcelona Convention and a forum for debate and exchange of experiences on sustainable development issues. Besides countries, it includes representatives from local authorities, NGOs, socio-economic stakeholders, scientific community, IGOs, and regional parliamentary associations. The Meeting of the Contracting Parties is the decision-making body under

			those decisions are supported by the two affected Parties.			the Barcelona Convention and the MAP.
Binding decision making?	No (no formal coordination mechanism) Yes (Nairobi Convention)	No (no formal coordination mechanism)	Yes	No	No (CROP) Yes (PIF)	No (MCSD) Yes (Barcelona Convention)
Permanent Secretariat?	No	No	Yes	Yes	Yes	Yes
Secretariat Function and Capacity	No Integration Mechanism with permanent Secretariat (Nairobi Convention Secretariat with 4 staff: Programme Officer; Administrative Assistant; Project Management, Monitoring and Evaluation; Project Officer-Legal Instruments)	n/a	The functions of the Secretariat are defined in Article 13 of the Benguela Current Convention. 8 staff: Executive Secretary, Data and Information Manager, Ecosystem Coordinator, Chief Financial Officer, Regional Training Officer, Project Administrator, Finance and Administration Officer, general Worker	PEMSEA Resource Facility (PRF) provides the Secretariat and technical services to support SDS-SEA implementation. 7 staff: Executive Director, Director of Strategic Initiatives, Deputy Head of Planning and Partnership Development, Knowledge Management and Certification Services, Secretariat Services, Finance Specialist, Senior ICM Specialist	The Pacific Islands Forum Secretariat acts as CROP's permanent chair and provides secretariat support. PIFS Staff: 71 Senior management: 1 SG + 5, Employees: Advisors: 26, Officers 15, Research: 6, Corporate: 37, Attachments: 7	The Coordinating Unit of UNEP MAP acts as the Secretariat to the MCSD, and has 10 staff: 1 Coordinator, 1 Deputy Coordinator, 1 Fund/Administrative officer, 1 MPA Network Project Manager, 1 Governance Programme Officer, 2 MED POL Programme Officer, 1 EcAp Med II Project Manager, 1 Legal Officer and 1 Programme Management Officer.
Legal Basis for the Integration Mechanism	n/a	n/a	Benguela Current Convention	Haikou Partnership Agreement establishes PEMSEA as the regional coordinating mechanism for the implementation of the SDS-SEA (Sustainable Development Strategy for the Seas of East Asia), adopted in 2003 by the Partner States through the Putrajaya Declaration of Regional Cooperation, a non-binding informational and aspirational document	CROP Charter Agreement establishing the Pacific Islands Forum Secretariat	Barcelona Convention Links to Fisheries: An MoU exists between the UNEP/MAP Secretariat and the FAO General Fisheries Commission for the Mediterranean; Other MoUs, e.g. with UfM
Thematic Scope of Integration Mechanism	Ecosystem goods and services: Water Quality Degradation, Habitat and Community Modification, Declines in Living Marine Resources, Environmental Variability and Extreme Events (incl. Climate Change)	Ecosystem Based Management: Fisheries and other marine living resources, Habitat degradation, Coastal and marine pollution as well as Social and economic.	Ecosystem Based Management (including Fisheries)	Healthy Habitats and Biodiversity, Climate Change and Disaster Risk Reduction, Clean Water	Regional Integration, incl. ocean affairs/blue economy	Sustainable Development

Regional Seas Programme / Convention / Action Plan; Other Strategies	Nairobi Convention	The BOBLME Strategic Action Program (SAP)	Abidjan Convention	Sustainable Development Strategy for Seas of East Asia (PEMSEA) UN Environment East Asian Seas Programme; No regional convention. Action Plan for the Protection and Development of the Marine Environment and Coastal Areas of the East Asian Region (COBSEA)	Pacific Plan Framework for Pacific Regionalism	Barcelona Convention UNEP MAP
Existing regional fisheries body/RFMO	Southwest Indian Ocean Fisheries Commission (SWIOFC), by FAO Council under Article VI	Bay of Bengal Programme Inter-Governmental Organization (BOBP-IGO)	Fisheries Management falls under BCC mandate		A Regional Roadmap for Sustainable Pacific Fisheries exists, led by a joint Task Force composed of the Pacific Islands Forum Secretariat, Pacific Islands Forum Fisheries Agency (FFA), and the Parties to the Nauru Agreement (PNA) South Pacific Regional Fisheries Management Organisation (SPRFMO)	FAO General Fisheries Commission for the Mediterranean
Blue Economy	n/a	n/a	n/a	Blue Economy is one area of work of PEMSEA; first regional Blue Economy Forum held in 2017, co-organized by PEMSEA	In 2017 Forum Leaders endorsed the “Blue Pacific” identity as the core driver of collective action to advance this vision. It seeks to reaffirm the connections of Pacific people with their natural resources, environment, culture and livelihoods.	The Mediterranean Strategy for Sustainable Development encompasses the entire range of measures for the protection of the marine and coastal environment and for the sustainable development of this region, including the “Blue Economy”.
Financing	The project between 2008-2014 was funded by the Global Environment Facility (GEF). along with co-financing from Country and other international partners.	The BOBLME Project is funded principally by the Global Environmental Facility (GEF), Norway, the Swedish International Development Cooperation Agency, FAO, participating Governments and the National Oceanic and Atmosphere Administration (NOAA) with a total estimated budget of USD 31 million over five years.	GEF funds, Co-funded by member states contributions (cash and in-kind), Donors fund (e.g. Germany, Norway, Iceland) and NGO contributions. Funds are intended for implementation of Action Plan as well as the project management cost (covering the secretariat)	Article I(2) of the PEMSEA Legal Agreement imposes no obligation to provide any form of financial contribution or support to PEMSEA Financial support voluntary from China, Korea, Japan and Philippines	The Secretariat is funded by contributions from member governments and donors	In accordance with article 24 of the convention, the Contracting Parties have established the Mediterranean Trust Fund (as a revolving fund) within the framework of UNEP MAP, financed by contributions of the Contracting Parties, voluntary contributions from governments, supporting organisations and selected non-governmental sources, as well as clearly identified counterpart contributions.

Box 1 The case of UN Oceans

UN Oceans was established in 2003 with the objective to coordinate among the 14 UN agencies with an oceans mandate. The Terms of Reference of UN Oceans were quite similar to the mandate and functions of the proposed permanent Coordination Mechanism.

Terms of Reference of UN Oceans

1. *Strengthening coordination and cooperation of the United Nations activities related to oceans and coastal areas;*
2. *Reviewing the relevant programmes and activities of the United Nations system, undertaken as part of their contribution to the implementation of the United Nations Convention on the Law of the Sea (UNCLOS), Agenda 21, and the Johannesburg Plan Of Implementation (JPOI);*
3. *Identification of emerging issues, the definition of joint actions, and the establishment of relevant task teams as appropriate;*
4. *Promoting the integrated management of ocean at the international level;*
5. *Facilitating, as appropriate, the inputs to the annual report of the Secretary-General on oceans and the law of the sea;*
6. *Promoting the coherence of the United Nations system activities on oceans and coastal areas in accordance with the mandates of the General Assembly, and the priorities contained in the Millennium Development Goals (MDGs), the JPOI and of governing bodies of all UN-Oceans members.*

The lead was to rotate among the agencies and be assigned to an existing staff member of the lead agency - i.e. the model of an un-resourced network of organizations without a dedicated support structure and without additional resources.

This model is considered to have been a failure: The assessment of Mahon et al (2015) states that “An evaluation of UN-Oceans concluded that due to its ad hoc structure and lack of dedicated human and financial resources, it was ineffective, and unlikely to be able to achieve its objectives (Zahran and Inomata. 2012). The review recommended that UN-Oceans be provided with a Secretariat and that it be institutionalized with clear procedures for program development and decision-making. The review also recommended that countries should have oceans focal points with which UN-Oceans would interact directly.”

Subsequently, the Division for Ocean Affairs and the Law of the Sea of the United Nations (UNDOALOS) was designated to serve as the UN Oceans Secretariat – however without any dedicated resources for this role – and has not demonstrated any significant achievements since.

References

- Zahran, M. M., and T. Inomata. 2012. Evaluation of UN-Oceans. Joint Inspection Unit, United Nations, Geneva, JIU/REP/2012/3: 34 p.
- Mahon, R., L. Fanning, K. M. Gjerde, O. Young, M. Reid, S. Douglas. 2015. Transboundary Waters Assessment Programme (TWAP) Assessment of Governance Arrangements for the Ocean, Volume 2: Areas Beyond National Jurisdiction. UNESCO-IOC, Paris. IOC Technical Series, 119: 91 pp. http://onesharedocean.org/public_store/publications/ts119Vol2_eo.pdf

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

Operationalizing a priority strategy and action of the CLME+ SAP, this consultancy has been carried out to the benefit of all CLME+ countries (that have endorsed the CLME+ SAP). The success of this consultancy has depended to a large extent on the active engagement of CLME+ countries and IGOs, which have played a key role 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 were 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 ocean based 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).⁴

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 economy⁵ 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 percent⁶ of the global ocean economy (although the Caribbean represents less than one percent of the global oceans in size).⁷ 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 OECD⁸, 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

⁴ 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

⁵ 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.

⁶ 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.

⁷ 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).

⁸ 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 wider Caribbean region, 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 wider Caribbean region (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 wider Caribbean region 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 wider Caribbean region either, although there have been IMO-led activities relating to ship generated pollution, and the Wider Caribbean Region is a MARPOL special area for Annex 5 (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.⁹ 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 Policy¹⁰ by the Organisation of Eastern Caribbean States (OECS) that supports and complements the CLME+ SAP.

⁹ For a comprehensive overview of relevant global and regional arrangements see Inception Report.

¹⁰ 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 4) 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 arrangements¹¹.

¹¹ One could argue that a full framework would also include subnational linkages and functionality as well.

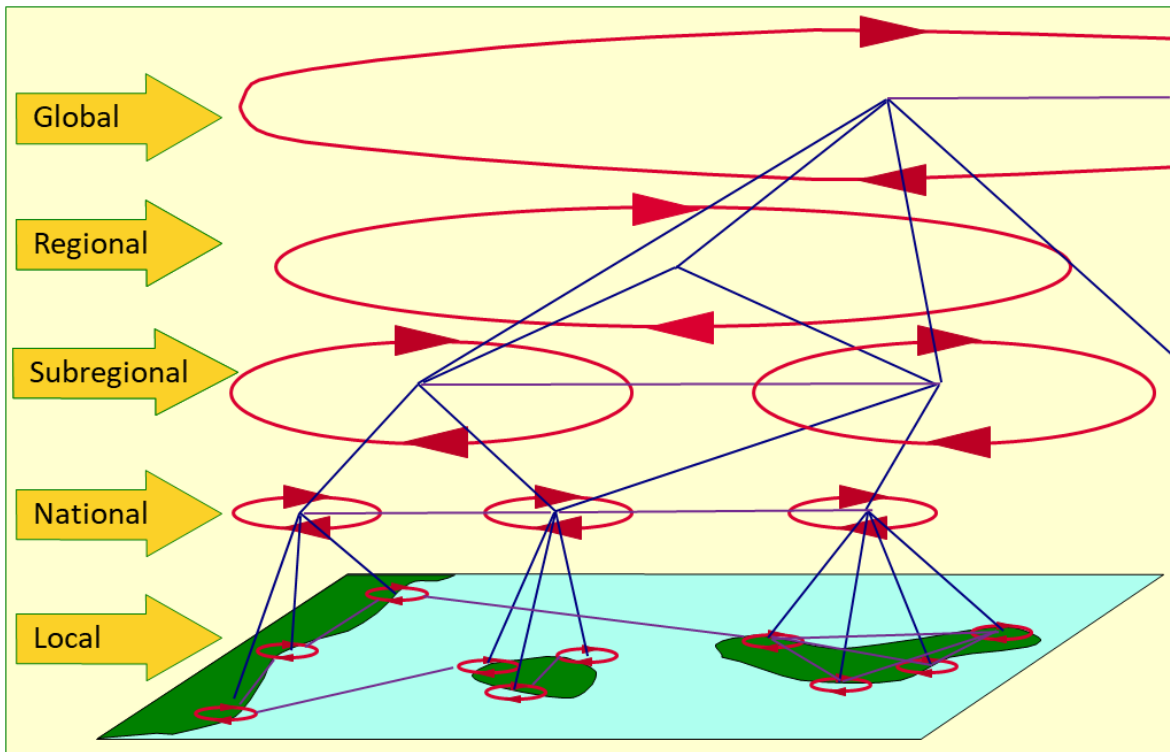


Figure 4 The conceptual formulation of the LME Governance Framework upon which the CLME+ RGF is based.

