MARINE 30X30 FINANCE

A systems-led approach
and principles for countries

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Minderoo Foundation and Partners

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Respecting First Nations Leadership

We acknowledge First Nations people around the world in their roles as Traditional Custodians of the lands and waters in which we work. We pay our respects to Elders past, present and emerging. We also acknowledge and support the application of principles that can give effect to First Nations people and local community leadership in marine protected areas' planning, implementation and finance. The organisations supporting this report recognise that there is still much to learn and improve as we work together to achieve outcomes for people and the planet.

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EXECUTIVE SUMMARY

Background

A healthy ocean is essential to global well-being, but urgent changes need to be made to ocean protection and management to prevent irreversible declines. In addition to ecological and social harms, the global economy is highly exposed and vulnerable to ocean degradation. Improved ocean management and the development of sustainable ocean economies could increase human well-being, biodiversity protection and economic resilience.

Marine Protected and Conserved Areas (MPCAs) represent an important tool for ocean management and the restoration of ocean biodiversity. This was recognised in 2022 when the 15th Conference of the Parties (COP) made a bold commitment under Target 3 of the Convention on Biological Diversity Kunming-Montreal Global Biodiversity Framework (GBF) to protect 30 per cent of the planet's land and ocean by 2030 (30x30). One hundred and sixteen member countries also made similar commitments through the High Ambition Coalition for People and Nature targets of collaborating to achieve 30 per cent protection by 2030.

Sufficient and durable finance is key to achieving and ensuring long-term effective management of marine 30x30 targets, but finance is one of the key limitations to effective MPCAs. Considering the global momentum towards 30x30, and the lack of suitable financial strategies, countries need clear guidance on how to finance marine 30x30 targets.

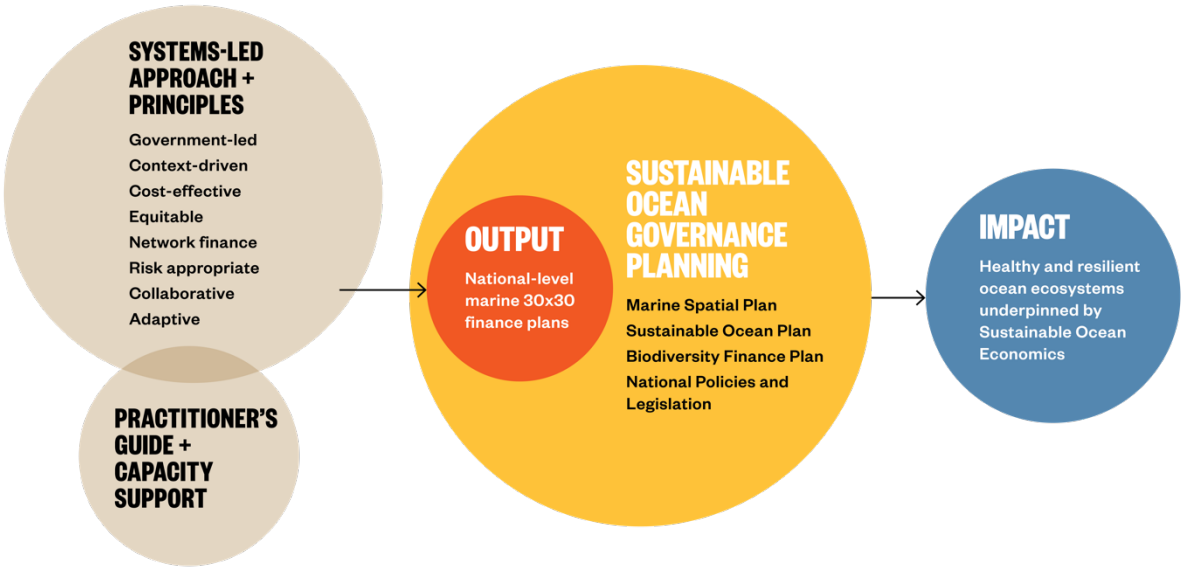
Objective

A diverse, global group of partners are collaborating to empower national governments to develop financial plans that support the implementation of marine 30x30 targets. This Principles Paper is the first step in this initiative. It articulates a new systems-led approach, high-level principles, recommendations and key performance indicators intended to support countries in achieving and measuring their progress towards financing marine 30x30.

The paper is aimed at government ministries and civil society partners, such as biodiversity finance practitioners.

At a later date, a complementary Practitioner Guide will be produced to accompany this paper. It will detail the step-by-step actions countries need to take to implement the principles and recommendations in a manner that is consistent with their context and ongoing obligations, such as Sustainable Ocean Plans or national biodiversity finance plans. The end goal is for countries to achieve sufficient and durable finance for ongoing ocean management and Sustainable Ocean Economies, leading to resilient and healthy ocean ecosystems.

Approach and principles



Sufficient and durable marine 30x30 finance can be improved through a systems-led approach that addresses the finance barriers iteratively within a broader lens of ocean governance. The systems-led approach is rooted in the understanding that the MPCAs networks underlying marine 30x30 are management tools within the broader, integrated ocean system, that support the delivery of sustainable ocean economies.

The systems-led approach can be operationalised through eight principles (detailed in Section 3). Governments should be empowered to lead the development of national ocean finance plans that are tailored to the unique context of each country, and which finance whole networks of managed areas. Finance plans must consider cost effectiveness and mitigate risks, while equitably sharing costs and benefits of ocean wealth. A collaborative and adaptive approach is required to ensure that countries have sufficient and durable funding to implement commitments.

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Conclusion

Although GBF commitments are global in nature, in practice, most conservation actions will be planned and implemented at the national scale. Countries will play a central role in determining how national targets are developed, implemented and funded for the future. Implementing a systems-led approach and accompanying principles can aid national efforts to achieve sufficient and durable marine 30x30 finance and support the implementation and long-term effective management of marine 30x30 targets.

ABBREVIATIONS

CBD	Convention on Biological Diversity
CFA	Conservation Finance Alliance
COP 15	15th Conference of the Parties
CTF	Conservation Trust Fund (also referred to as environmental funds)
EEZ	Exclusive Economic Zones
FPIC	Free, Prior, and Informed Consent
GBF	Kunming-Montreal Global Biodiversity Framework
GDP	Gross Domestic Product
GHG	Greenhouse Gases
HAC	High Ambition Coalition for People and Nature
IPLC	Indigenous Peoples and Local Communities
KPI	Key Performance Indicator
MEL	Measurement, Evaluation and Learning
MPA	Marine Protected Area
MPCA	Marine Protected and Conserved Area
MSP	Marine Spatial Planning
NAPs	National Action Plans
NBFPs	National Biodiversity Finance Plans
NbS	Nature-based Solutions
NBSAPs	National Biodiversity Strategies and Action Plans
NDCs	National Determined Contributions
OECM	Other Effective area-based Conservation Measures
OFP	Ocean Finance Plan
PFP	Project Finance for Permanence
SOE	Sustainable Ocean Economy
SIDS	Small Island Developing States
SOP	Sustainable Ocean Plan

GLOSSARY

A glossary of key terms is provided in Appendix 1: Glossary of this document.

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1 INTRODUCTION

1. Objective

This document, *Financing Marine 30x30: A systems-led approach and guiding principles* (hereafter referred to as "Principles Paper"), marks the initial phase of a collaborative initiative designed to empower national governments with the tools and capacities they need to achieve their marine commitments under the Convention on Biological Diversity Kunming-Montreal Global Biodiversity Framework (GBF). This includes the protection of at least 30 per cent of the planet's land and ocean by 2030 (hereinafter referred to as "30x30"; CBD 2022).

This paper articulates a new systems-led approach, high-level principles, recommendations and key performance indicators which are intended to support countries in measuring their progress towards financing marine 30x30. The target audiences include:

- Government ministries responsible for developing and implementing marine planning, protection, and governance.
- Civil society, including conservation finance practitioners and technical experts who support governments in the above.

To provide actionable guidance, the scope of the Principles Paper has been limited to national-level planning for marine and coastal management within Exclusive Economic Zones (EEZs; see further scope boundaries in Appendix 2: Scope).

(A) PROCESS

Minderoo Foundation convened a global group of partners with expertise in conservation finance, marine spatial planning and ocean governance, sustainable development, government capacity building and related fields.

These partners include non-profit organisations, academia, government and the private sector. Beginning in July 2023, the partners have iteratively developed this paper and next steps as described in Figure 1 below. Many attended a technical workshop on Heron Island, Australia, in October 2023 where they collectively designed the principles, recommendations and key performance indicators. The workshop cohort was carefully balanced for gender and geography, with more than 20 countries represented. The partners contributed to several reviews and iterations of this paper between the workshop and publication. The acknowledgements include opted-in partners' names.

Figure 1. Marine 30x30 finance milestones

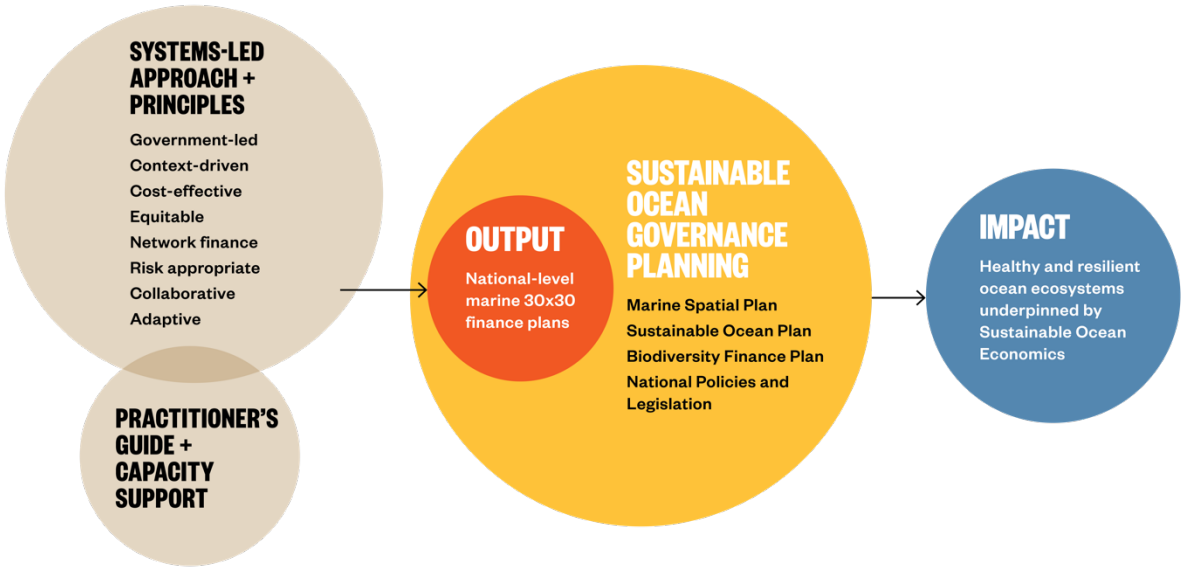
Heron Island, Australia, October 2023. Source: Minderoo Foundation. Workshop participants gather to discuss Marine 30x30 Finance.

The next output will be a Practitioner's Guide which includes step-by-step actions for countries to implement the principles and recommendations, in a manner that is consistent with their context and ongoing obligations. A diverse cohort of governments will be invited to co-design and pilot the practitioner's guide, and the partners will develop pathways to provide support to countries to integrate ocean financial planning and capacity into national systems.

(B) IMPACT

The intended impact of this initiative is to support healthy and resilient ocean ecosystems, underpinned by Sustainable Ocean Economies (SOEs; see Figure 2). The Ocean Panel defines SOEs as "development of the ocean economy in a way that balances the needs of the people, planet, and prosperity". The foundation of SOEs are healthy, productive and resilient marine ecosystems (Ocean Panel undated; Winthers *et al*. 2020). Through the application of a systems-led approach to marine 30x30 finance, countries can make significant contributions towards delivering a healthy ocean that provides benefits for nature, people and the climate on a global scale.

Figure 2. Supporting healthy oceans through marine 30x30 finance



Together with the forthcoming Practitioner's Guide and capacity enhancement support to countries, this Principles Paper will support governments in developing national level marine 30x30 finance plans. Given that countries around the world are at very different stages of ocean planning and management, and that there is already a high burden on governments to develop a wide range of plans (for example, Marine Spatial Plans or Biodiversity Finance Plans), we are not recommending that countries take on an additional, standalone process. Instead, we recommend that countries develop a national marine 30x30 finance plan as part of their ongoing ocean planning commitments.

For example, in one country, this may take the form of an additional chapter in their Marine Spatial Plan, and for another, it may form part of their Sustainable Ocean Plan. The intention is to ensure that each country has a customised national plan for how to finance marine 30x30, but the exact process and output will vary by country. Throughout this document, we refer to the development of a "national marine 30x30 finance plan" as a proxy for the diverse forms that this output will become for the target audiences.

2. Background

A) OCEAN VALUES UNDER THREAT

A healthy ocean is essential to global well-being (CBD 2022). Comprising more than 90 per cent of all habitable space on the planet, the ocean represents one of the main sources of global biodiversity and provides critical ecosystems underpinning all life on earth (Paşca Palmer 2017). The ocean supplies half the air we breathe and absorbs some 26 per cent of all anthropogenic carbon dioxide emitted into the atmosphere (WWF & Metabolic 2022; Paşca Palmer 2017). The ocean provides significant value to food security, refuge from natural disasters, job creation, recreational opportunities and is deeply embedded within the culture and livelihoods of many people (UN-OHRLLS 2015; FAO 2020).

