







FINANCING THE REGENERATIVE AND SUSTAINABLE BLUE ECONOMY IN WEST AFRICA

Needs, Instruments and Operational Levers for Financial Actors

A REGIONAL REFERENCE STUDY LED BY

BOAD

with the support of the

WEST AFRICA SUSTAINABLE OCEAN PROGRAMME
PILAR 2 - SUSTAINABLE BLUE ECONOMY

EXPERTISE FRANCE
GROUPE AFD

Global Gateway

Funded by the European Union

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The study is being published following the consultation and endorsement process conducted at the group's first meeting, held on 26 October 2026.

BOAD

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Finance in Common
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orraa
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WEST AFRICA SUSTAINABLE OCEAN PROGRAMME (WASOP)

The WASOP programme aims to promote the integrated and sustainable management of marine and coastal resources in West Africa while supporting inclusive and competitive economic growth. Aligned with the African Union's Agenda 2063 and the European Union's Ocean Pact, the programme promotes the sustainable blue economy as a driver of Africa's future. It adopts an integrated "Seascape Approach" built around 3 complementary pillars: (i) ocean governance, (ii) development of a sustainable blue economy, (iii) preservation of marine and coastal ecosystems. The WASOP programme, funded by the European Union under the Global Gateway strategy with a budget of €59 million, was launched in 2025 for a period of five years.

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ABBREVIATION LIST

ACR	American Carbon Registry
AFD	Agence Française de Développement (French Development Agency)
AfDB	African Development Bank
AU	African Union
BOAD	Banque Ouest Africaine de Développement (West African Development Bank)
C2D	Contrat de Désendettement et de Développement (Debt Reduction-Development Contract, AFD)
CAR	Climate Action Reserve
CIMA	Conférence Interafricaine des Marchés d'Assurances
COP31	31st Conference of the Parties to the UN Framework Convention on Climate Change
DFI	Development Finance Institution
EBID	ECOWAS Bank for Investment and Development
ECOWAS	Economic Community of West African States
EFSD+	European Fund for Sustainable Development Plus
EIB	European Investment Bank
ESG	Environmental, Social and Governance
ESMS	Environmental and Social Management System
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organization of the United Nations
FiCS	Finance in Common Summit
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
IDA	International Development Association (World Bank)
KPI	Key Performance Indicator
MFI	Microfinance Institution
MIGA	Multilateral Investment Guarantee Agency (World Bank)
MRV	Monitoring, Reporting and Verification
MSME	Micro, Small and Medium Enterprise
NDICI	Neighbourhood, Development and International Cooperation Instrument – Global Europe
ORRAA	Ocean Risk and Resilience Action Alliance
PPP	Public-Private Partnership
PROBLUE	World Bank multi-donor trust fund for sustainable marine and coastal resources
PROREFISH	Climate-resilient fisheries programme in The Gambia (GCF-funded)
SME	Small and Medium Enterprise
TA	Technical Assistance
UEMOA	Union Économique et Monétaire Ouest-Africaine (West African Economic and Monetary Union)
UNDP	United Nations Development Programme
UNEP FI	United Nations Environment Programme Finance Initiative
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
WASOP	West African Sustainable Ocean Programme
WEF	World Economic Forum
WTW	Willis Towers Watson
XOF	West African CFA franc (currency code)



EXECUTIVE SUMMARY

West Africa's blue economy underpins jobs, food security, trade and regional integration. This study covers coastal, marine, estuarine, riverine and inland water systems from Mauritania to Nigeria. Along the wider coast, from Mauritania to Gabon, coastal areas host about one third of the population and generate about 56% of GDP.[1]

These assets, from ports and fisheries to coastal tourism and ecosystems, face growing pressure from erosion, flooding, pollution and climate change. The financing challenge is twofold: to support value creation while protecting the natural systems on which that value depends. The priority is to finance blue economy activity that is sustainable, regenerative, resilient, inclusive and measurable.

KEY MESSAGES

Africa's adaptation finance needs: about USD 52.7 billion a year, or USD 579.2 billion over 2020-2030.[2]

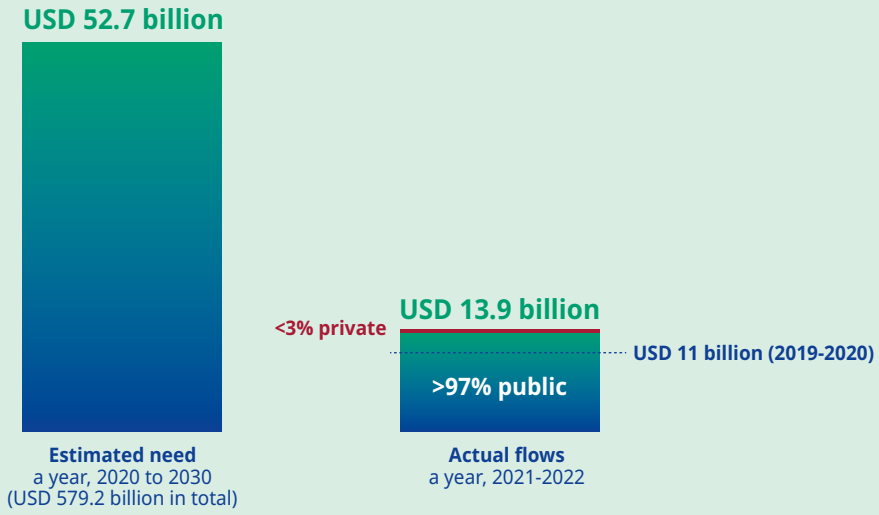
Adaptation finance flows to Africa: USD 11.4 billion a year in 2019-2020 and USD 13 billion in 2021-2022, less than 3% of it from private sources.[3]

Global sustainable ocean economy: USD 383 billion to USD 717 billion a year of additional finance needed, with a midpoint of USD 550 billion.[4]

Regional target: the West African regional group of the FiCS (Finance in Common Summit) Ocean Coalition aims to help raise about USD 12 billion of investment for coastal populations. This is a mobilisation target, not a measure of need.[5]

(1) World Bank, 2019. The Cost of Coastal Zone Degradation in West Africa: Benin, Côte d'Ivoire, Senegal and Togo. West Africa Coastal Areas Management Program, page 1, citing UEMOA, 2010, Regional Study for Shoreline Monitoring and Drawing up a Development Scheme for the West African Coastal Areas. The figure covers the coast from Mauritania to Gabon. https://documents1.worldbank.org/curated/en/822421552504665834/pdf/135269-Madji-49741-WACA-COED-Report-Web-March-13.pdf World Bank press releases on the WACA programme (April 2018 and December 2022) give 42% for coastal areas without citing a source. This study uses the sourced figure of 56% throughout.
(2) Global Center on Adaptation, 2022. Adaptation Finance Flows in Africa. https://gca.org/wp-content/uploads/2023/01/GCA_State-and-Trends-in-Adaptation-2022_Adaptation-Finance-Flows-in-Africa.pdf
(3) Global Center on Adaptation and Climate Policy Initiative, 2023. State and Trends in Climate Adaptation Finance 2023. https://www.climatepolicyinitiative.org/wp-content/uploads/2023/12/State-and-Trends-in-Climate-Adaptation-Finance-2023_.pdf
(4) Thiele, T., A. Pouponneau, A. Swift et al. 2025. "Ocean Finance for the Sustainable Ocean Economy." Working Paper. Washington, DC: World Resources Institute, commissioned by the High Level Panel for a Sustainable Ocean Economy, launched 6 June 2025. https://oceanpanel.org/publication/finance-for-the-sustainable-ocean-economy/.
(5) https://www.eeas.europa.eu/sites/default/files/2025/documents/WASOP_Ocean_Coalition_EN_web.pdf

ADAPTATION FINANCE IN AFRICA: NEEDS AGAINST FLOWS
USD billion a year, continental figures for Africa



Source: Global Center on Adaptation {2022), Adaptation Finance Flows in Africa. Bars drawn to scale from zero.

Finance exists, from public, concessional, commercial, climate, biodiversity and impact-oriented sources, but it reaches few blue projects. The study finds a mismatch between supply and demand on four counts: too few projects reach the level of preparation financiers require, few instruments are designed for the size and risk of blue projects, intermediation between sponsors and financiers is weak, and risk-sharing is limited. The barriers differ by actor. Projects lack feasibility studies, governance and impact monitoring. Banks lack sector knowledge, long maturities and risk tools. Public institutions face fragmented mandates. Small ticket sizes, informality, weak collateral and currency risk add to the difficulty.

The study identifies seven levers for the region's financial actors:

1. **Project preparation:** a regional mechanism for structuring, feasibility, financial engineering and impact monitoring, upstream of financing windows.

2. **Dedicated blue instruments:** blue windows and credit lines at BOAD (West African Development Bank), EBID (ECOWAS Bank for Investment and Development), national public development banks and selected commercial banks, with clear eligibility criteria.

3. **Guarantees and risk-sharing:** portfolio and partial credit guarantees, including through the European Fund for Sustainable Development Plus (EFSD+), to reduce perceived risk and improve lending terms.

4. **Blue bonds:** common frameworks, eligible portfolios, reporting systems and a shared blue finance nomenclature, so that BOAD and EBID can prepare issues.

5. **Blended finance and co-investment:** grants, technical assistance, concessional resources and private capital in sequence, with first-loss or subordinated tranches where needed.

6. **Commercial banks and investment funds:** structured dialogue and portfolio reviews first, then blue products for micro, small and medium-sized enterprises, such as credit lines, guarantees, leasing and working capital.

7. **Insurance and resilience:** parametric and resilience-linked products that protect public assets, businesses and communities from coastal and climate shocks.

The West African regional group of the FiCS Ocean Coalition, launched in Mindelo, Cabo Verde, in November 2025 under BOAD's leadership, with EBID as a strategic member and the West Africa Sustainable Ocean Programme (WASOP) as pilot partner, is the vehicle for these levers, and this study is its shared diagnostic. The conclusion proposes a regional blue finance architecture in three layers (shared standards and tools, a pipeline of prepared projects, and financing instruments) and a first step for each actor. The next phase should move from mapping to structuring: turning policy ambition into investable opportunities that can be replicated at scale.

PRIORITY LEVERS BY ACTOR TYPE

Possible next steps for each actor, as listed in Table 5

1 BOAD and EBID	2 National public development banks and national development funds	3 Philanthropies, foundations and catalytic capital providers	4 DFIs, Team Europe and other technical and financial partners (AfDB, World Bank, GCF, GEF,...)
▸ Explore a joint BOAD and EBID technical workstream on blue eligibility criteria and portfolio review ▸ Identify two to three pilot financing use cases ▸ Clarify the blue bond readiness pathway ▸ Prepare inputs for international ocean-climate finance discussions ▸ Test insurance requirements in blue lending covenants and a climate resilient debt clause in a pilot operation	▸ Identify two to three national public banks or CDCs to engage as observers or pilot partners ▸ Test use of a common blue project screening template ▸ Map existing national finance products that could be adapted to blue sectors	▸ Map catalytic funders active in West African coastal work ▸ Identify two to three preparation or first-loss needs where catalytic capital is the binding constraint	▸ Prepare a Team Europe and DFI engagement note around three to five concrete use cases, which could include blue MSME credit lines, portfolio guarantees, blue bond readiness, coastal resilience infrastructure and sustainable value chains
5 Insurers, reinsurers and brokers	**6 Commercial banks and MFIs**	**7 Private investors and funds**	**8 WASOP and the West African regional group of the FiCS Ocean Coalition**
▸ Confirm the regulatory treatment of index-based triggers under the CIMA code ▸ Scope one portfolio-level blue MSME product on an existing credit line ▸ Open a technical conversation with ARC on coastal flooding, erosion and business interruption in port and fisheries assets ▸ Test insurance requirements in blue lending covenants and a climateresilient debt clause in a pilot sovereign or municipal operation	▸ Engage selected regional commercial banks for the 2026 consultation ▸ Organise a bank-focused session on blue SME finance ▸ Identify one pilot portfolio guarantee or blue credit line concept ▸ Develop a simple bank-facing blue finance briefing note	▸ Build an investor engagement list and segment it by mandate ▸ Prepare a small number of curated project or portfolio concepts ▸ Organise targeted investor conversations around blue SMEs able to grow and blended finance opportunities	▸ Use the present study as the basis for future partner consultations ▸ Launch work on a shared blue finance nomenclature ▸ Organise a first portfolio review exercise ▸ Prepare UNFCCC COPs positioning ▸ Identify two to three pilot use cases and convert them into structured workstreams



1 INTRODUCTION AND REGIONAL FRAMING: FROM BLUE ECONOMY POTENTIAL TO REGIONAL BLUE FINANCE ARCHITECTURE

KEY MESSAGES

The blue economy underpins jobs, food security and trade along the coast.
BOAD, EBID and the regional group can anchor a regional finance architecture.
This study is the group's shared diagnostic.

A. WHY THE BLUE ECONOMY MATTERS FOR WEST AFRICA

The African Union's Africa Blue Economy Strategy, endorsed in 2019, is the continental reference. It describes the blue economy as the economic use of the resources of oceans, lakes, rivers and other bodies of water together with the conservation of aquatic ecosystems.[6]

West Africa's blue economy extends well beyond the marine space. The ECOWAS Blue Economy Strategic Framework, developed in 2022 and pending formal adoption, defines its Maritime Domain as reaching beyond the Atlantic to include islands, estuaries, lagoons, deltas, wetlands, creeks, coral reefs, mangroves, beaches and inland waterways such as lakes and rivers.[7] For this study, the regional perimeter runs from Mauritania to Nigeria, in line with WASOP coastal country coverage. It supports economic activity, food security, transport, energy, tourism, livelihoods and ecosystem services across the region.

The rationale for this breadth is set out explicitly in the ECOWAS framework: the Community comprises 12 coastal and island states with also substantial freshwater resources. Twelve major transboundary river basins support **around 192 million people**, with the Niger basin alone spanning eight ECOWAS-UEMOA member states and about 100 million inhabitants, and the Volta basin six member states and around 14 million people.

The broad definition is important because the blue economy is central to West Africa's development model. Along the wider West African coast, from Mauritania to Gabon, coastal areas host about one third of the population and generate about 56% of GDP.[8] In 2018, Africa's blue economy generated nearly USD 300 billion and supported 49 million jobs. By 2030, Africa's blue economy is estimated to grow to USD 405 billion, including USD 100 billion generated by coastal tourism.[9] Coastal areas concentrate the region's major assets, including ports, fisheries infrastructure, urban centres, tourism sites, wetlands, mangroves, oil and gas infrastructure and maritime trade corridors. The framework sets out this multidimensional role through nine thematic areas for regional action: governance and intersectoral coordination; fisheries and aquaculture; ports and shipping including inland waterways; coastal and inland water tourism; research, education, processing and marketing; blue energy; petroleum and aquatic mining; water and underused water resources; and ecosystem services, social and environmental constraints and climate change. **The blue economy is therefore not a narrow environmental agenda, but a development, integration and competitiveness agenda.**

(6) AU-IBAR. 2019. Africa Blue Economy Strategy. Nairobi: African Union Inter-African Bureau for Animal Resources, p. 1.
(7) ECOWAS Blue Economy Strategic Framework. 2022. Sloans Chimatiro & Amadou Tall. 23pp
(8) World Bank, WACA Program, 2019. "West Africa's Coast: Losing Over $3.8 Billion a Year to Erosion, Flooding and Pollution" https://www.worldbank.org/en/region/afr/publication/west-africas-coast-losing-over-38-billion-a-year-to-erosion-flooding-and-pollution
(9) World Bank, 2022. "Jobs and Livelihoods in the Blue Economy. Blue economy for resilient Africa program" https://thedocs.worldbank.org/en/doc/04de15fdd51a34d2bedbad19dfcfa96b-0320012022/original/Jobs-and-Livelihoods-in-the-Blue-Economy.pdf

The cost of coastal degradation from erosion, flooding and pollution was estimated at about

$3.8 billion

in 2017

At the same time, these water and ocean systems face rising climate and environmental pressures. Coastal erosion, flooding, sea-level rise, pollution, ecosystem degradation and overexploitation already affect livelihoods, public assets and productive sectors, and climate change will keep on exacerbating the pressures, particularly in coastal cities and areas, deltas and low-lying areas. In just four of the region's countries (Benin, Côte d'Ivoire, Senegal and Togo), the cost of coastal degradation from erosion, flooding and pollution was estimated at about USD 3.8 billion in 2017.[10] **This means financing the blue economy must serve two objectives at once: supporting economic value creation, and protecting and regenerating the natural systems on which that value depends.** When designed sustainably, blue investments generate ocean-climate and biodiversity co-benefits across adaptation, mitigation and conservation. When poorly designed, they can deepen ecosystem pressure and lock in climate vulnerability.

B. REGIONAL POLICY ANCHOR: ECOWAS, UEMOA AND THE TRANSITION TO A SUSTAINABLE BLUE ECONOMY

The transition to a sustainable and regenerative blue economy in West Africa is already anchored in regional policy. The ECOWAS Integrated Maritime Strategy, endorsed by the Heads of State and Government in 2014, recognised the ECOWAS Maritime Domain as a strategic space for the Community.[11] The ECOWAS Blue Economy Strategic Framework builds on it with a broader, more integrated approach to marine, coastal and inland water systems, aiming to make the blue economy contribute to the sustainable use of oceans, freshwater bodies and aquatic ecosystems for growth, jobs and improved livelihoods while safeguarding ecosystem health.[12]

The UEMOA (Union Économique et Monétaire Ouest-Africaine, West African Economic and Monetary Union) space is equally relevant for the finance agenda. UEMOA provides the economic and monetary integration framework for eight member countries, and BOAD acts as their common development finance institution. This is relevant because blue economy sectors such as ports, coastal resilience, fisheries value chains, waste and wastewater management, tourism and climate-related infrastructure depend on regional investment frameworks, financial intermediation and harmonised project preparation in addition to sector policy. ECOWAS provides the broad regional policy and integration frame, while UEMOA, BOAD and EBID offer a more concentrated institutional and financial entry point for structuring instruments, testing portfolio approaches and supporting pipelines across part of the region.

Three perimeters overlap in this study and should not be conflated.

(10) Croitoru L, Miranda JJ, Sarraf M. 2019. The Cost of Coastal Zone Degradation in West Africa: Benin, Côte d'Ivoire, Senegal and Togo. Washington (DC): World Bank Group.
(11) ECOWAS, Integrated Maritime Strategy, endorsed by the Forty-fourth Ordinary Summit of ECOWAS Heads of State and Government, Yamoussoukro, 28 to 29 March 2014; ECOWAS Blue Economy Strategic Framework, March 2022.
(12) ECOWAS Blue Economy Strategic Framework. 2022. Salons Chimiatre & Amadou Tall. 23pp

THREE PERIMETERS OVERLAP IN THIS STUDY

Which countries fall within the WASOP, ECOWAS and UEMOA perimeters

	WASOP programme	ECOWAS EBID	UEMOA BOAD
COASTAL AND ISLAND COUNTRIES			
Mauritania	✓		
Cabo Verde	✓	✓	
Senegal	✓	✓	✓
The Gambia	✓	✓	
Guinea-Bissau	✓	✓	✓
Guinea	✓	✓	
Sierra Leone	✓	✓	
Liberia	✓	✓	
Côte d'Ivoire	✓	✓	✓
Ghana	✓	✓	
Togo	✓	✓	✓
Benin	✓	✓	✓
Nigeria	✓	✓	
LANDLOCKED COUNTRIES			
Burkina Faso		✓*	✓
Mali		✓*	✓
Niger		✓*	✓
Total	**13**	**15***	**8**

** Burkina Faso, Mali and Niger: different ECOWAS status since January 2025.*

At the regional level, coastal management is increasingly organised through shared frameworks. The World Bank's West Africa Coastal Areas programme (WACA), started in 2018 and now spans 17 countries where it channels investment into coastal protection, mangrove restoration and pollution control.[13] Its second phase included a dedicated grant to UEMOA to coordinate regional organisations, manage shared environmental flows and achieve economies of scale across the coastline. This places UEMOA, alongside BOAD, at the centre of a regional coastal-resilience architecture that a blue finance strategy can build on.

(13) World Bank, 2019. World Bank's West Africa Coastal Areas programme (WACA). https://www.wacaprogram.org/

Regional frameworks also expose an implementation challenge. Many blue activities are still planned and financed through separate sectoral channels despite being connected through shared ecosystems, infrastructure, value chains and risks. Ports depend on hinterland connectivity and coastal resilience; fisheries and aquaculture on ecosystem health, cold chains and market access; tourism on coastal protection, water quality and waste management. Many of these systems are transboundary, which strengthens the case for regional coordination, common standards and shared financing approaches.

This study therefore treats the UEMOA and ECOWAS frameworks as a policy anchor, but focuses on the financing conditions for implementation. The strategic value of the blue economy is already recognised at regional level. The open question is how to move from policy priorities to financeable projects, and from isolated initiatives to a coherent regional blue finance architecture. The ECOWAS framework aligns with AU Agenda 2063, the Lomé Charter, the African Blue Economy Strategy, the ECOWAS Renewable Energy Policy, Climate Strategy and ECOWAS Vision 2050, allowing sustainable blue investments to be positioned as contributions to integration, climate resilience, food security and ecosystem protection, not just sectoral projects.

“The role of a regional financing architecture is to make that combination work better, by improving pipeline quality and aggregating investable products into a scalable pipeline, reducing risk, supporting co-financing and building a shared understanding.”

For financial actors the implication is practical. A sustainable blue economy cannot be financed through one instrument or one institution. It needs a combination of public development finance, commercial banking, concessional resources, guarantees, technical assistance, climate and biodiversity finance, and private investment. **The role of a regional financing architecture is to make that combination work more effectively by improving pipeline quality and aggregating investable products into a pipeline that can grow, reducing risk, supporting co-financing and building a shared understanding** of what qualifies as a sustainable blue economy investment in West Africa.

C. OCEAN-CLIMATE-BIODIVERSITY CO-BENEFITS AS THE FINANCE ENTRY POINT

The financing case for the blue economy is strongest when projects are positioned as climate, biodiversity and development investments in addition to being seen as sectoral investments. In West Africa this is critical because coastal and aquatic systems are directly tied to climate vulnerability, food security, trade, urban resilience and ecosystem health. Investments in these systems can generate multiple benefits at once, provided they are designed, financed and monitored against clear sustainability criteria.

There are also three co-benefits. Blue investments contribute to **adaptation** when they reduce exposure to coastal and hydrological risks. This includes investment in coastal protection, mangrove and wetland restoration, early warning systems and resilient ports. Improved water and waste management protect communities, productive assets and public infrastructure from erosion, flooding, salinisation and sea-level rise.