The CLME+ Region specific depiction of the RGF is shown in Figure 5 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.

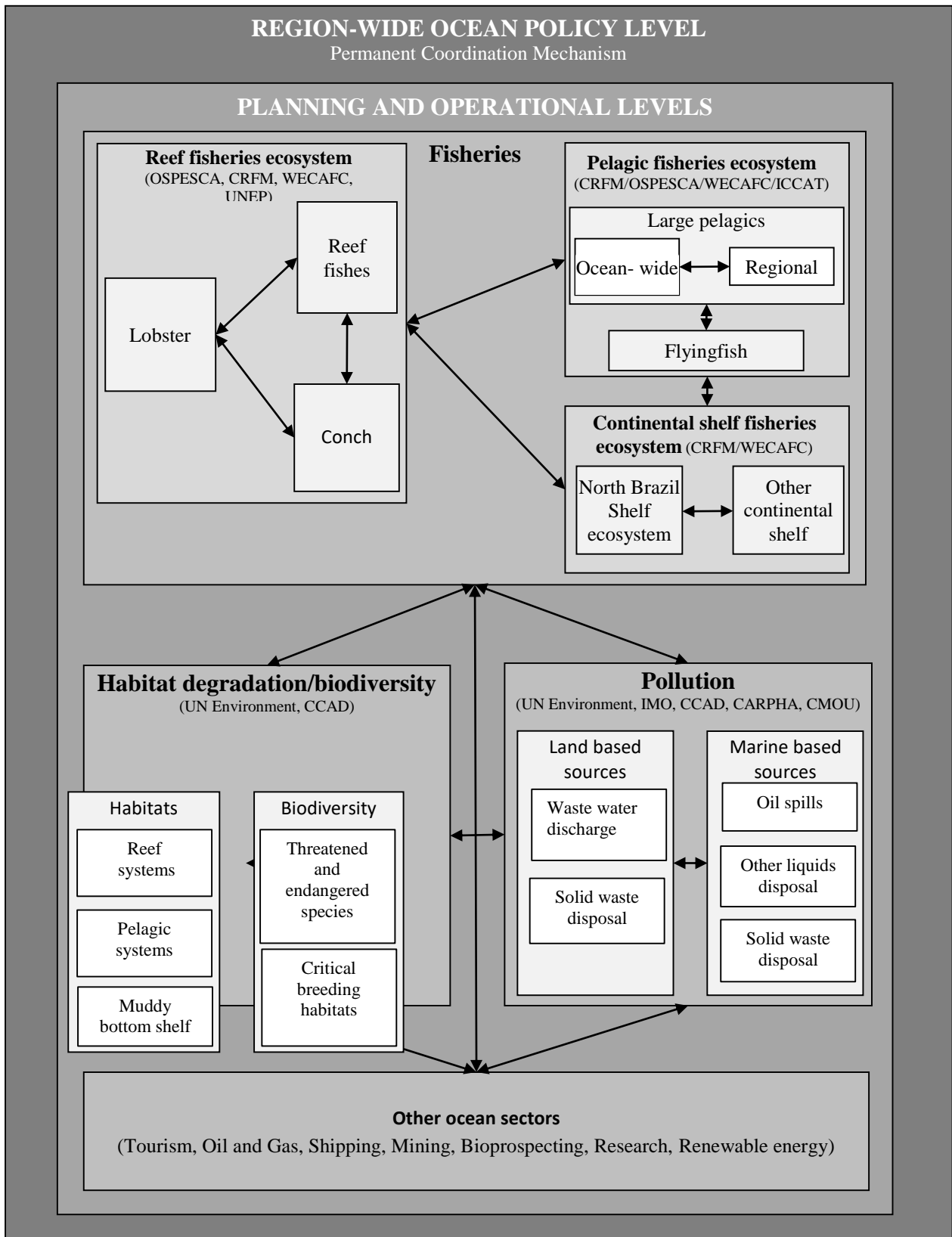


Figure 5: CLME+ Regional Ocean Governance Framework – Multilevel, nested perspective. Ocean governance issues aggregate topically and geographically from the smallest boxes to the largest overarching box

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.

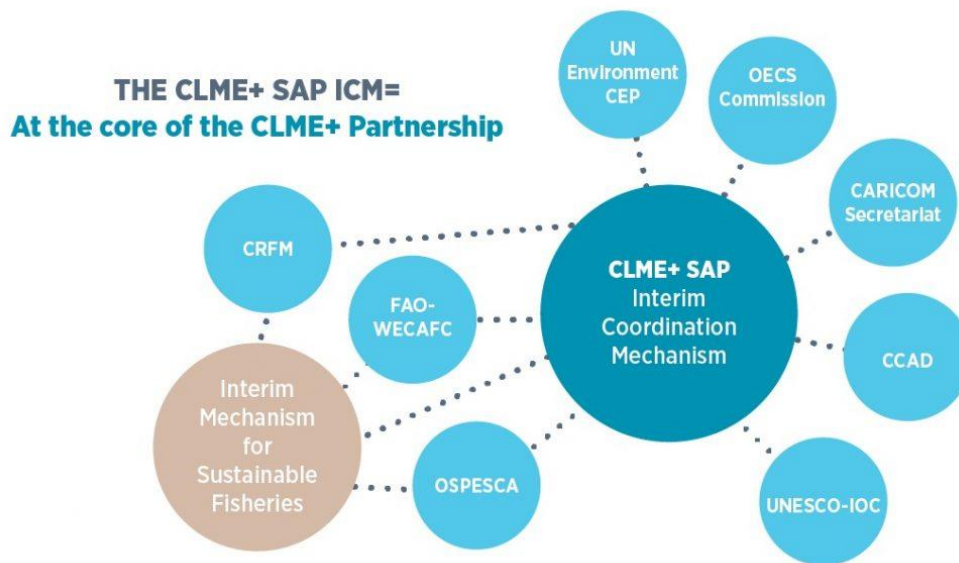


Figure 6 The CLME+ SAP ICM and associated IGOs

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.¹² 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 7 (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.

¹² 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.

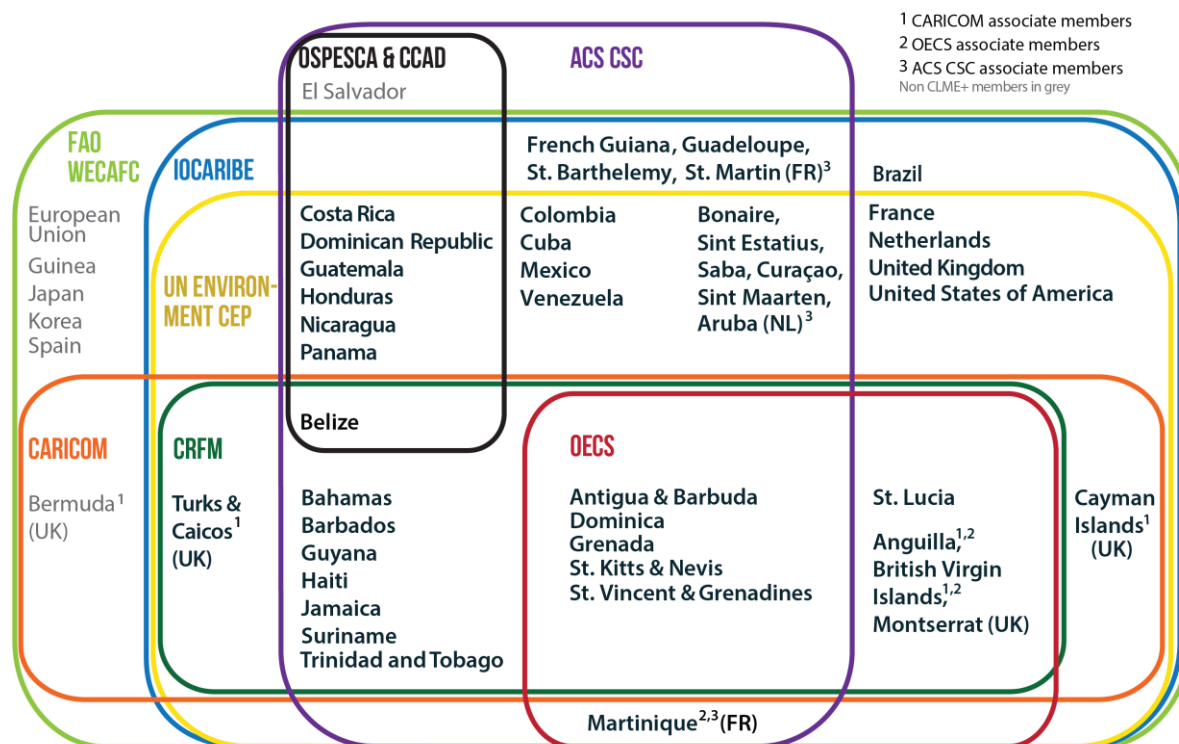


Figure 7 Membership countries of relevant IGOs

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

Table 4 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

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 polycentric¹³, 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 environment, fisheries and agriculture, foreign affairs, health, trade, transport, etc. to which

¹³ 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)

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+ Partnership¹⁴

The planned 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.

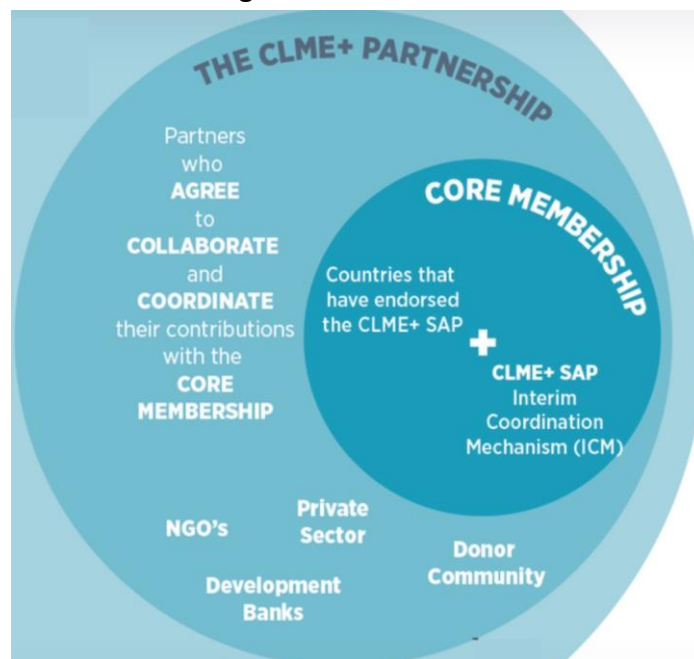


Figure 8 The structure of the planned CLME+ Partnership

The Partnership’s mission will be 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 will consist 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.

¹⁴ The ToR for the CLME+ partnership have not been yet been endorsed by all countries.

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 5 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 6) 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 5 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 6 Higher regular contributions would be required to fulfil mandate completely

UN Environ-ment CEP	WECAFC	IOCARIBE	OSPESCA	CCAD	CARICOM Sec	CRFM	OECS
YES	n/a	n/a	YES	YES	n/a	YES	n/a

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.

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 wider Caribbean region

4.1. Mandate and Functions of the Coordination Mechanism

4.1.1. Key assumptions and approach

The vast majority of CLME+ countries recognize the need for the establishment of a permanent Coordination Mechanism for integrated ocean governance in the region 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.*”

Most countries have confirmed this repeatedly throughout the implementation of this consultancy, particularly at two regional consultation meetings held, in Cartagena in September 2018, and in Panama City in August 2019. The recommendations given by countries during these meetings form the basis for the proposal developed under the consultancy and presented to the CLME+ Project Steering Committee, 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 based on the **subsidiarity principle**. 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 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 would have an **enabling and facilitating role**, performing mostly coordination related activities. This 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, policy advice, 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, through the governance structure with resource requirements and associated costs. This also allows a progressive consolidation and enhancement of mandate and scope. Such a process needs to build confidence among all partners concerning its effectiveness and its capacity to satisfy the expectations.

