

# Blue Bonds: Background



## Ocean

The ocean contributes an estimated \$3 trillion per year to the global GDP yet overfishing, illegal fishing and habitat destruction have dramatically reduced fish populations. Climate change and ocean acidity are pushing coral reefs to the brink of extinction. Biodiversity is in peril. And that's terrible for people, as well as the planet.



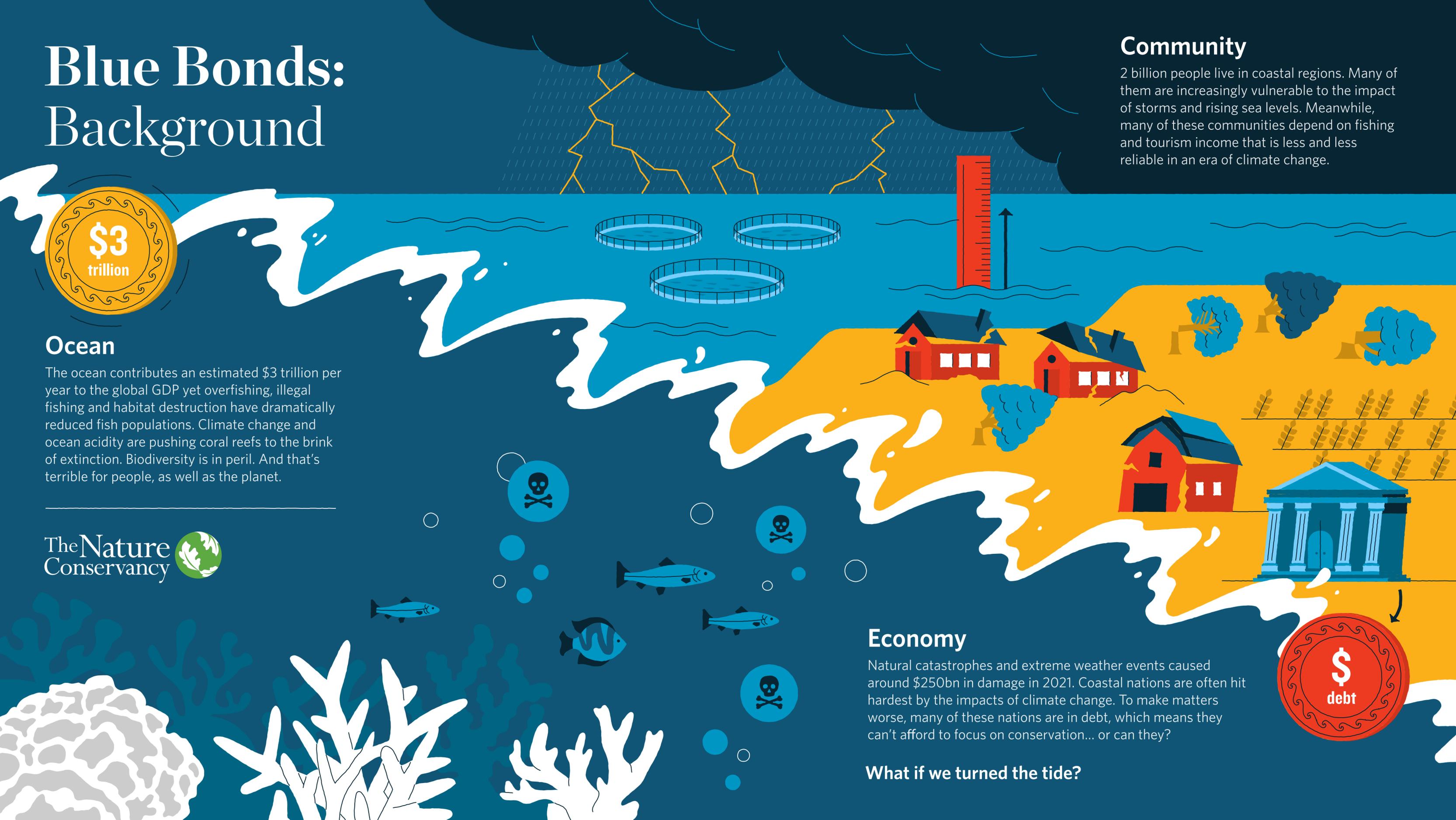
## Economy

Natural catastrophes and extreme weather events caused around \$250bn in damage in 2021. Coastal nations are often hit hardest by the impacts of climate change. To make matters worse, many of these nations are in debt, which means they can't afford to focus on conservation... or can they?

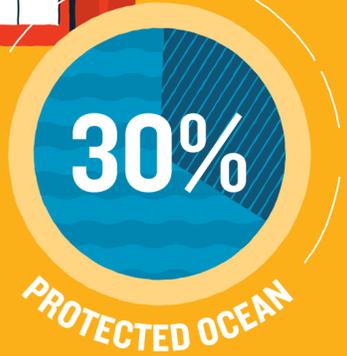
**What if we turned the tide?**

## Community

2 billion people live in coastal regions. Many of them are increasingly vulnerable to the impact of storms and rising sea levels. Meanwhile, many of these communities depend on fishing and tourism income that is less and less reliable in an era of climate change.



# Blue Bonds: Explained



## Ambition

A coastal nation pledges to protect as much as 30% of its ocean areas. In return, TNC works with the government, investors and international development organizations to refinance a portion of their debts to unlock significant funding for ocean conservation.