Almost three-quarters of the world's population live within 50km of the coast and an estimated 3 billion people rely directly on ocean resources for their livelihoods. Of these 3 billion individuals, most reside in developing countries and almost half a billion are at least partially dependent on small-scale fisheries (FAO 2020; UNSD undated; FAO, Duke University & WorldFish 2023).

Globally, the ocean economy is worth more than US$2.5 trillion in annual goods and services and represents about 3 per cent of global GDP (conservative estimates, UNCTAD 2021). By 2030, this contribution is predicted to expand at twice the rate of the mainstream economy (OECD 2016; European Commission 2019; Sumaila et al. 2020; UNCTAD 2021).

For many Small Island Developing States (SIDS), ocean-related tourism is the backbone of their economies, contributing an average of 30 per cent to their GDP (UN-OHRLLS 2020). The global fishing industry has an annual value of some US$401 billion (FAO 2020). The shipping industry generates around US$0.5 trillion/year in freight fees, accounting for about 80 per cent of all global trade by volume (Sonic Shares 2021; EDF 2022). Marine ecotourism has a global value of US$50 billion, of which $19 billion is generated through "on-reef" tourism (Sumaila et al. 2020).

However, human pressures from both land and sea continue to negatively impact ocean health and undermine the provision of ocean benefits. Impacts disproportionately affect coastal communities and disadvantaged populations (Sumaila et al. 2020). Two-thirds of the ocean is now considered to be severely altered by human activity and only one-sixth of the world's coastline remains in its natural state (Williams et al. 2021). More than one-third of marine mammals and nearly one-third of sharks, shark relatives and reef-forming corals are threatened with extinction (IPBES 2019). Since the start of the industrial age, the ocean has absorbed one-third of the world's carbon emissions and more than 90 per cent of the heat from human-caused climate change (IPBES 2019; Frost et al. 2022).

B) THE COSTS OF INACTION

Biodiversity loss is considered one of the top three long-term threats to the global economy. The World Economic Forum estimates more than half of global GDP (US$44 trillion) is potentially under threat from nature loss (WEF 2024; 2020). The financial risk associated with not adequately investing in sustainable ocean management is significant. A recent study found that two-thirds of publicly listed companies – across all industries – are at risk due to ocean decline (WWF & Metabolic 2022).

Without proactive mitigation measures to improve ocean health, the global economy faces losses of up to US$8.4 trillion over the next 15 years (WWF & Metabolic 2022). Looking solely at ocean-based sectors, 5 per cent loss in the total value of these industries represents US$125 billion each year (UNEP 2022).

Recent estimates suggest the cost of ocean and coastal damage from climate change and other threats by 2050 could be as much as US$322 billion per year (Noone et al. 2013; Hoegh-Guldberg et al. 2015; EU Commission 2019; Sumaila et al. 2020), and includes damages to fisheries (US$21 billion), tourism (US$31 billion) and climate mitigation services, such as ocean carbon absorption (US$163 billion), as well as damages arising from sea-level rise (US$101 billion) and storms (US$6 billion). Sumaila et al. (2020) estimate the total cost of coastal protection, relocation and loss of land due to sea level rise to be between US$200 billion and 1 trillion annually by 2100.

More than a third of global fishery stocks are currently being harvested at biologically unsustainable levels (FAO 2022) and if overfishing continues along similar trends, annual global yields are projected to fall by more than 16 per cent by 2050 (Sumaila et al. 2020) with significant implications for food security in small-scale fisheries.

Global shipping continues to be negatively affected by increasing storm intensity and other climate change-related impacts, including port adaptation and rerouting costs – an additional day at sea for containerships that consume 150 tons of fuel US$30 million to more than US$200 million per sq km of port area (UNEP 2022; EDF 2022). The global loss of existing mangroves would result in the flooding of an additional 15 million people each year (De Dominicis et al. 2023). Investing in a SOE can reduce economic losses by an estimated US$5.1 trillion over the next 15 years (WWF & Metabolic 2022). A sustainably managed ocean could yield six times more food than it currently does and create 12 million new jobs by 2030 (WRI undated).

(C) BENEFITS OF OCEAN ACTION: GLOBAL COMMITMENTS TO 30X30

On 19 December 2022, "alarmed by the continued loss of biodiversity and the threat this poses to nature and human well-being," the GBF was adopted by the 15th Conference of the Parties. It includes a bold global commitment to protect at least 30 per cent of the planet's land and ocean by 2030 (CBD 2022). A similar commitment by 116 member countries has also been made through the High Ambition Coalition for Nature and People (HAC) targets of achieving 30 per cent by 2030 (Frost et al. 2022; HAC 2022).

Target 3 of the GBF recognises the need to effectively conserve 30 per cent of global areas.

"Ensure and enable that by 2030 at least 30 per cent of terrestrial and inland water areas, and of marine and coastal areas, especially areas of particular importance for biodiversity and ecosystem functions and services, are effectively conserved and managed through ecologically representative, well-connected and equitably governed systems of protected areas and other effective area-based conservation measures, recognizing indigenous and traditional territories, where applicable, and integrated into wider landscapes, seascapes and the ocean, while ensuring that any sustainable use, where appropriate in such areas, is fully consistent with conservation outcomes, recognizing and respecting the rights of indigenous peoples and local communities, including over their traditional territories."

(CBD 2022)

National targets in support of global 30x30 commitment will vary country by country and may be more or less than 30 per cent.

Eighteen countries have further committed to sustainably managing 100 per cent of their Exclusive Economic Zones (EEZ) through commitments to the High-Level Panel for a Sustainable Ocean Economy (Ocean Panel undated). Comprising 50 per cent of global coastlines and 44 per cent of global EEZs, these 18 countries hold a shared ambition to develop and implement Sustainable Ocean Plans (SOPs) that ensure "integrated, inclusive and sustainable management of 100 per cent of their national waters to benefit people, nature and the economy" by 2025, and call on other countries to join these efforts. Through this commitment, these countries seek to improve ocean management and balance protection, production and prosperity to nearly 30 million sq km of national waters, or 35 per cent of global national EEZs (Ocean Panel undated; UNESCO 2020; Ocean Panel 2020; Frost et al. 2022).

These recent global ambitions highlight the significant role that marine protected areas (MPAs) and Other Effective area-based Conservation Measures (OECMs) [1] – collectively termed Marine Conservation and Protected Areas (MCPAs) – will play in mitigating human pressures and supporting SOEs (see also Appendix 3: MPAs and OECMs).

1. In line with GBF Target 3, this Principles Paper uses MPA and OECM terminology to describe efforts to meet 30x30 protection, however we recognise that MPAs, OECMs - and other ocean conservation areas more broadly - can take a variety of forms. For a more detailed overview of MPAs, OECMs and other policy instruments, please see Appendix 3: MPAs and OECMs.

Marine Protected and Conserved Areas (MPCAs) include both MPAs and OECMs.

MPAs are spatial management tools designed to mitigate the damage caused by human pressure and ocean industries and support the protection, replenishment and restoration of marine resources and ocean health more broadly (Hoegh-Guldberg et al 2015; UNEP 2022).

OECMs are geographically defined areas which are governed and managed in ways that achieve positive and sustained long-term outcomes for the in-situ conservation of biodiversity, with associated ecosystem functions and services and, where applicable, cultural, spiritual, socioeconomic and other locally relevant values (CBD 2018). OECMs differ from MPAs in that they are not necessarily designed with the primary goal of protecting biodiversity.

MPCAs are one of the most effective tools to protect ocean ecosystems and to restore ocean capital (Gonçalves 2023). They are essential tools [2] needed to improve biological parameters, such as habitat complexity, survival rates of juvenile fish, species diversity, fish biomass, density and size (Brander et al 2020). MPCA benefits extend beyond their boundaries and play an important role in the sustainable management of the larger ocean domain (UNEP 2022).

Although they do not directly mitigate against climate change, MPCAs can help rebuild ecological and social resilience and serve as nature-based solutions (NbS) that support global efforts towards climate change adaptation and mitigation. They are one of the most effective adaptation tools for marine ecosystems facing environmental change (IUCN 2017). In addition, well-designed MPCA networks have the potential to achieve conservation goals more effectively and efficiently than individual MPCAs and can meet objectives that a single reserve cannot achieve, supporting the interconnectivity of ecosystems and the protection of species that move across different habitats during different life stages as well as increasing economies of scale (NOAA undated; IUCN 2008).

Achieving the bold global commitment of marine 30×30 will require current MPCA designation to more than triple in as little as seven years with significant efforts concentrated within national jurisdictions. As of early 2024, only 7.6 per cent of the world's ocean fell under an MPA designation, of which only 3 per cent of the total designation area is considered fully or highly protected, a further 0.9 per cent is designated as OECMs. Less than 1 per cent of this total fell outside EEZs (The Marine Protection Atlas 2024; High Seas Alliance 2023). Of these designated MPCAs, some 70 per cent or more fall short in achieving their conservation goals (Bohorquez, 2022). Almost half of all MPCAs continue to experience high human pressure (Williams et al. 2021; Bohorquez 2022; Krishnamurthy 2023).

2. Restoring ocean health will require MPCAs be implemented alongside other interventions. MPCAs are a necessary marine management tool but if implemented alone will be insufficient as many pressures cannot be addressed with MPCAs alone. These outside pressures can reduce their positive impacts, for example, pollution, plastics, sedimentation, warming, etc.

Realising marine 30x30 will require comprehensive, representative, adequate [3] designation of new MPCAs as well as improving current management within existing MPCAs (Secretariat of the Convention on Biological Diversity 2020). This will require significant inputs across a broad array of disciplines, including but not limited to management, scientific research and monitoring, marine spatial planning (MSP), social and cultural engagement, equity, enforcement and capacity development as well as coordination at all levels of implementation and governance.

However, recent research shows that the benefits of achieving marine 30x30 far outweigh the costs, and the economic benefits of effective marine management are significant, with net benefits ranging from US$490 billion to US$920 billion over a 35-year period (Brander et al. 2015; Konar and Ding 2020). Estimates indicate that the economic benefits of expanding MPA global coverage to 30 per cent will exceed costs by a factor of 1.4 to 2.7 (Brander et al. 2020; Waldron et al. 2020). More broadly, each US$1 invested in ocean management can yield more than US$5 in global benefits across parameters such as health (for example, a reduction in mortality and morbidity), environmental and ecological (for example, benefits from higher biodiversity, reduced water usage and land-based conflicts, and coastal protection), and economic and social (for example, increased business revenues, household income, jobs and food security; Konar and Ding 2020). Conserving 20 to 30 per cent of global oceans in MPAs has the potential to create 1 million jobs in MPA protection, generate fish catch worth US$70 to 80 billion per year, and provide ecosystem services valued at US$4.5 to 6.7 trillion/year (Balmford et al. 2004; UNEP-WCMC and IUCN 2016).

An annual investment of US$12 billion to deliver 30x30 global MPCA coverage equates to less than 0.5 per cent of total annual global ocean value (US$2.5 trillion). Even if there is a significant margin of error, the estimated annual costs of extending global MPCA coverage are a fraction of expected sectoral damages without mitigation measures and significantly lower than the total value of these ocean sectors (UNEP 2022).

(D) FINANCE AS A LIMITATION TO MARINE 30X30

Underpinning all aspects of sustainable ocean governance, including the design and implementation of marine 30x30, is the need for sufficient and durable finance.

Recent analyses estimates that an annual commitment of between US$9 to 12 billion is needed to achieve marine 30x30, split between regions as shown in Table 1 (Brander et al. 2020; UNEP 2022b; Peterson et al. 2023)

Table 1: Annual financial commitment needed to achieve marine 30x30

Region	Financial Commitment (US$)
Latin America and the Caribbean	1.8-2.5 billion
Asia Pacific	1.5-1.8 billion
Sub-Saharan Africa	0.2-0.27 billion
Europe	4.7-6.4 billion
The Middle East	0.75-1 billion

3. As defined by The Strategic Plan of Action for the NRSMPA, Australian and New Zealand Environment and Conservation Council Task Force for Marine Protected Areas: ANZECC TFMPA,1999

Previous analysis by Brander et al. (2020) estimated establishment costs for 30 per cent global MPA coverage to be about US$ 12.6 billion with subsequent operating costs of roughly US$43 billion over a 35-year period, or about US$1.2 billion per year. However, these operating costs may be substantially underestimated due to the nature of the data underlying the costing models from 2004 that were the basis of these estimates, among other factors (Balmford et al. 2004) [4]. Still, current global MPA spending is some US$980 million annually, well below even these most conservative projections (UNEP 2022b).

Sufficient and durable finance continues to be one of the most cited factors in limiting the ability of MPCAs to deliver on their objectives and to establish new MPCAs (Bos et al. 2015, Gill et al. 2017, IUCN 2017; Andrews et al. 2020, Deutz et al. 2020). Funding for marine protection remains fragmented, limited by regulatory and capacity gaps, and constrained by complicated tenure and ownership (Sumaila et al, 2020). Challenges also lie in the difficulty to quantify and monetise MPCA benefits, which can often be diffuse or for which many markets do not exist, including long-term benefits for ecological resilience (Gómez-Baggethun & Ruiz-Pérez 2011; Davis et al. 2019; UNEP 2022). It is further compounded by a high dependence on limited sources of funding (Bos et al. 2015; Andrews et al. 2020).