In practical terms, this approach has led to a distinction between core functions and complementary functions of the Coordination Mechanism, which are described in section 4.1.2.

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 wider Caribbean region.

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 with a cross-sectoral perspective 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.

▪ **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 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.

4.1.2. Objectives, scope and functions

In the following, the objective, scope and functions of the Coordination Mechanism are presented as discussed among countries and IGOs during the CLME+ project Steering Committee Meeting in June 2020, on the basis of a proposal developed by the consultancy based on consultations held.¹⁷

Objectives

1. To support regional collaboration towards a coordinated approach to the conservation and sustainable use of the marine and coastal ecosystems and their goods and services;
2. To support coordinated and interactive ocean governance in support of attaining ocean-based sustainable development;
3. To promote actions towards the achievement of the long-term vision [articulated in] the CLME+ SAP, and other ocean-related international and regional goals and commitments of the Signatories;
4. To promote partnerships with stakeholders from civil society and the private sector to facilitate and enhance efforts for the ecosystem-based conservation and sustainable use of marine and coastal resources and to support intersectoral coordination and collaboration.

¹⁷ Here, the current state of convergence among countries and IGOs regarding the desired objectives, scope and functions of the Coordination Mechanism is documented rather than the proposal by consultants on what is considered to be the “ideal” or preferred set-up for such a mechanism.

Scope

Geographic scope

The geographic scope of the Coordination Mechanism includes the Caribbean LME and the North Brazil Shelf LME.

Thematic scope

The thematic scope of the Coordination Mechanism includes land and marine based sources of pollution of the marine environment, marine and coastal habitats and biodiversity, and marine and coastal fisheries. It includes maintaining and enhancing the resilience of biodiversity, ecosystem services, and the human systems supported by these ecosystems to the impacts of climate change and natural disasters [in support of the conservation and sustainable use of the marine environment][in support of the development of ocean-based economies].

Functions

Within its geographic and thematic scope, the Coordination Mechanism will perform coordination functions to enhance synergies and to enable greater efficiency and effectiveness in the work of its member states and organisations (design, development and implementation of programmes, projects and activities).

- **Core functions** support programmatic coordination and progress monitoring, sustainable financing and resource mobilization, promotion of coherence of regional policy and institutional frameworks, and support to national ocean governance, which will be performed **on a permanent basis**, carrying out **essential activities**. These functions will be supported by an adequate level of resources required for maintaining the operations (i.e. staff, facilities, travel).
- **Complementary functions** will be performed in addition to the core functions **as and when additional resources are available**, carrying out regular or time-bound activities. The Secretariat of the Coordination Mechanism will continuously undertake resource mobilization efforts together with the member organisations for the complementary functions. Complementary functions may become core functions of the Coordination Mechanism (and vice versa) in the future as determined by countries.

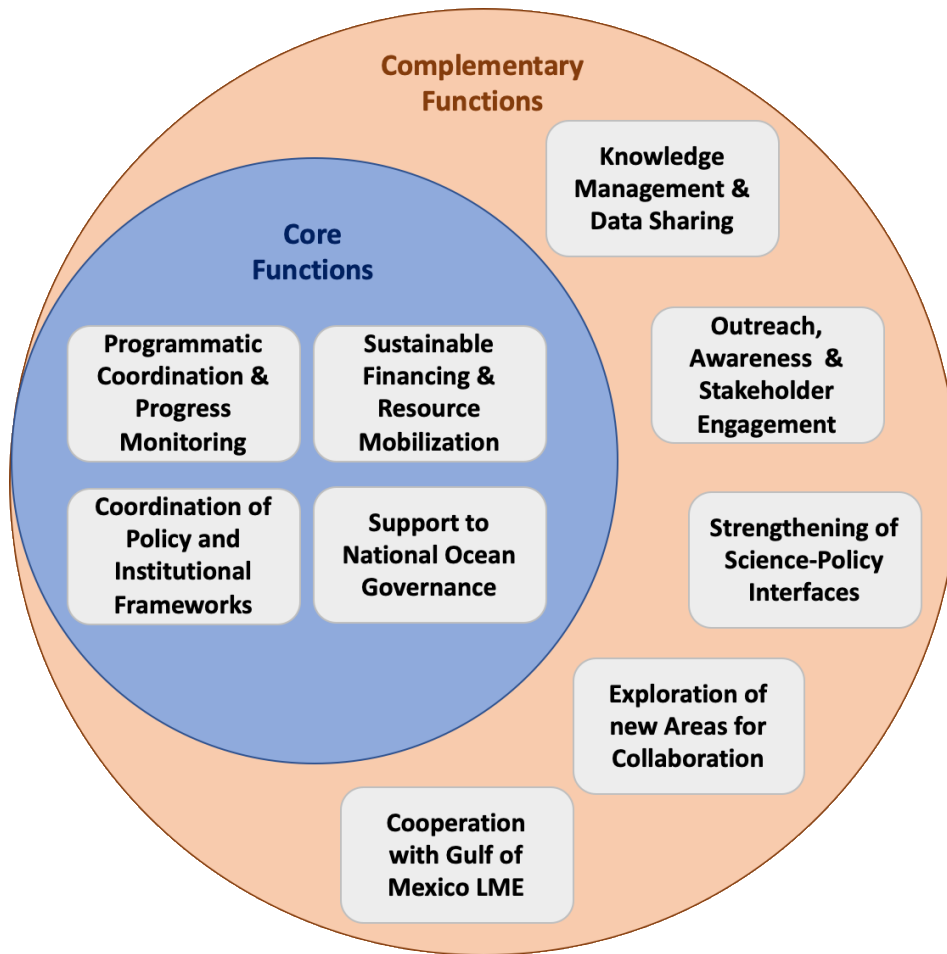


Figure 9: Functions of the Coordination Mechanism (core and complementary)

The functions of the Coordination Mechanism, as discussed by the CLME+ PSC are:

Core functions:

1. Facilitate programmatic coordination of ocean governance and support the monitoring of progress with ocean sustainability instruments, goals and commitments.
2. Support the sustainable financing and coordinated resource mobilization for ocean governance.
3. Facilitate the coordination of [regional] institutional and policy frameworks for ocean governance across multiple levels.
4. Support, as requested, national ocean governance, including national level coordination for oceans.

Complementary functions:

5. Coordinate knowledge management and facilitate data and information sharing.
6. Coordinate outreach, awareness raising and stakeholder engagement
7. Strengthen science-policy interfaces.

8. Explore new areas for collaboration (*within IGO mandates*)
9. Engage in cooperation with the Gulf of Mexico LME.

In the following, proposed activities under each of the functions are presented.¹⁸ The CM is expected to also undertake such additional activities as may be necessary to support the objectives of the Coordination Mechanism, as determined by its membership (countries and IGOs).

Core functions

1-Facilitate programmatic coordination of ocean governance and support the monitoring of progress with ocean sustainability instruments, goals and commitments by:

- Providing an institutional base for the cyclical Transboundary Diagnostic Analysis/Strategic Action Programme (“TDA/SAP”) process, including the coordination of the periodic assessment of and reporting on the state of the marine environment and associated economies in the wider Caribbean region and the periodic revision of SAPs;
- Maintaining a regional platform to facilitate efficient communication required for the coordination of regional programmes and for a coordinated implementation of the SAP by countries, IGOs and other partners;
- Supporting national monitoring and reporting on progress with ocean sustainability instruments, goals and commitments in the wider Caribbean region through, inter alia, a periodic joint reporting on the state of the marine environment and associated economies;
- Identifying and assessing overlaps and complementarity of programmes to minimize the gaps and overlaps in the roles and responsibilities of partner organisations and strengthening existing organizations and national agencies to more effectively and efficiently carry out their function;

Leading the development of proposals for joint programmes that contribute to ocean sustainability instruments, goals and commitments and that support the transition towards a sustainable ocean-based economy to be implemented by countries, IGOs and other partners;

Box 2 Reporting on the State of the Marine Environment and associated Economies (SOMEE)

Reporting on the State of the Marine Environment and associated Economies (SOMEE)

Under the UNDP/GEF CLME+ Project, the SAP ICM members join efforts and collaboratively work on the development and institutionalization of a long-term integrated reporting mechanism that will trigger timely action and support enhanced decision-making on the governance and management of shared marine resources. The mechanism will build on, and integrate existing reporting efforts and mandates, such as those under the Cartagena Convention and FAO’s State of Fisheries. Ownership of the “State of the Marine Environment and associated Economies” (“SOMEE”) reporting mechanism will therefore be held by the countries of the Wider Caribbean.

¹⁸ These activities form part of the consultancy proposal, yet they have not been endorsed by the CLME+ PSC. They will be refined during the further development of the MoU.

Responsibilities for its development and periodic updating will be shared by the different IGOs, with each organization taking on a role aligned with its formal mandate.

More information:

<https://clmeplus.org/app/uploads/2019/06/SOME-Booklet-english-17-june-referencia.pdf>

The joint SOME reporting is one of the major results of the ongoing CLME+ Project, and the Coordination Mechanism would carry on with this work under function 1.

2-Support the sustainable financing and coordinated resource mobilization for ocean governance by:

- Coordinating and monitoring the development and implementation of a sustainable financing plan for the Coordination Mechanism and Signatories, ensuring reliable and sufficient funding for the Regional Ocean Governance Framework;
- Pursuing funding for programmes, projects and activities that contribute to critical ocean sustainability instruments, goals and commitments in the wider Caribbean region, particularly those cutting across sectors;
- Engaging international funding partners to encourage their support to the priorities set in regional policies, strategies, plans and programmes, such as in the form of a donor round table;
- Developing and implementing innovative financing mechanisms to mobilize private investment for ocean governance and for the financing of a sustainable ocean-based economy;

3-Facilitate the coordination of [regional] institutional and policy frameworks for ocean governance across multiple levels by:

- Facilitating the interactions among IGO Signatories required for the effective operation of the Regional Ocean Governance Framework and for greater coherence of regional policy advisory processes;
- Identifying regional policy gaps and potential conflicts in order to develop inter-sectorally coherent policy recommendations for synergistic strengthening of regional ocean governance in the wider Caribbean region;
- Guiding and supporting countries in developing national sustainable ocean-based economic strategies and providing a platform for sharing lessons learned, and transfer of technology and knowledge;
- Identifying policy processes that require science inputs and engaging research partners;
- Enhancing collaboration with and among the four regional integration organisations (the Caribbean Community (“CARICOM”), the Central American Integration System/Sistema de la Integración Centroamericana (“SICA”), the Organisation of Eastern Caribbean States (“OECS”), the Association of Caribbean States (“ACS”)) and their specialized organisations and institutions;

- Mobilising stakeholders to join the Coordination Mechanism and partner in fulfilment of the overall objectives;

4-Support, as requested, national ocean governance, including national level coordination for oceans by:

- Supporting the establishment and/or strengthening of national level inter-sectoral coordination mechanisms for oceans;
- Supporting the mobilization of resources for national level cross-sectoral policy coordination and integration;
- Undertaking such additional activities as are necessary to support the objectives of the Coordination Mechanism, as determined by the Signatories.

Complementary functions

5-Coordinate knowledge management and facilitate data and information sharing, by:

- Providing access to data, information, knowledge and technology for countries, IGOs and the wider stakeholder community;
- Facilitating the identification and sharing of data and information among IGOs, countries, research institutions and other partners, and supporting the harmonization of monitoring approaches;

Box 3 The CLME+ Hub

The CLME+ HUB

The CLME+ HUB is a global gateway of knowledge, resources and tools to support the achievement of the Caribbean and North Brazil Shelf (CLME+) Vision and Strategic Action Programme (SAP) initiatives. The HUB has been designed to accommodate the information needs of a wide variety of CLME+ stakeholders including members of the general public to LME Practitioners.