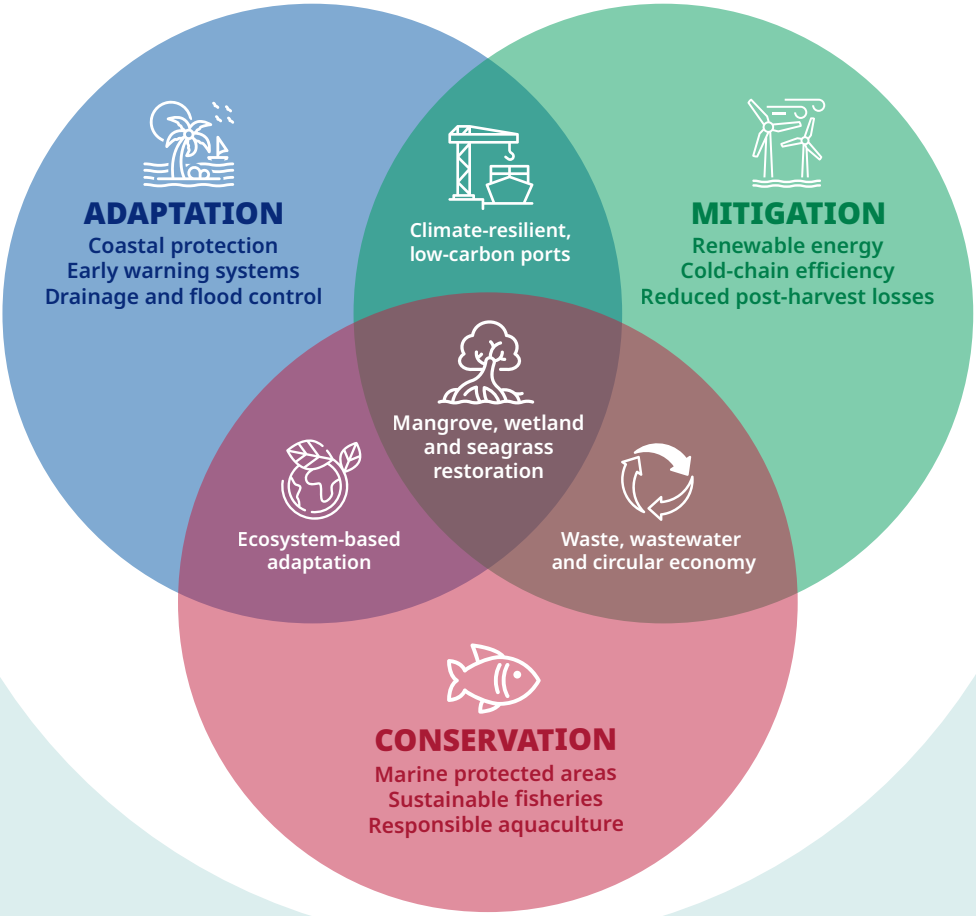
(14) UNFCCC, Ocean and Climate Change Dialogue 2024; World Bank, Blue Economy for Resilient Africa Program Overview, 2025.

These investments go beyond environmental measures and reduce fiscal risks, protect livelihoods and strengthen the resilience of local economies. They contribute to **mitigation** where they cut emissions or improve resource efficiency, through low-carbon ports, renewable energy, cold-chain efficiency, reduced post-harvest losses, circular economy solutions and, in some cases, blue carbon. And they **support biodiversity** when they ease pressure on ecosystems or restore degraded habitats through sustainable fisheries, responsible aquaculture, marine protected areas and ecosystem-based adaptation. For financial actors, biodiversity is a risk factor because ecosystem degradation can affect revenue, asset quality and project viability.

OCEAN-CLIMATE-BIODIVERSITY CO-BENEFITS

Investments in coastal and aquatic systems can generate multiple benefits at once

Provided they are designed, financed and monitored against clear sustainability criteria



Poorly designed, the same investments can increase pollution, habitat loss, emissions and social risk.
The distinction between blue and sustainable blue is therefore essential.

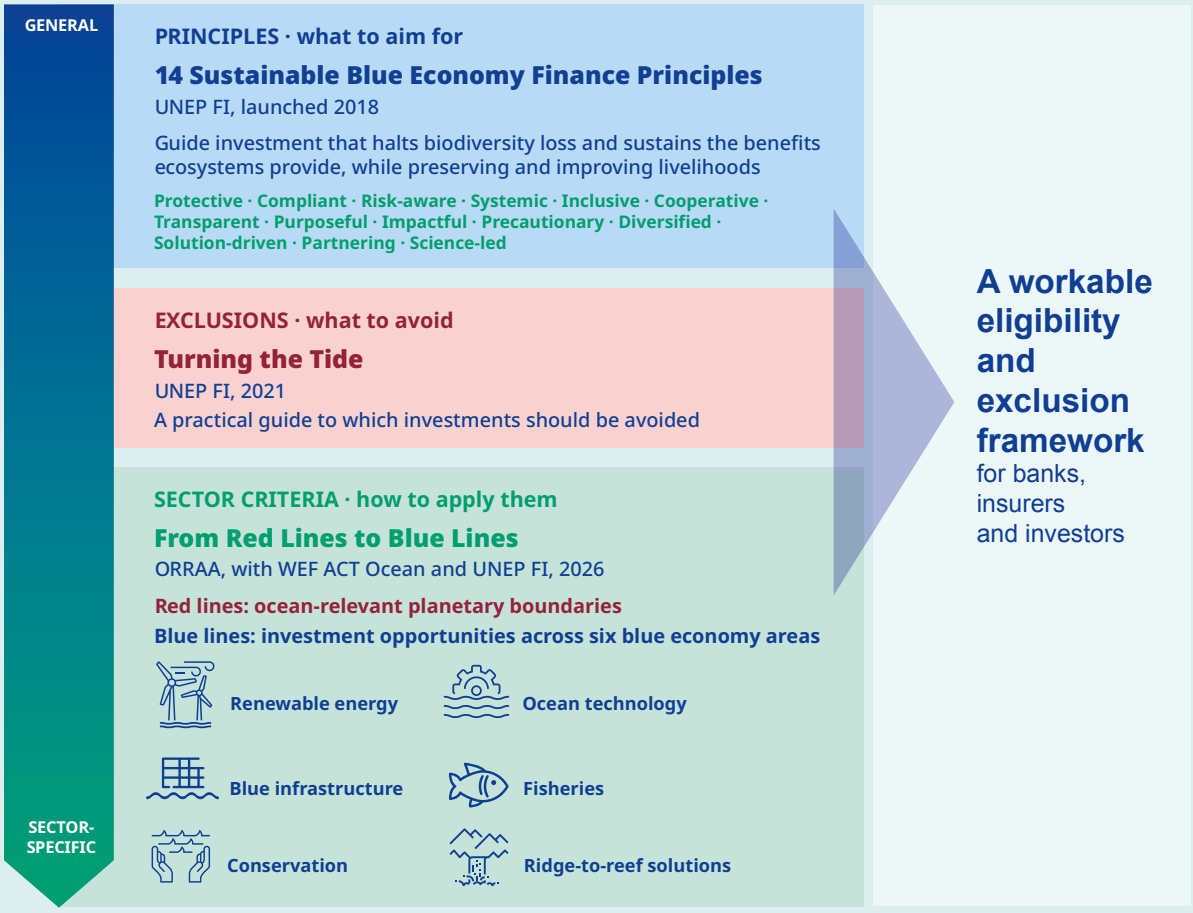
> **Blue investments do not automatically generate positive outcomes.**

This framing requires caution because **blue investments do not automatically generate positive outcomes**. Ports, tourism, aquaculture, energy, mining and coastal infrastructure can also increase pollution, habitat loss, emissions and social risk if poorly designed. The distinction between blue and sustainable blue is therefore essential, and a credible approach needs eligibility criteria, safeguards, impact indicators and reporting that demonstrate genuine contribution to adaptation, mitigation, biodiversity and inclusive development.[15] Treated this way, **ocean-climate-biodiversity co-benefits become a practical finance entry point**. They connect projects to climate finance, biodiversity finance, concessional resources, guarantees, insurance and private capital, and give a clearer basis for project selection, risk assessment and impact reporting. Realising this potential depends on intermediary capacity. Project developers, technical advisers, aggregators and public agencies are needed to translate co-benefits into credible, investable transactions. Where they work well, they leave behind local and national capability to structure the next deal without them.

In practice, a workable eligibility and exclusion framework does not need to be built from scratch. Banks, insurers and investors can adopt the 14 Sustainable Blue Economy Finance Principles, developed by the European Commission, WWF, the World Resources Institute and the European Investment Bank. The principles were launched in 2018 and are now hosted by UNEP FI. They guide investment in blue economy sectors, companies, projects and activities that halt biodiversity loss and sustain the benefits ecosystems provide, while preserving and improving livelihoods. Financial institutions also need to consider which investments should be avoided, and UNEP FI's Turning the Tide (2021) sets out a practical guide.[16] These resources can be paired with more granular, sector-specific documents. From Red Lines to Blue Lines: Redrawing How We Invest in a Regenerative Blue Economy, commissioned by ORRAA (Ocean Risk and Resilience Action Alliance) in collaboration with the World Economic Forum's ACT Ocean (Accelerating Critical Transformations (ACT) for the Ocean) and UNEP FI, sets out the ocean-relevant planetary boundaries, the red lines, then organises investment opportunities across six blue economy areas, the blue lines, which encompass renewable energy, ocean technology, blue infrastructure, fisheries, conservation and ridge-to-reef solutions.[17] It offers a practical illustration of how positive criteria can be structured by sector.

(15) UNEP FI, Sustainable Blue Economy Finance Principles https://www.unepfi.org/blue-finance/the-principles/
(16) https://www.unepfi.org/publications/turning-the-tide/
(17) https://oceanriskalliance.org/resource/from-red-lines-to-blue-lines/

AN ELIGIBILITY FRAMEWORK DOES NOT NEED TO BE BUILT FROM SCRATCH
Three existing references that banks, insurers and investors can adopt and combine



D. BOAD'S STRATEGIC POSITIONING

BOAD is already a reference institution for sustainable and climate finance in West Africa, and it is on this basis that it anchors the emerging regional blue finance architecture. As the common development finance institution of the UEMOA member states, its mandate to promote balanced development and economic integration through the financing of priority projects aligns with the blue economy's combination of integration, infrastructure, food security, climate resilience and sustainable resource management. Its UEMOA anchoring also gives BOAD a regional space in which instruments, eligibility criteria and portfolio approaches can be tested before being connected to the policy priorities set by the ECOWAS Commission. Its ambition is to extend its standing to blue finance, and the West African regional group of the FiCS Ocean Coalition, which it leads, is the principal vehicle for doing so.

Two features stand out. **First**, capacity and climate finance ambition. The 2021-2025 Djoliba Strategic Plan positioned BOAD as a reference bank for sustainable impact and introduced an operating logic, stronger origination, structuring, financing, monitoring and distribution, that speaks directly to the blue economy's core bottleneck, which is project preparation as much as it is access to capital.[18] The new 2026-2030 cycle, 'Djoliba... The Next Step,' launched in March 2026, nearly doubles the ambition with a XOF 6.5 trillion financing target, XOF 2.65 trillion in loans, a XOF 1.1 trillion securitisation programme and a move toward a BOAD Group structure, strengthening its capacity to mobilise long-term resources and use market and thematic instruments.[19] BOAD already has a track record on thematic markets. In January 2021 it issued a EUR 750 million sustainability bond maturing in 2033, which it presented as the first on the African continent and which drew more than 260 investors, and in August 2024 a EUR 100 million green hybrid bond for climate mitigation, subscribed by the Italian Climate Fund.[20] The plan relies on a dedicated project preparation instrument, the Climate Studies Fund (Fonds d'Étude Climat), which helps member states to prepare bankable, climate-aligned projects and improve pipeline quality, and whose remit is intended to extend to blue economy projects. **Second**, there is climate finance standing. BOAD is accredited to the Green Climate Fund, the Adaptation Fund and the Global Environment Facility, which also gives it access to the Fund for responding to Loss and Damage: that Fund does not accredit entities, and since its Barbados Implementation Modalities were approved in October 2025 it works through entities already accredited to these three funds.[21] In November 2024, BOAD also benefited from a EUR 506 million MIGA (Multilateral Investment Guarantee Agency, World Bank) guarantee covering Société Générale and HSBC loans against non-honouring of financial obligation, over a tenor of up to 15 years, in support of sustainable and climate lending across its eight member countries, with 50% of the proceeds earmarked for eligible climate finance, 30% of which for adaptation.[22]

BOX 1. BOAD'S CLIMATE STUDIES FUND

The Climate Study Fund finances upstream feasibility, technical, environmental and financial analysis, safeguards and impact indicators for climate-aligned projects, and its remit is intended to extend to blue economy operations. It aims to improve the quality of the project pipeline presented to financiers, including in coastal resilience, marine ecosystems and ocean-related economic activities, where preparation gaps are particularly acute; but also to structure blending and concessional finance. The Climate Studies Fund is available for both public and private projects, and can grant concessional loans to the private sector to fund preparation studies. Box 5 shows the leverage that well-targeted preparation finance can achieve.

(18) BOAD, 2020. Djoliba Strategic Plan 2021-2025, 24pp.
(19) BOAD, 2025. "Djoliba... la suite", 76pp
(20) BOAD, "BOAD successfully completes the first sustainability bond issue on the African continent", 22 January 2021; BOAD, "100 million to the West African Development Bank (BOAD): the Italian Climate Fund subscribes the first-ever hybrid bond for climate change mitigation issued by a multilateral bank", August 2024. https://www.boad.org
(21) Fund for responding to Loss and Damage. Barbados Implementation Modalities, approved at the seventh meeting of the Board, Manila, 7 to 9 October 2025. The start-up phase works through direct budget support and through entities accredited to the Green Climate Fund, the Adaptation Fund or the Global Environment Facility.
(22) MIGA, 25 November 2024. «MIGA and BOAD to Expand Climate Finance in West Africa». Guarantee contract signed 21 November 2024. https://www.miga.org/press-release/miga-and-boad-expand-climate-finance-west-africa

E. EBID'S COMPLEMENTARY POSITION

ECOWAS acts through two distinct bodies. The ECOWAS Commission sets regional policy and strategy, including the Blue Economy Strategic Framework, and coordinates with member states; EBID, the Community's investment bank, provides the financial instruments. EBID is the financial arm of ECOWAS, which gives it a reach that extends beyond the UEMOA perimeter, including Nigeria and Ghana (see section 1B on membership since January 2025). Its mandate covers private sector development, economic growth and job creation across the Community, making it the natural counterpart for connecting instruments tested at UEMOA level to ECOWAS-wide priorities. Two features are relevant here. First, climate finance access. EBID was accredited to the Green Climate Fund in early 2025, giving it direct access to a major source of concessional climate finance for the ECOWAS region.[23] Second, market instruments. EBID has developed an ESG financing framework and in July 2024 raised XOF 70 billion, about USD 116 million, through the GSS BIDC-EBID 6.50% 2024-2031 issue. It was the first green, social and sustainability bond placed by public offering on the UEMOA regional market and certified by ISS Corporate Solutions, alongside a EUR 100 million credit agreement with the European Investment Bank.[24] An active member of the FiCS Ocean Coalition since June 2025,[25] EBID brings a capital-market track record and an ECOWAS-wide mandate to the regional architecture that together extend the reach of instruments designed within the UEMOA space.

F. THE FICS OCEAN COALITION AND ITS WEST AFRICAN REGIONAL GROUP

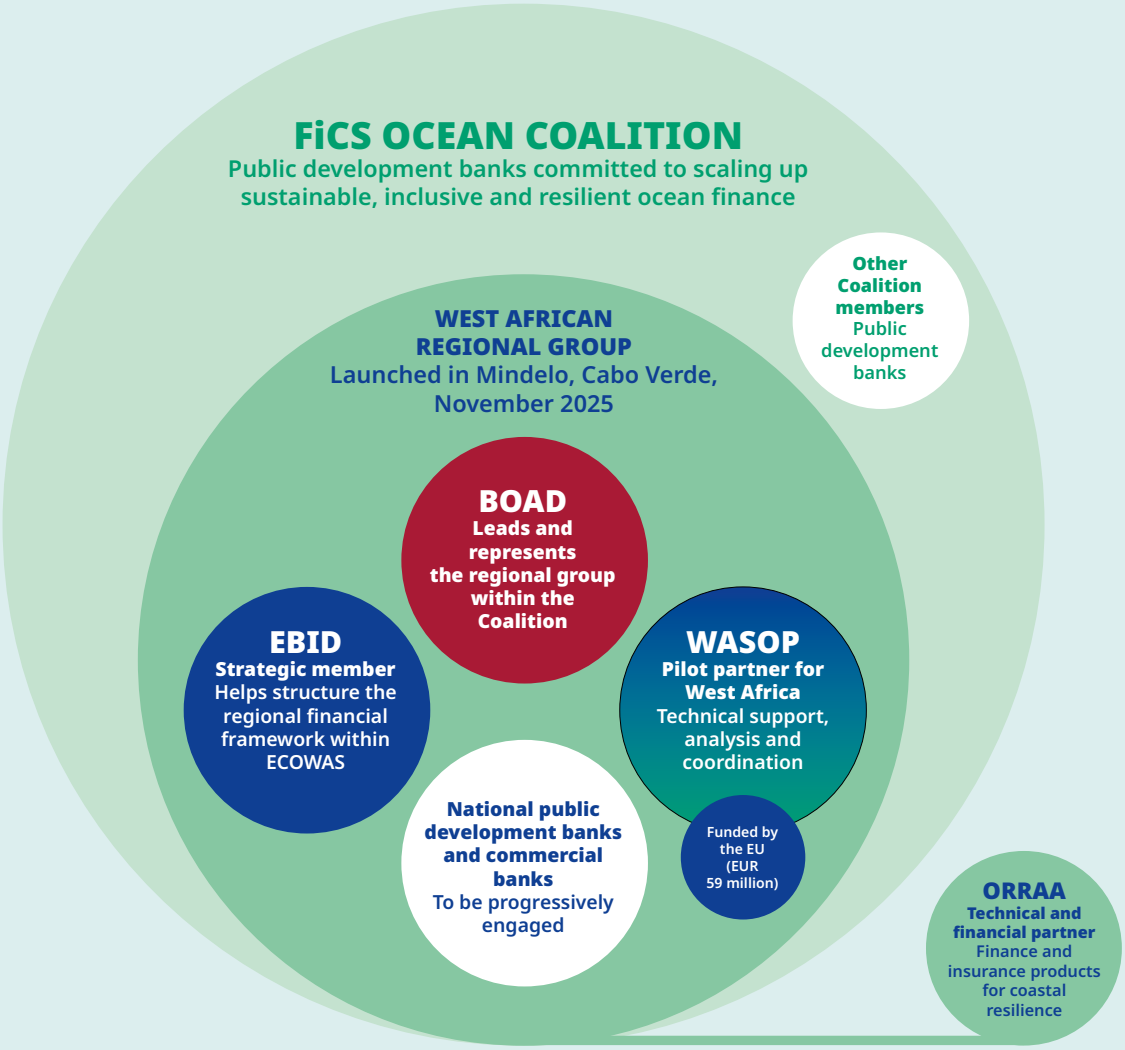
Finance in Common (FiCS) brings together public development banks and their partners around the role of development finance in sustainable development. Within this, the FiCS Ocean Coalition is a group of public development banks committed to scaling up sustainable, inclusive and resilient ocean finance by mobilising public resources, leveraging private finance, deploying instruments such as concessional loans, guarantees, equity, grants and technical assistance, and converging around shared standards.

The West African regional group was launched in Mindelo, Cabo Verde, in November 2025 during the WASOP launch workshop. BOAD leads and represents it within the Coalition, with WASOP as pilot partner for West Africa and EBID as a strategic member helping to structure the regional financial framework within ECOWAS. The group's objectives are operational, from harmonising regional practices with international standards on taxonomy, ESG criteria and common tools, to accelerating financing for high-impact blue projects, deploying instruments adapted to the blue economy, and promoting public-private partnerships. The regional group works through three pillars that this study is built to serve, including an expanded community (shared frameworks, tools and a collective voice), concrete cases (designing new instruments) and financial interfaces (structuring dialogue between banks, reviewing portfolios and identifying co-financing).

(23) Green Climate Fund, accredited entities: ECOWAS Bank for Investment and Development (EBID). https://www.greenclimate.fund/partners/accredited-entities/ebid
(24) EBID, "GSS BIDC-EBID 6.50% 2024-2031". XOF 70 billion (about USD 116 million), coupon 6.50%, seven-year maturity with two-year grace. Public offering 15 to 19 July 2024, closed early; value date 29 July 2024; admitted to the BRVM bond compartment on 31 October 2024 under the symbol BIDC.08. Certified by ISS Corporate Solutions. Arranged by Impaxis, with Coris Bourse and EDC Investment Corporation. Third and final tranche of EBID's XOF 240 billion financing programme adopted in February 2023. Financial Afrik, 31 October 2024, "BRVM : l'emprunt obligataire « GSS BIDC-EBID 6,50% 2024-2031 » désormais admis à la cote". https://www.financialafrik.com/2024/10/31/brvm-lemprunt-obligataire-gss-bidc-ebid-650-2024-2031-desormais-admis-a-la-cote/ Agence Ecofin, 31 October 2024, "BRVM : la BIDC signe la première cotation de son emprunt obligataire vert". https://www.agenceecofin.com/actualites-finance/3110-123046-brvm-la-bidc-signe-la-premiere-cotation-de-son-emprunt-obligataire-vert Orishas Finance, «Emprunt obligataire : sur la BRVM, la 1ère cotation de la BIDC fixée au 31 octobre 2024». https://orishas-finance.com/actualite/emprunt-obligataire-sur-la-brvm-la-1ere-cotation-de-la-bidc-fixee-au-31-octobre-2024-c45d55ee
(25) Expertise France, 2026. «Groupe ouest-africain de la Coalition Océan du FiCS». https://expertisefrance.fr/sites/expertise/files/2026-05/groupe-ouest-africain-de-la-coalition-ocean-du-fics.pdf

The regional group has also set a headline ambition. It wants to help raise **around USD 12 billion of investment benefiting coastal populations in West Africa**.[26] This is best read as a mobilisation target, not an estimate of need. Set against a global sustainable ocean economy financing need estimated at a midpoint of USD 550 billion a year (range USD 383-717 billion), it is deliberately modest, a signal of intent to move from isolated projects toward investment at regional scale. The target is not so much about the exact figure, but rather about what the milestones of reaching it would entail. It would mean there was a pipeline of prepared, bankable projects, dedicated instruments, risk-sharing and co-financing, and the shared standards the group exists to build.

WHO DOES WHAT IN THE REGIONAL BLUE FINANCE ARCHITECTURE
WASOP, BOAD, EBID and the FiCS Ocean Coalition



(26) https://www.eeas.europa.eu/sites/default/files/2025/documents/WASOP_Ocean_Coalition_EN_web.pdf

BOX 2. WASOP, BOAD, EBID AND THE FICS OCEAN COALITION: WHO DOES WHAT?