Most funding streams that do exist for marine conservation rarely match the longer timeframes needed to achieve conservation goals and are instead more influenced by political and donor cycles (Emerton et al. 2006; Bos et al. 2015; Binet et al. 2015).

At the same time, investments into ocean harming activities continue, undermining the impact of investments into MPCA finance. Globally, about US$500 billion is spent by governments each year supporting activities that harm biodiversity (OECD 2019), five to six times more than total biodiversity spending (OECD 2020). The global fishing sector is estimated to receive around US$22 billion in subsidies each year alone, of which almost 85 per cent goes to supporting large-scale industrial fishing operations. According to OECD estimates, governments spend on average around 20 per cent of the value of fisheries landings in support of the sector (Sumaila et al. 2019).

Indeed, bridging the marine conservation finance gap will require not only a significant ramp up in funding but also concurrent changes in how ocean resources are managed and invested in; reducing ocean economic sectors that promote harmful activities – including pollution, extraction and climate change – will be key to reducing the finance gap and the transition to a SOE.

4. The operating costs from Brander et al. 2020, and subsequently Waldron et al. 2020, were based on a model developed by Balmford et al. 2004. This model was based on the actual budgets of the MPAs in their data and did not factor whether these MPAs may have already been underfunded. Furthermore, the Balmford et al. 2004 model identified total area to be the most influential factor to predict operating costs, and subsequently the outputs from the Brander et al. 2020 analysis estimated that 30 per cent protection would cost the same per year as 10 per cent protection because of a greater emphasis of larger MPAs that have dramatically lower operating costs per sq km. While costs per sq km may generally decline for larger areas, it is unlikely in practice that 30 per cent protection would cost about the same as 10 per cent, and therefore these figures are likely significant underestimates.

(E) BARRIERS TO MARINE 30X30 FINANCE

MPCAs protect public goods, mitigating damage by ocean users and other upstream users through the management of these shared resources; however, adequate funding rarely flows back to their management.

Achieving sufficient and durable marine 30x30 finance will require addressing financial, economic, institutional, social and informational barriers, many of which are inextricably linked (see summary below and details in Appendix 4: Barriers to sufficient and durable MPCA finance).

Table 2: Barriers to marine 30x30 finance

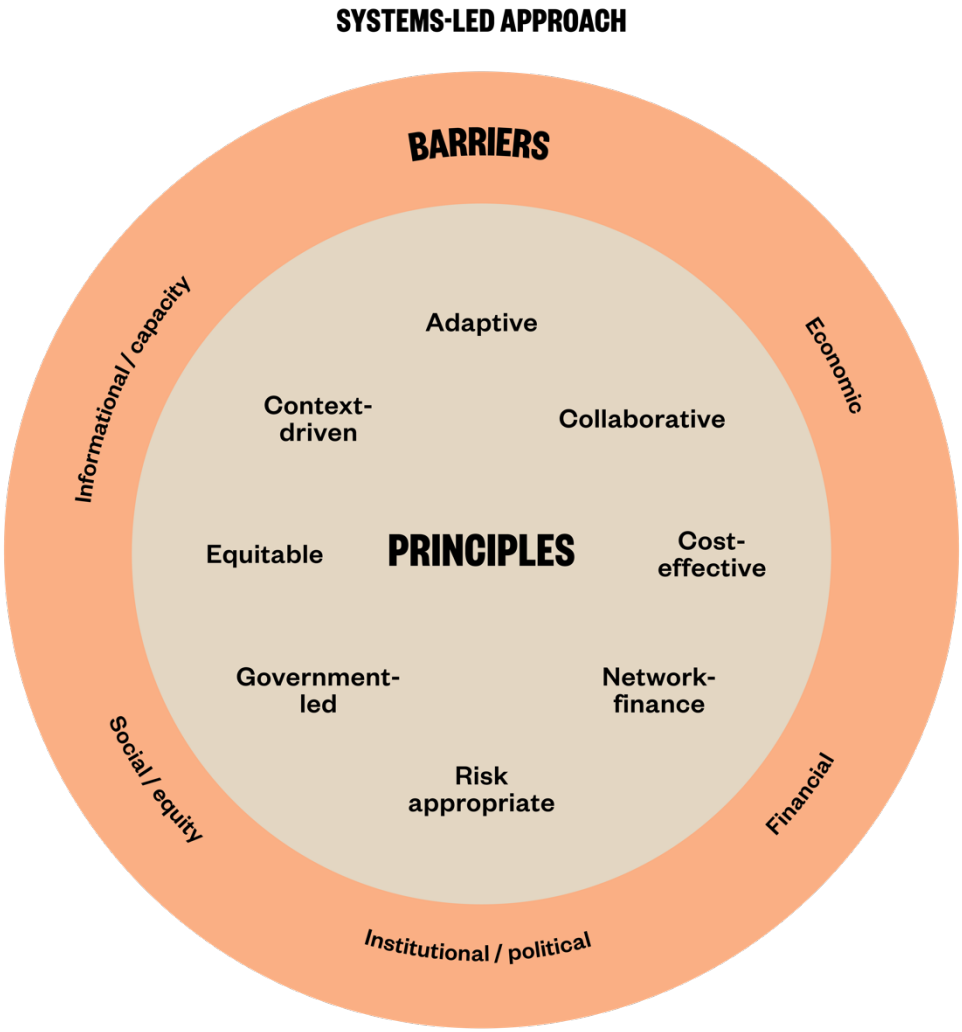
Economic	Traditional accounting systems do not represent accurate ocean values or externalities and promote perverse incentives.	Current financial markets and regulatory environments often ignore industry externalities, such as pollution and overfishing (Sumaila et al. 2020), while quantifying and monetising the vast but diffuse benefits of marine resources to society remains a challenge.
Financial	MPCA funding remains fragmented, relies on a limited number of revenues generating options and is generally financed at the site-level.	Current MPCA finance is dominated by a few key finance streams, such as domestic budget allocations, ODA, philanthropic disbursements and visitor fees. MPCAs relying on only one or two financing sources are vulnerable to shifting donor priorities as well as geopolitical events. Many MPCAs rely on site-based financing initiatives that focus on "business planning," which is particularly problematic for many no-take MPAs, which by their very nature disallow most economic activities which could create revenue (Bohorquez et al. 2023). MPCA projects are often small, complex and uncertain, and many do not generate financial returns (Sumaila et al. 2020).
Institutional/ Political	Marine environment deemed low priority in government mandates.	While government spending remains the most important source of funding for MPCAs (Iyer et al. 2018), the UNDP (2018) records total government biodiversity expenditures as accounting for only 0.14 per cent and 4.6 per cent of public budgets, of which terrestrial ecosystems traditionally receive more funding than their marine counterparts (Andrews et al 2020).
Social/Equity	Asymmetrical distribution of MPCA associated costs, benefits and risk.	MPCAs have asymmetrical costs and benefits associated with their implementation; ocean resources and sectors are rarely equitably distributed, and many of their benefits are captured by a few (Österblom et al. 2020). Many financing mechanisms also do not adequately recognise, or support affected MPCA stakeholders.
Informational/ Capacity	Data gaps and insufficient capacity.	There is no standardised approach to estimating the costs of MPCA management. Marine ecosystems are often data poor, making cost modelling and financial planning challenging (Walsh et al. 2021). Costings can therefore often omit important but less visible components for effective MPCA management, thereby downplaying the financing need. Indeed, most current MPCA budgets are insufficient to carry out management needs, nor do they often include capacity development costs associated with staff training and financial literacy (UNEP 2022).

2 APPROACH

Sufficient and durable marine 30x30 finance can be improved through a new approach that is informed by “systems thinking”. Systems thinking considers how the elements, interconnections and function of a system impact its behaviour and outcomes (Meadows 2008). It is a holistic approach that focuses on the way that a system's constituent parts interrelate; it is a way of making sense of the complexity of the world by looking at it in terms of wholes and relationships, rather than its components. Taking a systems-led approach means that systems thinking is embedded into decision making.

Taking a systems-led approach to marine 30x30 finance means financing MPACs as part of an interconnected system. It means considering all relevant activities, actors and associated relationships to develop financing solutions. Applying a systems lens to marine 30x30 finance enables a holistic approach that considers all economic, financial, institutional/political, social/equity, and informational/capacity barriers discussed in Section 1.2.5 (see Figure 3). The systems-led approach to marine 30x30 finance is introduced in this chapter, followed by a detailed explanation of eight principles that will enable countries to implement this approach (see Section 3).

Figure 3. Systems-led approach:
The integration of principles addressing barriers to Marine 30x30 Finance



Application of systems-led approach to marine 30x30 finance results in three key features:

1. MPCAs not funded individually at site level but as part of whole system

The systems-led approach is rooted in the understanding that MPCAs and MPCA networks are management tools within the broader, integrated ocean system that support the delivery of SOEs and other national commitments (for example, climate), as well as human wellbeing more broadly.

Traditional approaches to MPCA financial planning often rely on monetising on-site benefits and miss the intangible and off-site benefits. MPCAs often have limited on-site revenue-generating options because they disallow many economic activities which otherwise could have been used as a revenue source. Many actors outside of the traditional MPCA designation benefit from these spatial management tools. Investments into MPCA management should reflect a cost of business for many actors and industries and MPCA networks will represent an important tool in the transition to SOEs.

While this approach places MPCAs within the wider system of ocean governance, a systems-led approach does not compel a government top-down approach to MPCAs design and management. Instead, it recognises that the implementation and financing of MPCAs will have many types, each with merit, and that Indigenous and locally managed MPCAs represent a significant component of any MPCA network. Instead, it advocates for recognition and support for these MPCAs within national targets and development strategies.

2. Planning for MPCA funding should be integrated into sustainable ocean governance planning from the beginning

MPCAs are part of an interconnected system that involves multiple actors and interests across the broader ocean and terrestrial environment; stakeholders that should be considered in the development of marine 30x30 finance frameworks and plans. These stakeholders range from ocean beneficiaries to those contributing to biodiversity loss and degradation, as well as those affected by ocean management. Additionally, there are various government stakeholders with intersecting mandates that are involved to varying extents in MPCA management. Integrating marine 30x30 finance into broader national planning processes will increase the number of finance sources, the total amount of funding available and align marine 30x30 finance with broader changes in ocean governance that support nature-positive actions and MPCA management.

Several existing tools support national level ocean and biodiversity planning and financing, such as SOPs, marine spatial plans, NBSAPs, NBFPs and/or other national commitments and reporting structures. Recognising that countries vary in their 30x30 targets, roadmap and reporting structures, the systems-led approach is not designed to be an alternative approach but to provide additional guidance to complement and feed into these existing national planning processes.

Sustainable Ocean Plans

The Ocean Panel recognises that sustainable ocean management requires a systems-based management approach that identifies the ocean as a connected system and acknowledges that the activities of one sector on one shoreline will affect other ocean areas as well as those stakeholders who rely on them (Franke et al. 2020; UNEP 2022; Frost et al. 2022). SOPs define national and regional governance policies and institutional arrangements that balance multiple human uses and the protection of the ocean environment (Rodriguez 2017). SOPs recognise that conserving biodiversity will require multiple actions; ecosystem protection must take place alongside investments into a SOE, including the uptake of sustainable practices within many of today's current industries.

3. Revenue from ocean-based economic activities should be used to fund the management of the EEZ as a whole system, including the MPCAs

Simultaneously investing into harmful ocean activities will mitigate benefits of MPCA funding. Current subsidies supporting activities that harm ocean health vastly outnumber MPCA spending. Therefore, the systems-led approach also draws on existing conservation finance work such as UNDP-BIOFIN (BIOFIN; UNDP 2018) and Conservation Finance Alliance (CFA; Meyers 2020; see Appendix 5: Sustainable conservation finance). It recognises that improving MPCA finance is about more than just increases in finance but about improving the delivery of said finance, including the reduction of investments into harmful activities impacting ocean health. The guidance builds on a depth of prior knowledge, research and conceptual frameworks [5].

Ocean values benefit many stakeholders who are not appropriately accounting for their use and derived benefits. These actors – often industry and commercial users – make decisions based on their private costs and not the wider costs to society of their actions. The result is a current system in which the multiple values of ocean ecosystems are not taken into consideration, resulting in the deterioration of ocean biodiversity and health. The shipping industry alone is responsible for almost 3 per cent of global greenhouse gas (GHG) emissions and 30 per cent of global nitrogen oxides (NOx) emissions; indeed, if it were a country, it would be the sixth largest producer of GHG emissions (IMO 2020; OECD 2020c). In SIDs, 90 per cent of all economic activity tends to occur along coastlines.

The systems-led approach acknowledges that to achieve sufficient and durable marine 30x30 it is essential that ocean users who do not fall under the 30 per cent protected area (in other words, the remaining 70 per cent) increase their financial support as well as reduce impact.

Current governance and accounting systems do not adequately reflect the true cost of doing business for many commercial enterprises. This includes ocean users, beneficiaries and polluters; the ocean absorbs much of the planet's waste with little or no cost to industry.

5. Where necessary, this Principles Paper provides corresponding links to relevant reports and finance catalogues which provide more detailed background on the respective subjects. A more detailed overview of financing mechanisms and guides is also available in Appendix 6: Examples of finance mechanisms.