The CLME+ HUB features a number of products that can be accessed and used by CLME+ countries, IGOs and other partners. One of those products include a PPI database established at the start of the project and which is currently being updated: <https://clmeplus.org/ppi-search/>

The CLME+ HUB is one of the major results of the ongoing CLME+ Project, and the Coordination Mechanism would carry on with this work under function 5.

6-Coordinate outreach, awareness raising and stakeholder engagement, by:

- Developing and communicating a shared cross-sectoral perspective on regional ocean governance among all stakeholders including the public;
- Reaching out to stakeholders and the wider public within and beyond the wider Caribbean region with key messages and information related to the sustainable use of the ocean;

- Communicating the benefits of coordinated regional ocean governance and joint programmes, and the added value of the Coordination Mechanism;
- Engaging with the broader stakeholder community and partners (such as civil society, private sector, development banks, donors, etc.) and promoting a multi-stakeholder partnership for the wider Caribbean region, in line with UN SDG 17.16;

Box 4 CLME+ Partnership

CLME+ Partnership

The “Global Partnership for the Sustainable Management, Use and Protection of the Caribbean and North Brazil Shelf Large Marine Ecosystems” (CLME+ Partnership) will be 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.

The CLME+ Partnership is expected to bring together stakeholders from Governments, Governmental Institutions, Inter-Governmental Organizations (IGO’s), Civil Society, Private Sector, Academia, Communities and Influential Individuals, Financial Institutions and the Donor and Development Aid Community, at various levels, to work as complements of each other, act collaboratively and in a coordinated manner, and bring into full play the formal mandate or role, and comparative advantages of each stakeholder, to jointly deliver on the Partnership’s Mission and Objectives. 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.

More information:

<https://proto.clmeplus.org/partnership-alliance/>

The CLME+ Partnership will be one of the major results of the ongoing CLME+ Project, and the Coordination Mechanism would carry on with this work under function 6.

7-Strengthen science-policy interfaces, by:

- Identifying research institutions, universities and other scientific organisations that undertake research with relevance to ocean sustainability in the wider Caribbean region;
- Establishing 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 update the research agenda;
- Encouraging and supporting precautionary actions and approaches with policy and decision makers where marine and coastal resources and ecosystems are compromised or become threatened;

8-Explore new areas for collaboration by:

- Identifying new areas for regional collaboration;

- Identifying and addressing emerging issues that require regional collaboration and common approaches, including incorporation into regional ocean sustainability instruments (CLME+ SAP and others);

9-Engage in cooperation with the Gulf of Mexico LME.

The proposal on the functions presented to the CLME+ PSC was built on the functions of the CLME+ SAP ICM, on countries' recommendations resulting from the regional consultation meetings, 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 the governance structure of the Coordination Mechanism.

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

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 wider Caribbean region.
- ❖ 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.

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 wider Caribbean region.

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 wider Caribbean region 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 annually¹⁹. 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.²⁰ **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

¹⁹ 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\$.

²⁰ 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.

- 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 7 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	1.1	2.1	4.9	9.4	5.9	13.6
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 8 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 million²¹.

Table 9 Estimated long-term efficiency gains with enhanced coordination, wider Caribbean region

Approx. total grant value wider Caribbean region (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 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).²²

²¹ 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.

²² 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.”

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 countries²³ 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 10 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

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 11 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 ecosystems²⁴. 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

²³ The projection does not include the North Brazil Shelf.
²⁴ For a full list of ecosystem services provided by marine ecosystems see CLME (2011).

probable that the overall indirect economic impact of these revenues exceeds the amounts indicated by several times.²⁵

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 11 Selected economic benefits at stake safeguarded by the Coordination Mechanism (non-exhaustive/indicative)²⁶

Ecosystem Service	Estimated annual economic benefits at stake (million USD)	Estimated annual benefits at stake safeguarded by the Coordination Mechanism (million USD) with “10%-scenario”	Estimated annual benefits at stake safeguarded by 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

²⁵ For background on how the estimates were obtained as well as underlying assumptions on benefits at stake see Annex 6.

²⁶ 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 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.

4.2. Governance of the Coordination Mechanism

4.2.1. Organs

In order to strengthen integrated regional ocean governance in the wider Caribbean region, 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 role requires that the crucial links between the regional and national levels be strengthened to provide effective intersectoral coordination at the national level to feed into the regional level coordination processes; and the uptake of regional initiatives and decisions on the national level.

The Coordination Mechanism has three organs:

1. A **Steering Group** – composed of country representatives and the Chair of the Executive Group as a non-voting Member
2. An **Executive Group** – composed of IGO representatives (possibly with a non-voting member from the Steering Group)
3. A **Secretariat** – Director, technical and administrative staff

The CM will also include **Working Groups** including experts and representatives from countries, IGO, non-state actors, academia etc. as necessary and appropriate.

Figure 10 shows the organigram of the Coordination Mechanism.

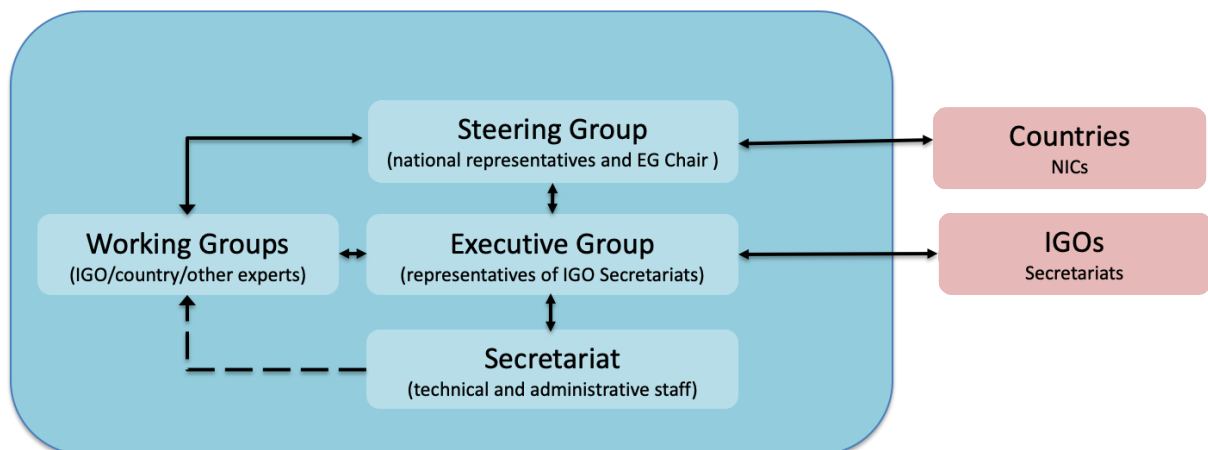


Figure 10 Organisation chart of the proposed Coordination Mechanism

Table 12 Organisational structure and proposed governance principles of the Coordination Mechanism

Steering Group	
Role	<p>The Steering Group provides high-level guidance and direction to the Executive Group. It is important to state that the decisions of the SG are not meant to direct, or interfere with, the current activities of individual IGOs, which are based on decisions of their own member countries.</p> <p>For proposed tasks see draft MoU.</p>
Members	<ul style="list-style-type: none"> • 1 representative (designated National Focal Point) per country, should be a senior official with a cross-sectorial perspective/head of national intersectorial committee <p>The Chair of the Executive Group participates in the discussion and reports on behalf of the Executive Group. All members of the Executive Group attend the meetings of the Steering Group.</p> <p>The Coordinator (Director) of the Secretariat supports and documents the meetings of the Steering Group</p> <p>Invited observers can attend the meetings if so decided</p>
Chair	Rotating chair (modality to be decided by the Steering Group)
Meeting cycle	Every 2 years physical, or virtual meetings whenever required
Decision making / Recommendations	Consensus (decisions with a quorum)

Executive Group	
Role	<p>The Executive Group leads the management and operation of the Coordination Mechanism technically and strategically.</p> <p>For proposed tasks see draft MoU.</p>
Members	<p>Heads or nominated representatives of IGOs (initially those that are members of the existing CLME+ SAP ICM and become Signatories to the new MoU establishing the permanent Coordination, with additional IGO members to be invited based on a decision by the Steering Group).</p>

	<p>The Director of the Secretariat supports and documents the meetings of the Executive Group.</p> <p>Invited observers can attend the meetings if so decided</p>
Chair	Rotating or permanent chair (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	Working Groups are formed on an ad-hoc basis to support the operation of the Coordination Mechanism in specifically defined areas or functions, as required by the Steering Group or the Executive Group. The Steering Group or Executive Group establishes the Working Groups and the Secretariat supports their activities.
Members	Appointed by the Steering Group or Executive Group, this can include experts and representatives from IGO staff, government, civil society, private sector and international organisations.
Chair	Appointed by the Steering Group or Executive Group
Meetings	As needed
Decision making	Recommendations to the Steering Group or Executive Group

Secretariat	
Role	<p>The Secretariat provides the required technical, communication and administrative support for the operation of the Coordination Mechanism.</p> <p>For proposed tasks see draft MoU.</p>
Staff	Director, technical and administrative staff

In Annex 3 a detailed description is given on how the Coordination Mechanism would operate with the roles, tasks and responsibilities of the Steering Group, Executive Group, Working Groups and the Secretariat and external stakeholders, by providing a few scenarios on different functions. These scenarios serve illustrative purposes only and are not intended to prescribe any concrete activity or decision of the Coordination Mechanism and its country or IGO members. It is stressed that the organs of the Coordination Mechanism will determine their own rules of procedure and develop their work plan once the mechanism is established.

As described before, the proposed governance structure of the Coordination Mechanism builds on and gives continuity to existing coordination efforts in the region under the CLME+ Project. As such, the membership of the Executive Group will initially comprise those IGOs currently members of the CLME+ SAP ICM. Particularly noteworthy is also that the CLME+ Project Coordination Unit (PCU), carrying out the secretariat functions for the two Interim Coordination Mechanisms (CLME+ SAP ICM and Fisheries ICM), has acted as a precursor to the Secretariat of the Coordination Mechanism (see also Effectiveness Assessment of the CLME+ SAP ICMs, carried out through a separate consultancy).

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 provides a platform for the engagement of the private sector, as well as a platform for civil society participation on a region-wide scale.

The Coordination Mechanism connects to non-state actors from civil society and private sector, and other stakeholders and initiatives in various ways:

- as invited observers to the meetings of the Steering Group and/or the Executive Group
- as participants in Working Groups
- through targeted awareness raising and stakeholder engagement, including a multi-stakeholder Partnership Forum (function 5)
- through building relationships with high-level decision-making bodies (function 3)
- through building relationships with potential funding partners and investors (function 2)

Embedding the Coordination Mechanism within the RGF is essential. The following **Error! Reference source not found.** 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).