Actor	Role in the regional blue finance architecture
FiCS Ocean Coalition	Provides the global cooperation framework for public development banks committed to increasing the quantity and quality of sustainable ocean finance. It supports convergence around sustainable ocean finance standards, knowledge sharing, financial tools and cooperation between public development banks.
BOAD	Leads and represents the West African regional group within the FiCS Ocean Coalition. BOAD acts as the regional financial anchor, with a mandate linked to balanced development, regional integration, climate resilience and sustainable investment in West Africa.
EBID	Acts as a strategic regional member, bringing an ECOWAS-wide development finance perspective and supporting the structuring of a regional blue finance framework across West Africa.
ECOWAS Commission	Co-chairs WASOP. Sets the regional blue economy policy framework and relays it to member states.
WASOP	Acts as the pilot partner of the FiCS Ocean Coalition for West Africa. WASOP provides technical support, analytical inputs and coordination support to help translate the regional blue finance agenda into practical tools, consultations and operational workstreams.
National public development banks and commercial banks	Are expected to be progressively engaged to support project origination, financing, risk-sharing, portfolio review and the development of practical blue finance products for public and private actors.

G. OBJECTIVE AND SCOPE OF THIS PUBLICATION

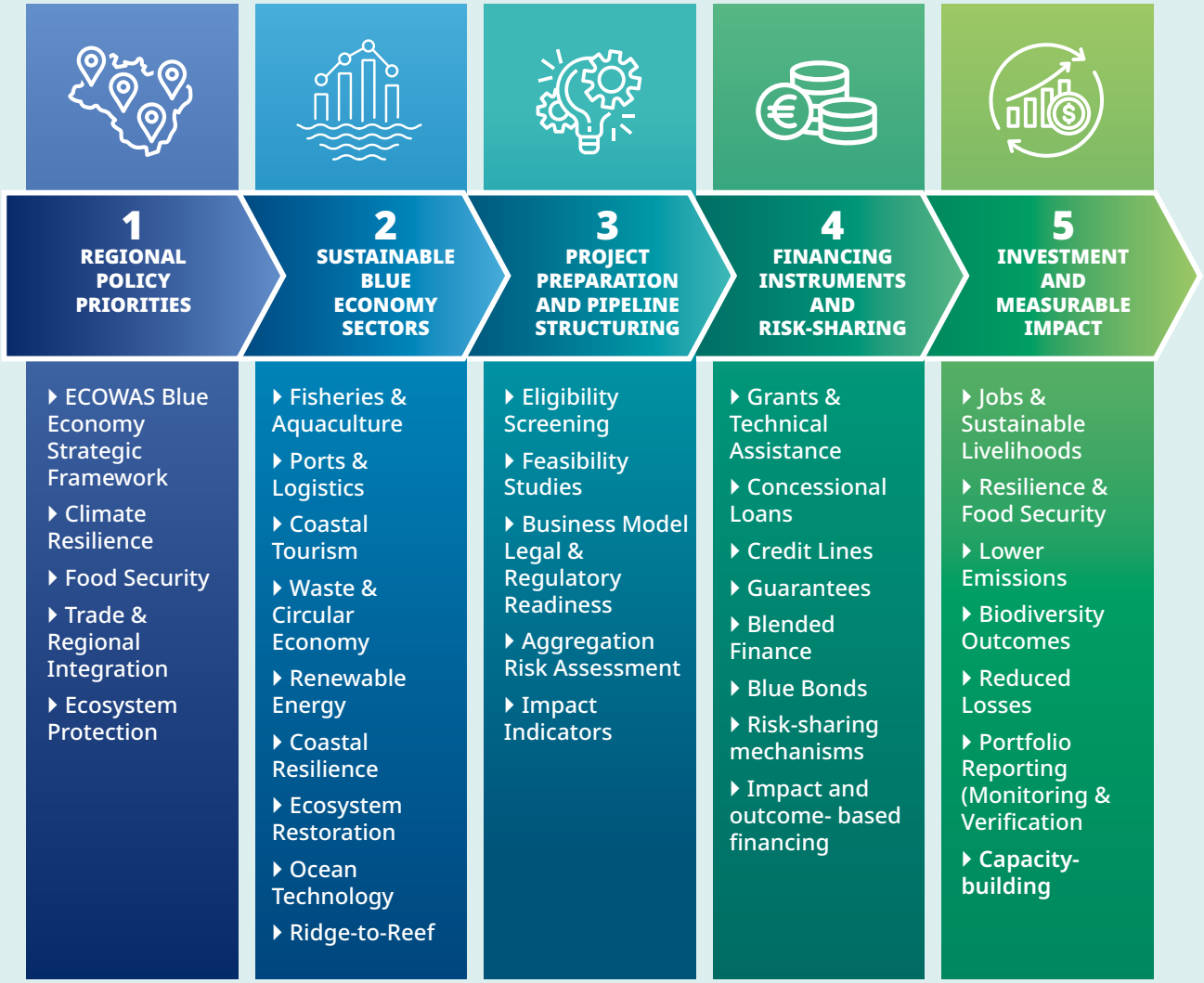
This publication builds on the analytical work carried out under WASOP and adapted to the operational priorities of the West African regional group of the FiCS Ocean Coalition. It is addressed to the group's members and future members, to other Coalition members, and to the financial actors active in the region, whether national, regional or international, including the AfDB and technical and financial partners, such as the Ocean Risk and Resilience Action Alliance (ORRAA). Its purpose is to give them a shared understanding of where financing needs concentrate, why many blue projects struggle to access finance, and which instruments and coordination mechanisms can close the gap. The goal of this shared understanding is, in time, to foster future strategic partnerships among regional finance actors in favour of a sustainable and regenerative blue economy.

It pursues five objectives, each developed in a dedicated section: (1) synthesising financing needs by sector and actor; (2) identifying the main barriers to finance; (3) setting out the economic case for investing; (4) analysing the mechanisms that can be mobilised, from grants and guarantees to blended finance and thematic bonds; and (5) proposing operational levers by type of financial actor. Together, they provide a basis for future partner dialogue and for positioning West Africa for ocean-climate finance ahead of COP31, and other strategic international conferences to come.

Its added value is to connect these elements into a single operational agenda rather than treating them separately. The central question goes beyond what needs financing and investigates how blue economy priorities become credible pipelines, appropriate financing structures and co-financing opportunities, and where and how finance actors can work together.

FROM REGIONAL POLICY PRIORITIES TO FINANCEABLE BLUE PROJECTS

This study focuses on the transition between steps 3 and 4: how regional blue economy priorities can be translated into prepared project pipelines, appropriate financial instruments and measurable impact.





2

FINANCING NEEDS BY SECTOR AND ACTOR

KEY MESSAGES

Needs are large and uneven across sectors and actors.
Project preparation, data and capacity recur in every sector.
Each actor needs a different financial product.

The financing need for Africa's blue economy is large and also uneven. At a continental level, African countries face an estimated adaptation finance need of USD 579.2 billion through to 2030, or around USD 52.7 billion per year.[27] For West African coastal countries, this need is directly linked to coastal resilience, nature-based solutions, climate-smart fisheries and aquaculture, resilient ports, and protection of coastal infrastructure.

More specific estimates for the sustainable blue economy show the same trend. Africa and the Middle East are estimated to need about USD 70 billion a year to 2030 to shift the blue economy onto a sustainable pathway.[28] At the sector level, aquaculture alone faces an estimated **USD 12 billion annual investment shortfall across Africa.[29] This is a separate figure from the USD 12 billion that the West African group of the FiCS Ocean Coalition aims to mobilise.**

The numbers are useful for showing the size of the challenge, but they do not explain what type of finance is needed, by whom, and for what purpose. A port upgrade, a mangrove restoration project, a fish-processing cooperative and a coastal tourism SME do not face the same financing problem. They differ in ticket size, revenue profile, risk, maturity, collateral, technical capacity and public-good value.

A. FINANCING NEEDS BY BLUE ECONOMY SECTOR

Blue economy sectors differ markedly in their investment profiles. Some, such as ports, wastewater systems and coastal protection, need large public or PPP infrastructure. Others need smaller private, value-chain or cooperative finance, particularly in fisheries, aquaculture, tourism and local services. Some generate public good or resilience benefits, which are hard to monetise, and require grants, concessional or blended finance, while others have clearer revenue models, but need preparation, feasibility studies, permits and safeguards before they can absorb investment.

Table 1 summarises these needs by sector. It is deliberately qualitative. Rather than attaching a headline figure to each sector, it characterises the nature of the demand, the actors concerned, the likely finance mix, the climate and biodiversity co-benefits, and the issues that affect bankability. It is done this way because aggregate and sector-level estimates of blue economy financing needs vary widely depending on perimeter, methodology and timeframe, and are not robust enough to publish as precise regional figures. Where specific estimates are used in this study, they are sourced and, where they rely on extrapolation, the method is noted.

Across all of them, project preparation is the common precondition before financing can be mobilised at scale.

(27) GCA, 2022. Adaptation Finance Flows in Africa. https://gca.org/wp-content/uploads/2023/01/GCA_State-and-Trends-in-Adaptation-2022_Adaptation-Finance-Flows-in-Africa.pdf
(28) ORRAA. 2025. Scaling Investment for Africa's Sustainable Blue Economy. https://oceanriskalliance.org/opinions/scaling-investment-for-africas-sustainable-blue-economy/
(29) World Economic Forum. 2025. Why Africa's growing aquaculture sector is worth investing in. https://www.weforum.org/stories/food-water-air/africa-growing-aquaculture-sector-worthy-investment/

B. FINANCING NEEDS BY ACTOR TYPE

Financing needs in the sustainable blue economy are not only sector specific. The same sector may require different financing tools depending on the actor involved. A municipality seeking to reduce coastal flooding does not need the same financial product as an aquaculture SME, a national ministry, a commercial bank, a port authority or a regional development bank. This actor-based view helps to clarify why financing gaps persist even where capital exists, and it sets the scene for the analysis of barriers in section 3 and operational levers in section 6.

Table 2 summarises the main financing needs by type of actor. It highlights what each actor typically needs financing for, the nature of the finance gap, the instruments most likely to be relevant, and how the West African regional group of the FiCS Ocean Coalition can support action.

TABLE 1. FINANCING NEEDS BY BLUE ECONOMY SECTOR

Sector	Main investment needs	Main actors	Likely finance mix	Climate and biodiversity co-benefits	Main bankability issues
Fisheries and aqua-culture	Landing sites, cold chains, processing units, storage, traceability systems, sustainable fishing equipment, aquaculture ponds, hatcheries, feed systems, disease control, safety at sea, cooperative infrastructure	Fisheries agencies, cooperatives, SMEs, processors, women's groups, aquaculture producers, local authorities, financial institutions	Grants and TA for organisation and standards; concessional loans and credit lines for equipment; working capital; leasing; guarantees for SMEs and cooperatives	Reduced post-harvest losses; improved food security; lower emissions through efficient cold and local chains; reduced pressure on wild stocks where aquaculture is sustainable; improved resource management	Informality, weak collateral, small ticket sizes, limited financial records, weak data on stocks and production, limited insurance, uncertain revenue models, environmental risks if aquaculture is poorly managed Overfishing, disease transmission, invasive species, unsustainable feed and poor management have been identified as bankability issues because they undermine both planetary boundaries and the long-term resilience of fisheries and aquaculture[30]

(30) From Red Lines to Blue Lines, redrawing how we invest in a Regenerative Blue Economy, June 2026 by ORRAA, in collaboration with WEF and UNEP FI

Sector	Main investment needs	Main actors	Likely finance mix	Climate and biodiversity co-benefits	Main bankability issues
Ports, logistics and maritime transport	Port modernisation, climate-resilient port infrastructure, dry ports, multimodal platforms, hinterland corridors, digital systems, safety and security, low-carbon equipment, waste reception facilities	Port authorities, ministries, logistics operators, private concessionaires, AGL and other operators, customs agencies, development banks, PPP units	Sovereign and non-sovereign loans; PPPs; project finance; guarantees; concessional climate finance for resilience and decarbonisation components; private operator investment	Lower logistics emissions; improved trade efficiency; reduced pollution; better waste handling; increased resilience of strategic infrastructure to flooding and sea-level rise	High capital intensity, complex PPP structures, tariff and concession risks, land and permitting issues, climate-risk exposure, dependence on hinterland connectivity, need for strong feasibility and traffic studies Increasing transition risks linked to stricter decarbonisation standards alongside physical risk exposure to extreme weather
Coastal and inland tourism	Climate-resilient accommodation, eco-tourism infrastructure, coastal protection around tourism assets, wastewater and waste management, energy efficiency, certification, SME upgrading, destination planning	Tourism ministries, municipalities, hotel operators, SMEs, community enterprises, investors, local banks, protected area managers	Commercial loans for established operators; guarantees and credit lines for SMEs; grants and concessional finance for public good; blended finance for eco-tourism and community models	Adaptation of coastal assets; reduced pollution; improved water quality; support for biodiversity-based tourism; economic diversification; job creation in coastal areas; lower emissions through energy and water efficiency	Seasonality, climate exposure, weak municipal services, fragmented SMEs, limited collateral, land tenure issues, weak destination planning, difficulty monetising ecosystem benefits Ecosystem degradation directly affects the economic viability of tourism assets
Marine renewable energy and energy services	Offshore and coastal wind feasibility, solar and hybrid systems for ports and coastal facilities, mini-grids for coastal communities, energy efficiency, cold-chain energy systems, clean energy for tourism and aquaculture	Energy ministries, utilities, IPPs, port authorities, SMEs, tourism operators, development banks, private investors	Project preparation grants; concessional and commercial debt; PPPs; guarantees; climate finance; private equity for service models able to grow	Reduced emissions; improved energy access; lower operating costs for cold chains and coastal services; resilience of productive sectors through reliable power	Early-stage project maturity, grid integration, tariff risk, offtake risk, high upfront costs, limited resource assessments, regulatory uncertainty

Sector	Main investment needs	Main actors	Likely finance mix	Climate and biodiversity co-benefits	Main bankability issues
Waste, waste-water and circular economy	Solid waste systems, plastic collection and recycling, wastewater treatment, port waste reception, circular economy SMEs, composting, waste-to-energy where viable, pollution reduction in coastal cities	Municipalities, utilities, waste operators, SMEs, port authorities, tourism operators, environmental agencies, local banks	Grants and concessional loans for public infrastructure; PPPs and service contracts; SME credit lines; guarantees; results-based finance where measurable outcomes exist	Reduced marine pollution; improved water quality; lower methane emissions where waste systems improve; healthier coastal ecosystems; economic diversification; reduced pressure on tourism and fisheries assets	Weak municipal revenue, tariff collection challenges, informal waste markets, limited cost recovery, fragmented operators, uncertain feedstock supply, weak enforcement
Coastal resilience and resilient cities	Coastal protection, drainage, flood control, erosion management, early warning systems, mangrove restoration, nature-based solutions, resilient roads and urban services, relocation planning where needed	Municipalities, public works agencies, environment ministries, disaster risk agencies, communities, utilities, development banks, insurers	Public finance; concessional loans; adaptation grants; climate funds; resilience bonds where appropriate; insurance and risk-transfer mechanisms; PPPs for selected assets	Adaptation to flooding, erosion, sea-level rise and rising temperatures; avoided losses; protection of public and private assets; habitat restoration; improved urban resilience	Benefits are often indirect or distributed, limited municipal borrowing capacity, weak project preparation, complex land issues, difficulty measuring avoided losses, need for long-term maintenance
Coastal and marine ecosystems	Mangrove, wetland and seagrass restoration, MPAs, fisheries refugia, habitat monitoring, community stewardship, enforcement, biodiversity management, ecosystem-based adaptation	Environment ministries, protected area agencies, communities, NGOs, research institutions, local authorities, climate and biodiversity finance providers	Grants; concessional finance; climate and biodiversity funds; payment for ecosystem services where credible; carbon- or nature-linked revenue only where integrity conditions are met	Biodiversity protection; carbon storage in some habitats; coastal protection; nursery habitat for fisheries; water quality; livelihood resilience and job creation in tourism, restoration, and stewardship activities	Limited direct revenue, uncertain long-term financing, land and tenure issues, MRV requirements, benefit-sharing complexity, need for credible governance and safeguards, high upfront project development and restoration costs and long-term horizons for returns, small or fragmented transaction sizes

Sector	Main investment needs	Main actors	Likely finance mix	Climate and biodiversity co-benefits	Main bankability issues
Marine bioresources and value addition	Marine biotechnology, seaweed and algae value chains, fish by-product valorisation, nutraceuticals, cosmetics, feed ingredients, bio-based materials, processing and certification	SMEs, research centres, universities, processors, investors, incubators, development banks, export agencies	Grants and TA for research and pilots; seed and venture capital for early-stage firms; concessional loans or credit lines for processing; guarantees for scale-up	Higher value from existing resources; reduced waste; potential lower-carbon materials; new jobs; possible ecosystem benefits if sourcing is sustainable	Early-stage technology risk, uncertain markets, regulatory approvals, quality standards, weak R&D finance, lack of patient capital, sustainability of sourcing
Data, monitoring and governance systems	Ocean and coastal data systems, fisheries monitoring, vessel tracking, climate-risk data, MRV systems, impact reporting, blue nomenclature tools, project screening platforms, institutional coordination	Public agencies, regional organisations, research institutions, financial institutions, BOAD, EBID, national banks, technical partners	Grants and TA; regional public finance; donor support; digital infrastruc-ture finance; shared plat-forms fund-ed through regional programmes	Better resource management and governance; improved climate-risk assessment; stronger impact measurement; reduced illegal fishing; improved allocation of finance	No direct revenue model, fragmented data ownership, weak institutional capacity, interoperability issues, recurrent operating costs, need for regional coordination

Orders of magnitude from the cases in this study: the Kounki fisheries and aquaculture project in Guinea, about USD 128 million plus EUR 4 million, and the USD 25 million PROREFISH programme in The Gambia (Box 3); WACA+ phase 1, USD 240 million (section 5D); the Omi Eko waterways package in Lagos, with a EUR 170 million EIB loan, a EUR 130 million AFD loan and a EUR 60 million EU grant (Box 7); and the Maio and Palmeira ports in Cabo Verde, about EUR 36.7 million (Box 9).

TABLE 2. FINANCING NEEDS BY ACTOR TYPE

Actor type	What they need financing for	Typical finance gap	Most relevant instruments	Link to regional group action
National public institutions and sector ministries	Sector strategies, policy implementation, fisheries governance, coastal planning, marine spatial planning, monitoring systems, safeguards, project preparation and public investment programmes	Limited budget space, fragmented mandates, weak project preparation capacity, insufficient coordination between sector priorities and financing instruments	Public budgets, grants, technical assistance, concessional loans, climate and biodiversity finance, project preparation facilities	Support common eligibility criteria, shared project screening, links with BOAD, EBID, DFIs and climate finance providers
Local authorities and coastal municipalities	Drainage, waste management, wastewater, coastal protection, resilient urban services, local infrastructure, beach management, local economic development and community resilience	Weak own-source revenue, limited borrowing capacity, weak technical capacity, difficulty monetising resilience and public-good benefits	Grants, concessional loans, municipal finance mechanisms, PPPs for selected services, guarantees, insurance, technical assistance	Identify municipal needs suitable for regional support, connect cities with preparation support, promote resilience and adaptation financing models
Public agencies and infrastructure operators	Ports, landing sites, logistics platforms, water and sanitation systems, protected area management, monitoring infrastructure, public service delivery and asset maintenance	High capital intensity, unclear revenue models, weak PPP preparation, tariff and cost-recovery challenges, climate-risk exposure	Sovereign and non-sovereign loans, PPPs, project finance, guarantees, concessional climate finance, technical assistance	Support preparation of infrastructure pipelines, improve climate and biodiversity screening, connect operators with co-financing opportunities
SMEs, MSMEs, cooperatives and informal actors	Equipment, working capital, cold chains, processing, certification, logistics, aquaculture inputs, eco-tourism services, waste and circular economy activities, adaptation and decarbonisation investments	Small ticket sizes, informality, weak collateral, limited financial records, seasonal revenue, low investment readiness, limited access to bank products, capacity constraints in project preparation and financial structuring, visibility, seasonal and climate-related exposure to risk	Credit lines, leasing, working capital, microfinance, cooperative finance, guarantees, trade finance, investment grants, impact capital, blended finance, technical assistance and project preparation support, and pipeline aggregation when addressing small ticket size	Promote blue MSME finance through banks and MFIs, support aggregation models, encourage portfolio guarantees and investment-readiness support

Actor type	What they need financing for	Typical finance gap	Most relevant instruments	Link to regional group action
Financial institutions and microfinance institutions	Blue credit products, risk assessment tools, staff capacity, portfolio screening, impact reporting, long-term funding, guarantees and access to climate or concessional resources	Limited sector knowledge, short maturities, high perceived risk, lack of a blue nomenclature, weak internal capacity to assess ocean-related risks	Lines of credit, partial portfolio guarantees, technical assistance, investment grants, local-currency solutions, blue finance training	Structure dialogue with commercial banks, test blue finance products, develop shared eligibility and reporting tools (see Table 5 for the levers)
National public development banks	Blue economy portfolio development, SME and infrastructure finance, adaptation finance, green and blue credit lines, thematic bond readiness and national pipeline preparation	Limited blue finance frameworks, insufficient pipeline visibility, limited experience with ocean-specific criteria, need for co-financing and risk-sharing	Concessional loans, guarantees, technical assistance, blue or green credit lines, thematic bonds, blended finance	Encourage progressive participation in the Coalition, align practices with BOAD and EBID, support common nomenclature and project screening
Regional banks and regional development finance institutions	Regional pipelines, cross-border infrastructure, blue bond frameworks, credit lines, guarantees, co-financing platforms and capital-market instruments	Need for bankable regional pipeline, common eligibility criteria, portfolio tagging, impact reporting and investor confidence	Blue bonds, credit lines, guarantees, concessional resources, blended finance, project preparation facilities, co-financing arrangements	BOAD and EBID can act as regional anchors, structure common tools, mobilise co-financing and support blue bond readiness
Project developers and private operators	Feasibility studies, permits, safeguards, financial models, equity, debt, working capital, offtake arrangements, insurance and market access, growth capital, MRV, investment readiness support	Early-stage project risk, incomplete documentation, weak governance, unclear revenue streams or mismatch of capital and revenue model (or maturity mismatch), limited collateral, insufficient impact evidence	Project preparation grants, seed and growth capital, impact capital, concessional debt, risk-adjusted commercial loans, guarantees, insurance, technical assistance, private investment, blended finance	Connect developers with preparation support, bundle technical assistance with financing, clarify financing requirements, promote pipeline review and match projects with suitable instruments, support standardised impact metrics and verification tools

This actor-based reading shows financing needs are spread across the full project and finance cycle. Some actors need investment capital, while others first need preparation support, institutional capacity, data, risk-sharing or a more suitable financial product. For the regional group, the distinction helps identify where BOAD, EBID, national banks, commercial banks, development partners and technical programmes can intervene without duplicating roles. It also confirms the financing challenge is about connecting the right actors with the right instruments at the right stage of project maturity.