Since the start of the industrial age, the ocean has absorbed one-third of the world's carbon emissions and more than 90 per cent of the heat from human-caused climate change (IPBES 2019; Frost et al. 2022). Sectors such as the fishing industry, for instance, can contribute up to 90 per cent of GDP in places like the Pacific islands (Sumaila et al. 2020), but that funding is rarely sufficient to cover the true cost of management of the marine assets which form the basis of the industry. Similarly, the tourism sector draws value and wealth from the ocean but often does not pay for the ecosystem services provided.

The link between the users of the ocean and the benefits they reap from it needs to be better established and accounted for, thereby eliminating free riders [6]. Many of these economic activities that generate negative ocean impacts receive subsidies, which promote further unsustainable resource use, such as fossil energy extraction, unsustainable fishing and shipping (Sumaila et al. 2020).

The systems-led approach advocates for a system whereby the 70 per cent pays for the 100 per cent. In practice, this would mean that MPCAs receive funding from monetisable zones as well as areas beyond national jurisdictions. The funding could come from both the national as well as global markets and include related terrestrial ecosystems.

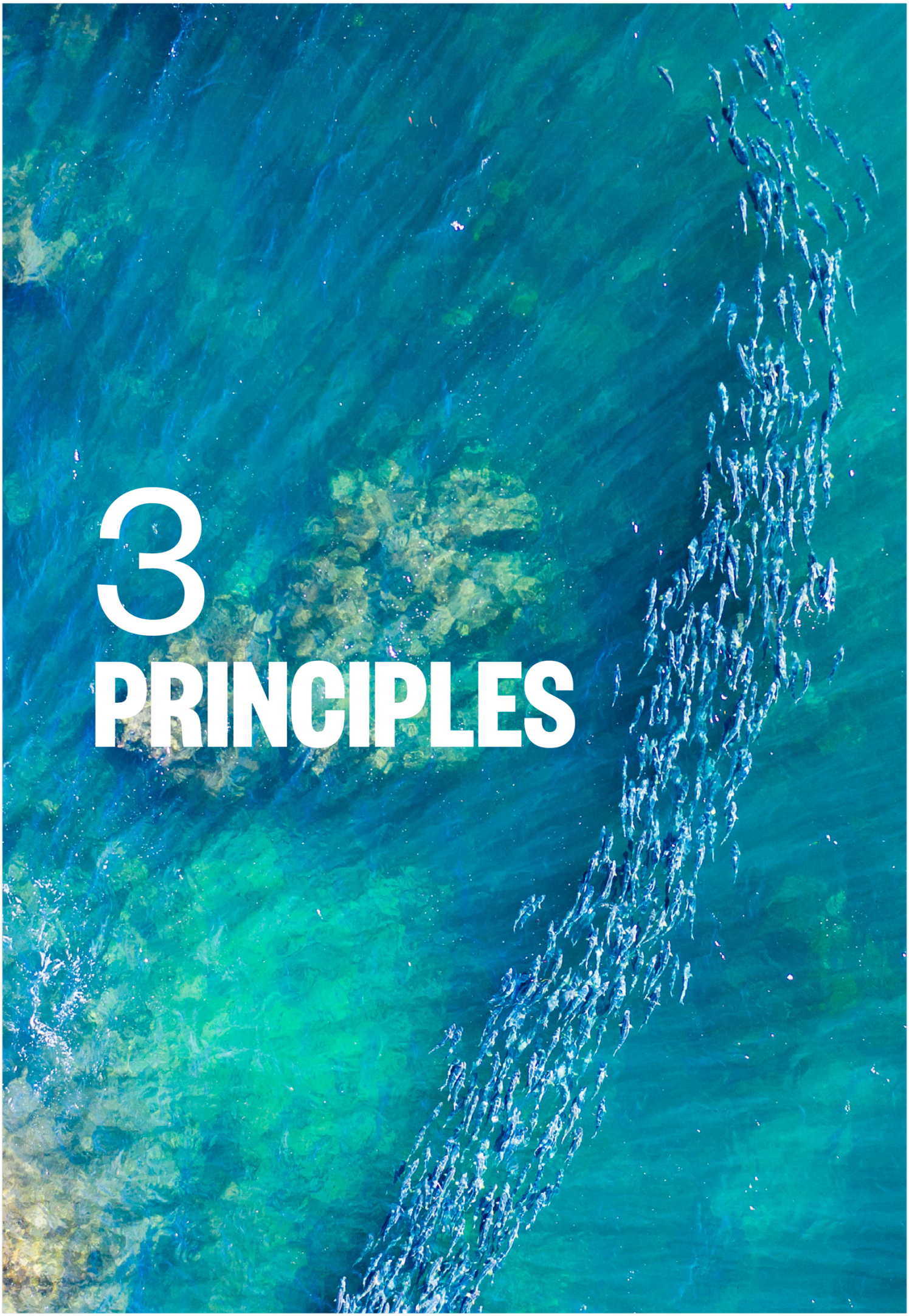
4. Systems-led approach benefits

In realising these three key features, a systems-led approach will lead to more sufficient and durable marine 30x30 finance through:

- increasing stakeholder accountability and financing sources
- identifying and minimising conflicting investments
- aligning marine 30x30 targets with broader national targets and financing options
- developing marine 30x30 finance plans that are inclusive of all stakeholders
- identifying government ministries with supporting mandates and economies of scale
- increasing efficiency of finance planning through incentivising national expertise
- improving access and knowledge sharing on marine 30x30 finance developments.

To implement a systems-led approach, a number of assumptions and prerequisites must hold true, including an understanding that securing sufficient and durable marine 30x30 finance is only one of a number of concurrent, supporting actions that must be taken to secure SOEs and ensure ocean health. For more detail on the underlying assumptions and prerequisites, please see Appendix 7: Assumptions and prerequisites.

6. Free riding is when the burden on a shared resource is created by its use or overuse by people who are not paying their fair share for it or are not paying anything at all.



3 PRINCIPLES

The systems-led approach is underpinned by eight principles (see Table 1). These are intentionally written to be supportive and empowering of countries, rather than prescriptive, and they can be used at a government's discretion as appropriate. We recognise that countries are at varying stages along the pathway to SOEs.

The framework is intended to be both inclusive and adaptive in nature. Suggested KPIs are provided to help track progress towards improved marine 30x30 finance. KPIs include a mix of narrative (stories and case studies) and data (numbers and trends) indicators.

Table 3. Eight principles underpinning the systems-led approach to marine 30x30 finance

1. Government-led	Marine 30x30 finance should be led by governments through their roles as leaders, conveners, planners, funders, policy makers and regulators.
2. Equitable	Marine 30x30 finance should be inclusive, participatory and accountable in its design and implementation, and facilitate an equitable, gender-intentional, human-rights-based distribution of ocean finance.
3. Network finance	Marine 30x30 finance should fund MPCAs collectively through a network approach.
4. Context-driven	Marine 30x30 finance should be fit for purpose, realistic and acceptable within the local context and defined by country need, capacity, socio-economic conditions and cultural norms.
5. Cost-effective	Marine 30x30 finance should be cost-effective in its design and implementation, employing cost-effective finance mechanisms to fund cost-effective ocean governance actions.
6. Risk-appropriate	Marine 30x30 finance should implement a diverse and complementary finance portfolio that de-risks investment and delivers sufficient long-term capital.
7. Adaptive	Marine 30x30 financing should include locally appropriate adaptive planning systems that respond to emerging knowledge, evolving insights, and shifts in socio-economic and environmental dynamics.
8. Collaborative	Marine 30x30 is a global commitment and should therefore be a collaborative effort supported at regional and global scales.

3.1 GOVERNMENT-LED

Principle 1. Government-led

Marine 30x30 finance should be led by governments through their roles as leaders, conveners, planners, funders, policy makers and regulators.

National governments [7] play a key role in promoting the development, implementation and financing of ocean plans including through the following roles.

- Provide leadership, political will and ambition to make commitments towards the governance of their ocean domains, including accountability in meeting marine 30x30 targets.
- Develop sustainable ocean governance policies and ocean finance plans.
- (Co-)convene all relevant rightsholders and stakeholders to be actively engaged in an inclusive ocean financial planning process, including all traditional owners as well as relevant ministries and/or levels of government (national, state, and/or provincial) [8].
- Fund and direct financing towards marine 30x30 commitments.
- Create policies that enable long-term public and private investment into sustainable ocean governance, enable the growth of sustainable ocean economic activities and align economic incentives with ocean health outcomes.
- Engage in international conventions, bilateral and multilateral processes and blended finance instruments, to advance the delivery of funding to marine commitments.
- Embed, regulate and enforce all policies and the protection of environmental and social mandates.

Increasing marine 30x30 finance will require, but is not limited to, accessing global finance, regulatory changes and ocean accounting – all actions that cannot be addressed without government leadership and support. Similarly, increasing marine 30x30 finance will be ineffective if not accompanied by wider ocean investments that align with SOE principles (as described in Appendix 7 Assumptions and Prerequisites).

7. The target audience for this Principles Paper is national governments, however, other levels of government, such as provincial or local governments or multilateral organisations, may find the guidance useful. See Appendix 2: Scope for more details.

8. Government-led is not synonymous with top-down MPCA implementation. Governments support the ongoing efforts of traditional management systems, recognise and protect the rights of traditional owners and IPLCs, elevate their voices, and acknowledge all rightsholders and stakeholders. Recommendations for full and fair stakeholder representation are discussed under Principle 2.

Recommendations	KPI
Include marine 30x30 finance plan within broader sustainable ocean planning exercises (for example SOP or MSP) that support the delivery of relevant national planning processes (for example NBSAPs or NBFPs).	Marine 30x30 finance plan aligned with relevant national strategic planning processes (Y/N).
Develop and implement comprehensive, permanent and legally binding policy and regulatory frameworks that support marine 30x30 finance.	Application of policies and regulations are strengthened and sufficient to support marine 30x30 finance (Y/N). Supporting policies and regulations are permanent or otherwise legally binding (Y/N).
Align and optimise national budget processes and long-term allocations with dedicated funding sources.	Annual budget allocated to achieve marine 30x30 targets (%).
Develop and implement budget tagging processes to track marine 30x30 finance in national budgets.	Budget tagging implemented (Y/N).
Identify relevant ocean industries, commercial users and polluters as potential marine 30x30 financing sources.	Comprehensive assessment of funding sources completed (Y/N). Potential funding sources identified (#).
Support the development of SOPs that prioritise the restoration, protection and sustainable management of the ocean ecosystem.	SOP developed (Y/N).
Use 30x30 public sector finance to leverage other public and private sector finance.	Leveraged marine 30x30 finance ($).
Strengthen private sector investments into marine 30x30 finance by addressing the key barriers to finance, such as the high-risk profile associated with current governance regimes, and by providing strong incentives.	SOE-related positive incentives in place (Y/N).
Eliminate, phase-out or reform harmful ocean subsidies and redistribute subsidies towards ocean-positive actions and/or marine 30x30 finance.	Finance for harmful subsidies reduced (%, $).
Implement a national multi-ministerial officer-level unit to coordinate and monitor marine 30x30 finance operations, supported by a high-level steering committee.	Multi-ministerial marine 30x30 finance coordinating unit in place (Y/N).

3.2 EQUITABLE

Principle 2. Equitable

Marine 30x30 finance should be inclusive, participatory and accountable in its design and implementation, and facilitate an equitable, gender-intentional, human-rights-based distribution of ocean finance.

MPCAs have asymmetrical costs and benefits to stakeholders and rightsholders. A recent analysis indicated that achieving 30 per cent MPCA coverage would mean that 70 to 90 per cent of all implementation costs would fall to low- and middle-income countries (Waldron 2020).