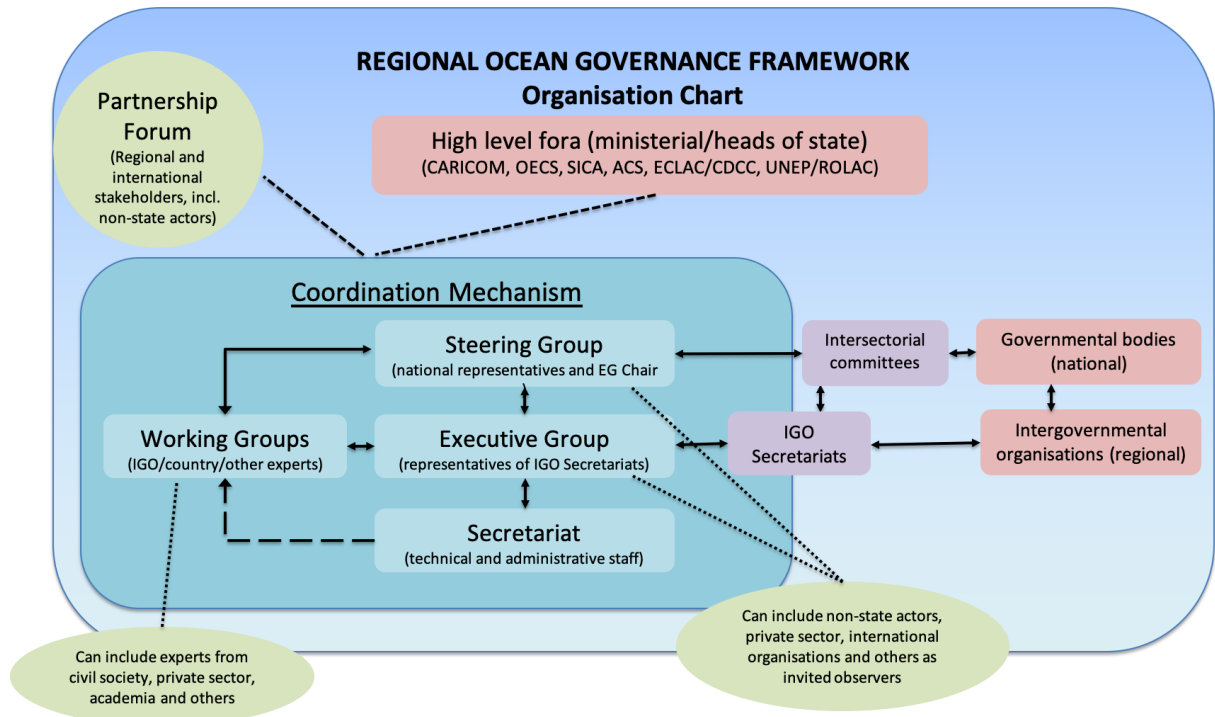


Figure 11: Organisation chart of the proposed Coordination Mechanism within the Regional Ocean Governance Framework

4.2.2. Establishing the Coordination Mechanism

Establishing Instrument for the Coordination Mechanism

The consultancy has developed a draft Memorandum of Understanding (MoU) as a voluntary and non-binding instrument for establishing the Coordination Mechanism, that includes its mandate, functions and governance structure as presented above. The draft MoU was shared with countries and IGOs ahead of the CLME+ Project Steering Committee meeting. The MoU was submitted together with an explanatory brief (Annex 8).

The CLME+ Project Steering Committee endorsed the (further) development of an MoU as the preferred instrument for establishing the Coordination Mechanism. A dedicated drafting group shall further develop the MoU.

The draft MoU was updated based on the discussions and decisions of the CLME+ PSC and is shared together with this report (Annex 10) as a basis for further deliberations, and eventually, adoption.

Hosting Agreement for the Secretariat of the Coordination Mechanism

While the recommendations from countries in the 2nd Regional Consultation Meeting state that hosting options should be considered that “take advantage of facilities and create technical and programmatic synergies, while ensuring the independent operation of the secretariat”, some countries have also expressed their view that there is a need for further integration in the region, and therefore the Secretariat of the Coordination Mechanism should be integrated into one of the existing IGO Secretariats, if possible.

In December 2019, countries and organizations were invited to express their interest in hosting to the CLME+ Project. With Honduras, one country has so far expressed its interest.

The consultancy developed a “Brief on Hosting Arrangements” which was shared with the CLME+ PSC ahead of its meeting in June 2020. It provides a brief explanation of some of the issues related to the hosting of the Coordination Mechanism (as represented by the Secretariat). Three possibilities have been discussed for the Coordination Mechanism (CM):

1. Hosting by a participating country
2. Hosting by an intergovernmental organisation (IGO)
3. Sharing office space with an IGO.

See the Brief in Annex 9.

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) Modalities of operation (e.g. establishment of Working Groups, use of virtual meetings, etc.)
- 2) Location of the Secretariat and hosting arrangement (which influences the staff, travel and administrative costs)

Taking these factors into consideration, the cost for implementing the core functions of the Coordination Mechanism could cost between approximately USD 600,000 and 1.1m annually. Including the implementation of all complementary functions, the annual cost would be approximately between USD 800,000 and 1.6m annually.

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.

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 GlobalCAD, 2018).

Regarding the IGOs, the cost estimates also do not include the staff time for participating in

meetings of the Executive Group and the Working groups, and for preparing, following up and implementing the required actions for region-wide inter-sectoral coordination in addition to the respective IGO's work programmes.

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.

4.3.2. Indicative cost estimates

The following Table 13 provides an overview on the different necessary cost categories, as well as indicative annual cost range estimates per function, based on resource requirements.

Table 13 Estimated resource requirement and costs per function

	Functions	Resource requirements	Estimated annual costs (USD)
Core	1 – Programmatic Coordination & Progress Monitoring	Steering Group: 1 meeting every 1-2 years Executive Group: 2-4 meetings per year (1 physical, 1 back-to back with SG, 2 virtual meetings) Working Group: 1 physical meeting per year, further virtual meetings as required Secretariat: Coordinator (50%), Technical Officer (50%), Administration and Finance Officer (50%), travel, office, translation services Activity budgets for Production of the SOME report and for communication materials	337,200-641,000
	2 - Sustainable Financing & Resource Mobilization	Steering Group and Executive Group: same meetings as mentioned above Working Group: 1 physical meeting per year, further virtual meetings as required Secretariat: Financing expert (100%), Administration and Finance Officer (50%), travel, office, translation services Activity budget for a Donor Roundtable	130,500-254,000
	3 - Coordination of Policy and Institutional	Steering Group and Executive Group: same meetings as mentioned above Working Group: 1 physical meeting per year, further virtual meetings as required	80,500-158,000

	Frameworks	Secretariat: Coordinator (50%), travel, translation services	
	4 - Support to National Ocean Governance	Steering Group and Executive Group: same meetings as mentioned above meetings as required Secretariat: Technical Officer (50%), travel, translation services	48,000-76,000
	Total core functions:	Steering Group: 1 meeting every 1-2 years Executive Group 2-4 meetings per year (1 physical, 1 back-to back with Steering Group, 2 virtual meetings) Working Group: 3 working groups with 1 physical meeting per year each, further virtual meetings as required Secretariat: 4 full time core staff (Coordinator, Technical Officer, Financing expert, Administration and Finance Officer), travel, office, translation services Activity budgets for Production of the SOME report, for communication materials and for a Donor Roundtable	596,200 - 1,129,000
Comp	5 - Knowledge Management & Data Sharing	Steering Group and Executive Group: same meetings as mentioned above Secretariat: Knowledge Management and Communication Specialist/Consultant (50%), travel, office, translation services Activity budget for maintenance of knowledge web portal	77,750-146,500
	6 - Outreach, Awareness & Stakeholder Engagement	Steering Group and Executive Group: same meetings as mentioned above Working Group: 1 physical meeting per year, further virtual meetings as required Secretariat: Knowledge Management and Communication Specialist/Consultant (50%), travel, translation services Activity budget for a Regional Stakeholder Meeting	82,250-194,000
	7 - Strengthening of Science-Policy Interfaces	Steering Group and Executive Group: same meetings as mentioned above Working Group: 1 physical meeting per year, further virtual meetings as required	41,750-111,500

		Secretariat: LME/Ocean Management Expert/Consultant (50%), travel, office, translation services	
	8 - Exploration of new Areas for Collaboration	Steering and Executive Group: same meetings as mentioned above Working Group: 1 physical meeting per year, further virtual meetings as required Secretariat: LME/Ocean Management Expert/Consultant (50%), travel, office, translation services	24,750-55,500
	9 - Cooperation with Gulf of Mexico LME	<i>No additional resources required</i>	<i>No additional cost</i>
	Total core and complementary functions:	SG: 1 meeting every 1-2 years EG: 2-4 meetings per year (1 physical, 1 back-to back with SG, 2 virtual meetings) WG: 6 working groups with 1 physical meeting per year each, further virtual meetings as required SEC: 4 full time core staff (Coordinator, Technical Officer, Financing expert, Administration and Finance Officer), and 2 temporary staff or consultants (Knowledge Management and Communication Specialist/Consultant and LME/Ocean Management Expert/Consultant), travel, office, translation services Activity budgets for Production of the SOME report, for communication materials, for a Donor Roundtable, maintenance of knowledge web portal, and for a Regional Stakeholder Meeting	822,700 - 1,636,500

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

- 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)
- 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).

- 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)
- Travel cost (for the Secretariat staff)
- Additional costs for specific activities related to the selected functions (the production of the SOMEE Report, the production of communication materials, technical maintenance of a knowledge web portal, the organisation of a regular region-wide multi-stakeholder partnership forum, a donor round table)

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 wider Caribbean region

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 wider Caribbean region (CLME, 2011). The CLME+ SAP highlights sustainable financing as a key requirement for enhanced integrated ocean governance in the CLME+/ wider Caribbean 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 (approx. USD 16.2m annually). 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 are estimated to be around USD 11.6m to 25.3m annually.** The Coordination Mechanism could act as facilitator to achieve and secure regional partnerships 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 an integral part of the evolving Regional Governance Framework²⁷, 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 : 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 it internalizes environmental costs and benefits e.g. in the form of service 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).

The plan is comprised 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)).

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 wider Caribbean region, proposing how the IGOs can strengthen their grant acquisition potential, how strategic partnership with the private sector can benefit the

²⁷ For a definition of the Coordination Mechanism and the Regional Governance Framework see section 1 of this report.

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

5.2.1. Summary of the Plan

It is assumed that the financing plan needs to finance the Coordination Mechanism's recurring costs including all cost categories outlined in section 4.3.2 from its establishment through transition (1-5 years) to consolidation (5 years and beyond) with a very minimum of the core functions being 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. For all phases a combination of sources is recommended to ensure resilience. Emphasis and specific selection, however, depend on the choices of the participating countries. Therefore, aspects for further consideration by IGOs and participating countries are indicated for each potential source of financing in the following sections.

Regarding timing, the “donor centred approach” is more relevant at the beginning of the process while 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. It is proposed that financing gradually moves towards financial self-sufficiency, independent of major project grants. It is expected that a commitment to move towards self-financing can be instrumental to acquire a consecutive project grant. Self-sufficiency could be achieved combining a variety of financing sources including own revenue generation (beneficiary centred approach), private sector contributions as well as voluntary country contributions (supported by a beneficiary centred approach at national level). However, reliable and sufficient funding to finance at least the recurring operational costs of the Secretariat of the Coordination Mechanism needs to be ensured. The milestone to shift towards self-financing is proposed to be set at year 3. A trust fund is suggested as an administrative solution to pool resources from multiple sources, which has been welcomed by the participating countries and IGOs.

From establishment to transition (1 to 3 years)

A hosting agreement with an IGO and/or country and an International Development Partner grant (e.g. from GEF) could be a viable scenario to co-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.

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

With a proposed milestone after 3 years, the transitional project grant would be complemented by a sustainable funding mechanism, which would fully replace the transitional grant after 5 years. Thus, to ensure financial independence and self-sufficiency, it is recommended to consider own revenue generation through service fees and voluntary country contributions as the main source of funding by the end of the transitional phase. If voluntary member contributions are considered, it is suggested that they could be enabled by the implementation of beneficiary oriented financing solutions at country or regional level (outlined in section 5.3.1). The other sources of funding outlined above could continue to complement and secure the budget. Own revenue generation is enabled if the respective function 2 of the Coordination Mechanism is implemented and the necessary technical capacity and staff resources become available. Own revenue generation may be considered to be developed from a complementary to a major source of funding after the transition phase. However, the design of services in line with the Coordination Mechanism’s mandate as well as it’s realistic financial potential and ability to sustain and cross-fund the mandated functions beyond the service provision itself need to be considered and evaluated carefully.