BOX 3. FISHERIES AND AQUACULTURE: FROM PRODUCTION TO VALUE-CHAIN FINANCE

Fisheries and aquaculture illustrate why blue economy financing needs should be approached through value chains rather than only through production assets. In West Africa, investment needs span fisheries governance, stock management, monitoring and surveillance, safety at sea, landing sites, cold chains, processing, sanitary standards, traceability, access to markets, working capital, aquaculture inputs, technical support and ecosystem management.

The financing priority is not simply to increase fishing capacity. In many cases, the objective is to improve the value, resilience and sustainability of existing production systems. This includes reducing post-harvest losses, improving the quality of landings, supporting women processors and traders, strengthening cold storage and processing, improving access to finance for cooperatives and SMEs, and developing responsible aquaculture where environmental, biosecurity and market risks can be managed.

Recent financing benchmarks in West Africa show the scale and diversity of needs. The West Africa Regional Fisheries Program represented a USD 170 million investment, with a further USD 120 million in the pipeline, focused on fisheries governance, stock management, regional cooperation and local value addition. In Guinea, the Kounki Fisheries and Aquaculture Project mobilises a package of about USD 128 million plus EUR 4 million C2D, combining IDA, AFD and PROBLUE resources to strengthen climate resilience, fisheries and aquaculture value chains, SME access to finance, disaster-risk infrastructure, climate-smart practices, fisheries governance and mangrove management. In The Gambia, the USD 25 million PROREFISH programme supports climate-resilient fisheries, landing-site infrastructure, processing, climate-resilient aquaculture, mangrove restoration and women's participation in value chains.

These examples show fisheries and aquaculture financing requires a layered structure. For financial institutions, fisheries and aquaculture need more than a standard loan product. Many operators are informal, have limited collateral, weak financial records and seasonal revenue patterns. Aquaculture can offer growth potential, but it also carries technical, environmental, biosecurity and market risks. Due to this, financing needs to combine technical assistance, value-chain organisation, credit lines, leasing, working capital, trade finance, grants, guarantees and, where appropriate, concessional finance.

For the regional blue finance agenda, the opportunity is to move from fragmented small-scale financing to structured value-chain finance. This means financing investments that increase the value added, reduce losses, improve food security, support safer and more sustainable livelihoods, and protect the ecosystems on which the sector depends.

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C. CROSS-CUTTING NEEDS THAT APPEAR ACROSS SECTORS

Several financing needs recur across most blue economy sectors and actor types. They concern the conditions required for projects to move from policy priority or project idea to financeable opportunity.

The first need is project preparation. Many projects require feasibility studies, legal readiness, permits, environmental and social safeguards, financial modelling, risk analysis and impact indicators before they can be presented to financiers. This support is most effective when delivered alongside the investment itself, rather than a separate stream disconnected from the eventual financier, such as embedding technical assistance into financial instruments.[31]

The second need is data and monitoring, reporting and verification (MRV). Blue finance depends on credible baselines, climate and biodiversity metrics, risk information, impact indicators and portfolio reporting. Without these elements, projects are difficult to classify, monitor and finance. Take blue carbon as an example. The sector needs transparent, publicly accessible baselines and monitoring as precondition for high-integrity projects, not as an afterthought.[32] Across other sectors of the economy, comparable data and reporting standards are also key.

The third need is risk reduction. Many blue economy investments are perceived as risky because they involve small operators, new sectors, climate exposure, weak collateral or uncertain revenue. Guarantees, insurance, blended finance and, where relevant, local currency or currency-risk solutions can help reduce these constraints. These instruments work best in improving bankability when sequenced deliberately, with concessional or grant capital absorbing early-stage losses before guarantees and commercial capital enter, and when insurance and risk transfers are embedded early in project design.

The fourth need is intermediation. Project sponsors often do not know enough about suitable instruments and financing requirements, while banks and investors lack access to prepared blue economy pipelines. Better matching, project screening and portfolio review mechanisms can help to close this gap. In practice, digital matchmaking platforms are one way this issue is being addressed.

The fifth need is capacity. Banks need sector knowledge and risk tools. Project sponsors need financial literacy and business planning support. Public institutions need capacity to structure and coordinate investment pipelines. Financial institutions themselves have identified the lack of structured knowledge about what investing in a regenerative and sustainable ocean economy actually involves as a specific gap. Emerging learning initiatives[33] are being developed in response, aimed at helping finance and insurance professionals connect with ocean health as a resource of long-term value creation and financial resilience.

D. IMPLICATIONS FOR FINANCING STRATEGY

This is why the financing challenge cannot be addressed only by identifying sectors with high potential. It also requires understanding what stops projects, institutions and financial products from becoming ready for investment. The next section analyses these barriers.

(31) For example, the Outrigger Impact Fund, the first impact fund dedicated to SMEs in Small Island Developing States incubated by Ocean Risk and Resilience Action Alliance (ORRAA), illustrates this model: its embedded Technical Assistance Facility (OTAF) provides feasibility assessment, proof-of-concept studies and investment readiness support directly alongside the fund's capital, while also strengthening local capacity and supporting small islands through hub-and-spoke delivery models.
(32) For example, the High-Quality Blue Carbon Principles and Guidance, developed by Ocean Risk and Resilience Action Alliance (ORRAA), Conservation International, World Economic Forum (WEF), The Nature Conservancy, Meridian Institute and Salesforce, ensure that high-quality blue carbon projects and credits optimize outcomes for people, nature, and climate.
(33) For example, the Ocean Compass being developed by Ocean Risk and Resilience Action Alliance (ORRAA)



3

BARRIERS TO FINANCE

KEY MESSAGES

Capital exists, but pipelines of prepared projects are thin.
Banks lack sector knowledge and risk tools.
Small ticket sizes, informality and currency risk add to the difficulty.

Meeting the financing needs identified in the previous section does not automatically translate into financed projects. Across West Africa's sustainable blue economy, the main constraint is rarely confined to a 'lack of finance.' The problem is more specific. Many projects are not yet prepared at the level required by financiers and many financial institutions do not yet have the tools, incentives or risk-sharing mechanisms needed to finance blue economy activities. This is compounded by a persistent 'missing middle.' These are projects that have moved beyond grant-funded piloting but are often still too small or too early-stage for commercial investment, leaving a structural gap between concessional and commercial finance rather than a simple shortage of capital.

THE MISSING MIDDLE
A structural gap between concessional and commercial finance, rather than a simple shortage of capital



This section distinguishes between six categories of barriers. Project-side barriers, bank-side barriers, public-sector barriers, market barriers, instrument barriers, and data and standards barriers. The distinctions are important because each barrier affects different actors and requires a different response.

TABLE 3. MAIN BARRIERS TO BLUE ECONOMY FINANCE IN WEST AFRICA

Barrier	Who is affected	Why it blocks finance	What could fix it
Project-side barriers	Project developers, SMEs, cooperatives, municipalities, public agencies and infrastructure operators	Many projects lack feasibility studies, permits, financial models, environmental and social safeguards, governance arrangements, repayment logic and impact indicators. As a result, they remain relevant from a policy perspective, but too early-stage or too uncertain for financiers	Project preparation facilities, technical assistance, feasibility studies, legal and regulatory support, financial modelling, safeguards, investment-readiness support, and standardised project information templates
Bank-side barriers	Commercial banks, microfinance institutions, national public development banks and regional banks	Many financial institutions have limited sector knowledge and weak internal capacity to assess blue economy risks. Loan maturities are often too short for infrastructure, aquaculture, resilience or equipment investments. Banks also lack practical tools to assess climate, biodiversity, fisheries, coastal and ecosystem-related risks	Blue finance training, sector risk tools, eligibility criteria, portfolio screening methods, longer-term credit lines, partial portfolio guarantees to de-risk investment (such as, Nautilus the Blue Guarantee Company), concessional resources and shared reporting templates
Public-sector barriers	Ministries, local authorities, public agencies, port authorities, protected area agencies and regional institutions	Blue economy mandates are often spread across several ministries and agencies. This can create unclear ownership, fragmented project pipelines, weak coordination and delays in approvals. Public institutions may also lack the capacity to turn policies into costed, bankable investment programmes	Clear governance arrangements, pipeline coordination, inter-ministerial project preparation processes, regional guidance, common eligibility criteria, and support from BOAD, EBID, WASOP and technical partners
Market barriers	SMEs, MSMEs, cooperatives, informal operators, women-led businesses, youth entrepreneurs and local service providers	Many blue economy actors operate at small scale, with limited collateral, weak financial records, informal status and seasonal revenues. This makes them difficult to serve through standard bank lending. Ticket sizes may be too small for DFIs and too risky for commercial banks without aggregation or guarantees	Aggregation through cooperatives or value chains, leasing, working capital facilities, microfinance, trade finance, investment grants, guarantees, financial literacy, formalisation support and bankable SME pipelines.

Barrier	Who is affected	Why it blocks finance	What could fix it
Instrument barriers	Project sponsors, banks, public institutions, investors and development partners	Few financial instruments are explicitly designed for the size, maturity and risk profile of blue economy projects. Dedicated blue credit lines, blue windows, guarantees, insurance products and blended finance structures remain limited. Concessional and private capital are not always sequenced effectively	Dedicated blue windows, blue and green credit lines, guarantees, insurance and resilience instruments, blended finance, first-loss or subordinated tranches where appropriate, and clearer pathways toward blue bonds and thematic finance
Data and standards barriers	Financial institutions, public development banks, investors, regulators, project sponsors and reporting entities	Blue economy projects often lack baseline data, climate and biodiversity metrics, fisheries or coastal-risk information, and clear impact indicators. Taxonomies, ocean-related ESG criteria and reporting practices are still emerging. This makes it difficult to classify eligible activities, assess risk, avoid greenwashing and report on impact	Common blue finance nomenclature, eligibility criteria, impact indicators, MRV systems, climate and biodiversity metrics, portfolio reporting tools, and alignment with regional and international sustainable finance standards

These barriers are interconnected. A project may be technically relevant, but not financeable because it lacks permits or financial modelling. A bank may have liquidity but lack the tools to assess blue economy risk. A municipality may have urgent adaptation needs, but limited borrowing capacity. A development finance institution may have capital available, but no prepared pipeline that fits its mandate, ticket size or risk framework.

For this reason, a regional blue finance agenda should not focus only on mobilising additional capital. It should also focus on improving the conditions under which capital can flow. It is also important to sustain support for long enough that proven models can move from pilots to replication and scale, rather than each project restarting the cycle of funding from scratch. These barriers provide the basis for the analysis of financing mechanisms in section 5 and the operational levers by financial actor in section 6.



4

ECONOMIC CASE FOR INVESTING

KEY MESSAGES

Inaction is costly: coastal degradation cost an estimated USD 3.8 billion in 2017 in four countries alone.

Healthy ecosystems protect public assets and livelihoods.

Blue investment reduces fiscal risk.

The financing needs and barriers identified in the previous sections point to a broader economic question. Why should financial actors invest in the sustainable blue economy in West Africa? The answer goes beyond the fact that the region has major blue economy potential. The answer is also that well-designed blue economy investments can protect productive assets, reduce future losses, strengthen food security, support jobs, improve public service delivery and create new markets.

The economic case is strongest when blue economy investment is framed through two complementary lenses, which are **value creation** and avoided loss. Value creation comes from sectors such as fisheries, aquaculture, ports, tourism, circular economy, renewable energy, marine bioresources and coastal services. **Avoided loss** comes from reducing exposure to coastal erosion, flooding, pollution, ecosystem degradation, illegal fishing and climate-related shocks. Both are relevant for public development banks, commercial banks, public authorities and investors.

TABLE 4. HOW BLUE ECONOMY INVESTMENT CREATES ECONOMIC VALUE

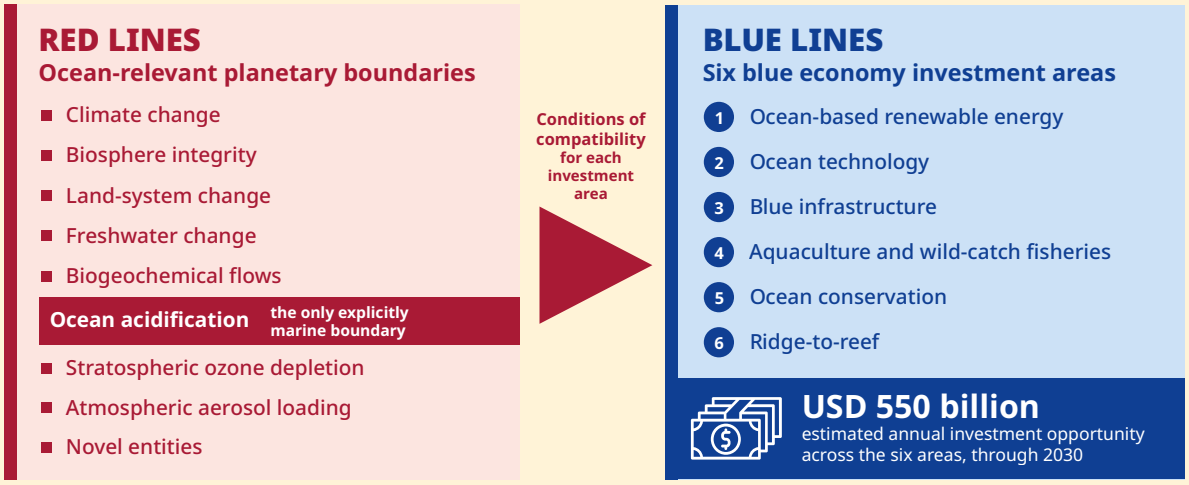
Value channel	What it means	Examples
Growth and jobs	Blue economy investments can support employment, local enterprise development and value addition in coastal and marine sectors ***Key data point: The Ocean contributes approximately USD 2.6 trillion annually[34] to the global economy and supports the food security of around 3 billion people. The six 'Blue Lines' sectors represent an estimated USD 550 billion annual investment opportunity through 2030[35]***	Fisheries value chains, aquaculture, port services, coastal tourism, circular economy, marine bioresources and local service providers
Public finance and macroeconomic benefits	Investments can improve productivity, trade efficiency, fiscal revenues and the performance of public assets ***Key data point: Only <1% of global climate and development finance currently flows to regenerative and sustainable ocean investments, highlighting the scale of untapped economic opportunity[36]***	Modern ports and logistics, formalisation of fisheries and tourism activities, better waste and wastewater systems, reduced losses from illegal fishing and pollution

(34) Ocean Risk and Resilience Action Alliance. (2026). From Red Lines to Blue Lines: Redrawing how we invest in a regenerative blue economy. ORRAA, in collaboration with the World Economic Forum ACT Ocean and UNEP Finance Initiative. https://oceanriskalliance.org/wp-content/uploads/From-Red-Lines-to-Blue-Lines.pdf p.6
(35) ORRAA, 2026. From Red Lines to Blue Lines, p.7.
(36) ORRAA, 2026. From Red Lines to Blue Lines, p.6.

Value channel	What it means	Examples
Avoided losses	Resilience and ecosystem investments can reduce future damage to land, infrastructure, public services, homes, livelihoods and natural assets ***Key data point: The degradation of ocean systems is already driving higher insurance claims, declining fisheries productivity, lower coastal real estate values and greater sovereign exposure to climate shocks. Investments in mangroves, resilient infrastructure and sustainable aquaculture help reduce these losses***[37]	Coastal protection, erosion management, flood reduction, mangrove restoration, drainage, early warning systems and ecosystem-based adaptation
Social and resilience benefits	Investments can reduce vulnerability and support livelihoods, food security, health, safety and community stability ***Key data point: Around 20–35% of global blue carbon ecosystems have been lost since 1970, reducing coastal protection, fisheries habitat and carbon storage, demonstrating the value of ecosystem restoration investments***[38]	Safer fishing conditions, resilient coastal cities, women processors, youth employment, community-based restoration and climate-resilient local infrastructure

FROM RED LINES TO BLUE LINES

The limits investment must respect, and the six areas where it can be directed



Source: ORRAA (2026), From Red Lines to Blue Lines: Redrawing how we invest in a regenerative blue economy, with WEF ACT Ocean and UNEP FI.

This framing matters because many blue economy investments generate benefits that are not captured by direct project revenues alone. A mangrove restoration project may reduce flood damage, protect nursery habitats and support fisheries. A wastewater investment may improve health outcomes, tourism quality and coastal ecosystem conditions. A cold-chain investment may reduce post-harvest losses, improve food security and increase the income of processors and traders. A port resilience investment may protect trade flows and reduce disruption risks. In each case, the investment case extends beyond a narrow financial return.

(37) ORRAA, 2026. From Red Lines to Blue Lines, p.8.
(38) ORRAA, 2026. From Red Lines to Blue Lines, p.20.

For public development banks and public authorities, this creates a strong rationale for concessional finance, guarantees, technical assistance and blended finance. These instruments can help finance projects where public benefits are high, but where direct revenue is insufficient, uncertain or distributed across many beneficiaries. For commercial banks and private investors, the same logic highlights where public support, risk-sharing and project preparation are needed before private capital can enter.

BOX 4. COASTAL DEGRADATION AS A FISCAL RISK

Coastal erosion, flooding and pollution show why the cost of inaction must be part of the blue finance agenda. A World Bank study under the West Africa Coastal Areas Management Program estimated the annual cost of coastal zone degradation in Benin, Côte d'Ivoire, Senegal and Togo at about USD 3.8 billion in 2017, equivalent to 5.3% of the combined GDP of the four countries.[39] Flooding and erosion represented more than 60% of the total cost.[40]

The country-level figures show the scale of exposure. The estimated annual cost of coastal degradation reached USD 229 million in Benin, USD 1.99 billion in Côte d'Ivoire, USD 1.25 billion in Senegal and USD 310 million in Togo.[41] Flooding was particularly costly in Côte d'Ivoire, while erosion represented a major source of damage in Senegal, Benin and Togo. The same study notes that these figures are conservative, because several impacts could not be fully estimated, including some effects of sea-level rise, storm surges, industrial wastewater, broader waste streams and future losses in coastal productivity.

The figures change the way coastal resilience should be treated. Coastal protection, drainage, ecosystem restoration, wastewater management and early warning systems are environmental and infrastructure expenditures, but they are also avoided-loss investments. They can reduce future fiscal pressure, protect public and private assets, lower disaster recovery costs and improve the credit profile of coastal territories and infrastructure operators.

This is particularly important for financial institutions. When coastal risks are not addressed early, they can reduce the bankability of infrastructure, tourism, housing, logistics and municipal service projects. Conversely, investments that reduce exposure to erosion, flooding and pollution can improve the long-term viability of assets and create a stronger basis for concessional lending, guarantees, resilience finance and insurance solutions.

This means the timing of investment is critical. Delayed action increases exposure to physical damage, ecosystem loss, public health impacts and economic disruption. Once coastal land, infrastructure, fisheries productivity or ecosystem functions are degraded, restoration is often more expensive than prevention. Delay also increases risk perception, which can make projects more difficult and more expensive to finance.

The economic case for investing in the sustainable blue economy is about future growth and about protecting existing value. For West Africa, this means financing projects that create jobs and markets, while reducing avoidable losses and strengthening resilience.

(39) World Bank. 2019. West Africa's Coast: Losing Over $3.8 Billion a Year to Erosion, Flooding and Pollution https://www.worldbank.org/en/region/afr/publication/west-africas-coast-losing-over-38-billion-a-year-to-erosion-flooding-and-pollution
(40) Croitoru L, Miranda JJ, Sarraf M. 2019. The cost of coastal zone degradation in West Africa: Benin, Côte d'Ivoire, Senegal and Togo. Washington (DC): World Bank Group.
(41) Croitoru, Miranda and Sarraf, 2019.



5

FINANCING MECHANISMS FOR THE SUSTAINABLE BLUE ECONOMY

KEY MESSAGES

No single instrument is enough.

Grants prepare projects, guarantees reduce risk, and bonds and blended finance help to scale.

Sequencing matters more than any one tool.

A. FROM FINANCING GAP TO FINANCING STRUCTURE

The barriers in the previous section show the financing gap is about structure and not just about insufficient capital. Most projects need a combination of preparation finance, investment finance, risk-sharing and, in some cases, market instruments or complementary revenue.

This section treats financing mechanisms as a toolkit to be matched to the constraint. Early-stage projects may first need preparation support. SME portfolios may first need credit lines and guarantees. Infrastructure may first need long-term debt and concessional co-financing. Resilience projects may first need grants, insurance or avoided-loss logic. Nature-linked revenue only works where integrity, MRV, tenure and benefit-sharing conditions hold. This means the relevant question to ask is **"what structure is needed for capital to move responsibly, at the right scale and with measurable economic, climate and biodiversity outcomes?"**

Annexe summarises the main mechanisms that can be mobilised for sustainable blue economy finance in West Africa.

WEST AFRICAN EXAMPLES PRESENTED IN THIS STUDY

Boxes 3, 7, 8, 9, 10 and 12, and section 5.D

Cabo Verde

A West African blue bond (Box 9)
iibCV, March 2023, CVE 350 million in total

Blended finance in practice (Box 10)
Ports of Maio and Palmeira: EUR 17.87 million
AfDB loan, EUR 11 million EU contribution
EUR 7.8 million Cabo Verde government

EU and Team Europe tools (Box 8)
Blue Economy Sustainable Ports Facility: around EUR 148 million in concessional finance

The Gambia

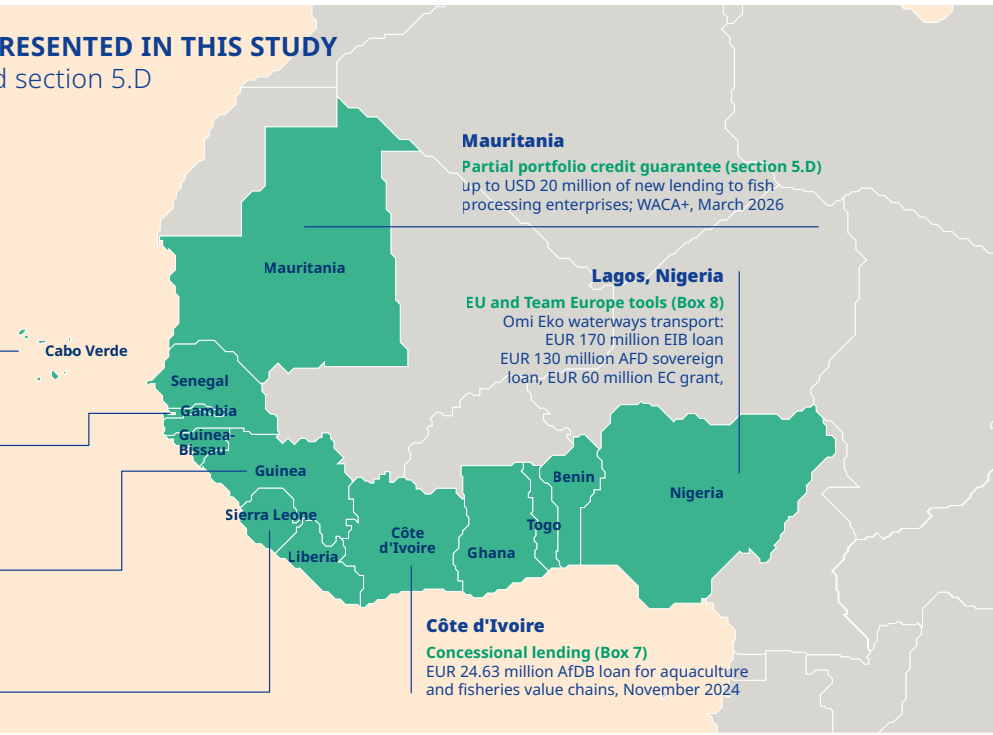
Fisheries and aquaculture (Box 3)
USD 25 million PROREFISH programme

Guinea

Fisheries and aquaculture (Box 3)
Kounki Fisheries and Aquaculture Project:
about USD 128 million plus EUR 4 million C2D

Sierra Leone

High-integrity blue carbon (Box 12)
Sherbro River Estuary and Yawri Bay:
as much as 94,000 hectares of mangrove



Mauritania

Partial portfolio credit guarantee (section 5.D)
up to USD 20 million of new lending to fish processing enterprises; WACA+, March 2026

Lagos, Nigeria

EU and Team Europe tools (Box 8)
Omi Eko waterways transport:
EUR 170 million EIB loan
EUR 130 million AFD sovereign loan, EUR 60 million EC grant,

Côte d'Ivoire

Concessional lending (Box 7)
EUR 24.63 million AfDB loan for aquaculture and fisheries value chains, November 2024

B. GRANTS, TECHNICAL ASSISTANCE AND INVESTMENT GRANTS

“Grant resources are essential in blue economy finance, but they should be used strategically.”