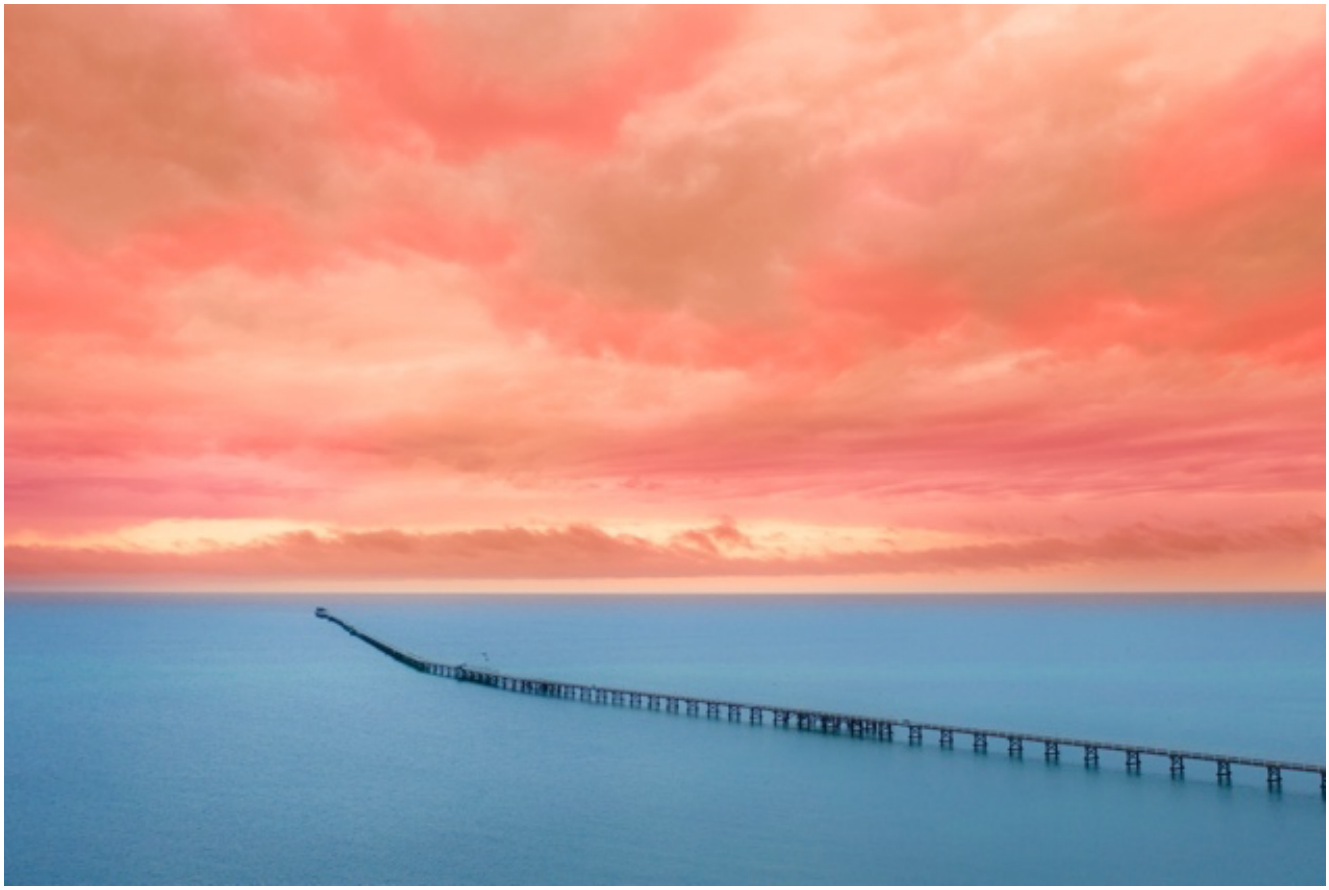
IPLCs also face opportunity costs due to MPCA designation and implementation. IPLCs represent the traditional owners of the marine areas in many instances and are responsible for the management of resources. However, most conservation funding is distributed to, and remains within, governments and large organisations. Local rightsholders and organisations continue to face significant barriers in accessing conservation finance (WWF and IUCN WCPA 2023). Ensuring IPLCs receive sufficient and equitable distribution of marine 30x30 finance will be critical to the success of marine 30x30 efforts, and the number of available mechanisms to achieve this is growing (WWF and IUCN WCPA 2023; Gill et al. 2024).

Social equality and environmental justice considerations should be at the forefront when developing marine 30x30 finance. Target 3 of the GBF explicitly calls for "recognizing and respecting the rights of Indigenous peoples and local communities, including over their traditional territories". Target 19 "Mobilize $200 Billion per Year for Biodiversity From all Sources, including $30 Billion Through International Finance" also includes the provision "Enhancing the role of collective actions, including by indigenous peoples and local communities, Mother Earth centric actions and non-market-based approaches including community based natural resource management and civil society cooperation and solidarity aimed at the conservation of biodiversity" (CBD 2022b). Marine 30x30 finance plans should monitor and safeguard for unintended consequences on IPLCs, women and youth, and develop and implement corrective measures as needed.

Where relevant and feasible, mechanisms should incorporate, reflect and protect cultural institutions, practices and knowledge systems, for example through co-management, locally led conservation initiatives. Participatory stakeholder engagement requires consideration of:

- processes for the inclusion of vulnerable groups, such as IPLCs, women, youth, for instance in the design, prioritisation and decision-making processes
- design and management processes that promote local self-determination and sustain collective governance processes
- Free and Prior Informed Consent (FPIC)
- equitable distribution of costs and benefits of ocean conservation
- processes for inclusion of local perspectives are incorporated into the design process
- community disbursement mechanisms that are locally accessible, locally appropriate and designed through community-engagement.

Similarly, there are implications for other stakeholders who directly or indirectly benefit from healthy ocean systems, such as the fishing, tourism and finance industries, but who may contribute little of MPCA financing. For marine 30x30 finance to be successful, all ocean users must be accountable. Systems must be developed that can improve accountability for ocean users as well as mechanisms through which these funds can be mapped to marine 30x30 commitment.



Recommendations	KPI
Consult relevant stakeholders, including IPLCs and traditional custodians of marine resources, in policymaking related to marine 30x30 finance.	Equitable and inclusive national consultation processes in place (Y/N).
Ensure full and fair stakeholder engagement that promotes self-determination and that marine 30x30 finance is accessible to all relevant stakeholders.	The rights of IPLCs are formally recognised and protected (Y/N). Funds directly accessible for IPLCs ($).
Ensure a human-rights-based approach [9] and compliance with international treaties and regional and national frameworks regarding social safeguards, including FPIC when engaging stakeholders.	Engagement processes follow best practices and recognised safeguard standards (Y/N).
Identify social, cultural and environmental impacts of marine 30x30 finance and respective finance mechanisms and redesign/develop corrective measures as needed.	Impacts assessed (Y/N) and corrective measures implemented (Y/N, #).
Ensure incentives and regulatory environments support the transition to a SOE, including mechanisms that capture and channel relevant finance back into marine 30x30.	Favourable regulatory environment for harnessing ocean-relevant finance exists (Y/N).
Implement regulatory systems that capture and channel relevant user/beneficiary/polluter finance back into marine 30x30 finance.	Regulations for polluter/user/beneficiary fees designed and implemented (#).
Ensure a gender-intentional approach is committed to throughout all stages of marine 30x30 finance.	Marine 30x30 finance planning processes supported by gender specialists (Y/N).
Promote the inclusion of community resource management systems and practices in marine 30x30 finance, building on culturally appropriate mechanisms.	Marine 30x30 finance builds on existing/culturally appropriate management structures (Y/N).
Ensure transparent and equitable governance of marine 30x30 finance is built into finance mechanisms upfront.	Finance mechanisms are transparent and equitable (Y/N).
Ensure any private sector initiatives/partnerships are transparent, equitable and culturally appropriate.	Private sector initiatives/partnerships are screened for transparency, equity and cultural impacts (Y/N).

9. As defined by the UNSDG https://unsdg.un.org/2030-agenda/universal-values/human-rights-based-approach

3.3 NETWORK FINANCE

Principle 3. Network-finance

Marine 30x30 finance should fund MPCAs collectively through a network approach.

Despite strong evidence that networks of MPCAs are more effective than sites designated and implemented in isolation [10], finance for MPCAs has not kept up with management advances. There are several benefits of taking a network approach to marine 30x30 finance. MPCA networks provide benefits and efficiencies beyond those of independent sites, but many sites are difficult to monetise due to complex biological systems and a deficiency in tangible beneficiaries and users. No-take MPCAs often provide the most environmental benefits but by their very nature the fewest financing options.

Although the primary goal is to develop and finance ecologically coherent, representative and connected networked MPCAs, the network-finance approach described here has a broader definition: the network herein does not refer to a biological network of MPCAs but describes any relevant grouping of MPCAs that would benefit from collective financing. This could be all national MPCAs or a where relevant subset thereof.

The network-finance approach moves away from developing finance solutions at the designation level. Instead, it considers all relevant activities, stakeholders and associated relationships within a broader predefined MPCA network, rather than just any individual MPCA, to develop financing solutions (Meadows 2008; Arnold and Wade 2015) and can support the financing of no-take and other MPCAs with less tangible financing solutions. Ideally, a network finance approach would finance the entire national MPCA network, noting in some cases that countries may choose to designate one large MPCA.

MPCAs are components of broader systems of ocean governance. Important and costly roles, such as large-scale surveillance, are sometimes best handled by separately funded institutions and agencies, such as departments of defense. A network approach to marine 30x30 finance would enable better coordination of activities and agencies, reducing MPCA costs and increasing economic efficiencies.

10. For more information on designing and implementing biologically networked MPAs please see Crowder and Norse, 2008; Pomeroy and Douvere, 2008; Ehler and Douvere 2009; Rodriguez, 2017; Ntona and Morgera, 2018; Ceccarelli et al, 2018; Winther et al, 2020; Dudley, N., and Stolton, S. (eds.), 2022.

A network-finance approach can be supported by ecosystem-based spatial planning. Incorporating a spatial approach into marine 30x30 finance can help practically map out the costs and benefits of MPCA networks in relation to the wider ocean domain and support the subsequent development of an appropriate marine 30x30 finance plan.

For example, MSP [11] can provide useful information on how MPCAs and their networks provide wider benefits to national EEZs and where appropriate revenues could be drawn from, for example, supporting the design of 100 per cent SOPs where the 70 per cent pays for the 30 per cent.

Recommendations	KPI
Identify management costs of MPCA networks.	MPCA network cost analysis complete (Y/N).
Include economic and financial data layers within MSP processes.	MSP includes economic and financial layers (Y/N).
Map costs and benefits of MPCA networks to all stakeholders, including regional/global beneficiaries outside the MSP spatial footprint.	Network level assessment of costs and benefits to stakeholders (Y/N)
Develop a marine 30x30 finance plan that funds MPCAs as a network at the national level and distributes finance to the site level as needed.	Marine 30x30 finance includes an aggregation and equitable-distribution strategies for MPCA network and specific sites (Y/N).
Develop marine 30x30 finance plans as part of a broader iterative and transparent SOP/MSP planning exercise.	SOP/MSP includes marine 30x30 finance component (Y/N).
Identify partner agency actions outside of MPCA sites that can contribute to effective MPCA management and look for cost-sharing strategies.	New partners identified (#) and cost-sharing solutions implemented (#).

11. MSP is a collaborative approach and common planning tool used for ocean planning that supports the design and allocation of ocean zones as well as the activities permitted within them; MSP is defined in more detail in the glossary, Appendix 1: Glossary.

3.4 CONTEXT-DRIVEN

Principle 4. Context-driven

Marine 30x30 finance should be fit for purpose, realistic and acceptable within the local context and defined by country need, capacity, socio-economic conditions and cultural norms.

The suitability of any finance solution will be country-specific, and the design of marine 30x30 finance plans will be driven by local and country context. Similarly, what is culturally appropriate in one country may not be in another. Socio-cultural, political and economic contexts can vastly alter the effectiveness of implementing one particular finance mechanism [12].

Local context will be driven by many attributes such as a country's needs, capacities and cultural norms, but also its legal and regulatory framework, its ability to implement different finance mechanisms, as well as to absorb respective funding. It is likely that SIDS will have very different threats, capacities and opportunities than larger countries. In many contexts, resources are owned and managed by IPLCs and therefore they must be engaged and acknowledged in the development of contextually appropriate marine 30x30 finance solutions. Similarly, any marine 30x30 finance plan and respective finance mechanisms and infrastructure must be screened for local impacts.

Marine 30x30 finance plans should be considered within the broader local context and be fit for purpose; for example, they should build on existing national frameworks and commitments, existing capacities and knowledge and align with cultural practices. They must be designed to create effective positive changes within pre-existing legal and regulatory frameworks as well as cultural norms. This Principles paper is designed to work alongside existing development processes and frameworks such as SOPS, NBSAPs, NDCs and NAPS, understanding that countries vary in their circumstances and progress towards delivering 30x30 commitments.

12. A finance mechanism is the means by which a funding source is delivered to the beneficiary and is an important component in the delivery of any financing solution (UNDP, 2018)

Recommendations	KPI
Adapt the approach, guiding principles and recommendations to the local context.	Approach, guiding principles and recommendations adapted to local context and with local consultation (Y/N).
Draw on past country-relevant experiences and lessons learnt when developing marine 30x30 finance plans.	Country-relevant financing experiences and lessons relevant to any marine 30x30 plan collated, analysed and considered during initial design phase (Y/N).
Carry out assessments to understand relevant context, such as regulatory frameworks, maturity of finance sector, community practices and values.	Contextual assessed carried out (Y/N).
Implement finance mechanisms and finance plans that are fit-for-purpose.	Finance solutions designed and implemented in accordance with contextual assessments and are fit for context (Y/N).
Assess finance mechanisms for unintended consequences and modify if needed.	Finance mechanisms align with and do not undermine 30x30 conservation goals (Y/N).

3.5 COST-EFFECTIVE

Principle 5. Cost-effective

Marine 30x30 finance should be cost-effective in its design and implementation, employing cost-effective finance mechanisms to fund cost-effective ocean governance actions.

Cost-effectiveness is an important principle on two levels: the actions taken to govern and manage marine areas must be cost-effective by design and the finance mechanisms themselves should be cost-effective and economically efficient. In a systems-led approach, financial planning and management planning take place iteratively, with each informing the other, to arrive at an appropriate compromise in terms of costs and benefits.

Ocean governance should be cost-effective. In other words, the most cost-effective action to achieve a given impact should be employed. For example, in some contexts, technology can be used to implement fisheries compliance actions with greater cost-effectiveness than traditional actions that are more capital intensive and costly.

Correspondingly, building capacity and resilience can have significant upfront costs but can lead to improved efficiencies in the long run. At the same time, cost-effective governance should consider investments and actions towards ocean activities that reduce ocean threats and therefore necessary marine 30x30 finance.

For example, investments into a SOE and realignment of current environmentally harmful subsidies can reduce ocean threats, thereby reducing the cost of MPCA management overall, and can often represent more cost-effective actions than direct investment into MPCAs.