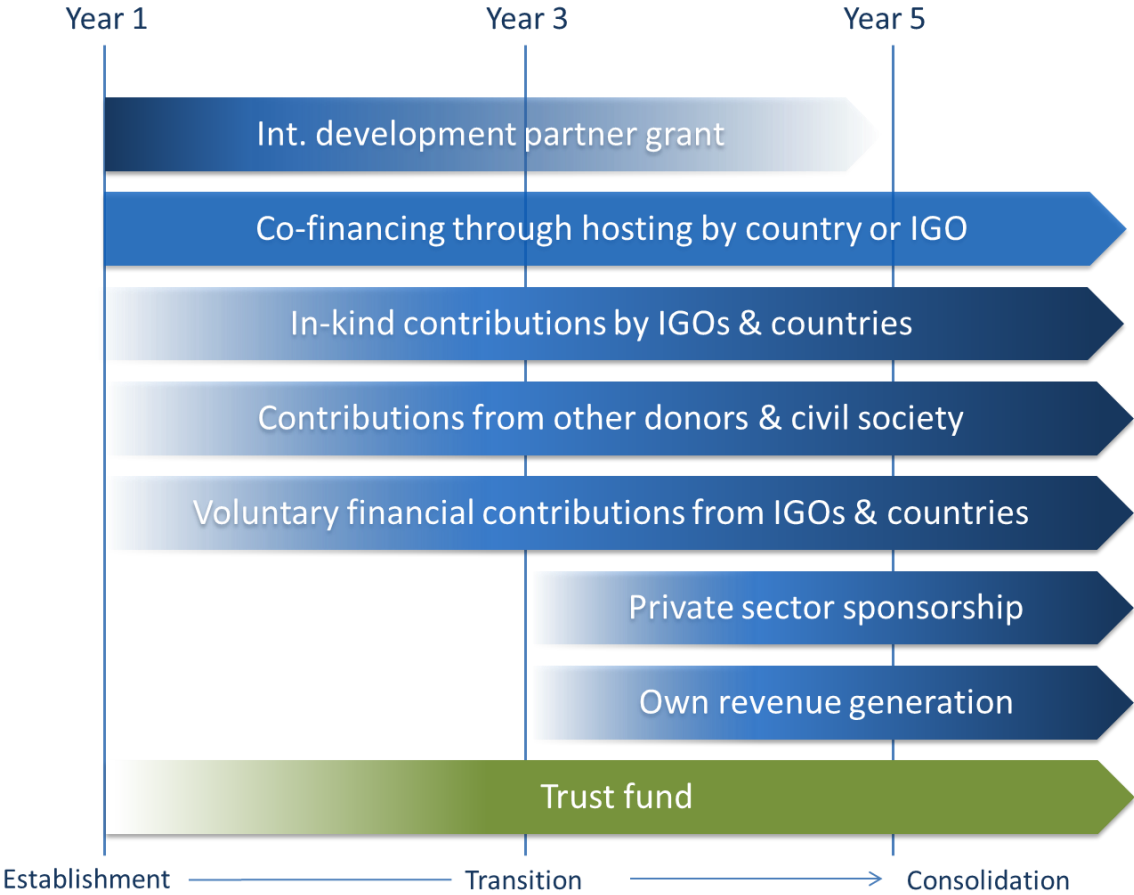


Figure 12. Proposed Sustainable Financing Plan for the Coordination Mechanism over time

Next steps to consider

The willingness and capacity of donors, 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.

5.2.2. 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 the Coordination Mechanism with the four core functions at annual cost of USD 600,000 to USD 1,100,000 (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 20% and 40%. The share of grant financing could decrease over time as the share of other sources of financing increases.

Preconditions:

- Agreement to self-finance the mechanism after the transition instrumental for acquiring the grant.
- GEF-grants have a co-financing requirement for the parties benefiting from the grant.

To consider:

- ICM members demonstrating 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, would be considered an enabling condition.
- Resilience needs to be ensured by pursuing complementary sources of funding.
- A coalition of committed stakeholders to financially support the establishment and transition would be an additional enabling condition.

Next steps: Prepare a PIF/project concept for grant financing for the set-up of the Coordination Mechanism, with the required input from IGOs and participating countries.

Co-financing through hosting of the Secretariat 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 and be willing to make a long-term commitment.

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.
- The host IGO's legal and fiduciary requirements would apply to the Coordination Mechanism which may restrict its financial and operational independence. This could restrict the pursuit of financing sources such as generation of own revenue and private sector contributions.

Next steps: IGOs can express interest to the CLME+ PCU for hosting the Secretariat of the Coordination Mechanism

5.2.3. Co-financing through hosting of the Secretariat by a 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 was not making use of existing infrastructure

Next steps: Countries can express interest to the CLME+ PCU for hosting the Secretariat of the Coordination Mechanism

5.2.4. In-kind contributions from countries and IGOs

Potential cost coverage: IGOs could decide to implement 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.

5.2.5. Financial support from other donors and civil society

In addition to bilateral country donations from outside the CLME+ region philanthropic foundations could be approached as donors. Grants from other multi-lateral donors (other than GEF) or other ocean-related funds in the region, as well as NGO partnerships could also be pursued.

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

Preconditions: A shared IGO effort to use existing bilateral and other donor relationships would be needed. Credible ownership through hosting, in-kind and voluntary financial commitments would be an asset to acquire additional donor funds.

To consider:

- Could be a starting point for a donor round table.
- 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, be the European Union (EU), Germany, UK, Canada the Nordic countries, Japan and the US.
- Multi-lateral donors other than GEF, philanthropic foundations and NGOs could as well be approached as partners.

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).

5.2.6. Voluntary contributions by IGOs

While most IGOs have no scope for financial contributions from their current regular or programme budgets (e.g. from other GEF funded projects), there might be some IGOs that consider voluntary contributions through available project funds.

Potential cost coverage: Contributions from/by IGOs could contribute to a certain extent to the regular operation or specific functions of the Coordination Mechanism

Precondition: IGOs need to be able to identify suitable available project funds which could be dedicated to the regular operation or functions of the Coordination Mechanism within their current work programmes.

To consider:

- Contributions to the Coordination Mechanism could be approved through the work plans of the respective ICM members.
- Inter-relation of this sourcing option with a possible IGO-hosting agreement needs to be clarified.

Next steps: IGOs would have to consider leeway within their programmatic budget lines and consult with their respective member countries.

5.2.7. Voluntary contributions by participating countries

Potential cost coverage: Voluntary contributions on a regular basis would ensure a certain degree of financial reliability for the operation of the mechanism. They would contribute to cover the recurring administrative and staff costs of the Coordination Mechanism. Additional funding from other sources for certain functions and/or activities could complement this effort. Irregular contributions have limited cost coverage potential.

Precondition: Financial capacity and willingness of respective countries.

To consider:

As countries have signalled that there is limited or no financial capacity to contribute from their national budgets, it is proposed to consider introducing a beneficiary centered approach at national level to broaden the resource base for ocean governance and increase national revenue streams at the same time (see section 5.3.4). Countries who consider contributing financially on a regular basis could support their own efforts by introducing payments for

environmental services provided by the marine environment at national level (for details see Section 5.3.4.).

Next steps: Explore if and which countries of the CLME+ region would be able and willing to contribute voluntarily and if there are countries willing and able to contribute on a regular basis.

5.2.8. 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 benefits from specific services that the Coordination Mechanism provides. A beneficiary could be any user of services as e.g. the private sector, IGOs, governments or end-users.

Potential cost coverage: The revenue could contribute to or fully cover the costs of the technical staff enabling the service provision. However, depending on the specific set-up of service provision, revenue generation could cross-fund to a certain extent some of the mandated functions.

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 contributing parties
- Staff enabling service provision is not available to fulfil the mandated functions of the Coordination Mechanism. Hence, to fulfil these functions, additional staff will be required unless the Coordination Mechanism's functions are redefined as services offered to beneficiaries (countries & IGOs) against fees.
- 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 a hosting IGO (as this is the case for most current ICM members).

Possible Examples for own revenue generation:

- **Assist technically with proposal development:** 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.

- **Co-development of proposals:** The Coordination Mechanisms staff 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.
- **Knowledge and advisory services** could be offered to the private sector.
- **Economies of scale:** Other services realizing economies of scale to the benefit of member organisations' work could be identified (as e.g. the project data base). This would save resources at the participating IGOs. The use of the service (e.g. extended use of the data base) could be charged at a small fee.
- **Certification services:** 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.²⁸

Next steps: Specific consideration needs to be given to the desired extent of own revenue generation during transition and afterwards. Legal implications as well as possible operational guidelines need to be considered. At the same time, a business case defining the type, orientation, scope and target group of services would need to be developed including the evaluation of demand.

5.2.9. Private sector sponsorship

Stakeholder engagement (including the private sector) is one of the functions proposed for the Coordination Mechanism (see section 4.1.). The CLME+ project pursues private sector partnerships on various levels in the form of a Partnership Forum and commitment to Private Sector Actions. 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.

²⁸ 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).

- 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.
- Operational guidelines to harness political and reputational risks need to be agreed on.

To consider:

- Depending on the legal set up and hosting solution of the Coordination Mechanism, the feasibility of private sector sponsoring may be restricted by the legal requirements of the eight ICM members or the 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 periods of time needs to be secured in order to allow for reliable planning.
- In order to harness reputational risks and to ensure the political independence of the Coordination Mechanism, 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 synergies, incentives and a communication approach in order to develop a coherent long-term strategy (see Section 5.3.2). Agree on a set of standard operational guidelines for financial contributions from the private sector.

5.2.10. 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. It would 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.

Precondition: Agreement on the legal set-up of the trust fund.

To consider:

- In case countries will provide major financial contributions to the fund, an international agreement between parties is advisable in order to ensure a high level of international accountability.
- Alternatively, if country contributions are expected at moderate levels, it is also possible to establish a not-for-profit organization to pool and manage the funds from multiple sources. This organization would require legal existence under the jurisdiction of a country.

- Trust fund administration could be covered by the Secretariat of the Coordination Mechanism as part of its resource mobilization function.

Next steps: Identify major sources of funding for the coordination mechanism in order to commission the establishment of the adequate type of trust fund.

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 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 broaden their resource base for ocean governance on a national level could hence be considered (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 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).

Next steps to consider:

- 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 wider Caribbean region. 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 Compact²⁹. But beside the CLME+ Partnership, there are few regional initiatives with a strategic approach in the wider Caribbean region, one of which is the Caribbean Challenge Initiative (CCI).³⁰

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

²⁹ 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.

³⁰ 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.

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.

Next steps to consider:

- 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.³¹
- 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)

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

³¹ 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).

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 scenario³².

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.³³ 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: 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).³⁴

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.

³² 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.

³³ For a more comprehensive description of opportunities of a sustainable ocean-based economy please see e.g. CDB (2018) and Whisnant et. al (2015).

³⁴ 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”.

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).

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, CABI) 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 effectively³⁵. 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.

³⁵ 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.

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.

Next steps to consider:

- 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.³⁶

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 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. Broadening the resource base for ocean governance

For the financial sustainability of the Regional Governance Framework as well as for the continuation of the TDA/SAP process for enhanced integrated ocean governance country

³⁶ 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).

commitment plays a key role. Given the current precarious financial situation in some countries, ways to broaden the resource base and hence to improve reliability of commitments to the IGOs need to be explored. Among these are debt swaps (see Section 5.3.3.), and the introduction of a beneficiary centred approach, such as earmarked taxes, user fees and permits.

These tools can open new additional and sovereign revenue streams for the countries of which a small share could enhance integrated ocean governance. The Coordination Mechanism could build capacities and assist in introducing these measures. Beyond that, coordination through the mechanism provides the opportunity to seek a regionally harmonized approach.

Examples of beneficiary centred national level measures:

- **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.

Next steps to consider:

- Countries could consider the options outlined above to broaden their national resource base for ocean governance.

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

The following Table 14 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.