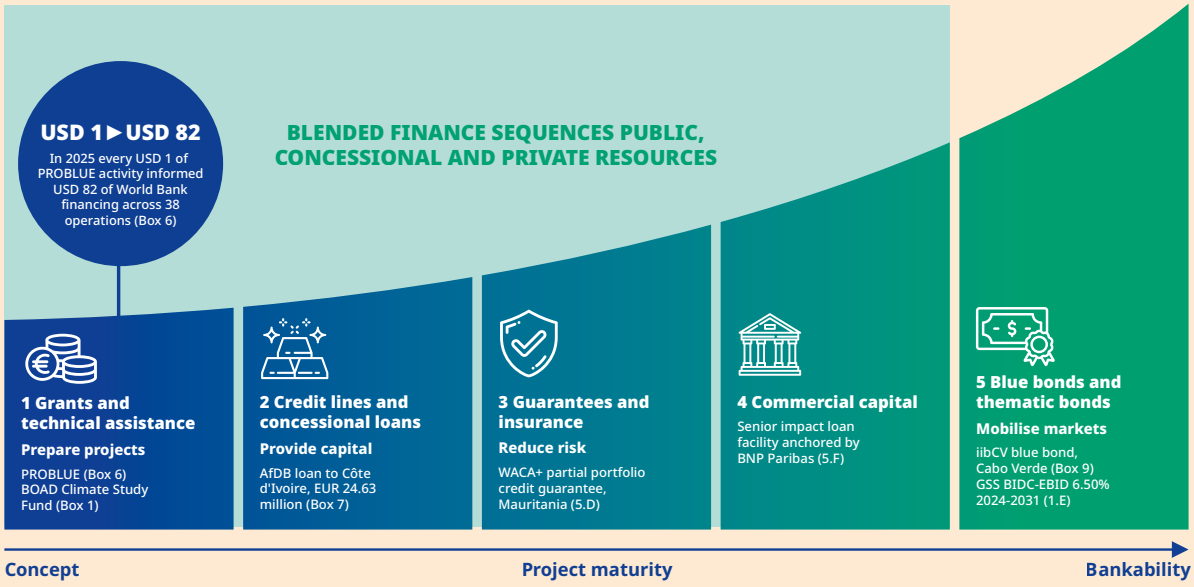
Grant resources are essential in blue economy finance, but they should be used strategically. One of their roles is to fund activities directly, but they can also prepare projects, reduce risk, improve affordability and help financial institutions test new products. Three types of grant-based support are particularly relevant.

Standalone grants are useful for activities with strong public benefits but limited direct revenue, such as ecosystem restoration, community-based resource management, data systems, policy support, training or early-stage innovation. **Technical assistance grants** support project preparation and investment readiness. They can finance feasibility studies, safeguards, legal structuring, financial modelling, MRV systems, business planning and transaction preparation. They can also help banks develop blue eligibility criteria, portfolio screening tools, staff capacity and reporting systems. **Investment grants** play a different role. They are grants attached to a financing operation, such as a loan, guarantee, credit line, bond or equity investment. Their purpose is to reduce the cost of an investment, improve affordability for the final beneficiary or incentivise financial institutions to serve higher-risk blue economy segments. For example, an investment grant can reduce the cost of equipment for an SME, lower the effective cost of a loan, or reward the achievement of agreed impact indicators.

For West Africa’s sustainable blue economy, the key issue is sequencing. Many projects, SMEs, municipalities and public agencies are not yet ready to absorb debt or private investment. Grants and technical assistance can help bring them to that stage. Once projects are better prepared, investment grants can be combined with concessional loans, guarantees, credit lines or blended finance to improve affordability and reduce execution risk. This means grant resources should be linked to a financing pathway whenever possible. Used well, they can help move projects from concept to bankability, strengthen institutions, improve data and increase the effectiveness of other financial instruments.

FOR WEST AFRICA'S SUSTAINABLE BLUE ECONOMY, THE KEY ISSUE IS SEQUENCING

Concessional or grant capital absorbing early-stage losses before guarantees and commercial capital enter



A toolkit to be matched to the constraint

BOX 5. GRANTS THAT PREPARE FINANCE: PROBLUE

PROBLUE, the World Bank's multi-donor ocean trust fund launched in 2018 and supported by a group of governments and the European Union, illustrates how grant resources work best when they prepare and de-risk larger finance rather than fund assets directly. It finances assessments, costing, strategic planning, governance structures, marine spatial planning and project preparation across fisheries, marine pollution, coastal tourism, maritime transport and seascape management, with a portfolio of about USD 229 million by 2025, spanning more than 100 economies, including West African coastal work on fisheries and plastic pollution. Its central lesson for the region is the leverage effect: in 2025 every USD 1 of PROBLUE activity informed USD 82 of World Bank financing across 38 operations. This is the sequencing argument in practice. This example shows how well-targeted technical assistance and preparation grants are not a cost centre. Instead, they are what make far larger volumes of investment possible, which is why a regional blue finance architecture should treat preparation funding as a first-order priority, not an afterthought.

Source: World Bank, PROBLUE Programme and PROBLUE Annual Report 2025. https://thedocs.worldbank.org/en/doc/c2b10aa06282d8d5fe03a79b33d179e7-0320072025/original/309350-PROBLUE-AR25-FV.pdf

C. CONCESSIONAL LOANS, CREDIT LINES, TRADE FINANCE AND LOCAL-CURRENCY SOLUTIONS

Standard commercial loans are often poorly suited to blue economy projects that require longer repayment periods, have seasonal revenues, involve small ticket sizes or generate public benefits that are not fully captured by direct cash flows. This is why concessional loans, credit lines, trade finance and local-currency solutions are particularly important.

Concessional loans can provide longer-term and more affordable finance for public, private or mixed investments. They are relevant for infrastructure, coastal resilience, ports, wastewater, circular economy, fisheries infrastructure, aquaculture, tourism upgrading and other blue economy activities with clear repayment potential. They may be provided directly to public or private borrowers, or channelled through financial intermediaries. Their value lies not only in lower pricing, but also in longer tenor, grace periods and greater flexibility than standard commercial lending. Purely public-good adaptation or resilience investments without such a mechanism are better matched to grants than to loans, particularly given the debt sustainability pressures already facing many coastal economies in the region.

Credit lines are especially relevant where the objective is to reach a portfolio of smaller borrowers. BOAD, EBID, national public development banks, commercial banks and microfinance institutions can use blue or green credit lines to finance SMEs, cooperatives and local operators in fisheries, aquaculture, cold chain, processing, eco-tourism, waste management, circular economy and equipment upgrading. But credit lines only work if financial intermediaries have clear eligibility criteria, adequate risk tools and the capacity to originate, assess and monitor blue economy loans. Technical assistance and guarantees are often needed alongside the credit line.

Trade finance and **working capital facilities** respond to a different need. In addition to investment capital, many blue economy operators need short-term liquidity to buy inputs, manage inventories, pre-finance contracts, process products, import equipment or participate in regional and international value chains. This is particularly relevant for fisheries, aquaculture, logistics, cold chain, port services and marine-related trade. Trade finance instruments, including short-term credit, letters of credit, guarantees and factoring, can support business continuity and reduce payment risks, but they require banking relationships, documentation and operational capacity.

Local-currency finance and **currency-risk solutions** are also important. Many blue economy SMEs, municipalities and local operators earn revenue in local currency, while equipment, inputs, debt or investor expectations may be denominated in euros or US dollars. This creates a currency mismatch that can weaken repayment capacity when exchange rates move. Local-currency loans, guarantees, hedging solutions or concessional support to reduce hedging costs can help reduce this risk. These tools are particularly relevant for borrowers with domestic revenue and imported equipment needs, but their availability and cost depend on market conditions and local financial systems.

Together, these instruments show that debt finance for the blue economy should not be treated as a generic loan product. It must be structured around tenor, currency, ticket size, collateral, seasonality, repayment capacity and the level of public benefit. For West Africa, the most promising approach is likely to combine concessional loans or credit lines with technical assistance, guarantees and, where needed, local-currency or working-capital solutions. Where ticket sizes are too small to justify due diligence costs, aggregating projects into investable portfolios can increase diversification, meet institutional investors' requirements, and reduce transaction costs. This would allow financial institutions to expand blue lending while reducing the risks faced by borrowers and lenders.

BOX 6. CONCESSIONAL LENDING FOR BLUE VALUE CHAINS: IVORY COAST

In November 2024, the African Development Bank approved a EUR 24.63 million loan to Côte d'Ivoire to develop competitive aquaculture and fisheries value chains, expected to benefit at least 700,000 people from 2025 to 2029. The financing supports fisheries and aquaculture infrastructure, skills development, improved governance of sea, lagoon and inland fisheries, and a reliable supply of quality fry and feed. What makes the operation instructive is its origin. It grew out of a project preparation facility, which financed the feasibility and safeguard studies, strengthened blue economy governance, and produced an investment plan for the sector. Grant-funded preparation is what turned a policy priority into a fundable loan, the same sequencing PROBLUE illustrates in Box 5.

The loan also has a national frame. Under the Programme Côte d'Ivoire Bleue, led by the Ministry of Environment and Ecological Transition with technical support from UNDP, the government set out a USD 372 million blue economy programme across five components. Those are governance and marine protected areas, coastal and marine ecosystem restoration, depollution and circular economy, ecotourism, and coastal community economic development. Sustainable fisheries and aquaculture sit within the last of these, the same value chains the AfDB loan targets, which places the operation alongside a defined national programme rather than a standalone transaction.

One structural point for the region: this is a sovereign concessional loan to the government, not a credit line on-lent through a commercial bank. Reaching blue MSMEs at scale in fisheries, aquaculture or coastal tourism will additionally require intermediated instruments such as dedicated blue credit lines through BOAD, EBID or national banks, paired with the guarantees and technical assistance discussed elsewhere in this section.

Sources:
• Ministère de l'Environnement et de la Transition Écologique and UNDP, Programme Côte d'Ivoire Bleue.2024 25pp
• African Development Bank, 'Côte d'Ivoire: African Development Bank grants loan of over EUR 24 million to improve fisheries and aquaculture sectors,' November 2024. https://www.afdb.org/en/news-and-events/press-releases/cote-divoire-african-development-bank-grants-loan-over-eu24-million-improve-fisheries-and-aquaculture-sectors-benefitting-some-700000-people-78404

D. GUARANTEES AND RISK-SHARING MECHANISMS

A guarantee is a commitment by a third party, usually a public institution, DFI or guarantee facility, to absorb part of a loss if a borrower defaults or a defined risk materialises. It does not remove the obligation to repay. Instead, it reduces the risk carried by the lender. Risk-sharing is broader, covering guarantees, first-loss structures, subordinated debt, insurance and local-currency tools that distribute risk between public, concessional and private actors.

These mechanisms are most important when the gap between perceived and actual risk is stopping finance from flowing. Banks often see aquaculture, fisheries value chains, coastal tourism, circular economy or remote coastal enterprises as too risky given limited collateral, weak records or seasonal revenues.

Partial portfolio guarantees are particularly useful for MSME finance, covering a portfolio of eligible loans, rather than working one project at a time, and can underpin blue credit lines or dedicated windows for aquaculture SMEs, processors, tourism operators and women- and youth-led businesses. By using relatively small amounts of capital to address the gap between real and perceived risk, guarantees of this kind are designed to draw in more affordable, long-term private capital.

Where blue lending is exposed to currency mismatch, such as in cases where revenue is earned locally but financing is priced in hard currency, a local-currency guarantee option addresses that risk directly. For example, Nautilus, the Blue Guarantee Company, incubated under ORRAA, shows how such guarantees can stack on top of financing structures to crowd in private investment with an expected leverage ratio of 1:5. Once operationalised, Nautilus will offer total, partial or portfolio guarantees, in local or hard currency, to local, regional and international banks and financial institutions. But the organisation is not a substitute for project quality. It uses eligibility criteria, technical assistance and monitoring, and cannot compensate for weak governance or unclear safeguards.

A West African precedent now exists. Under the first phase of the World Bank's WACA+ programme, approved in March 2026 for a total of USD 240 million (USD 207 million IDA, USD 5 million PROBLUE and USD 28 million of private capital), a partial portfolio credit guarantee in Mauritania is designed to support up to USD 20 million of new lending to fish processing enterprises, alongside matching grants for MSMEs, cooperatives, producer associations and women- and youth-led businesses. The structure is directly relevant to the combination of the blue credit line and portfolio guarantee proposed in this study, and it is being deployed in a country within WASOP's perimeter. The programme aims to protect 530,000 people from coastal risk and create about 13,000 better-paid jobs by 2031.

European tools are also relevant here. **EFSD+** (European Fund for Sustainable Development Plus), the EU's main external investment and guarantee framework under NDICI Global Europe and Global Gateway, provides guarantees, blending and risk-sharing through eligible partners. It could back credit lines, portfolio guarantees, local-currency solutions, thematic bonds or blended structures for West African blue finance. Access depends on eligible partners, mandates, windows, risk appetite and project fit. Under the Team Europe approach, EFSD+ rarely works alone. It is deployed in conjunction with the EIB, AFD and its private-sector arm **Proparco**. The EIB finances sovereign,

sub-sovereign and private operations, including infrastructure, water and sanitation, mobility and thematic bond support. AFD brings sovereign and concessional finance and project preparation. Proparco takes private-sector debt and equity in blue SMEs. For BOAD and EBID, the value of this combination is that an EU guarantee can de-risk an AFD or EIB credit line or a Proparco investment, allowing larger volumes and longer maturities than any institution would offer alone. Box 7 shows how these tools have been combined in practice.

BOX 7. EU AND TEAM EUROPE[42] TOOLS IN PRACTICE: TWO EXAMPLES

The instruments described above are already being combined to finance blue economy projects in West Africa. Two recent operations show how EU guarantees, EIB lending and AFD finance work together under the Global Gateway and Team Europe approach.

Cabo Verde, sustainable ports (Blue Economy Sustainable Ports Facility). This was a Global Gateway flagship combining around EUR 148 million in concessional finance. It involved EUR 114 million in EIB financing signed with the Republic of Cabo Verde in 2024, complemented by a EUR 34 million EU investment grant managed by EIB Global signed in January 2026. The programme rehabilitates and expands the country's main ports and shipyard, combining EIB lending and the EU grant, and includes the expansion of Porto Grande in Mindelo, the modernisation of Palmeira Port for safer fish landing, onshore power supply at the Mindelo cruise terminal and solar energy across several ports. It is aligned with the EU–Cabo Verde Multiannual Indicative Programme 2021–2027, the 'To Green Cabo Verde' Team Europe Initiative, and the Praia–Dakar–Abidjan corridor.

Lagos, Nigeria, Omi Eko waterways transport. This was a Team Europe package developed by the EIB, AFD and the European Commission to build an electric waterborne public transport network in Lagos. It involves 15 ferry routes over 140 km, 25 upgraded terminals and 75 electric vessels, aiming to increase the waterborne share of Lagos transport from under 1% to around 8% by 2032. The EIB is providing a EUR 170 million long-term loan supported by an EU guarantee under Global Gateway, AFD a EUR 130 million sovereign loan, and the European Commission a EUR 60 million investment grant.

Together these cases show a pattern that has been successful in the region, using EU grants and guarantees layered with EIB and AFD lending to lower the cost and lengthen the tenor of blue infrastructure finance.

Sources:
- https://www.eib.org/en/press/all/2026-217-european-investment-bank-partners-lagos-state-government-in-eur-170-million-investments-to-develop-sustainable-waterways-transport
- https://www.afd.fr/en/press-releases/lagos-state-partners-afd-european-union-and-european-investment-bank-launch-omi-eko
- https://www.eib.org/en/press/all/2026-015-eib-global-signs-eur34-million-eu-grant-to-support-sustainable-ports-in-cabo-verde-under-global-gateway
- https://global-gateway-forum.ec.europa.eu/news/eu-and-cabo-verde-strengthen-strategic-autonomy-and-green-transitions-global-gateway-forum-2025-10-09_en

(42) Team Europe refers to the coordinated approach bringing together the European Union, EU Member States, their implementing agencies and public development banks, the European Investment Bank and the European Bank for Reconstruction and Development to combine resources and expertise in support of partner countries.

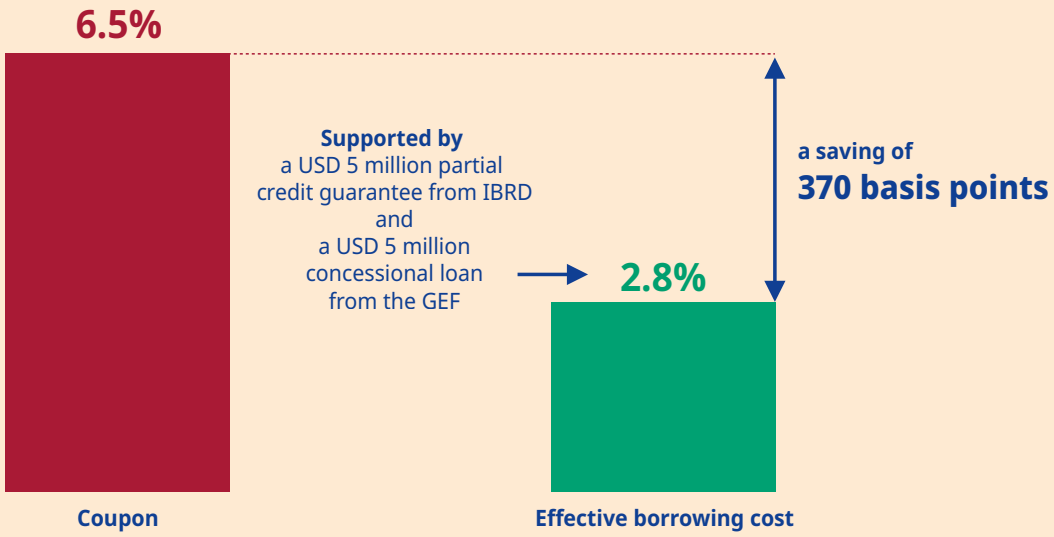
E. BLUE BONDS AND THEMATIC BONDS

A bond is a form of borrowing. An issuer raises capital from investors and repays it over time, usually with interest. A blue bond is generally a use-of-proceeds instrument whose proceeds go to eligible ocean-related projects or portfolios. Other thematic bonds, be they green, sustainability or sustainability-linked, can also support blue activities where eligible expenditures, indicators and reporting are clearly defined.

Two market reference points help calibrate expectations. First, the blue bond market remains small. By June 2025, cumulative blue bond issuance had reached about USD 15.25 billion, of which USD 14.76 billion came from emerging-market issuers. That is still less than 0.3% of the USD 6.1 trillion of labelled sustainable bonds issued by March 2025.[43] Second, credit enhancement is what makes early issuances viable. The 2018 Seychelles sovereign blue bond of USD 15 million was supported by a USD 5 million partial credit guarantee from IBRD and a USD 5 million concessional loan from the GEF, which brought the effective borrowing cost from a 6.5% coupon down to 2.8%, a saving of 370 basis points.[44] The implication for BOAD and EBID is that a guarantee partner should be identified upstream of structuring rather than sought once the framework is drafted.

CREDIT ENHANCEMENT IS WHAT MAKES EARLY ISSUANCES VIABLE

The 2018 Seychelles sovereign blue bond of USD 15 million



The implication for BOAD and EBID is that a guarantee partner should be identified upstream of structuring rather than sought once the framework is drafted.

(43) World Bank. 2025. Seychelles: Introducing the World's First Sovereign Blue Bond. Case study, 27 June 2025 (blue bond market size as of 10 June 2025, from Bloomberg and Environmental Finance data). https://thedocs.worldbank.org/en/doc/cbaf1cefc5164a7f340716ef0af6fd7e-0340012025/original/Case-Study-Blue-Bond-Seychelles.pdf. World Bank Treasury. 2025. Labeled Sustainable Bonds: Market Update, June 2025. https://thedocs.worldbank.org/en/doc/c7d5bdd94c82fb169fbdff12d46fe319-0340012025/original/Labeled-Bond-Quarterly-Newsletter-Issue-No-11.pdf
(44) World Bank. 2018. "Seychelles launches world's first sovereign blue bond". Press release, 29 October 2018.

> **“For West Africa, the opportunity is to prepare issuers and portfolios for credible thematic finance.”**

For West Africa, the opportunity is to prepare issuers and portfolios for credible thematic finance. Debt could be an important tool mostly for BOAD, EBID, national public development banks and financial intermediaries, which could use proceeds to finance blue infrastructure, coastal resilience, water and sanitation, sustainable ports, fisheries value chains, circular economy, renewable energy, ecosystem restoration or blue MSME portfolios. A credible pathway requires several conditions, including sufficient issuer credit quality and market access, an identified eligible portfolio or pipeline of projects, clear eligibility criteria, governance for project selection, and systems for allocation and impact reporting to help investors feel confident the proceeds are being used as intended and impacts are measured credibly.

For development banks, the preparation may matter as much as the issuance. Preparation can encompass shared blue finance nomenclature, screening criteria, eligible portfolio identification, impact indicators, reporting templates, governance processes and, where appropriate, external reviews or a second-party opinion. The same applies to intermediaries using bonds to fund defined blue lending portfolios. A bond label is not a substitute for project preparation, and without a credible pipeline and reporting system it adds little value and may raise reputational risk. This means the practical priority is blue bond readiness, from building the portfolio to standards, governance and the reporting needed before issuance. It is after this that blue and thematic bonds can diversify funding, attract institutional investors and scale blue finance.