Similarly, concurrent investments into harmful ocean activities serves to reduce the effectiveness of any marine 30x30 finance spending. The most cost-effective way to sustainably manage the ocean is to not destroy it in the first instance, and phasing out unsustainable ocean activities will be one of the most cost-effective solutions in the long-term.

When designing finance instruments, each mechanism must also be assessed for cost-effectiveness. There are many innovative finance instruments that can sometimes have disproportionate setup and transaction costs, leading to economic inefficiencies.

More complex finance mechanisms with higher transaction costs should only be employed if they deliver higher impact than could be delivered through a simpler mechanism. For example, sometimes a traditional grant or loan could save transaction costs as compared to a Blue bond.

Cost-effectiveness may also be improved through aggregating finance mechanisms into well-designed umbrella institutions such as project finance for permanence (PFP) and CTFs [13] which house dedicated financial expertise and can have lower administrative burdens than if each mechanism was managed separately.

Taken together, applying a cost-effectiveness lens to both ocean governance and marine 30x30 financing will systematically lower the funding gap and improve the likelihood of achieving adequate and durable finance for marine 30x30 commitments.

Cost-effectiveness of any marine 30x30 finance solution will depend on local and enabling conditions. Although there are currently few tools [14] available to adequately assess cost-effectiveness of finance solutions, several important components include assessing the natural capital goods and services provided by the 30x30 network and associated opportunity costs (timing, capacity needs, technical feasibility, the up-front design and execution cost etc.), as well as avoided costs versus business-as-usual and the impact and cost of inaction.

When considering marine 30x30 finance mechanisms, finance mechanisms with the following characteristics could improve cost-effectiveness:

- low cost and low complexity
- high priority
- durable, such as a mechanism that will generate revenue over a long-term
- ability to build on existing national/local infrastructure; mechanisms that have shown proof-of-concept
- can balance complexity with financial gains and longevity.

13. CTFs have evolved significantly in the past 30 years. While many earlier CTFs were established as simple trust funds with substantial endowments, today CTFs are often hybrids, serving as umbrella funds for separate fund accounts financing different purposes, but under a single legal and institutional structure. CTFs discussed in this document describe the latter: an umbrella financing facility that can aggregate across many financing streams and can possess a variety of endowment types and financing structures. For more information on environmental/conservation trust funds, please see the Conservation Finance Alliance (CFA) website, including Bath et al., 2020, CFA (2008) and CFA - Spergel and Mikitin (2014).

14. For more detail, please see: Bohorquez et al., 2023; CFA, 2001; Binet et al., 2015b.

Recommendations	KPI
Assess cost-effectiveness when developing and reviewing ocean governance strategies and actions.	Cost-effectiveness criteria considered in development of marine 30x30 finance plan (Y/N)
Implement iterative management and financial planning to understand necessary compromises and trade-offs.	Iterative ocean management and finance processes in place (Y/N)
Identify and develop partnerships between relevant actors to improve cost-effectiveness of ocean governance actions, such as relevant government ministries, IPLCs, scientific institutions and other key non-state actors, recognising the relevance of existing mandates and the potential for in-kind support.	Relevant partnerships developed (Y/N) Identify marine 30x30-related stakeholder synergies and cost-savings ($ averted costs)
Invest in building relevant institutional marine 30x30 capacity and resilience in the short-term to decrease management costs in the long run.	Value of investments into institutional capacity ($)
Assess and re-visit cost-effectiveness of potential finance mechanisms, noting that government and private-sector opportunities and cost assessments differ.	Cost effective assessments complete (Y/N) Cost-effectiveness considered in prioritisation of finance solutions (Y/N)

3.6 RISK APPROPRIATE

Principle 6. Risk appropriate

Marine 30x30 finance should implement a diverse and complementary finance portfolio that de-risks investment and delivers sufficient long-term capital.

A stable flow of long-term finance is essential for the successful implementation of marine 30x30 commitments. This can be achieved through the development of a balanced, diverse portfolio of finance solutions that blends public funding, philanthropy and private capital. Marine 30x30 finance that include one or two additional funding sources on top of government allocations can strengthen their long-term financing viability (UNEP 2022). A diverse and complementary finance portfolio will ensure financial durability while lowering the financial risk. However, a balance will need to be struck between de-risking marine 30x30 finance and increasing administration costs.

Adequately achieving marine 30x30 finance will often require improving the effectiveness of current finance mechanisms as well as implementing new "riskier" mechanisms. Blending finance solutions will also help reduce perceptions of investment risk to potential funders/investors (UNDP 2020). Government and philanthropic funding can and should be used to de-risk projects, thus incentivising private sector investments. Indeed, it should be noted that although less risky financing sources are preferred, developing new and innovative financing mechanisms is an important component of marine 30x30 finance.

Novel mechanisms require exploration and piloting. Failure will be a necessary component in the development of many new and innovative financing mechanisms and investments into these will be significant. Exploring how marine 30x30 financing mechanisms interact with other financing sources, such as climate or green finances, to maximise biodiversity outcomes will be important.

In some circumstances, creating independent financing facilities to support government-led marine 30x30 financing can provide additional benefits, such as leveraging of new finance sources/mechanisms, including private sector finance; reducing costs; financial transparency and independence; stronger negotiating power; and development of community-led disbursement frameworks. Indeed, there are several tried-and-tested models which have been successfully implemented for MPCAs and MPCA network financing, including PFPs and CTFs [15] models.

15. Please see previous note of CTF structure.

In addition, aggregating finance through one or a few umbrella facilities such as PFPs and CTFs can also decrease risk and support long-term financing needs, matching different financing sources and mechanisms with different activities across timelines (Bath et al. 2020; UNEP 2022). PFPs, for example, were originally designed to address concerns regarding the uncertainty of long-term conservation funding.

Similarly, when well designed, CTFs can represent robust institutions that manage a variety of diverse and independent finance sources. Often independent and transparent in nature, both these entities can leverage additional finance to support marine 30x30 efforts.

Recommendations	KPI
Match finance portfolio to financing need, balancing start-up and long-term financing as well as portfolio size and complexity with capacity and financial need.	Marine 30x30 finance portfolio meets current and longer-term needs and shows financial stability over longer-term (Y/N) Marine 30x30 finance is durable (Y/N
Prioritise financing mechanisms with differing risk profiles.	Finance portfolio comprised of finance mechanisms with varying risk profiles (Y/N)
Develop a financing portfolio that can adapt and respond to changes in marine 30x30 finance needs, including at the site level.	Marine 30x30 finance plan can adjust to changing needs as necessary (Y/N)
Leverage dedicated government finance to incentivise investment from private and philanthropic sources.	Leverage ratio of private funding per unit of public funding investment in marine 30x30 initiatives (%)
Leverage philanthropic and catalytic finance to support early implementation and piloting of novel finance approaches.	Finance directed to piloting new/novel finance projects (Y/N, $)
Implement financing mechanisms that can aggregate finance and secure long-term buy-in such as PFPs, CTFs, debt-for adaptation/nature swaps, etc.	Marine 30x30 finance infrastructure developed with long-term financing plan (Y/N)
When aggregating finance, implement best-practices as show-cased by previous financial infrastructures such as CTFs.	Finance mechanisms implement international best-practices (#)

3.7 ADAPTIVE

Principle 7. Adaptive

Marine 30x30 financing should include locally appropriate adaptive planning systems that respond to emerging knowledge, evolving insights, and shifts in socio-economic and environmental dynamics.

Adaptive planning is vital in the development of effective and resilient marine 30x30 financing strategies and sustainable ocean governance. It is based on the understanding that within the social ecological system, many complex connections are occurring at the same time on different levels, and that actions in one part of the ecosystem can have far-reaching impacts on other areas and other stakeholders. This will be particularly relevant for marine 30x30 finance where financial intervention can have significant positive and negative impacts upon stakeholders across several socio-demographics, including vulnerable groups such as IPLCs and women.

Adaptive planning (or management) is an iterative process that allows for new or improved evidence to be incorporated into ecosystem management on a continuous basis and in a proportionate manner (JNCC 2020). It recognises the intricate, dynamic and interconnected nature of marine ecosystems, as well as the need for ongoing refinement based on new knowledge, political shifts, socio-ecological changes and learnings from past experiences.

Adaptive planning should be guided by a comprehensive Measurement, Evaluation and Learning (MEL) framework. MEL frameworks provide a tool to allow systematic evaluation and improvement of programs. MELs facilitates evidence-based decision making, accountability, the efficient allocation of resources, and allows for:

- adaptive governance and responsive policies addressing emerging challenges, changing societal and economic demands
- learning from experience through regular assessments of past actions to adjust and improve strategies
- risk reduction that allows course corrections and resilience building that enables a structured and timely response to dealing with uncertainties.

Adaptive processes will need to strike a balance between the need to adapt and (a) the benefits of stability and certainty of the financial system, and (b) the reporting burden on, for example, donor recipients.

Adjacent to assessing risk and risk-appropriate approaches, practitioners should also be prepared to adapt financial plans for unforeseen events, such as the COVID-19 pandemic, economic recessions and other geopolitical or environmental events that may put the financial plan at risk. Protocols for navigating such exceptional circumstances should be agreed to in advance to facilitate streamlined decisions should they occur.

Recommendations	KPI
Develop and implement a MEL framework for the marine 30x30 finance plan.	Marine 30x30 finance MEL framework developed and implemented (Y/N).
Embed MEL in the marine 30x30 finance approach early and engage MEL expertise to assist with regular measurement, evaluation, learning and adaptation.	Iterative MEL process designed to meet need and reporting capacity (Y/N).
Establish clear and efficient iterative data collection and measurement protocols (based on regularly updated, data-driven insights).	Locally relevant iterative data collection and monitoring protocols in place (Y/N).
Invest in finance practitioner and local community capacity building for an adaptive approach to managing marine 30x30 finance plans.	Monies invested into adaptive capacity development ($).
Publish MEL reporting so that it is transparent and publicly available.	MEL results publicly available (Y/N).
Include IPLCs in any adaptive decision-making and processes for marine 30x30 financial planning.	Representation of IPLCs in adaptive processes (#).

3.8 COLLABORATIVE

Principle 8. Collaborative

Marine 30x30 is a global commitment and should therefore be a collaborative effort supported at regional and global scales.

Marine 30x30 represents a global commitment made under the GBF and other initiatives, such as the HAC for Nature and People. Collaboration across national jurisdictions will support national commitments and global success, as well as address cross-jurisdictional equity issues associated with marine 30x30 finance. Countries must work together to secure successful marine 30x30 finance nationally, regionally and globally.

As countries work towards meeting national commitments, it is important to acknowledge that marine 30x30 finance is complex and connects across national boundaries and, as such, should be part of a wider global effort. Indeed, the costs of achieving marine 30x30 will not be uniformly spread across countries. Recent estimates suggest that, to meet global 30x30 commitments, low- and middle-income countries will bear as much as 90 per cent of all protected area costs while benefits will accrue at a more global level (Waldron et al. 2020).

Developing appropriate financing mechanisms that channel funds from global users and beneficiaries to those countries incurring the costs, particularly low- and middle-income countries, will be of paramount importance in securing sufficient and durable marine 30x30 finance, including bi- and multilateral funding. Similarly, developing accountability frameworks within many industries that operate across national jurisdictions may require multilateral efforts, for example, distant water fishing fleets, offshore oil and gas (UNEP 2022).

Similarly, it will be useful for some countries to consider multilateral approaches with neighbouring countries, in other words, some SIDs and/or countries with cross-jurisdictional MPCA networks. Indeed, several highly successful cross-jurisdictional MPCA financing structures already exist, including several CTFs [16].

16. For example: MAR Fund, Caribbean Biodiversity Fund (CBF)

It is also important that lessons and success stories are shared across countries as well as globally. Developing appropriate knowledge transfer systems and open-access data repositories, as well as supporting peer-to-peer learning will help accelerate marine 30x30 finance advances. Marine 30x30 finance efforts should learn from, and build upon, previous national and multilateral efforts for financing MPCAs and MPCA networks, including as noted in the previous paragraph, prior work on cross-jurisdictional CTFs and PFPs.

At a global level, global CTFs could be considered for finance administration and disbursement and has already been suggested as a potential approach for financing high seas MPCAs. Another potential example could be a multilateral Ocean Sustainability Bank to draw in private capital and distribute funds to MPCAs, both within and outside of EEZs (Walsh et al. 2021).

Indeed, global collaboration and coordination will have significant implications for marine 30x30 finance, including:

- developing cross-jurisdictional and multilateral efforts, where relevant
- supporting knowledge transfer between countries and relevant stakeholders
- informing and supporting the equitable transfer of marine 30x30 finance from high- to lower-income/SID countries
- addressing global industry impacts on national EEZs
- supporting collective governance of ocean resources.