- 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). Implementation of workplan as agreed by the Steering Group and overseen by the Executive Group.
- 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 14 Tentative timeline

Phase	Governance - milestones	Financing - milestones
Phase 0 – (Pre-) establishment	<p>Prior to GEF financing:</p> <ul style="list-style-type: none"> • PIF for GEF project submitted to council • CEO Endorsement (by December 2020) • . MoU on the establishment of the Coordination Mechanism • Agreed (interim), hosting arrangement and office requirements for the Coordination Mechanism Secretariat 	<ul style="list-style-type: none"> • GEF project approved and implementation initiated within 2 years of PIF approval • Agreement on Transition Phase financing plan by Executive Group/Steering Group • Financing plan initiated – Executive Group/Secretariat
Phase 1 – Transition (year 1-7)	<ul style="list-style-type: none"> • Set-up the Secretariat and recruitment of staff • Develop detailed workplan for the transition phase • Detailed M&E plan for transition phase (expected outputs and other milestones, likely to include the ‘routine deliverables’ of the Coordination 	<p>Develop approach for Sustainable finance for the Coordination Mechanism beyond the Transition Phase. Initiate resource mobilization, explore innovative financing approaches and own revenue generation.</p>

Phase	Governance - milestones	Financing - milestones
	<p>Mechanism) core function and complementary functions' outputs</p> <ul style="list-style-type: none"> • Development of communication/outreach plan for the Coordination Mechanism <p>Delivery of agreed workplan as expected by the core functions, including:</p> <ul style="list-style-type: none"> • Report on CLME+ SAP implementation (annual), SAP review and development of new SAP/Strategy for post 2025 period • Progress on relevant targets and commitments (e.g. SDGs and others) (biannual) • SOMEE (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 complementary functions to be developed during the Transition Phase and agreed by the Executive Group</p>	
<p>Phase 2 – Consolidated long-term operation (After year 5)</p>	<p>Milestones for the on-going work of the Coordination Mechanism to be agreed on a rolling 1-2 years basis. To be reviewed annually and updated/amended</p>	<p>On-going milestones on financing the Coordination Mechanism on annual basis need to be defined based on the Sustainable Financing Plan</p>

6.2. Proposed steps for consideration 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 Consultation Meetings

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 change³⁷.
 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

³⁷ 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

Second Regional Consultation Meeting

30th July – 1st August 2019, Panama City

Meeting Recommendations

The Second Regional Consultation Meeting on Proposal for a permanent Coordination Mechanism and a Sustainable Financing Plan for Ocean Governance in the Wider Caribbean Region having been convened in Panama City, Panama, from 30 July – 1 August 2019, with a total of 65 participants, consisting of 23 countries and 12 organisations;

Acknowledging that the countries and inter-governmental organizations that participated in the Second Regional Consultation Meeting remain committed to the development and operationalization of a Coordination Mechanism

Noting that countries and organisations remain committed to participate in the ongoing consultative process on a permanent Coordination Mechanism and a Sustainable Financing Plan which will be considered at the Final Project Steering Committee Meeting.

The Meeting recommends the following:

Mandate

1. The consultancy should refine the Mandate and the Goal of the Coordination Mechanism according to the inputs received during the meeting.
2. Regarding the geographic scope, in the absence of consensus on the inclusion of the Gulf of Mexico, the issue will be further explored by the PCU, by, i.a., engaging with countries that make up the Gulf of Mexico, for a decision at the Steering Committee Meeting in March 2020

Functions

3. The consultancy should refine the proposed core and complementary functions based on the discussions at the meeting. This includes refining of the functions to 3-5 core functions and providing additional clarifications on all functions.
4. The consultancy should take into account the possibility of a progressive, modular expansion of the mechanism's functionality.

Structure

5. While there is broad support for the proposed structure of the Coordination Mechanism developed by CAD, the consultancy should incorporate clarifications and modifications proposed at the meeting, including the roles of countries, IGOs and the Secretariat, in the proposal that emanated from the work undertaken by the consultants during phase 2 and which was presented and discussed at the meeting.
6. The meeting requests the consultants, with the assistance of interested countries, to revisit, identify and/or explore and develop alternative modalities for a Coordination Mechanism that take into account the concerns expressed at the meeting, including the statement made by Colombia which is included in the meeting minutes, taking into account the options presented in the consultancy report.

7. The meeting requests possible roles of non-state actors to be further explored in any proposed modality.

Hosting the Secretariat of the Coordination Mechanism

8. In order to consider possible hosting options by IGOs or countries, the consultants should consider the structure, Terms of References and requirements for a Secretariat.
9. Call for expressions of interest for hosting should be disseminated once the requirements have been clarified
10. The consultants explore hosting options which take advantage of facilities and create technical and programmatic synergies, while ensuring the independent operation of the secretariat.
11. The consultants and interested candidates for hosting should jointly conduct a full analysis of risks and cost-benefits to both host and the mechanism of several plausible hosting arrangements.

The Establishing Agreement for the Coordination Mechanism

12. The consultancy will explore the possible types of agreements in which the Establishing Agreement for the Coordination Mechanism is non-binding (voluntary), while giving the Secretariat the legal capacity to carry out its mandate and functions in accordance with relevant national and international law.

Sustainable Financing

13. The consultants should:
14. explore financing solutions which consider the proposed arrangements for a coordination mechanism (s), without mandatory country contributions at least in the short term
15. explore the possibility of other regional initiatives/programmes to contribute to the Coordination Mechanism, including the options of in-kind support
16. consider other potential non-country financing sources e.g. NGOs, foundations, other funds
17. further explore the potential of creating a trust fund

Way Forward and Next Steps

18. Assess and report on current functioning of the ICM, and share findings with countries by mid November
19. Meeting participants to inform at national level about the PCM-SFP process at appropriate technical and political levels
20. Countries to be provided with meeting report of 2nd consultation by end of August
21. PCU to share revised proposal with countries by mid November, 2019
22. Countries to conduct national level consultations by end of January 2020, timely guidance to be provided by PCU/CAD
23. Prepare the requirements and benefits for hosting of the Secretariat by countries and organizations, get feedback by November 2019 – clarify what by who by when
24. Provide hosting proposals by January 2020
25. Countries to provide PCU with consolidated feedback by mid-February 2020
26. Technical Decision on the final proposal at Steering Committee meeting in March 2020

- PCU to communicate to CLME+ Project National Focal Points about efforts to develop new Concept Note (PIF) to give continuity to the CLME+ initiative by end of August 2019
- CLME+ Project NFPs to inform GEF OFPs soonest about intention to develop a new Concept Note (PIF) to give continuity to the CLME+ initiative
- Meeting participants (Countries) to inform soonest GEF OFPs about importance of CLME+ continuity, and the related efforts
- UNDP to inform GEF OFPs about support for PIF development
- PCU and UNDP to engage with IGO's and countries on Concept Note (PIF) development

Annex 2: Overview on relevant initiatives (non exhaustive list) (Status: 2019)

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 wider Caribbean region 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: Scenarios on the operation of the Coordination Mechanism with the respective roles and responsibilities

The following scenarios are provided upon the request to provide additional details on how the CM would operate in concrete terms, with the respective roles and responsibilities in the different functions. These scenarios serve illustrative purposes only and are not intended to prescribe any concrete activity or decision of the Coordination Mechanism and its country or IGO members. It is explicitly recognized that the organs of the Coordination Mechanism will determine their own rules of procedure and develop their work plan once the mechanism is established.

Core Function 1 - Programmatic Coordination & Progress Monitoring

SAP monitoring and revision

Monitoring the implementation of the SAP and revising it periodically are core CM activities.

- Following endorsement of the SAP by the countries the EG recognizes the need to develop an implementation plan. It decides to achieve this through a two-day action planning workshop with key partners. It instructs the Secretariat to plan such a meeting in collaboration with a facilitator. In addition to IGOs, key implementing partners such as NGOs and private sector are invited.
- The action planning meeting is held. The actions identify the roles of the key parties present as well as activities that can be taken up by other potential partners.
- The EG sends the plan to the SG for information.
- The EG passes the plan to the Secretariat, while noting that EG member organisations will take up the various parts of the plan for which they have a mandate. The Secretariat is instructed to establish a WG to pursue the monitoring of the SAP, both detailed actions and the overall performance based on the GEAF (using the SAP Baseline information).
- The WG is established and develops a workplan that includes the need for a consultant on human-wellbeing indicators which have not been well represented in the baseline despite being recognized as important. It also identifies that it will require 10% of the time of the Executive Director and 20% of the time of the information specialist
- The EG reviews and accepts the plan.
- The Secretariat engages the consultant and facilitates and contributes to the work of the WG.
- The WG provides monitoring reports as prescribed, recommendations for improved monitoring as well as input to the next SOME E Report which is being prepared by the SOME E WG.
- The EG reviews the monitoring reports and prepares a report for the SG on implications of the monitoring results for sustainability of ocean ecosystems. It provides the SG with an update on progress with the SAP and the implications for the future.

Core Function 3 - Coordination of Policy and Institutional Frameworks

Harmonized approach to regional network of MPAs associated with 30 by 30 initiative

The majority of CLME+ countries have signed on to the IUCN 30 by 30 Initiative. This target for MPAs by 2030 has crosscutting implications for fisheries, tourism and biodiversity. Countries also recognise that while implementation is largely national there is a significant regional level, transboundary component to optimizing the benefits from this commitment. They note that this cuts across the mandates of most of the IGO members of the CM. The regional aspect includes: ensuring that national PA systems contribute to an overall regional network of representative connected PAs; harmonizing national policy; capacity building and sharing best practices. Several countries ask their country representatives on the SG to raise this matter for discussion.

- The SG discusses the matter and agrees that a regional approach to building a regional network and to harmonizing national MPA policy would be advantageous. It instructs the EG to explore how best this can be achieved.
- The EG discusses the matter and decides to establish a WG to determine the best approach to harmonization. It instructs the Secretariat to develop the ToRs for a WG comprising regional experts in relevant areas plus IGO, and NGO representatives to develop an overall approach and concept notes for the key components.
- The Secretariat develops the ToRs which are adopted by the EG and the WG is established with experts working on a voluntary basis.
- The WG, with Secretariat support develops the approach and develops several concept notes. One is for overarching coordination and the others are for supporting activities such as, regional PA planning, review of national MPA policies, capacity building.
- These are reviewed by the EG which notes that the CM should undertake the overarching component, while specific IGOs agree to take up the remaining activities according to their mandates; noting that several related activities are already underway as part of their programmes. The EG emphasises that this initiative should be seen as a set of linked activities. It instructs the WG to develop the proposal for the overarching aspect. In parallel the EG has the Secretariat submit the concept to two potential donors (one of which is the proponent of the 30 by 30 initiative). The approach and concepts are shared with the SG for comment.
- The WG develops the proposal.
- The EG reviews and approves the proposal and instructs the Secretariat to submit it to the selected potential donor for funding. Steps would include:
 - The donor responds positively but requires some changes and an expansion.
 - The EG reviews this requirement and instructs the WG to revise the proposal.
 - The WG revises the proposal, the EG reviews it and it is resubmitted.
 - Funding is provided that includes a coordinator and funds for consultants to undertake specific inputs.

- The EG designates the WG as the project technical advisory group for this activity.
- The WG reviews technical reports from the overarching activity and from the related IGO activities and makes recommendations for integration and harmonization, specially across sectors.
- The Secretariat reviews administrative reports from the project and ensures that the donors' requirements are met.
- The WG and Secretariat prepare progress reports for the EG for information as well as project technical and policy recommendations for review.
- The EG reviews recommendations and decides which are the domain of the SG. It formulates these with appropriate technical support and passes them on to the SG for consideration. Recommendations address how:
 - IGOs can adapt their programmes to optimize performance of the regional MPA network
 - Countries can adjust policies and legislation to provide consistency across countries, especially subsets of countries that share ecosystems
 - Regional economic integrations IGOs can mainstream PAs and the value added of a regional approach into Blue Economy strategies
 - The CM can contribute to the ongoing support of the regional PA system
 - Inclusion of the approach in the next SAP
- The SG reviews, revises and adopts the recommendations which countries and IGOs take up to consider for implementation for. The SG informs the EG which recommendations the CM will take up as part of its regular programme, or as the basis for a follow on project, and for inclusion in the next iteration of the SAP.

Complementary Function 6 - Outreach, Awareness & Stakeholder Engagement

A regional and cross-sectoral approach to microplastic pollution

Scientists have identified microplastic pollution as a problem affecting human health via consumption of fish with microplastics. It also affects higher food chain predators such as tunas and seabirds. Plastic pollution is also a pervasive problem on beaches and in habitats used by tourism for underwater wildlife viewing.

- The EG recognizes that this is a crosscutting issue that requires a regional approach involving IGOs responsible for fisheries, biodiversity and pollution (shipping and tourism IGOs are also identified as key stakeholders). It formulates a proposal to develop a regional approach or strategy. The proposal recommends inviting tourism and shipping to the process.
- The SG reviews the proposal and approves the direction proposed and the budget, noting (a) that the CM must source the funds from international sources (countries have no resources to support this activity and (b) that human health agencies such as CARPHA should also be engaged in the process.