Models for this readiness process already exist and could usefully inform the region’s approach. A similar readiness process and technical assistance could help West African issuers and intermediaries move from interest in blue bonds to a credible, investable pipeline. For example, the Blue Bond Accelerator provides technical assistance, framework alignment, investor visibility and partner connections for issuers preparing high-quality blue bonds. Working with the Commonwealth Secretariat, ORRAA and the Blue Bond Accelerator have supported the Commonwealth Guide to Blue Bond Issuance and contribute to a six-month Blue Bond Readiness programme for sovereign decision-makers, covering readiness assessment, pipeline development, governance, frameworks and investor engagement.

In UEMOA, a blue bond offered to the public on the regional financial market needs the approval of the market regulator, the Autorité des Marchés Financiers de l’UMOA (AMF-UMOA, formerly CREPMF), whose Circular No. 001/AMF-UMOA/2024 sets the taxonomy of projects eligible for green, social and sustainability bonds and defines the blue bond, and it is usually listed on the regional stock exchange, the Bourse Régionale des Valeurs Mobilières (BRVM). The Central Bank of West African States (BCEAO) sets the monetary, foreign exchange and banking rules that apply to issuers and to the banks that invest in these bonds, including for issues by BOAD or EBID.[45]

(45) AMF-UMOA. 2024. Circulaire n° 001/AMF-UMOA/2024 du 28 février 2024 relative à la taxonomie des projets éligibles aux émissions d’obligations vertes, sociales et durables.

BOX 8. A WEST AFRICAN BLUE BOND: CABO VERDE

In March 2023, International Investment Bank (iibCV) issued the first blue bond in Cabo Verde, the 'iib Marine and Ocean-based Blue Bond Series D,' which listed simultaneously on the stock exchanges of Cabo Verde and Luxembourg. It raised CVE 250 million with a greenshoe option, which is an over-allotment clause letting an issuer expand an offer when demand is strong, of CVE 100 million, reaching CVE 350 million in total, over a five-year term at a fixed 4% coupon. The issuance followed Cabo Verde's own regulatory framework (AGMVM Regulation No. 1/2022, which sets national rules for labelling and issuing blue bonds) and ICMA principles, with an independent external review for the blue label.

Two features made it instructive for the region. First, it showed a national framework in action. Cabo Verde had put dedicated blue bond regulations, taxonomy and eligibility criteria in place before issuance, exactly the readiness agenda this section describes. Second, the use of proceeds is real-economy and inclusion-oriented rather than large infrastructure. Of the capital raised, 74% funded the operating deficit of CV Interilhas, the inter-island maritime passenger and cargo service connecting Cabo Verde's islands, with the remainder earmarked for a microcredit line supporting small operators in coastal and fishing communities.

This debt sale shows both the promise and the difficulty of blue issuance in a small market because the structural component was allocated quickly, while the financial-inclusion tranche was slower to deploy, reflecting the small size of the local microfinance channel.

Source: International Investment Bank (iibCV), Blue Bond Impact Report, 2024; Luxembourg Stock Exchange listing (ISIN CVIIBDOM0007). https://www.iibanks.com/westafrica/wp-content/uploads/sites/4/2024/07/Blue-Bond-Impact-Report.pdf

F. BLENDED FINANCE, EQUITY AND CO-INVESTMENT

Blended finance combines concessional or public resources with commercial or private finance to improve the risk-return profile of an investment. Its purpose is to make viable projects financeable where perceived risk is high, expected returns are uncertain, or public benefits are not fully reflected in project revenue.

In practice, blended finance can combine grants, technical assistance, concessional loans, guarantees, first-loss or subordinated tranches, equity, quasi-equity and co-investment. These tools are used to allocate risks and returns between different actors. Public or concessional capital may take higher risk, accept lower returns, provide first-loss protection or fund preparation costs, allowing commercial lenders or investors to participate under more acceptable conditions.

Equity means ownership capital invested in a company or project, while quasi-equity refers to instruments that share some features of debt and equity, such as convertible debt or mezzanine finance. These instruments are relevant for growth-stage blue SMEs and private operators able to grow that may not yet be able to take on more debt. They can support aquaculture, marine bioresources, circular economies, technology-enabled services, sustainable tourism and other blue economy businesses with growth potential.

First-loss or concessional tranches can be useful where development impact is strong but investor confidence remains limited. They can help crowd in additional finance for new sectors, early markets or higher-risk geographies. Blue Alliance's Blended Finance Facility for Marine Protected Areas shows how this layering can work in practice. Non-recoverable grants, anchored by the Global Fund[46] for Coral Reefs, can cover technical assistance, start-up costs and day-to-day conservation activities until business revenues can gradually take over. Recoverable grants from impact-first donors can provide repayable start-up capital, returned only if the underlying business performs, and sit below the senior facility so that they absorb risk first. A senior impact loan facility, anchored by BNP Paribas, can then finance capital and operating expenditure once the earlier tranches have established a track record.

Securing a commercial bank as anchor lender for the senior tranche showed how placing grant and concessional capital at the riskiest, earliest stage is what allowed commercial capital to enter later. But blended finance should be used carefully. It must be justified by additionality, meaning that concessional resources should address a real market failure or mobilisation barrier. It should not subsidise projects that could already attract commercial finance on their own.

Climate funds as a concessional layer. Multilateral climate funds can provide the concessional layer that many blended structures lack: preparation grants, concessional loans, guarantees or first-loss tranches. BOAD is accredited to the Green Climate Fund, the Adaptation Fund and the Global Environment Facility, and EBID to the Green Climate Fund since early 2025. Both can therefore combine these resources with their credit lines, guarantees and issues. The challenge is no longer institutional access but building blue projects and portfolios that meet these funds' criteria (measurable results, co-financing, safeguards, monitoring), and keeping concessional resources for operations that would not have been financed without them.

For West Africa, blended finance can help to structure investments that fall between grant-funded public good and fully commercial projects. This includes resilience infrastructure, blue MSME portfolios, sustainable value chains, ecosystem restoration, circular economy and first-of-a-kind blue economy transactions. The objective is not to label a project as 'blended,' but to design a financing structure in which each layer of capital has a clear role. Where possible, the structure should also be designed with replication in mind.

"For West Africa, blended finance can help to structure investments that fall between grant-funded public good and fully commercial projects."

(46) https://bluealliance.earth/our-blue-finance-facility/

BOX 9. BLENDED FINANCE IN PRACTICE: THE PORTS OF MAIO AND PALMEIRA, CABO VERDE

The modernisation of the ports of Maio and Palmeira in Cabo Verde shows how blended finance layers capital sources into one operation. The programme combined a EUR 17.87 million African Development Bank loan, a EUR 11 million European Union contribution, and EUR 7.8 million from the Cabo Verde government. Each layer plays a distinct role. The loan provides core long-term finance, the EU grant improves affordability, and the government share signals ownership. The upgrades reduce sea travel time to Praia and support inter-island trade, with Palmeira also offering safer fish landing. Port infrastructure of this kind rarely closes on commercial terms alone, because its public benefits are not fully captured in revenue. Blending a concessional loan, a grant and a public contribution is what makes it viable, and the same logic extends to blue port operations across West Africa. Palmeira also appears in Box 7, but as part of a separate and later operation, the EIB and EU facility signed in 2024 and 2026, so the two packages should not be added together.

Source: African Development Bank, 'Upgraded Maio Port to transform economy, boost trade in Cabo Verde,' 2022. https://www.afdb.org/en/news-and-events/press-releases/upgraded-maio-port-transform-economy-boost-trade-cabo-verde-54592

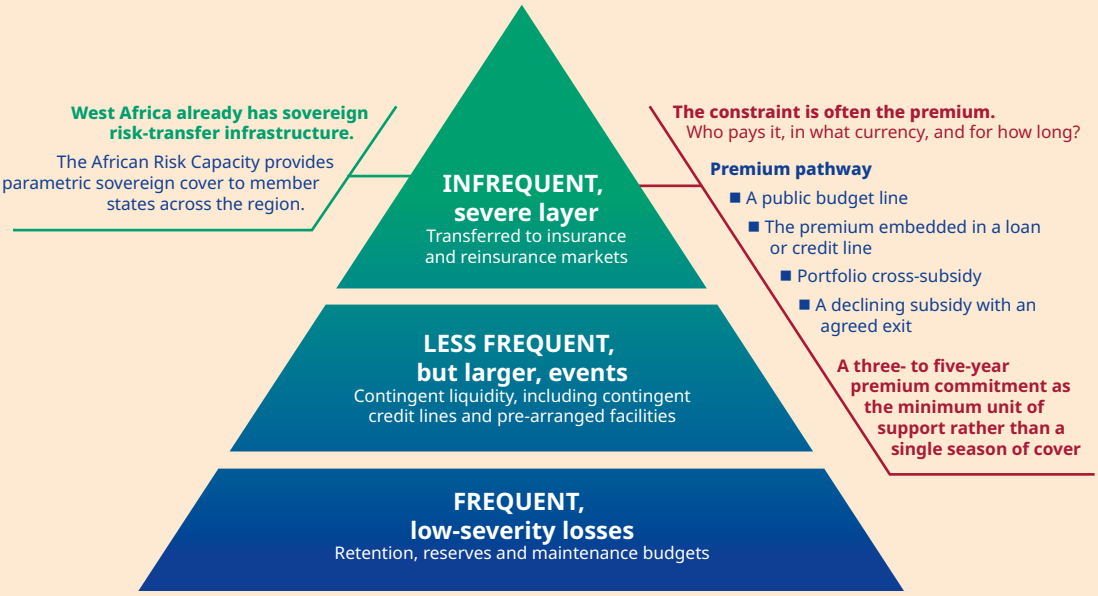
G. INSURANCE AND RESILIENCE INSTRUMENTS

Insurance and resilience instruments can help manage physical and financial risks linked to storms, flooding, coastal erosion, ecosystem degradation and business interruption. They are particularly relevant for blue economy assets and communities exposed to climate and coastal hazards, including ports, tourism infrastructure, fisheries communities, coastal municipalities, logistics operators and nature-based solutions.

Insurance is not a substitute for risk reduction and it is not the right instrument for every loss. The starting point is risk layering. Frequent, low-severity losses are most efficiently absorbed through retention, reserves and maintenance budgets. A middle layer of less frequent, but larger, events is best met through contingent liquidity, including contingent credit lines and pre-arranged facilities. Only the infrequent, severe layer is efficiently transferred to insurance and reinsurance markets. Applying this sequence before selecting an instrument avoids the two most common errors, which are paying the premium for losses that are cheaper to retain, and relying on budget reallocation for events large enough to derail a public investment programme.

THE STARTING POINT IS RISK LAYERING

Insurance is not a substitute for risk reduction and it is not the right instrument for every loss



Applying this sequence before selecting an instrument avoids the two most common errors:

- paying the premium for losses that are cheaper to retain
- relying on budget reallocation for events large enough to derail a public investment programme

Parametric insurance is well suited to contexts where payout triggers can be defined using measurable indicators. Unlike traditional insurance, which generally compensates after assessing losses, parametric insurance pays when the reference indicator, for example wind speed or cumulative rainfall measured in a defined area, reaches a predefined threshold. This can support faster recovery after shocks and it removes the loss adjustment burden that makes conventional cover uneconomic for small, dispersed exposures. The trade-off is basis risk, which is the gap between the payout the index produces and the loss actually suffered. Basis risk cannot be eliminated, but it can be managed through index design tested against historical events, hybrid or modelled-loss triggers where data allow, and a complementary layer of indemnity cover or contingency funding for the residual.

Resilience-linked insurance can also create incentives for risk reduction. For example, insurance products may be linked to coastal protection, ecosystem restoration, resilient infrastructure, early warning systems or improved asset management. The mechanism is premium differentiation, which requires the insurer to be able to model the benefit of the risk reduction measure. Where that modelling does not exist, the incentive cannot be priced and the product reverts to conventional cover.

> **“For the financing agenda set out in this study, the most immediate role of insurance is project bankability rather than compensation.”**

For the financing agenda set out in this study, the most immediate role of insurance is project bankability rather than compensation. Where a port upgrade, cold-chain facility or coastal tourism asset is exposed to flood, storm surge or erosion, the availability and cost of cover determine whether a lender will extend tenor. Uninsured physical risk is frequently the reason a technically sound project is declined or priced punitively. This means insurance belongs in project structuring alongside guarantees rather than in a separate resilience workstream because in a single transaction it protects the lender's security, the borrower's repayment capacity and the public asset. For sovereign and sub-sovereign operations, the same logic extends to climate-resilient debt clauses, which suspend debt service after a pre-defined event and can themselves be insured so that the lender's liquidity position is protected when the pause is triggered. BOAD and EBID are well placed to test both insurance requirements within blue lending covenants, and a resilience clause in selected sovereign or municipal operations.

Insurance and resilience instruments require strong technical foundations. They depend on reliable data, exposure mapping, hazard modelling, trigger design, affordability analysis and trusted local delivery channels. Tools such as the Coastal Risk Index, which models coastal flood hazards under different climate scenarios and quantifies the risk-reduction value that coral reefs and mangroves provide to nearby communities and assets, show what a technical foundation can look like in practice. The same hazard and exposure data that supports more accurate insurance pricing can also help development banks and investors understand community exposure and build the case for investing in nature-based protection.

It is worth being precise about what nature-based insurance can and cannot do at present. Reef insurance products in the Caribbean and Mesoamerica, for example, function because hurricane wind speed is a reasonable proxy for reef damage, and restoration is a defined, costed intervention with a named responder. In West Africa, mangrove systems, for example, are exposed principally to slower, largely anthropogenic degradation, including conversion, cutting, sedimentation and salinity changes, which is not insurable. The credible near-term proposition is not to make mangroves an insured asset, but to ensure their measured risk-reduction benefit is recognised in exposure modelling, pricing and lending decisions for the assets behind them. This risk analytics function is where the insurance industry adds most value before any premium is written, and it is legitimately grant or TA-financed.

The Insurance Development Forum's Global Risk Modelling Alliance offers one established route for building risk modelling and analytics capability with regional and national institutions.

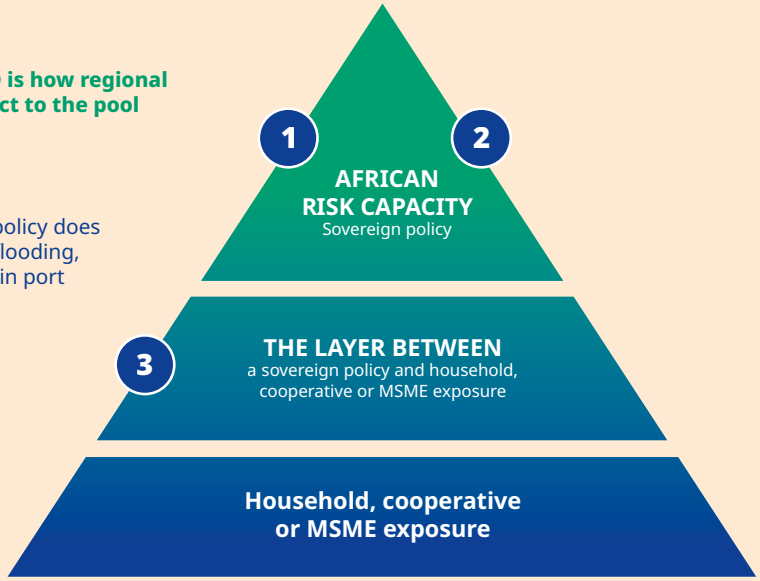
West Africa already has sovereign risk-transfer infrastructure. The African Risk Capacity provides parametric sovereign cover to member states across the region, and the ARC Replica mechanism allows humanitarian partners to buy matching cover alongside a government policy. The question for BOAD and EBID is how regional development finance can connect to the pool that exists by supporting premium payments, addressing the perils a sovereign policy does not yet price well, such as coastal flooding, erosion and business interruption in port and fisheries assets, and covering the layer between a sovereign policy and household, cooperative or MSME exposure.

WEST AFRICA ALREADY HAS SOVEREIGN RISK-TRANSFER INFRASTRUCTURE

The African Risk Capacity provides parametric sovereign cover to member states across the region

The question for BOAD and EBID is how regional development finance can connect to the pool that exists by

1. supporting premium payments
2. addressing the perils a sovereign policy does not yet price well, such as coastal flooding, erosion and business interruption in port and fisheries assets
3. covering the layer between a sovereign policy and household, cooperative or MSME exposure



The constraint is often the premium. Who pays it, in what currency, and for how long?

Any risk-transfer instrument designed for the UEMOA space must be built inside the CIMA regional insurance code.[47] In practice, local risks must be placed with locally licensed carriers, reinsurance is ceded outward only after mandatory local and regional retentions, and the premium must generally be received before cover begins. This determines the fronting structure, the cost, the timing of cover, and whether a donor or DFI-funded premium can be paid at all under the terms of the facility financing it. Any regional blue insurance product will need a CIMA-licensed fronting insurer and a reinsurance panel structured accordingly, and the regulatory treatment of index-based triggers under the code should be confirmed at design stage rather than at placement.

The binding constraint is rarely capacity because reinsurance capacity for well-modelled coastal risk exists. The constraint is often the premium. Who pays it, in what currency, and for how long? Pilots funded from a single grant cycle typically lapse at first renewal, which damages both the developing market and the credibility of the instrument with the ministries that hosted it. This means financing structures should set out the premium pathway from the outset. This may include a public budget line, the premium embedded in a loan or credit line, portfolio cross-subsidy, or a declining subsidy with an agreed exit, and treating a three- to five-year premium commitment as the minimum unit of support rather than a single season of cover.

Three entry points are practical in the near term. First, embedding physical-risk insurance requirements and, where available, cover, into BOAD and EBID lending for ports, coastal infrastructure and municipal assets, so that risk transfer is structured with the loan rather than sought afterward. Second, offer blue economy MSMEs (fishing cooperatives, processing businesses, aquaculture operators and coastal tourism operators) a standardised insurance product designed for an entire

(47) The Conférence Interafricaine des Marchés d'Assurances (CIMA, Inter-African Conference on Insurance Markets) is the regional integration body for the insurance sector, bringing together mainly francophone countries in West and Central Africa. Its Insurance Code, common to all member states, harmonises the regulation of the sector, which is supervised at regional level by the Commission Régionale de Contrôle des Assurances (CRCA, Regional Insurance Supervisory Commission).

portfolio of borrowers, and distribute it through the credit lines and guarantee structures described in sections C and D. Insurance would thus be offered alongside the loan, by the financial institution extending the credit. This approach addresses the main difficulty in insuring small businesses: insurers can often assess and carry the risk, but reaching a large number of small, dispersed clients remains difficult and costly. Third, put in place contingent liquidity for coastal municipalities, meaning pre-arranged financing, such as contingent credit lines, that can be drawn quickly after a shock. With limited own revenues and borrowing capacity (Table 2), these municipalities would otherwise risk having to reallocate already committed budgets after a disaster.

BOX 10. ORRAA: RISK AND INSURANCE MECHANISMS FOR COASTAL RESILIENCE

The Ocean Risk and Resilience Action Alliance (ORRAA) is a multi-sector collaboration connecting finance and the insurance sector, governments, multilateral organisations, civil society, and academia to pioneer finance and insurance products which incentivise investment into coastal and ocean resilience, and a regenerating ocean through nature-based solutions. ORRAA aims to activate at least USD 500 million of investment through finance and insurance products by 2030 to build the resilience of 250 million climate-vulnerable coastal people in the Global South.[48]

Case study: parametric insurance for small-scale fishers.

With ORRAA's support, one of its members, Rare and Willis (a WTW business), developed the first weather index-based parametric insurance product for small-scale fishers, piloted in the Philippines. When prolonged bad weather makes fishing unsafe, fishers lose income and often resort to high-interest loans, asset sales or overfishing. The insurance product pays out automatically when a single index combining wind speed, wave height and rainfall crosses predefined thresholds. This means support reaches fishers quickly, without individual loss assessment or paperwork. The pilot protects 14,200 fishers across five coastal areas and premiums are funded from the national fisheries budget. Because it is government-funded, commercially credible and initially de-risked by donor capital, the model is designed for growth and ORRAA is now replicating it in Kenya, with feasibility work in 2026-2027.[49]

Why it matters for West Africa. Artisanal fisheries are central to the region's blue economy and face the same climate-driven income shocks. The peril and the delivery channel differ. Outside Cabo Verde, the region does not face a tropical cyclone threat, so an index for West African artisanal fisheries needs to be built around swell height, wind, rainfall and days at sea lost rather than typhoon parameters. It would need to be delivered through cooperatives, microfinance institutions or fisheries agencies rather than a single national programme. The transferable element is the model, namely the government-paid premium, an index that removes loss adjustment, and donor capital used to de-risk rather than to fund. A parametric product of this kind could protect fisher livelihoods, reduce pressure on stressed stocks and fit in with the credit lines, guarantees and cold-chain investments discussed elsewhere in this study. The same logic extends to other ORRAA tools relevant to the region. They include nature-linked insurance tied to reefs and mangroves, guarantees through Nautilus, the Blue Guarantee Company, and the Coastal Risk Index, an open data platform quantifying how ecosystems reduce coastal flood risk.[50] These mechanisms depend on reliable data, sound trigger design and trusted local delivery channels.

(48) ORRAA, oceanriskalliance.org
(49) ORRAA, "Parametric Insurance for Small-Scale Fishers" https://oceanriskalliance.org/project/parametric-insurance-for-small-scale-fishers-in-the-philippines/
(50) ORRAA, Coastal Risk Index; Nautilus, the Blue Guarantee Company https://www.guarantee.blue/

H. CARBON, BIODIVERSITY AND NATURE-LINKED REVENUE

Carbon, biodiversity and other nature-linked revenue mechanisms can support selected blue economy projects, but they should be treated with caution. They are not a simple or guaranteed source of finance. Their relevance depends on the type of ecosystem, the legal context, the quality of the project, the credibility of the methodology and the existence of demand from buyers or funders.

Blue carbon, biodiversity credits, payments for ecosystem services and other nature-linked instruments may be relevant for mangroves, wetlands, seagrasses, coastal restoration, protected areas and ecosystem-based adaptation. They can create complementary revenue streams, strengthen conservation incentives and help link climate, biodiversity and community benefits. But they should rarely be treated as the main repayment source unless the project has strong technical, legal and market foundations. By March 2025, 94 blue carbon projects were listed across the major international registries, including Verra, Plan Vivo, ACR (American Carbon Registry) and CAR (Climate Action Reserve).[51] Projects in the registries still represent only about 2% of the sector's estimated global potential, pointing to significant room for growth provided credibility keeps pace.[52] Several conditions are essential. Projects need credible MRV systems, clear tenure or use rights, environmental integrity, additionality, safeguards, permanence or durability considerations, transparent benefit-sharing arrangements and community participation. Without these, nature-linked revenue can create reputational, legal or social risks rather than improve bankability.