Recommendations	KPI
Assess suitability for cross-jurisdictional marine 30x30 approaches.	Analysis and discussions with relevant cross-jurisdictional partners (Y/N)
Support commitments that promote the equitable transfer of marine 30x30 finance from global beneficiaries to those nations bearing predominant costs of MPCA management.	Commitments supporting equitable distribution of transboundary marine 30x30 finance (#) Compliance with international treaties and regional frameworks for distribution of equitable marine 30x30 finance (Y/N)
Develop multilateral knowledge transfer systems and open-access data repositories.	Knowledge-sharing platforms developed (Y/N)
Support peer-to-peer learning across all levels, including global, multilateral, national and local levels.	Peer-to-peer learning platforms developed (Y/N)
Ensure or seek out international technical assistance in developing finance mechanisms, including innovative finance solutions.	Technical assistance provided on financial planning and mechanism development (Y/N)
Develop and implement natural accounting frameworks and standards that recognise the value of nature and build the business case for nature-positive investments.	Natural accounting frameworks and standards developed and implemented (Y/N)

4 CONCLUSION

Achieving marine 30x30 will help protect marine biodiversity and achieve a thriving ocean that is healthier, more resilient and can deliver superior benefits for nature, people and the climate. However, durable and sufficient marine 30x30 finance is needed to achieve global commitments to effectively conserve and manage at least 30 percent of marine and coastal areas by 2030.

Although 30x30 commitments are global in nature, in practice, most commitments will be planned and implemented at the national scale, and countries will play the central role in determining if and how these commitments are funded for the future. National-level decision-makers, supported by other MPCA stakeholders, will need to develop marine 30x30 finance plans to underpin their international commitments.

Delivering durable and sufficient national marine 30x30 finance plans will require a coordinated, systematic approach that includes institutional shifts, improvements in the efficiency of finance – including threat reduction – and the development of a measurement, evaluation and learning framework. This Principles Paper presents a systems-led approach to marine 30x30 finance that builds on previous work on systems planning and integrated ocean management.

This systems-led approach places MPCA networks as ocean management tools within a broader, integrated system of ocean governance, and is underpinned by eight principles for implementation. The guidance is inclusive and adaptive in nature. Suggested recommendations and KPIs are presented to support development and assessment of marine 30x30 finance plans and to improve the efficiency of chosen finance mechanisms.

To support country adoption of the systems-led approach and applying the principles to develop national ocean finance plans, a step-by-step methodology is now in development. The methodology is being developed in an iterative and inclusive manner and seeks to build on existing reporting frameworks, such as SOPs, NBSAPs, NDCs and NAPs, with the understanding that countries vary in their 30x30 commitments, roadmap and reporting structures.

The first draft will be available in June, ahead of a co-design technical workshop in which partners and select countries will help to shape it further, with the intent to support national level implementation of the approach, leading to national-level financial plans for marine 30x30.

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5 APPENDICES

1. GLOSSARY

Conservation finance: conservation finance is the practice of mobilising and managing capital to support conservation efforts and initiatives (Bos et al., 2015), including marine conservation. The desired outcomes of delivering better conservation finance can be divided into (Meyers et al., 2020):

1. decreasing conservation costs
2. increasing the flow of capital
3. discouraging harmful actions
4. incentivising positive actions.

These outcomes should be addressed with the portfolio of finance solutions chosen for any given conservation intervention (Meyers et al., 2020).

Conservation Trust Fund (CTF): "Private, legally independent institutions that provide sustainable financing for biodiversity conservation," which can include endowment funds, sinking funds and revolving funds (Bath et al., 2020).

Externalities: The effects of a government's, individual's or firm's activities on others who are not compensated or included in decision-making. Externalities can be positive or negative (UNDP, 2018).

Free riding: Free riding is when the burden on a shared resource is created by its use or overuse by people who are not paying their fair share for it or are not paying anything at all.

Finance mechanism: A finance mechanism is how funds are transferred from a source (for example, a philanthropic foundation) to the beneficiary (in this case an MPCA), such as a grant, loan, tax or other method.

Finance solution: BIOFIN (UNDP 2018) defines a finance solution as "an integrated approach to solve a specific problem or challenge by the context-specific use of finance and economic instruments. It is built on a combination of elements that includes one or more finance instruments, financing sources, lead agents or intermediaries, beneficiaries or principal stakeholders, and the desired finance result".

Finance source: A finance source is the agency that provides the funds, and the finance mechanism is the system which transfers the money from the source to MPCA, for example, a philanthropic organisation is a source of finance, but the philanthropic grant through which the funds are delivered is a finance mechanism.

Financial planning: A finance plan outlines an agency's (for example, an MPCA's) current financial circumstances, and its short- and long-term monetary goals to achieve the proposed management plan. It also includes strategies to achieve these goals. The final planning document is the financial plan. Financial plans should be developed during the MPCA design phase to assess costs with its establishment and management and identify operating models under a variety of funding scenarios (UNEP 2022). Binet et al. (2015) propose an MPCA finance plan is defined by the following three-step procedure:

- Assessment: assessment of costs and revenues for achieving management plan objectives, calculation of financing gap.
- Strategise: assessment of feasibility of addressing financing gap.
- Implement: formulation and implementation of financial strategies through a coherent financial plan.

Fully Protected MPAs: MPAs that prohibit any form of extractive activity at all levels, including but not limited to, fishing, mining and drilling (IUCN 2017). Some MPAs are multiple use and include a mix of fully protected zones and other areas where such activities are permitted.

Indigenous Protected Areas (IPAs): IPAs are areas of land and sea identified by and managed by First Nations groups in accordance with Traditional Owners' objectives. They are implemented to protect natural and cultural values (NIAA undated).

Key Performance Indicators (KPIs): Key performance indicators refer to a set of measurable and quantifiable metrics used to track progress towards a specific goal or objective.

Kunming-Montreal Global Biodiversity Framework (GBF): The Kunming-Montreal Global Biodiversity Framework was adopted during the fifteenth meeting of the Conference of the Parties (COP 15) in December 2022 following a four year consultation and negotiation process. The Framework supports the achievement of the Sustainable Development Goals and sets out a pathway to reach the global vision of a world living in harmony with nature by 2050. Among the Framework's 4 goals for 2050 and 23 targets for 2030 are "Target 3: Conserve 30 per cent of Land, Waters and Seas" and "Target 19: Mobilize $200 Billion per Year for Biodiversity From all Sources, Including $30 Billion Through International Finance". The implementation of the GBF will be supported by a comprehensive package of decisions also adopted at COP 15. In adopting the Kunming-Montreal Global Biodiversity Framework, all Parties committed to setting national targets to implement it, while all other actors have been invited to develop and communicate their own commitments (CBD 2023)

Locally Managed Marine Areas (LMMAs): LMMAs are areas of nearshore waters (and the associated coastal and marine resources) that are largely or wholly managed at a local level by coastal communities, land-owning groups, partner organisations and/or collaborative government representatives who reside or are based in the immediate area. LMMAs are characterised by local ownership, use and/or control, and in some areas follows the traditional tenure and management practices of the region (IPBES undated b).

Marine Protected Areas (MPAs): The IUCN defines marine protected areas as "clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values" (Dudley (ed) 2008). MPAs are distinct from some other forms of area-based conservation (in other words, OECMs) as biodiversity protection is the primary goal (rather than, say, military closures or fishery reserves with a commercial goal), and that protection is comprehensive across the entire ecosystem rather than a specific type of biodiversity (for example, shark sanctuaries).

Marine Protected and Conserved Areas (MPCAs): This is a collective term for MPAs and OECMs.

MPA network: An MPA network is a "collection of individual MPAs operating cooperatively and synergistically, at various spatial scales, and with a range of protection levels, in order to fulfil ecological aims more effectively and comprehensively than individual sites could alone" (IUCN 2008).

Marine Spatial Planning (MSP): Marine Spatial Planning is a "public process of analysing and allocating the spatial and temporal distribution of human activities in marine areas to achieve ecological, economic, and social objectives that are usually specified through a political process" (Ehler & Douvere 2009). The output of an MSP is a (reviewable) **Marine Spatial Plan**. By defining what spaces of the ocean are appropriate for different uses and activities, MSP helps to limit conflict between different sectors while at the same time maintaining good environmental status of the ocean (Ocean Panel 2022). MSP is a continuous process that should be regularly reviewed and adapted. Ideally, an MSP covers 100 per cent of your area of interest and allows for various levels of protection in various places; it can also be the process that leads to JUST a system of MPAs.

An MSP should have the following characteristics (Ocean Panel 2022):

- Ecosystem-based, balancing ecological, economic and social goals and objectives toward sustainable development.
- Integrated across sectors, agencies and levels of government.
- Area-based.
- Adaptive and capable of learning from experience.
- Strategic and anticipatory, focused on the long term.
- Focused on participation, with stakeholders actively involved in the process.

Currently, MSPs consider economic and financial layers within their planning process. However, MSPs often are, and should also be, informed by financial planning and economic opportunities. The collaborative and consultative MSP process can also be used to develop economically and culturally appropriate finance mechanisms that are adopted for the long-term.

Other effective area-based conservation measures (OECMs): OECMs mean "a geographically defined area other than a Protected Area, which is governed and managed in ways that achieve positive and sustained long-term outcomes for the in-situ conservation of biodiversity, with associated ecosystem functions and services and, where applicable, cultural, spiritual, socioeconomic, and other locally relevant values" (CBD 2018). In short, OECMs are areas that achieve the long term and effective in-situ conservation of biodiversity outside of protected areas (IUCN undated).

Polluter pays principle: This principle states that those responsible for the pollution should bear the costs of preventing and managing it (OECD 1992). The principle is often used to include all parties that negatively impact the environment, including from direct damage, overuse, extraction, etc. (Walsh et al. 2021).

Project for Permanence (PFP): A comprehensive, single initiative that "secures important policy changes and all funding necessary to meet specific conservation goals of a program over a defined, long-term timeframe with the ultimate aim of achieving the ecological, social, political, organisational, and financial sustainability of that program" (Cabrera et al. 2021).

Subsidies: A subsidy can have a variety of definitions depending on the country and context (UNDP 2024). OECD (2005) defines environmentally harmful subsidies as "all kinds of financial support and regulations that are put into place to enhance the competitiveness of certain products, processes or regions, and that, together with the prevailing taxation regime, (unintentionally) discriminate against sound environmental practices".

Sustainable Ocean Economy (SOE): The High Level Panel for a SOE defines SOEs as "development of the ocean economy in a way that balances the needs of the people, planet, and prosperity". The foundation of which are healthy, productive and resilient marine ecosystems (Winthers et al. 2020). The UN defines a SOE to include "ocean-based economic sectors operating and/or investing in sustainable systems (environmental, social, and economic systems)". SOE requires a shift from a production and economic output focus to a people-centred vision of systems (including territorial systems) and wealth (including natural wealth) and well-being, and therefore on conservation, livelihoods and jobs (Davies & Vauzelle 2023).

Sustainable Ocean Plans (SOPs): Sustainable Ocean Plans aims to "guide public and private sector decision-makers on how to sustainably manage a nation's ocean area under national jurisdiction to advance long-term economic and social development, by protecting the natural marine ecosystems that underpin that development" (Ocean Panel 2021). The Ocean Panel notes that SOPs are an essential tool to achieve the goal of 100 per cent sustainably managed oceans by 2030. Components of effective SOPs include spatial plans, economic development strategies, environmental protection approaches, social considerations, ocean statistical accounts, enabling policies and finance. In terms of ocean finance specifically, if successfully implemented the following outcome should be achieved: "Sustainable ocean finance is accessible for all and drives ecologically sustainable and socially equitable economic growth" (Ocean Panel 2021).

Systems thinking: Systems thinking can be described as a way of thinking and understanding that considers the elements, interconnections, and function or goal of things (Meadows 2008). An approach based on systems thinking is called a "systems-led" approach or a "systems" approach.

Systems approach: Taking a systems approach means considering all the activities and associated objectives, stakeholders, users and relationships among them within a particular system. Rather than looking at each element in isolation, each is considered as part of a whole, and solutions and approaches are adapted and developed accordingly, with the primary aim to benefit the entirety of the system (Meadows 2008). Taking a systems approach to conservation finance means considering the complex interactions and needs of key stakeholders and decision makers in the process of developing finance solutions (Meyers et al. 2020).

User/beneficiary pays principle: This principle means that those using/benefitting from ecosystem services should bear the cost of preventing and managing any pollution or damage to the area in question (IPBEs undated; UNESCWA 2020).

2. SCOPE

To provide actionable guidance, the scope has been limited to the following boundaries:

1. **Public sector:** This document is intended for the public sector and is not developed as an investment tool for the private sector and/or development banks, although it might be of interest to these parties at a higher level.
2. **National scale:** This document is developed to align with and support the inclusion of marine 30x30 finance into national development strategies. There will be some cases in which marine 30x30 financing initiatives will be more appropriate at the regional and/or subnational level.
3. **National targets:** Not all MPCAs will fall under government jurisdiction, nor should they. The guidance is intended to support government financing of MPCAs to meet national 30x30 targets.
4. **Marine and coastal focus:** The guidance presented is specific to marine 30x30 finance and does not cover terrestrial protected area finance. Rather, this guidance focuses exclusively on ocean and coastal governance, taking into consideration the complex nature of these environments, including informal tenure systems of ocean and coast areas, transboundary ecosystem services and multiple stakeholders. More general guidance documents are available which are for terrestrial systems [17]. Where relevant, it supports the inclusion of terrestrial policies and practices where these interact with, and impact, marine environments.
5. **30x30 Finance as a component of 100 per cent Sustainable Ocean Management:** This guidance document considers the entire ocean under national jurisdiction (as referred to as the "100 per cent" by the Ocean Panel [18]) in delivering marine 30x30 finance. The guidance develops marine 30x30 finance within this wider ocean governance framework but does not provide guidance on planning and/or financing ocean governance more broadly. Although 100 per cent sustainable ocean management is the end-goal, this guidance document acknowledges that countries are at varying stages in their transition towards sustainable ocean management, and that sufficient and durable marine 30x30 finance is one of a number of important components in delivering a sustainable ocean economy.