- The EG asks the Secretariat to develop the ToRs for a small WG comprising of regional experts in relevant areas to develop a proposal for international funding to develop the strategy.
- The Secretariat develops the ToRs which are reviewed by the EG and the WG is established with experts working on a voluntary basis.
- The WG, with Secretariat support develops the proposal which is then reviewed by the EG which instructs the secretariat to proceed. Steps would include:
 - In parallel the Secretariat consults with the EG for suggestions on possible donors.
 - The WG is established and develops the proposal.
 - The EG reviews and approves the proposal and instructs the Secretariat to submit it to the selected potential donor.
 - The donor responds positively but requires some changes and an expansion.
 - The EG reviews this requirement and instructs the WG to revise the proposal.
 - The WG revises the proposal, the EG reviews it and it is resubmitted.
- Funding is provided that includes a project manager and two full time staff and the project starts.
- The EG designates the WG as the project technical advisory group for this activity.
- The WG reviews technical reports from the project.
- The Secretariat reviews administrative reports from the project and ensures that the donors' requirements are met.
- The WG passes on technical reports from the project to the EG for information as well as project technical and policy recommendations for review. These include recommendations for IGOs, for the countries and for the next revision of the SAP.
- The EG reviews recommendations and decides which are the domain of the SG. It formulates these with appropriate technical support and passes them on to the SG for consideration.
- The SG reviews, revises and adopts the recommendations which then become part of the CM's regular programme or the basis for a follow-on project.

Complementary Function 7 - Strengthening of Science-Policy Interfaces

Strategy to Link Science to Policy

The gap between scientific knowledge and its influence on policy decisions has been often recognized in international meetings. The SAP also recognizes that this is a weak area in the WCR and calls for development and implementation of a CLME+ Strategy to Link Science to Policy (previously misnamed the CLME+ Research Strategy). The strategy has been developed and identifies several action areas.

- The EG reviews and adopts the science-policy strategy, adding implementation of it to the annual workplan for the coming year.
- The SG adopts the annual workplan including implementation of the science-policy strategy.

- The EG asks the Secretariat to develop the ToRs for small WG(s) comprising of regional experts in relevant areas (including academia and research institutions) to develop a proposal for international funding to implement the strategy.
- The Secretariat develops the ToRs which are reviewed by the EG and the WG is established with experts working on a voluntary basis.
- The WG, with Secretariat support develops the proposal which is then reviewed by the EG which instructs the Secretariat to proceed. Steps would include:
 - In parallel the Secretariat consults with the EG for suggestions on possible donors.
 - The WG is established and develops the proposal.
 - The EG reviews and approves the proposal and instructs the Secretariat to submit it to the selected potential donor.
 - The donor responds positively but requires some changes and an expansion.
 - The EG reviews this requirement and instructs the WG to revise the proposal.
 - The WG revises the proposal, the EG reviews it and it is resubmitted.
- Funding is provided that includes a project coordinator and the project starts.
- The EG designates the WG as the project technical advisory group for this activity.
- The coordinator begins the process of establishing linkages between science providers and science consumers, primarily the decision-making bodies of the economic integration IGOs
- WG reviews progress reports from the project and advises on science providers and process.
- The Secretariat reviews administrative reports from the project and ensures that the donors' requirements are met.
- The WG passes on progress reports from the project to the EG for information as well as project technical and policy recommendations for review. These include recommendations for IGOs, for the countries and for the next revision of the SAP.
- The EG reviews recommendations and decides which are the domain of the SG. It formulates these with appropriate technical support and passes them on to the SG for consideration.
- The SG reviews, revises and adopts the recommendations which then become part of the CM's regular programme or the basis for a follow-on project.

Complementary Function 8 - Exploration of new Areas for Collaboration

Addressing ocean fertilization

BRIC³⁸ countries have decided that rather than cut emissions they will proceed with ocean fertilization as a means of reducing atmospheric CO₂. The tropical Atlantic is identified as a key potential fertilization zone. Scientists and NGOs are warning that this may have substantial downstream effects on fisheries production and biodiversity in the WCR.

- EG members flag this as a critical emerging issue for consideration at their next meeting. They decide that the information available, while greatly concerning is weak and may be coming from biased sources. They conclude that the matter requires a full review before they can consider it properly.
- They instruct the Secretariat to establish a WG on ocean fertilization, however they recognise that such expertise is limited in the WCR and that in addition to regional scientists the WG will need one or two internationally recognized scientists. They instruct the Secretariat to seek funding to provide honoraria for the experts and travel support for the WG.
- The Secretariat finds funding and the WG begins work
- The WG finishes its report which concludes that fertilization upstream in the tropical Atlantic could reduce pelagic fishery yields while having a significant impact on seabird diversity. It also flags the potential for exacerbation of the sargassum problem.
- The EG reviews the report and concludes that WCR countries should oppose ocean fertilization upstream of the region. A subset of its members agree to draft a policy brief for consideration by countries and the three multipurpose political integration (MPI) IGOs whose members are on the EG (CARICOM, SICA, OECS).
- The EG members draft the brief which is reviewed and adopted by the EG.
- Given the imminent threat, the brief is circulated to the SG round-robin on a no objection basis. Meanwhile, the CARICOM, SICA and OECS representatives pursue getting this matter on the next meeting of Heads of Government. They also advise their SGs to alert the UN Missions in NY of the urgency of this matter and that there is a technical WG that they can rely on when the matter is being negotiated.
- WCR Countries in solidarity lead the charge against ocean fertilization in ECOSOC and the UNGA, widely supported by SIDS.

³⁸ Comprised of Brazil, Russia, India and China

Annex 4: Indicative cost estimates per function

Indicative cost range estimates (USD) per function			Function 1 Programmatic Coordination & Progress Monitoring		Function 2 Sustainable Financing & Resource Mobilization		Function 3 Institutional and Policy Frameworks		Function 4 Support National Ocean Governance		Function 5 Knowledge Management and Data Sharing		Function 6 Outreach, awareness & stakeholder engagement		Function 7 Science-policy interfaces		Function 8 New Areas for Collaboration	
			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)	
Senior level technical staff (intl.) [1]	125000	200000	62500	100000			62500	100000										
Mid-level technical staff (intl.) [1]	90000	136000	45000	68000	90000	136000			45000	68000	45000	68000	45000	68000				
Entry level technical staff (intl.) [1]	44000	96000													22000	48000	22000	48000
Administrative staff (nat./regional) [2]	24000	60000	12000	30000	12000	30000												
Activity budgets			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 SOMEE Report (every 4 years) [3] - Function 1	500000	650000	125000	162500														
Communication materials (annually) - Function 1	10000	30000	10000	30000														
Maintenance of knowledge web portal (annually) - Function 5	10000	30000								10000	30000							
Regional stakeholder meeting (every 4 years) - Function 6	70000	125000										17500	62500					
Donor Roundtable (every 2 years) - Function 2	15000	50000			7500	25000												
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 of key documents into 1 language (meeting reports, concept notes and key internal and external communications etc.) (annually)	20000	40000	8000	16000	1000	2000	1000	2000	1000	2000			1000	2000	1000	2000	1000	2000
Translation of wider set of documents into 1 language (programmatic reports, articles, etc.) (annually)	20000	40000									20000	40000						

			Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)		Administrative Costs (annual)			
Administrative costs (annual for office and expenses) - estimates vary depending on the location of the Secretariat			20000	50000														
up to 3 Staff	20000	50000																
per additional staff	1500	5000			3000	5000			750	2500	750	2500	750	2500	750	2500		
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)			
per physical meeting for 2-3 days (meeting room rent, catering, technical support, participant travel and DSA)			Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)		Meeting Costs (annual)			
10-20 people (Executive Group) [4]	15000	50000	15000	50000														
10-30 people (Working Groups) [5]	15000	50000	15000	50000	15000	50000					15000	50000	15000	50000				
30-50 people (Steering Group) [6]	35000	125000	17500	62500														
Virtual meeting	1200	2000	1200	4000														
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)			
per person per trip of 2-3 days (transport and DSA) [8]	1000	3000	6000	18000	2000	6000	2000	6000	2000	6000	3000	9000	3000	9000	1000	3000		
			Total estimation		Total estimation		Total estimation		Total estimation		Total estimation		Total estimation		Total estimation			
			337.200	641.000	130.500	254.000	80.500	158.000	48.000	76.000	77.750	146.500	82.250	194.000	41.750	111.500	24.750	55.500

Note: Function 9 (Coordination with the GoM LME) implies no additional cost

[1] International (excluding post adjustments), estimate based on UN rates; floor salaries; post adjustment rates excluded; categories: D1-D2; P4 - P5; P1-P3; <https://icsc.un.org/resources/pdfs/sal/sabeng18.pdf>, p. 28

[2] Nationally or regionally hired

[3] Estimated based on the information provided by the PCU

[4] Estimate incl. participant travel, DSA, without simultaneous translation services and without costs for meeting room (meetings to be hosted by an institution), plus travel costs and DSA as [8]. Meeting to be held twice a year.

[5] Estimate incl. participant travel, DSA, without simultaneous translation services and without costs for meeting room (meetings to be hosted by an institution). Meeting frequency as required.

[6] Estimate incl. participant travel, DSA, simultaneous translation services and costs for meeting room. Meeting to be held every two years.

[7] Estimate based on PCU information.

[8] Estimate based on one regional return flight (economy class) and DSA for 1-2 nights.

Annex 5: Strategic financing opportunities for IGOs (status: 2019)

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 may be subject to change due to a strategic reorientation process. However, it has not been decided yet what arrangement will be put in place. According to a proposal, the estimated annual costs could be covered by member countries based on their respective volume of catch³⁹.

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 reorientation process could most probably present new resource mobilization opportunities since the new level of regional integration within the fisheries sector would most likely strengthen WECAFC's as well as OSPESCA's and CRFM's position. To evaluate the implications though, the specific legal arrangement needs to be decided upon first. If a new arrangement was established independently of FAO it could for example liaise with potential donors directly and possibly tap into new sources of income but at

³⁹ 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.

the same time an independent new body would first need to establish itself as a partner within the international community.⁴⁰

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 arrangement could take into account Blue Economy issues for the fisheries sector and would be 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 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

⁴⁰ FAO. 2018. Discussion paper.

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 Unit⁴¹ 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.

⁴¹ 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 WECAFC reorientation process 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 wider Caribbean region. 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 15 Dependence on tourism sector (WTTC, 2018a; WTTC, 2018b, WTTC, 2017).

	% of GDP	Direct employment	Direct visitor spending ⁴²
Brazil⁴³	10	Approx. 2.3 m jobs	USD 59.6 bn
Caribbean	15	13.8%	USD 31.4 bn

Table 16 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 17 Importance of fisheries sector (CDB, 2018; FAO, 2010; CARICOM, undated)

	People directly employed	People indirectly employed	People directly & indirectly dependent
wider Caribbean region			4,500,000

⁴² Brazil in 2017; Caribbean in 2016.

⁴³ 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 ⁴⁴		

Estimates of Benefits at stake

Estimates quantifying the benefits at stake in case the transboundary issues are not addressed are presented in Table 18. 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 ecosystems⁴⁵. 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 18 Selected economic benefits at stake ⁴⁶

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,

⁴⁴ The figure includes inland fisheries.

⁴⁵ 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).

⁴⁶ 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 catch⁴⁷. 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 41.⁴⁸ 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.⁴⁹

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

⁴⁷ We acknowledge that this value may be different if obtained from the region.

⁴⁸ 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.

⁴⁹ 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 assumed⁵⁰. 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 year⁵¹. 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.

⁵⁰ Minimum USD 460 for St. Lucia and USD 600 for Trinidad and Tobago.

⁵¹ This does not include the NBSLME.

Annex 7: Decisions from the CLME+ Project Steering Committee Meeting (June 2020)

Annex 8: Brief on the draft MoU

Annex 9: Brief on Hosting Arrangements

Annex 10: Draft Memorandum of Understanding (MoU)

See in separate files.