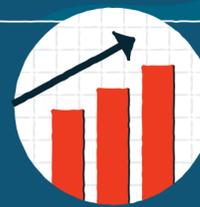
## Collaboration

TNC collaborates with diverse stakeholders, including fishers, tourism businesses, government leaders and local communities to create marine protected areas and a management plan that integrates the needs of the people and ocean.



## How it works

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1 Funds from sovereign debt refinancing flow into an independently run conservation fund, which oversees how the money is used to meet the conservation goals.
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2 Ocean conservation leads to stronger communities and local economies.
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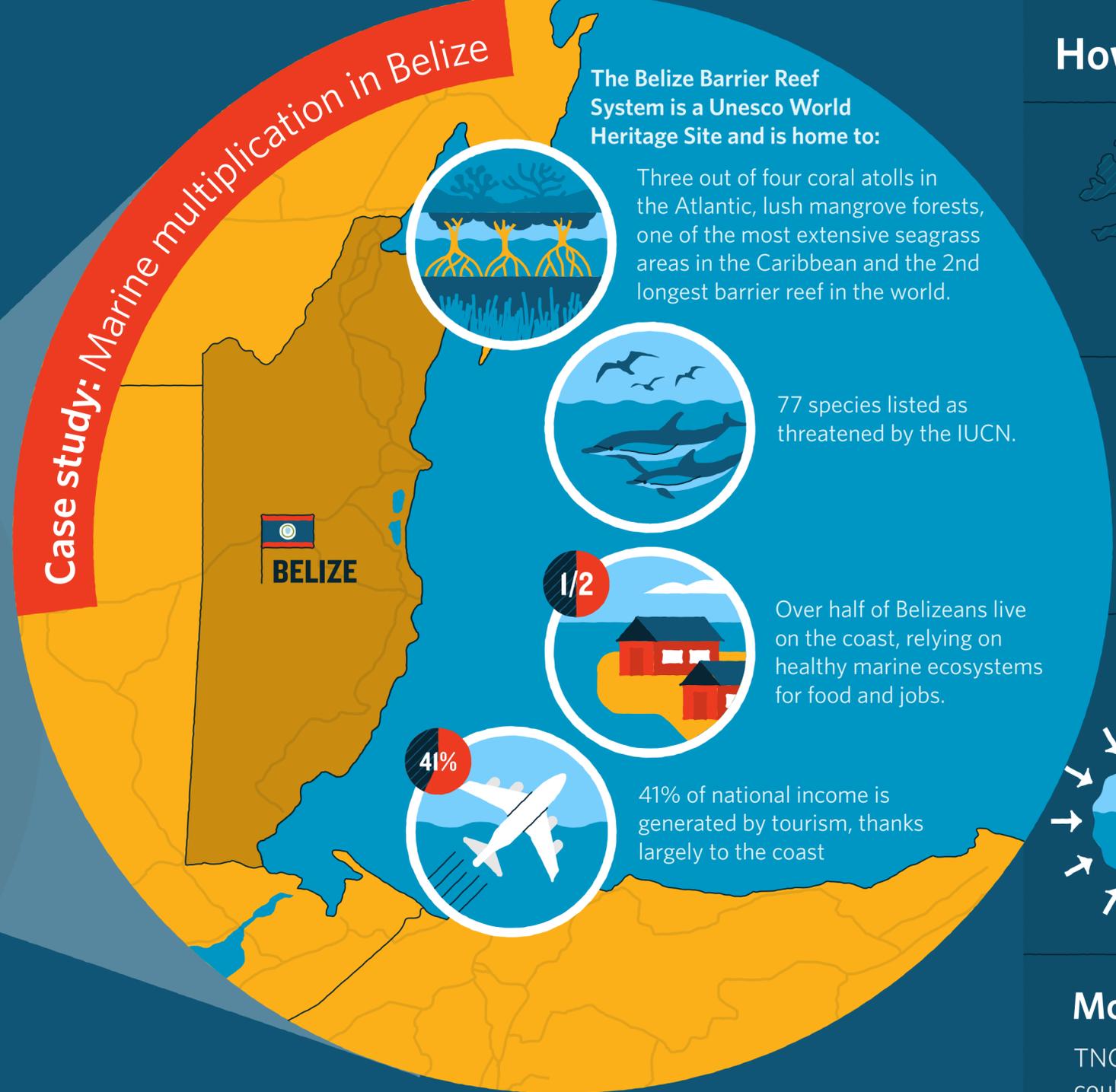
3 Complex ecosystems bounce back.
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4 Resilience to climate change improves.

# Blue Bonds: Proven results, tremendous potential



Around the world, Blue Bonds have the potential to provide...



## How did it work?



Belize committed to protecting up to 30% of its ocean areas or 10,113 km<sup>2</sup> - that's an area roughly the size of Iceland.



TNC worked with Belize to refinance approximately \$553 million of external commercial debt - a sum equivalent to 30% of its GDP - and reduce its national debt by 12%.

The resulting funds from the refinancing are invested into an independent Conservation Fund:



- 20 years of direct funding for ocean conservation - averaging \$4.2 million annually.
- Seed funding of an endowment projected to grow to \$92 million over 20 years.

## More is not only possible, but essential

TNC has identified dozens of countries around the world that could benefit from Blue Bonds working with government, investors, public funders to refinance debts for ocean conservation. This strategy could make ambitious global goals for marine conservation attainable.

But we must act now, before ocean degradation becomes irreversible.



\$1.6 billion for ocean conservation