It also matters that the integrity frameworks for blue carbon are now maturing, which reduces some of the earlier risk. The High-Quality Blue Carbon Principles and Guidance,[53] launched at COP27 by a group including ORRAA, the World Economic Forum, The Nature Conservancy and Conservation International, among other partners, set out five principles for credible projects. They were safeguard nature, empower people, employ best practices, operate locally, and mobilise high-integrity capital. These principles have since been translated into a practical Practitioners Guide,[54] now in its second edition, which is structured around the stages of project development. They move from early concept through planning to implementation, and draw on real-world case studies, including West Africa Blue's work in Sierra Leone and Guinea. For West African actors, aligning blue carbon activity with such standards from the outset is what separates credible, investable projects from those carrying reputational and legal risk.

Article 6[55] of the Paris Agreement is relevant because it enables international cooperation to tackle climate change and to make financial support available to developing countries. Still, Article 6 and biodiversity credits should be presented neither as a country-readiness criterion nor as an assured source of revenue. Their potential for the region still needs to be documented from up-to-date sources. The practical priority has to be to support project preparation, MRV, legal clarity and benefit-sharing before relying on nature-linked revenue.

(51) Farahmand S, Hilmi N, Duarte CM. 2025. The rise and flows of blue carbon credits advance global climate and biodiversity goals. npj Ocean Sustainability. https://www.nature.com/articles/s44183-025-00141-6
(52) https://oceanriskalliance.org/wp-content/uploads/From-Red-Lines-to-Blue-Lines.pdf
(53) https://oceanriskalliance.org/wp-content/uploads/High-Quality-Blue-Carbon-PG_FINAL_11.9.2022.pdf
(54) https://oceanriskalliance.org/wp-content/uploads/HQBC-Practitioners-Guide-2nd-Edition.pdf
(55) Article 6 refers to the provisions of the Paris Agreement that allow countries to cooperate in achieving their climate targets, including through internationally transferred mitigation outcomes and a UN-supervised carbon crediting mechanism. For blue economy projects, Article 6 may be relevant to selected high-integrity mitigation activities, but it should not be treated as an automatic or easily accessible revenue source.

BOX 11. HIGH-INTEGRITY BLUE CARBON: THE SHERBRO RIVER ESTUARY, SIERRA LEONE

West Africa Blue (https://www.westafricablue.org), a developer based in Freetown, Sierra Leone, is building one of the region's first large-scale blue carbon projects across the Sherbro River Estuary and Yawri Bay. The project covers as much as 94,000 hectares of mangrove across 11 chiefdoms, phased over four areas and registered with Verra under the Verified Carbon Standard, with climate, community and biodiversity certification sought. Restoration and avoided deforestation are financed through the sale of carbon credits, with community benefit-sharing built into the structure. Communities receive 40% of gross carbon revenue, paid within 45 days of each sale and with terms disclosed.

The design responds directly to the weaknesses of earlier projects. Some first-generation mangrove carbon projects drew criticism for overstated crediting and limited community benefit. In the latest project, crediting rests on a deliberately conservative application of Verra's wetland methodology, biodiversity reporting is mandatory under the CCB standard, and the developer publishes its full benefit-sharing agreement open-source through a 'Living Labs' model so that others can replicate it.

This shows how a nature-revenue project often reaches issuance only when it is de-risked and prepared. FSD Africa Investments committed USD 2.5 million in 2025, its first nature-based-solutions investment, and the US Development Finance Corporation added pre-investment technical assistance and is considering political risk insurance. Philanthropic and DFI capital carried the project through years of preparation before any credit could be sold.

Sources:

• West Africa Blue, 2025: Sierra Leone project overview. https://www.westafricablue.org/projects-sierraleone

• Mongabay news, 2025: Huge 'blue carbon' offsetting project takes root in the mangroves of Sierra Leone. https://news.mongabay.com/2025/12/huge-blue-carbon-offsetting-project-takes-root-in-the-mangroves-of-sierra-leone/

• FSD Africa, 2 July 2025 announcement of the USD 2.5 million FSDAi investment, its first direct nature-based-solutions deal, announced at the Africa Debate: https://fsdafrica.org/countries/sierra-leone/

I. FROM INSTRUMENTS TO OPERATIONAL LEVERS

The mechanisms described in this section are not interchangeable. Each responds to a specific financing constraint and requires different actors, capacities and enabling conditions. Grants and technical assistance prepare projects. Credit lines and concessional loans provide capital. Guarantees and insurance reduce risk. Bonds mobilise markets. Blended finance sequences public, concessional and private resources.

Scaling up. The operations cited are small next to a target of about USD 12 billion: the Cabo Verde blue bond of about EUR 3.2 million (CVE 350 million), the USD 15 million Seychelles blue bond, and the Mauritanian portfolio guarantee supporting up to USD 20 million of lending. No single instrument will be enough. Scale depends on aggregating projects into portfolios, using the balance sheets of BOAD and EBID for larger credit lines and issues, and directing concessional resources to reducing risk rather than to direct financing. The realistic volume for each instrument at the target's horizon remains to be set.

The practical approach is to look beyond which instruments exist and ask which actors are able to use them, under what conditions, and for which types of blue economy projects. The next section translates these mechanisms into operational levers for financial actors, including BOAD, EBID, national public development banks, commercial banks, DFIs, investors, WASOP and the West African regional group of the FiCS Ocean Coalition.

“The practical approach is to look beyond which instruments exist and ask which actors are able to use them, under what conditions, and for which types of blue economy projects.”



6

OPERATIONAL LEVERS FOR FINANCIAL ACTORS

KEY MESSAGES

Each actor has a first step it can take now.
BOAD and EBID anchor; commercial banks test products with risk-sharing.
The levers depend on one another.

The previous sections identified the financing needs, barriers and mechanisms that shape sustainable blue economy finance in West Africa. The next step is operational, clarifying what different financial actors can do, where their mandates are relevant, and how their roles can be connected through the West African regional group of the FiCS Ocean Coalition. The core challenge is to organise instruments around the actors able to deploy them.

A. PRIORITY LEVERS BY ACTOR TYPE

The regional blue finance agenda requires clarity on how different actors can contribute. Each actor has a different mandate, risk appetite, client base and operational capacity. The table below identifies practical entry points for each actor, the support they may need, the role the Coalition could play, and actions that could be prioritised next.

TABLE 5. PRIORITY LEVERS BY ACTOR TYPE

Actor	What they can do now	What they need	FiCs Coalition role	Possible next step
BOAD and EBID	Act as regional anchors for blue finance. Define blue eligibility criteria (blue nomenclature). Prepare blue portfolios eligible for climate funds (GCF, Adaptation Fund, GEF, Fund for responding to Loss and Damage) and link them with the bank's credit lines, guarantees and issues. BOAD has already begun, with WASOP support, to develop an internal blue nomenclature and to add a blue component to its sustainable financing framework. Review existing portfolios to identify eligible blue assets and future pipeline. Explore blue instruments, internal tagging or dedicated credit lines. Prepare pathways for blue or thematic bond readiness. Mobilise co-financing, guarantees and concessional resources	A shared blue finance nomenclature. Internal screening tools. Portfolio tagging methodology. ESMS and impact indicators adapted to blue economy activities. Pipeline data from countries and project sponsors. Technical support for bond readiness and financial structuring	Provide regional convening space. Support convergence between BOAD and EBID approaches and engage dialogue with national public and private banks. Facilitate portfolio review, common tools and alignment with FiCS Ocean Coalition principles. Connect regional and national banks with Team Europe, DFIs, climate funds and commercial banks	Explore a joint BOAD and EBID technical workstream on blue eligibility criteria and portfolio review. Identify two to three pilot financing use cases. Clarify the blue bond readiness pathway. Prepare inputs for international ocean-climate finance discussions. Test insurance requirements in blue lending covenants and a climate-resilient debt clause in a pilot operation

Actor	What they can do now	What they need	FiCs Coalition role	Possible next step
National public development banks and national development funds	Adapt existing SME, infrastructure, climate or green finance products to blue economy sectors. Identify and aggregate national pipelines in fisheries, aquaculture, tourism, waste, resilience, ports, water and sanitation. Support public-private project preparation. Act as national relays for regional blue finance tools	Practical guidance from BOAD and EBID. Blue eligibility criteria. Capacity building on blue risk assessment and impact reporting. Access to concessional resources, guarantees or credit lines. Support to identify bankable projects and align them with national priorities	Create a pathway for progressive participation in the regional group. Provide common templates and screening tools. Facilitate peer exchange with BOAD, EBID and other national banks. Help connect national pipelines to regional finance instruments	Identify two to three national public banks or CDCs to engage as observers or pilot partners (2027). Test use of a common blue project screening template. Map existing national finance products that could be adapted to blue sectors
Philanthropies, foundations and catalytic capital providers	Fund what cannot yet carry commercial terms, including preparation, feasibility work, pilot design, locally led project development. Absorb early-stage risk through first-loss or subordinated tranches. Finance risk analytics and TA that carries no revenue line. Commit over several years rather than a single grant cycle	Clarity on where their capital sits relative to concessional and commercial finance, so it de-risks rather than substitutes. Early-stage pipeline. Evidence of what earlier pilots produced. Follow-on financiers willing to take the next tranche	Position catalytic capital at the front of the finance continuum, not as a parallel track. Identify the later transaction each contribution is meant to unlock. Pair catalytic entry with a named follow-on financier	Map catalytic funders active in West African coastal work. Identify two to three preparation or first-loss needs where catalytic capital is the binding constraint
DFIs, Team Europe and other technical and financial partners (AfDB, World Bank, GCF, GEF,...)	Provide concessional capital, guarantees, credit lines, technical assistance and co-financing. Support project preparation, portfolio and aggregation approaches, financial structuring and institutional capacity. Help build blue bond readiness and financial-sector operations. Align Global Gateway, EFSD+, EIB, AFD, Proparco and other instruments with regional use cases	Bankable pipelines. Clear regional priorities. Eligible implementing partners. Strong project documentation. Co-financing logic. Credible impact indicators. Early visibility on potential transactions	Translate regional priorities into concrete finance use cases. Convene partners around BOAD, EBID and priority pipelines. Reduce fragmentation between instruments. Position West Africa within broader ocean-climate finance discussions	Prepare a Team Europe and DFI engagement note around three to five concrete use cases, which could include blue MSME credit lines, portfolio guarantees, blue bond readiness, coastal resilience infrastructure and sustainable value chains

Actor	What they can do now	What they need	FiCs Coalition role	Possible next step
Insurers, reinsurers and brokers	Provide risk analytics ahead of any premium being written, from exposure mapping to hazard modelling, trigger design and affordability analysis. Underwrite physical-risk cover for ports, coastal infrastructure and municipal assets financed by regional and national banks. Develop portfolio-level products for blue MSMEs distributed through existing credit lines and guarantee structures. Act as CIMA-licensed fronting carriers with an appropriately structured reinsurance panel. Extend existing sovereign risk-transfer infrastructure to perils it does not yet price well, rather than creating a new pool	Reliable exposure and hazard data. A premium pathway set out from the start showing who pays, in what currency, and for how long, with a three-to-five-year commitment treated as the minimum unit of support. Confirmation at design stage of how index-based triggers are treated under the CIMA code. Distribution channels, because delivery rather than underwriting is the usual point of failure. Aggregated demand rather than single-project placements	Position insurance within project structuring alongside guarantees, not as a separate resilience workstream. Convene insurers, reinsurers and brokers with BOAD, EBID and national banks early enough to shape transactions. Support access to risk modelling capability, including through routes such as the Insurance Development Forum's Global Risk Modelling Alliance. Make the premium question explicit in financing structures rather than leaving it to first renewal	Confirm the regulatory treatment of index-based triggers under the CIMA code. Scope one portfolio-level blue MSME product on an existing credit line. Open a technical conversation with ARC on coastal flooding, erosion and business interruption in port and fisheries assets. Test insurance requirements in blue lending covenants and a climate-resilient debt clause in a pilot sovereign or municipal operation
Commercial banks and MFIs	Start with observation, portfolio review and product testing. Identify existing clients in fisheries, aquaculture, tourism, logistics, waste, circular economy and coastal services. Pilot blue SME products, leasing, working capital or trade finance. Partner with guarantee providers or regional development banks	Risk-sharing mechanisms. Clear eligibility criteria. Staff training. Practical sector risk tools. TA for product design, portfolio monitoring and impact reporting. Access to longer-term liquidity and guarantees. Evidence that blue economy segments can be commercially viable, which typically comes from projects that were de-risked at an earlier stage (see Table 2)	Reduce information gaps between banks and project sponsors. Support commercial bank engagement through regional actors such as Ecobank, Oragroup or other multi-country banks. Facilitate dialogue on blue credit lines, guarantees and MSME finance	Engage and consult selected regional commercial banks for the next meeting of the regional group of the Ocean Coalition and organise a bank-focused session on blue SME finance by BOAD (1st half of 2027). Identify one pilot portfolio guarantee or blue credit line concept. Develop a simple bank-facing blue finance briefing note

Actor	What they can do now	What they need	FiCs Coalition role	Possible next step
Private investors and funds	Engage with opportunities able to grow where business models are clearer and risks better structured. Focus on growth-stage SMEs, aquaculture, circular economy, logistics, marine bioresources, technology-enabled services, sustainable tourism and nature-positive models. Provide equity, quasi-equity or patient capital where appropriate	Curated pipeline. Investment-ready documentation. Clear revenue models. De-risked entry points. Reliable co-investment partners. Governance, safeguards and impact evidence. Visibility on exits or follow-on financing	Act as a filter and connector, not only an event platform. Help distinguish raw project ideas from investable opportunities. Link investors to prepared projects, co-investors, accelerators, guarantees and TA providers	Build an investor engagement list and segment it by mandate. Prepare a small number of curated project or portfolio concepts. Organise targeted investor conversations around blue SMEs able to grow and blended finance opportunities
WASOP and the West African regional group of the FiCS Ocean Coalition	Provide coordination, intermediation and shared tools. Use this study as a common diagnostic. Develop templates for eligibility, project screening, pipeline review and reporting. Support dialogue between public development banks, commercial banks, DFIs, investors and project sponsors	A clear annual workplan. Ownership by BOAD, EBID and participating partners. Practical tools that can be reused by banks and project sponsors. Agreement on priority use cases. Coordination capacity to avoid becoming only a discussion forum	Serve as coordination platform for the regional blue finance agenda. Harmonise practices, structure dialogue, facilitate co-financing, support bank engagement and connect the regional group to international ocean finance processes	Use the present study as the basis for future partner consultations. Launch work on a shared blue finance nomenclature. Organise a first portfolio review exercise. Support UNFCCC COP positioning and other international strategic event such as the FiCS 2027 Summit. Identify two to three pilot use cases and convert them into structured workstreams

The matrix above shows the regional blue finance agenda cannot be delivered by one category of actor alone. BOAD and EBID can anchor the regional architecture, but they need pipelines, tools and partners. National public development banks and commercial banks can reach local borrowers, but they need risk-sharing and capacity. DFIs and Team Europe can provide concessional resources and guarantees, but they need structured use cases. Investors can bring capital, but they need de-risked entry points. WASOP and the regional group can create the connective tissue between these roles.

Gender, youth and communities. Women-led businesses, young entrepreneurs and coastal communities are among the actors that find finance hardest to reach (Table 3). The levers should be designed to reach them. For eligibility, projects should show how women, young people and local communities take part in, or benefit from, the activity financed. Useful indicators are the share of beneficiaries who are women or under 35, the jobs created for them, the share of credit-line lending that reaches enterprises they lead, and whether communities were consulted before financing. Results should be reported by sex and age in the shared reporting of layer 1.

B. CROSS-ACTOR SYNERGIES

The actor-specific entry points identified in the previous section are most useful when they are connected. Blue finance will not grow if there are isolated instruments or individual institutions acting alone. It requires coordination between regional development banks, national institutions, commercial banks, DFIs, investors, technical partners and project sponsors. Finding synergies is about identifying practical combinations of actors that could make financing mechanisms easier to use.

A first synergy concerns BOAD, EBID and commercial banks. Regional development banks can help structure blue credit lines, guarantees and portfolio review approaches, while commercial banks provide market reach and client relationships. This combination is particularly relevant for MSME finance, including fisheries value chains, aquaculture, circular economy, coastal tourism, logistics and local services. BOAD and EBID could help define eligibility criteria and mobilise longer-term or concessional resources, while commercial banks test products with selected client segments. Guarantees or partial portfolio guarantees could reduce risk and encourage banks to enter blue economy segments they currently perceive as too uncertain, particularly when guarantees are paired with technical assistance that builds capacity and readiness to meet lending requirements.

For commercial banks, blue finance is a way to reach new clients in fisheries, aquaculture, ports and tourism value chains, to diversify portfolios, and to meet climate reporting expectations. To engage, they need what section 5D describes: portfolio guarantees that cover part of the first losses, cover for currency risk, access to longer-term funding through credit lines, and technical assistance to assess blue projects. Without these, testing products stays a pilot with no route to scale. Which commercial banks take part, the size of the pilot and how its success is measured have still to be defined by the regional group, for example on the basis of each bank's SME portfolio and its monitoring and reporting capacity.

A second synergy concerns WASOP, the FiCS Coalition and financial institutions. Many banks and public development institutions do not yet have practical tools to assess blue economy opportunities. WASOP and the regional group could create them by developing shared templates, screening tools, project concept formats, bankability checklists and reporting guidance. This would help reduce transaction costs for banks and improve the quality of information provided by project sponsors. It would also support a more consistent approach to project pre-screening, without replacing the due diligence responsibilities of financial institutions.

A third synergy concerns DFIs, Team Europe partners, BOAD and EBID. DFIs and Team Europe can provide guarantees, concessional capital, technical assistance and co-financing, but they need sufficiently defined use cases. BOAD and EBID can help anchor these use cases at a regional level, particularly around blue credit lines, portfolio guarantees, coastal resilience infrastructure, sustainable value chains and blue bond readiness. This also requires DFIs and Team Europe partners to coordinate among themselves so that concessional resources are not duplicated across similar use cases. This is a coordination role the FiCS Coalition could help to support. The FiCS Coalition can also help to translate broad regional priorities into a small number of structured opportunities that are easier for partners to assess and support.

A fourth synergy concerns private investors, funds and the FiCS Coalition. Private investors are unlikely to engage with raw project ideas or fragmented project lists. They need curated opportunities with clearer business models, governance, impact evidence and risk-sharing options. The Coalition could help to create this interface by distinguishing between early-stage concepts, projects requiring preparation and investment-ready opportunities. This would allow private investors, impact funds, foundations and catalytic capital providers to engage at the right stage and with greater clarity on where they can add value.

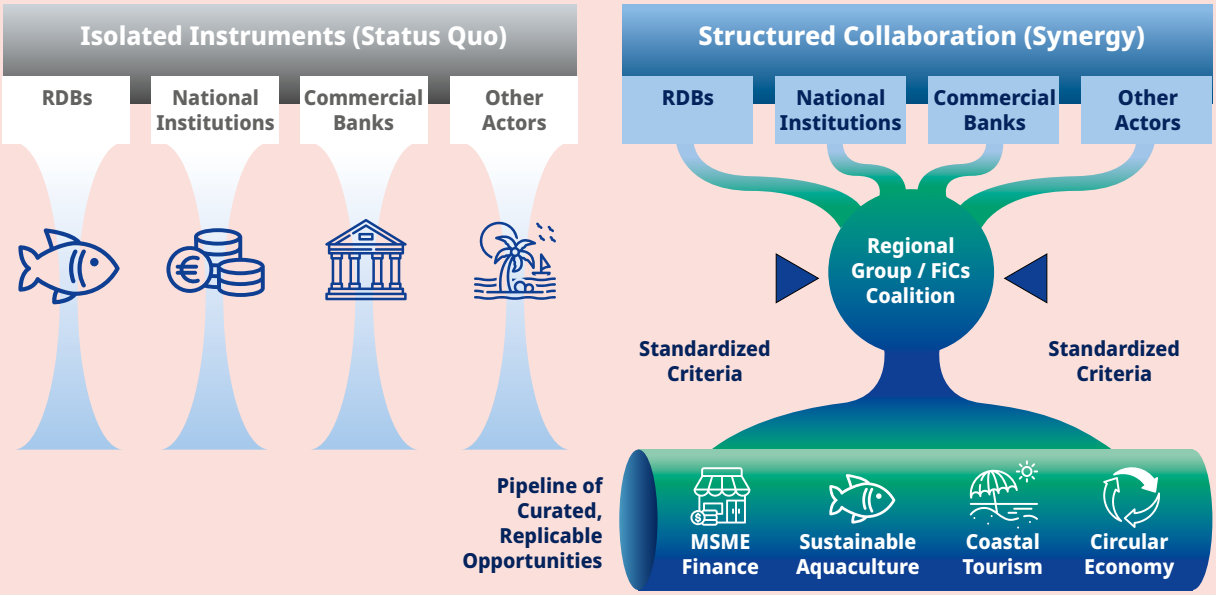
These synergies point to a practical function for the regional group, which is **improving intermediation** (Figure 2). Its added value lies in helping actors move from fragmented interest to structured collaboration. This could include shared criteria, pipeline review, partner matchmaking, technical preparation, bank engagement and the identification of priority use cases.

FROM ISOLATED INSTRUMENTS TO STRUCTURED COLLABORATION

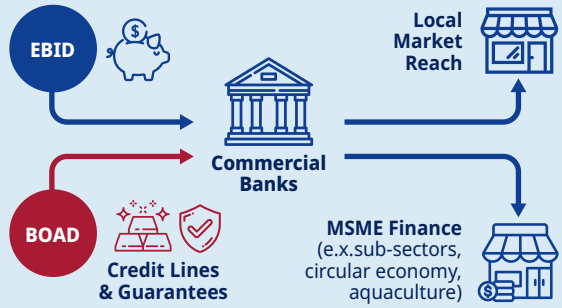
Acting alone, financial actors reach the blue economy through narrow, disconnected channels. Working through the regional group of the FiCS Ocean Coalition, with BOAD and EBID as anchors, the same actors combine around shared criteria and a curated project pipeline. The four panels show the practical synergies with BOAD and EBID structuring credit and guarantees for commercial banks to reach MSMEs (1); WASOP and the Coalition equipping financial institutions with shared tools and screening (2); DFIs and Team Europe anchoring concessional capital around defined regional use cases (3); and the Coalition turning raw project ideas into investment-ready opportunities for private investors (4).

BUILDING AN EFFECTIVE INTERMEDIATION FUNCTION FOR BLUE FINANCE

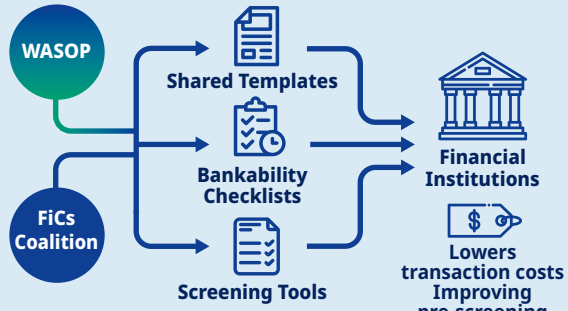
OVERVIEW: FROM ISOLATED INSTRUMENTS TO STRUCTURED BLUE FINANCE COLLABORATION



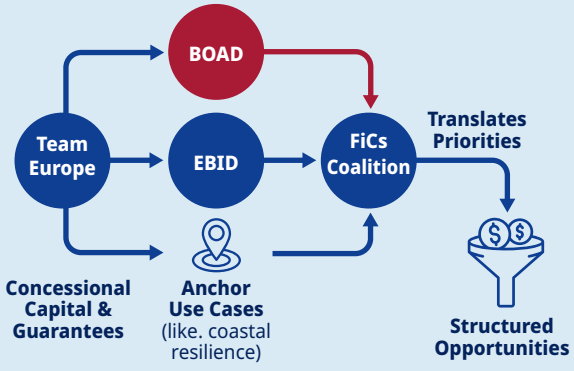
SYNERGY 1: Structuring Credit & Reducing Risk
(BOAD, EBID, Com. Banks)



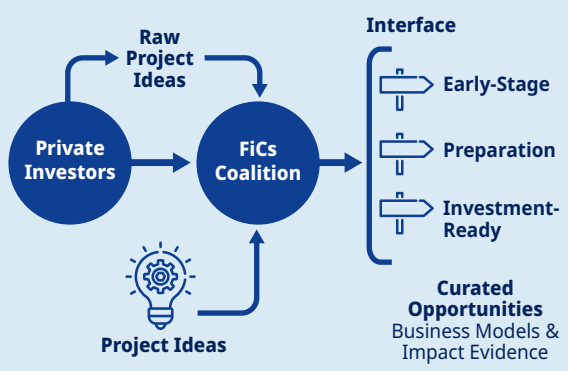
SYNERGY 2: Common Frameworks & Assessment
(WASOP, F1Cs Coalition, Fis)



SYNERGY 3: Defined Use Cases & Capital Mobilization
(DFIs, Team Europe, RDBs)



SYNERGY 4: The Interface for Private Investment
(Investors, Funds, FiCs Coalition)





7

CONCLUSION: toward a regional blue finance architecture for West Africa

KEY MESSAGES

A three-layer architecture: shared standards, a pipeline of prepared projects, and financing instruments.

Each gate has one lead, one tool and one output.

Several decisions lie outside the group's hands.

West Africa's sustainable blue economy has moved beyond being recognised merely for its existence. The region's coastal, marine and inland water systems are already central to food security, trade, employment, resilience, biodiversity and regional integration. It also faces growing pressure from climate change, coastal erosion, flooding, pollution, ecosystem degradation and unsustainable resource use. The financing challenge is to organise capital flows in ways that protect existing value, reduce future losses and support sustainable growth, in addition to raising finance.

This study shows the region faces a set of connected gaps. Project preparation gaps, pipeline gaps, risk-sharing gaps, financial product gaps, data and standards gaps, and coordination gaps between actors. Many blue economy projects are relevant from a policy or development perspective, but are not yet ready for financing. **Many financial institutions have capital or instruments that could be useful, but lack prepared pipelines, sector knowledge, practical eligibility criteria or risk-sharing mechanisms. This mismatch is one of the main constraints to scaling blue finance in the region.**

This diagnosis is not specific to West Africa. The most recent continental overview, produced by UNDP and the African Union, identifies the same pattern among the critical gaps constraining Africa's blue economy, from weak investment-ready pipelines to limited business support services and regulatory barriers facing MSMEs and blue enterprises, alongside a shortage of finance for smaller and informal operators.[56] It also finds these gaps to be interconnected rather than separate and concludes that addressing them in isolation produces limited results.

A functioning regional blue finance structure would not replace existing institutions or create another layer of process. Its value would lie in **making existing mandates easier to connect**. BOAD, EBID, national public development banks, commercial banks, DFIs, investors, technical partners and project sponsors each hold part of the solution. The role of a regional platform is to improve the interface between them with common language, better prepared pipelines, shared tools, clearer entry points and more structured engagement with finance providers.

Figure 3 sets out how these functions fit together. The architecture proposed here has three layers, each of which would be led by different actors. Layer 1 holds the shared standards and tools, a common nomenclature, a single screening template, safeguards adapted to blue sectors, shared impact indicators and reporting, and this is the layer where WASOP and the regional group add most value. Layer 2 is the pipeline layer, where projects are originated, prepared, aggregated, structured and curated, and where BOAD's Climate Study Fund offers the most direct existing instrument if its remit extends to blue operations. Layer 3 holds the financing instruments themselves, credit lines, portfolio guarantees, blue bonds, blended structures and insurance, carried on the balance sheets

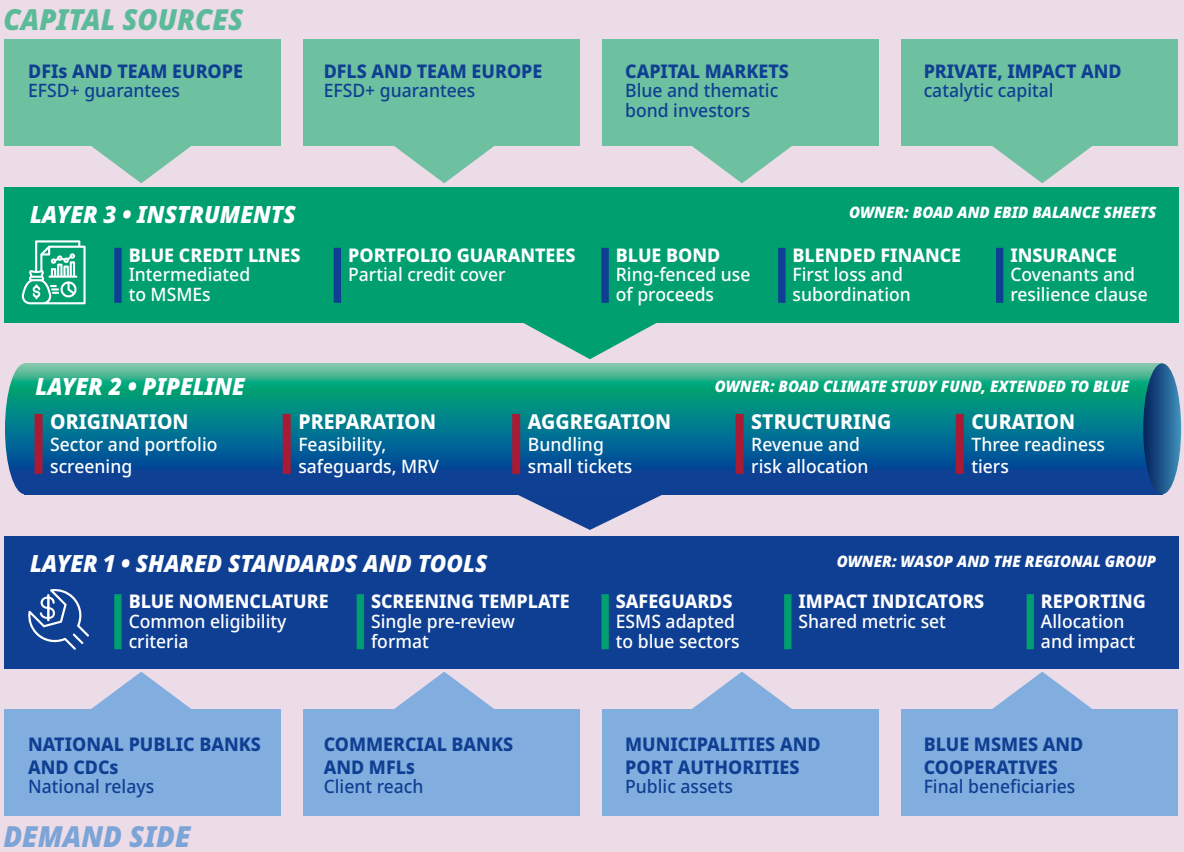
(56) UNDP and African Union, State of the Africa Blue Economy: Strategic Synthesis 2026, July 2026. https://www.undp.org/sites/g/files/zskgke326/files/2026-07/final_copyed_kg_20_july_state_of_abe_report_22_july_2026_compressed.pdf

of BOAD, EBID and their partners. Capital enters at the top, from DFIs and Team Europe, climate and nature funds, capital markets and private and catalytic capital, and reaches national public banks, commercial banks, municipalities, port authorities, MSMEs and cooperatives at the base. The sequence matters because instruments deployed without the pipeline layer produce disbursement pressure without projects, and a pipeline built without shared standards produces projects that each financier has to assess from scratch. This architecture has not yet been presented to the regional group, so its governance and the funding of layers 1 and 2 are still to be decided with the group's members.

For blue finance to count as climate finance, each operation should state the share that is adaptation and the share that is mitigation, under the institution's tracking method. The MIGA guarantee to BOAD gives an example: half of the guaranteed loan is earmarked for climate finance, 30% of which for adaptation. The common blue nomenclature should build in this tagging from the start. For its first eligibility criteria, it can draw on two existing references: the taxonomy that AMF-UMOA Circular No. 001/AMF-UMOA/2024 sets for the regional market, and the International Finance Corporation's Guidelines for Blue Finance (version 2.0, 2025).[57]

THE REGIONAL BLUE FINANCE ARCHITECTURE IN THREE LAYERS

Layers are numbered in build order, from shared standards at the base to instruments at the top. Ownership assignments indicate where each layer would sit under the arrangement proposed in this study.



(57) AMF-UMOA. 2024. Circulaire n° 001/AMF-UMOA/2024 du 28 février 2024 (see section 5E), https://www.amf-umoa.org. International Finance Corporation. 2025. Guidelines for Blue Finance, version 2.0. https://www.ifc.org/en/insights-reports/2025/guidelines-for-blue-finance

The architecture proposed here has three layers, each of which would be led by different actors. The regional group of the FiCS Ocean Coalition can add value by focusing on a limited number of practical functions. First, it can help to support a shared understanding of what qualifies as sustainable blue finance in West Africa, through common eligibility criteria, screening tools and impact indicators. Second, it can help to improve the quality of project pipelines by encouraging stronger project preparation, clearer governance, more credible repayment logic and better environmental, social, climate and biodiversity metrics. Third, it can facilitate dialogue between public development banks and commercial banks, especially around blue credit lines, guarantees, MSME finance and portfolio approaches. Fourth, it can support blue finance capacity building for financial institutions, closing the gap between having capital or instruments available and having the sector knowledge and risk tools to deploy them. The governance and funding of layers 1 and 2 are still to be discussed in detail with the group's members.

The four functions map onto the seven levers set out in the executive summary. The first lever, project preparation, sits in the pipeline layer. Five levers are the instruments of the third layer, including dedicated blue windows and credit lines; guarantees and risk-sharing mechanisms; blue bond issuance; blended finance and co-investment; and insurance and resilience instruments. The regional group contributes the eligibility criteria, common frameworks and shared reporting on which they depend. The remaining lever, progressive engagement of commercial banks and investment funds, is present through the structured dialogue and capacity building described above.

Table 6 links each lever to its layer, its main actors, its instruments and the barrier it addresses.

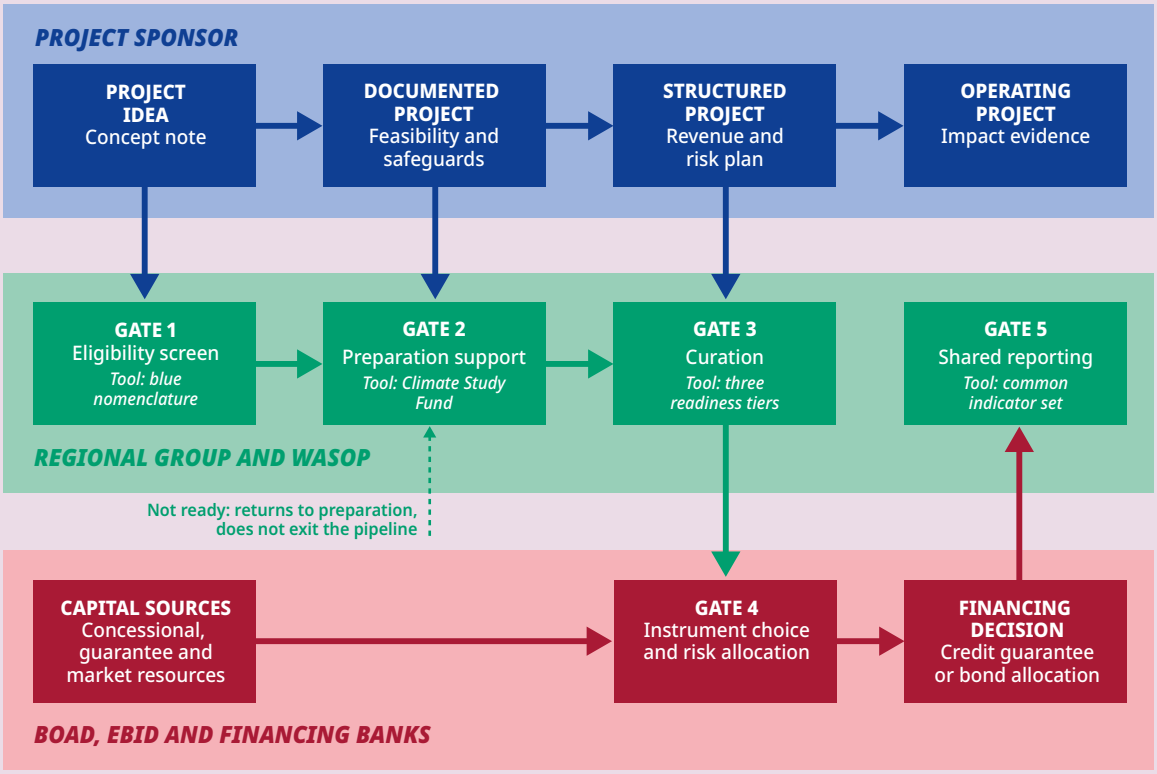
TABLE 6. HOW THE SEVEN LEVERS CONNECT LAYERS, ACTORS, INSTRUMENTS AND BARRIERS

Lever	Layer	Main actors	Instruments	Barrier it addresses
1. Project preparation	2, pipeline	BOAD Climate Study Fund, WASOP, technical partners	Preparation grants, technical assistance	Too few investment-ready projects
2. Dedicated blue instruments	3, instruments	BOAD, EBID, national public banks, selected commercial banks	Credit lines, dedicated windows	Short tenors, limited liquidity for blue sectors
3. Guarantees and risk-sharing	3, instruments	BOAD, EBID, DFIs, Team Europe	Portfolio and partial credit guarantees	High perceived risk, weak collateral
4. Blue bonds	3, instruments	BOAD, EBID, issuers, AMF-UMOA, BRVM	Blue and thematic bonds	Small deal sizes, no blue pipeline to allocate
5. Blended finance and co-investment	3, instruments	DFIs, climate funds, private investors	First-loss and subordinated tranches	Returns too low for commercial capital alone
6. Commercial banks and investment funds	1 and 3	Regional group, commercial banks, funds	Shared tools, capacity building, guarantees	Limited sector knowledge
7. Insurance and resilience	3, instruments	Insurers, CIMA, ORRAA, banks	Index insurance, resilience clauses	Climate shocks, uninsured borrowers

The following figure follows a single project from idea to financing. There are three lanes. The project sponsor owns the object itself, moving from concept note to documented project, structured project and finally operating project with impact evidence. The regional group and WASOP can contribute to four of the five gates, including through helping build screening eligibility tools using the common nomenclature, preparation support, curation against readiness stages, and shared reporting once the project is operating. BOAD also supports the preparation gate through its Climate Study Fund for example. BOAD, EBID, national and commercial banks own the fourth gate, which is the financing decision itself, taken under each institution's own eligibility criteria. Each gate has one lead, one tool and one output, so it is always clear who does what a project needs next. A project that fails a gate returns to the preceding one rather than leaving the pipeline. Only projects that reach the third readiness stage are presented to investors, which is how the architecture protects the credibility of what it puts in front of finance providers.

FROM PROJECT IDEA TO FINANCING: FIVE GATES AND WHERE THE REGIONAL GROUP ACTS

Gates 1, 2, 3 and 5 are where the regional group of the Coalition adds value; Gate 4 remains the sole responsibility of the financing institution. The three readiness stages at Gate 3 are concept, under preparation and investment ready. Only the third stage is presented to investors.



The FiCS Ocean Coalition can also help to connect regional priorities with international finance. Public and concessional finance can be used more strategically to prepare projects, reduce risk and crowd in additional capital where appropriate.

The priority is not to finance every blue economy activity, nor to create a long list of possible instruments. It is to identify where a regional finance platform has real added value.

What success could look like. Stronger regional blue finance architecture would mean financial actors share a common language for sustainable blue finance, project sponsors understand what information financiers need, banks have practical tools to assess blue economy opportunities, and regional institutions can identify credible pipelines for co-financing. It would also mean concessional finance, guarantees, technical assistance and private investment are used in a more coordinated way, with clearer pathways for blue credit lines, portfolio guarantees, project preparation and thematic finance.

Conditions and dependencies. A sustainable blue economy in West Africa requires architecture that connects policy ambition, project preparation, financial instruments and measurable impact. That architecture depends on decisions the group cannot take alone, from formal adoption of the 2022 ECOWAS Blue Economy Strategic Framework to an extension of the Climate Study Fund's remit to blue operations, a pathway for insurance premium support, confirmation of how the CIMA code treats index-based triggers and a guarantee partner identified before blue bond structuring begins.

The architecture also carries risks of its own. Table 7 sets out the main ones and how they can be managed.

TABLE 7. MAIN RISKS FOR THE REGIONAL BLUE FINANCE ARCHITECTURE

Risk	Effect	Mitigation
Bluewashing	Operations labelled blue without real benefit; loss of investor trust	Common blue nomenclature, do-no-harm check, external review of labelled issues
Weak additionality	Concessional resources replace finance that would have come anyway	Reserve concessional layers for operations that need them; document the gap each one fills
Social safeguards	Harm to artisanal fishers; land and tenure conflicts	Safeguards adapted to blue sectors; consultation and benefit-sharing for affected communities
Concentration	Operations cluster in a few countries with stronger pipelines	Preparation support aimed at countries with thinner pipelines; regional portfolio targets
Dependence on pending decisions	The architecture stalls (ECOWAS framework adoption, Climate Study Fund remit)	Start with what BOAD and EBID can do under their current mandates

The opportunity for the regional group is to help to make the architecture work in practice. If it succeeds, blue finance moves from scattered interest to structured investment, supporting resilient coastal economies, sustainable livelihoods, protected ecosystems and long-term economic value.



ANNEX

SUMMARY OF MECHANISMS AND THEIR BEST USE

TABLE 8. FINANCING MECHANISMS AND THEIR RELEVANCE FOR BLUE ECONOMY PROJECTS

Mechanism	Best suited for	Main users or intermediaries	Main strengths	Main limitations	Relevance for West Africa
Grants and technical assistance	Project preparation, feasibility studies, safeguards, MRV, business planning, financial modelling and capacity building	Project sponsors, public agencies, municipalities, banks, MSMEs, ecosystem support organisations	Improves project quality and investment readiness, supports bankability before debt or equity can be mobilised	Does not usually finance full investment needs and impact depends on linking to a financing pathway	Critical for early-stage pipelines, municipalities, SMEs, blue bond readiness and bank engagement
Grants	Cost reduction, affordability support, incentives linked to impact or access to finance targets	MSMEs, financial intermediaries, project sponsors, public programmes	Can reduce the cost of investment, support high-impact projects and reward agreed KPIs	Requires careful calibration to avoid market distortion or dependence on subsidies	Useful for SMEs, climate adaptation, inclusion, first-time borrowers and high-impact sectors with weak initial revenue
Concessional loans and credit lines	Long-term investment, equipment, infrastructure, working capital and SME portfolios	BOAD, EBID, national public development banks, commercial banks, MFIs, infrastructure operators	Provides longer tenor and more affordable debt than standard commercial lending	Requires repayment capacity, financial discipline and eligible intermediaries	Central for blue MSME finance, fisheries value chains, circular economy, tourism upgrading, ports and small infrastructure
Trade finance and working capital	Short-term liquidity, imports, exports, processing, distribution and regional value chains	Commercial banks, issuing banks, confirming banks, exporters, processors, distributors, importers	Supports business continuity, trade flows and value-chain operations	Short tenor and requires banking relationships, documentation and risk controls	Highly relevant for fisheries, aquaculture, logistics, cold chain, inputs, equipment and regional trade
Local-currency finance and currency-risk solutions	Borrowers with local-currency revenues and hard-currency debt or imported inputs	Banks, MFIs, MSMEs, municipalities, utilities, project developers	Reduces currency mismatch and protects borrowers from exchange-rate shocks	Can be costly or unavailable where swap markets are shallow	Important for local SMEs, municipalities and operators whose revenues are domestic, but costs may be linked to EUR or USD

Mechanism	Best suited for	Main users or intermediaries	Main strengths	Main limitations	Relevance for West Africa
Equity and quasi-equity	Growth-stage firms, higher-risk businesses, innovation, SMEs and funds able to grow	Investment funds, DFIs, private investors, blue economy funds, venture and growth capital providers	Provides patient risk capital and can support business growth where debt is not suitable	Requires investable companies, exit options and skilled fund managers	Relevant for aquaculture, circular economy, marine bioresources, technology-enabled services and private operators able to grow
Blue bonds and thematic bonds	Capital market mobilisation for eligible blue portfolios or issuer-level financing	BOAD, EBID, national banks, commercial banks, public issuers and financial intermediaries	Can mobilise larger volumes, diversify funding sources and strengthen reporting discipline	Requires eligible pipeline, issuer credit quality, governance, reporting systems and investor confidence	Important for BOAD and EBID blue bond readiness, and potentially for financial intermediaries financing blue MSME portfolios
Blended finance and co-investment	Projects with strong public benefits but challenging risk-return profiles	DFIs, public development banks, climate funds, private investors, foundations, public authorities	Sequences grants, concessional capital, guarantees, equity and private finance to improve risk-return conditions	Must demonstrate additionality and avoid subsidising already bankable projects	Useful for infrastructure, resilience, SMEs, ecosystem restoration, value chains and first-of-a-kind structures
Insurance and resilience instruments	Physical climate risk, business interruption, coastal assets, disaster response and resilience incentives	Insurers, reinsurers, DFIs, municipalities, ports, tourism operators, coastal communities	Transfers or reduces risk and can support faster recovery after shocks	Requires data, trigger design, affordability analysis and local delivery capacity	Relevant for coastal flooding, storms, ports, tourism, fisheries communities and municipal resilience
Carbon, biodiversity and nature-linked revenue	Selected restoration, conservation or ecosystem-based projects with credible impact claims	Project developers, communities, public agencies, conservation partners, buyers and investors	Can create complementary revenue streams and strengthen conservation incentives	Requires strong MRV, tenure clarity, additionality, safeguards, benefit-sharing and credible market access	Potentially relevant for mangroves, wetlands and ecosystem restoration, but should be treated as complementary and uncertain, not as easy repayment income



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