17. In other words, Emerton et al, 2006; IUCN, 2000; Flores et al., 2016; UNDP, 2018; Meyers et al, 2020.

18. https://oceanpanel.org/publication/100-sustainable-ocean-management-an-introduction-to-sustainable-ocean-plans/

6. **Exclusive Economic Zones versus the high seas:** The guidance presented applies to MPCAs within national jurisdictions only. While high-seas MPCAs – those that are beyond any nation's Exclusive Economic Zone - remain an important component of the global solution, they are outside of the scope of this document. High-seas MPCAs have more complex multilateral governance structures and, while many of the principles may still apply, will require a different set of tailored recommendations.

7. **Marine 30x30 finance plan versus blue economy plan:** For the purpose of this document, we define marine 30x30 finance plans as plans that describe how to design, implement and finance the management of a country's network of MPCAs, whereas blue economy plans are often more focused on how to support private sector ocean-positive businesses and grow blue economy sectors. There is certainly crossover between these concepts, and for some countries it may be more relevant to combine these into one planning exercise.

8. **National level marine finance planning versus MPCA business plans and finance mechanisms:** This Principles Paper presents a new approach for developing a national-level marine 30x30 finance but does not present detailed information on individual MPCA business planning or individual finance mechanisms. Finance planning should occur at multiple levels and can benefit from the principles in this document. An overview of finance mechanisms is provided in Appendix 4: Barriers to sufficient and durable MPCA finance.

9. **Marine 30x30 finance versus 30x30 design and implementation:** Successful, sufficient and durable marine 30x30 finance relies on MPCAs being comprehensive, adequate and representative in their design and implementation. The design and implementation of comprehensive, adequate and representative MPCAs systems is beyond the scope of this document, although it is suggested as a prerequisite, noting that countries differ in their current level of marine protection.

3. MPAS AND OECMS

The IUCN defines **MPAs** (and protected areas more broadly) as "a clearly defined geographical space, recognised, dedicated and managed, though legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values" (Dudley, 2008). MPAs are effective mechanisms for conserving and managing sustainable use of marine ecosystems. Their benefits have been well researched and documented and include, but are not limited to:

- coastal protection
- fisheries benefits
- carbon storage
- species survival and reproduction
- jobs and commerce
- cultural value (WWF, 2015)

The Nature Conservancy (TNC) 2022 paper "Sea of Change: Costs and Benefits of Marine Protected Areas" provides a more detailed typology of MPA benefits and is summarised below.

Marine protected areas can take on several forms and can have varying levels of protection. For more detail on the different levels of protection, please review IUCN categorisations in Dudley (2008). Similarly, the governance structures of MPAs can vary and include traditional ownership systems, for example:

Locally Managed Marine Areas (LMMAs): These are areas of nearshore waters (and the associated coastal and marine resources) that are largely or wholly managed at a local level by coastal communities, land-owning groups, partner organisations, and/or collaborative government representatives who reside or are based in the immediate area. LMMAs are characterised by local ownership, use and/or control, and in some areas follows the traditional tenure and management practices of the region (IPBES undated b).

Indigenous Protected Areas (IPAs): These are areas of land and sea identified by and managed by First Nations groups in accordance with Traditional Owners' objectives. They are implemented to protect natural and cultural values (NIAA undated).

An **OECM** is a "geographically defined area other than a Protected Area, which is governed and managed in ways that achieve positive and sustained long-term outcomes for the in-situ conservation of biodiversity, with associated ecosystem functions and services and, where applicable, cultural, spiritual, socioeconomic, and other locally relevant values" (CBD 2018). In short, OECMs are areas that achieve the long term and effective in-situ conservation of biodiversity outside of protected areas (IUCN, undated). While OECMs have the potential to achieve comparative benefits to MPAs, they are distinct for reasons including biodiversity conservation not being the primary objective or by providing protection for only a specific type of marine life rather than a comprehensive approach that protects the whole ecosystem (Bohorquez et al. 2021).

MPAs and OECMs are two tools within a variety of policy instruments for marine conservation and sustainable use as described by the OECD (2020c).

Table 4: Tools and approaches to marine conservation (OECD 2020c)

Regulatory instruments (i.e. command-and-control)	Economic Instruments	Information and voluntary approaches
Marine protected areas.	Taxes, charges, user fees (e.g. entrance fees to marine parks).	Certification, eco-labelling.
Marine spatial planning and multi-annual management plans.	Rights based management systems (e.g. individually transferable quotas for fisheries).	Voluntary agreements, including public-private partnerships (which can include, for example, voluntary biodiversity offset schemes).
Spatial and temporal fishing closures; bans and standards on fishing gear; limits on number and size of vessels; other restrictions or prohibitions on use (e.g. CITIES).	Subsidiaries to promote biodiversity-and the reform of environmentally harmful subsidies.	
Catch limits or quotas (output controls).	Payments for ecosystem services (PES).	
Standards (e.g. MARPOL for ships); bans on dynamite fishing.	Biodiversity offsets.	
Licences (e.g. aquaculture).	Non-compliance penalties.	
Planning requirements (e.g. environmental impact assessments and strategic environmental assessments).	Fines on damages.	

Note: CITIES: Convention on International Trade in Endangered Species: MARPOL: International Convention for the Prevention of Pollution from Ships ("marine pollution"). Source: Adapted from OECD (2017a), Marine Protected Areas: Economics, Management and Effective Policy Mixes

Figure 4. Sample typology of benefits associated with MPAs as presented by TNC (2022).

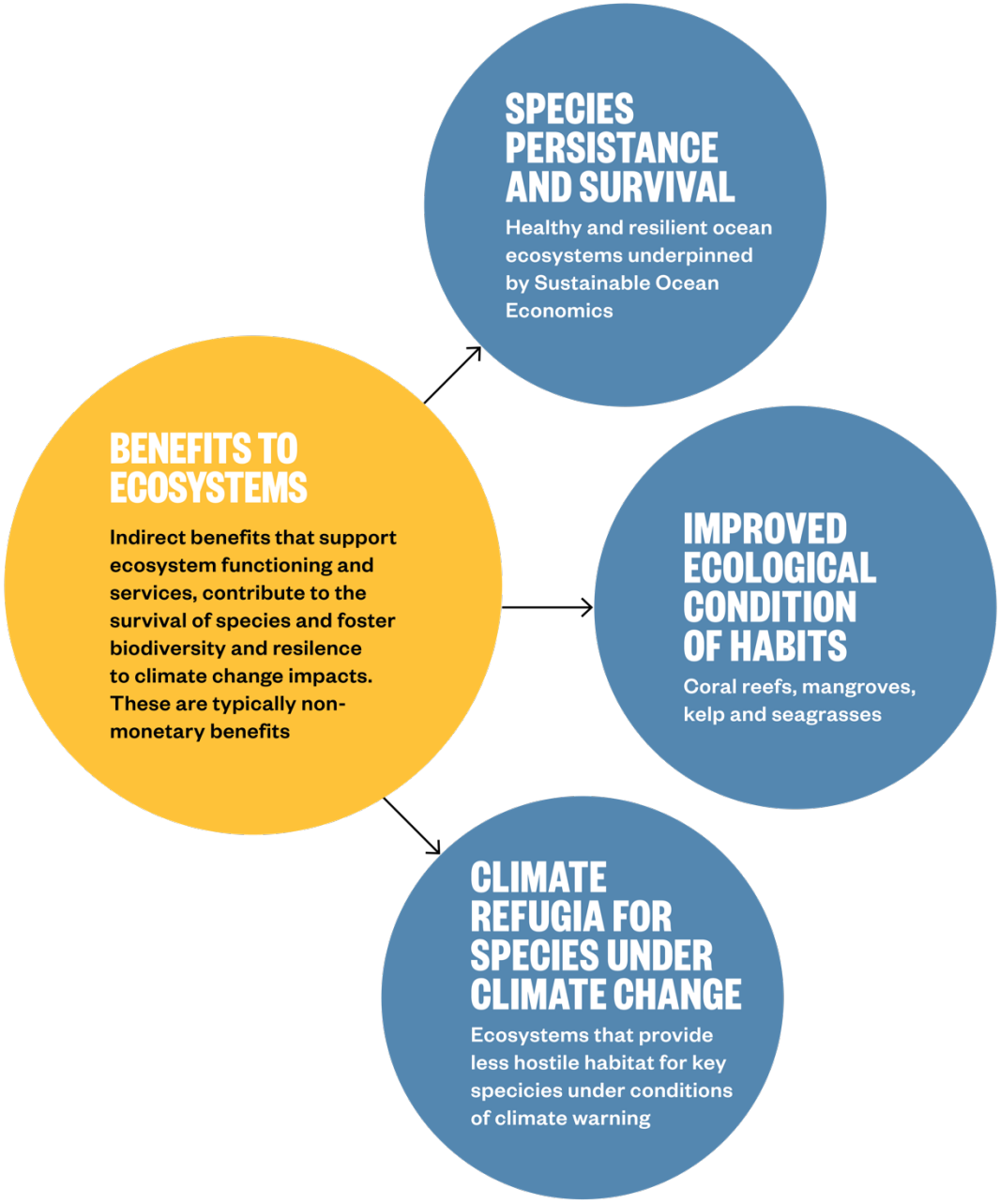


Figure 5. Sample typology of benefits associated with MPAs as presented in TNC (2022).

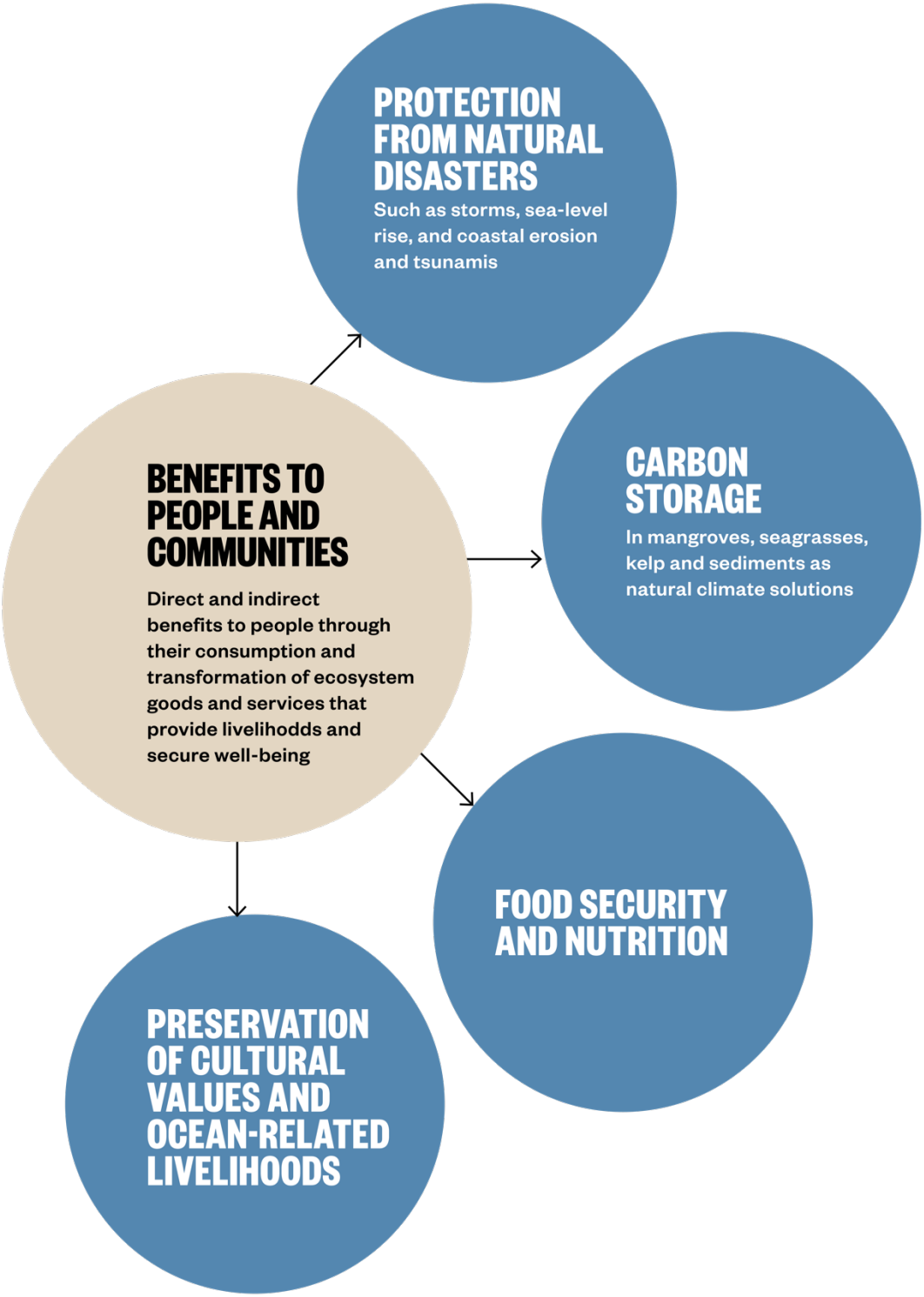
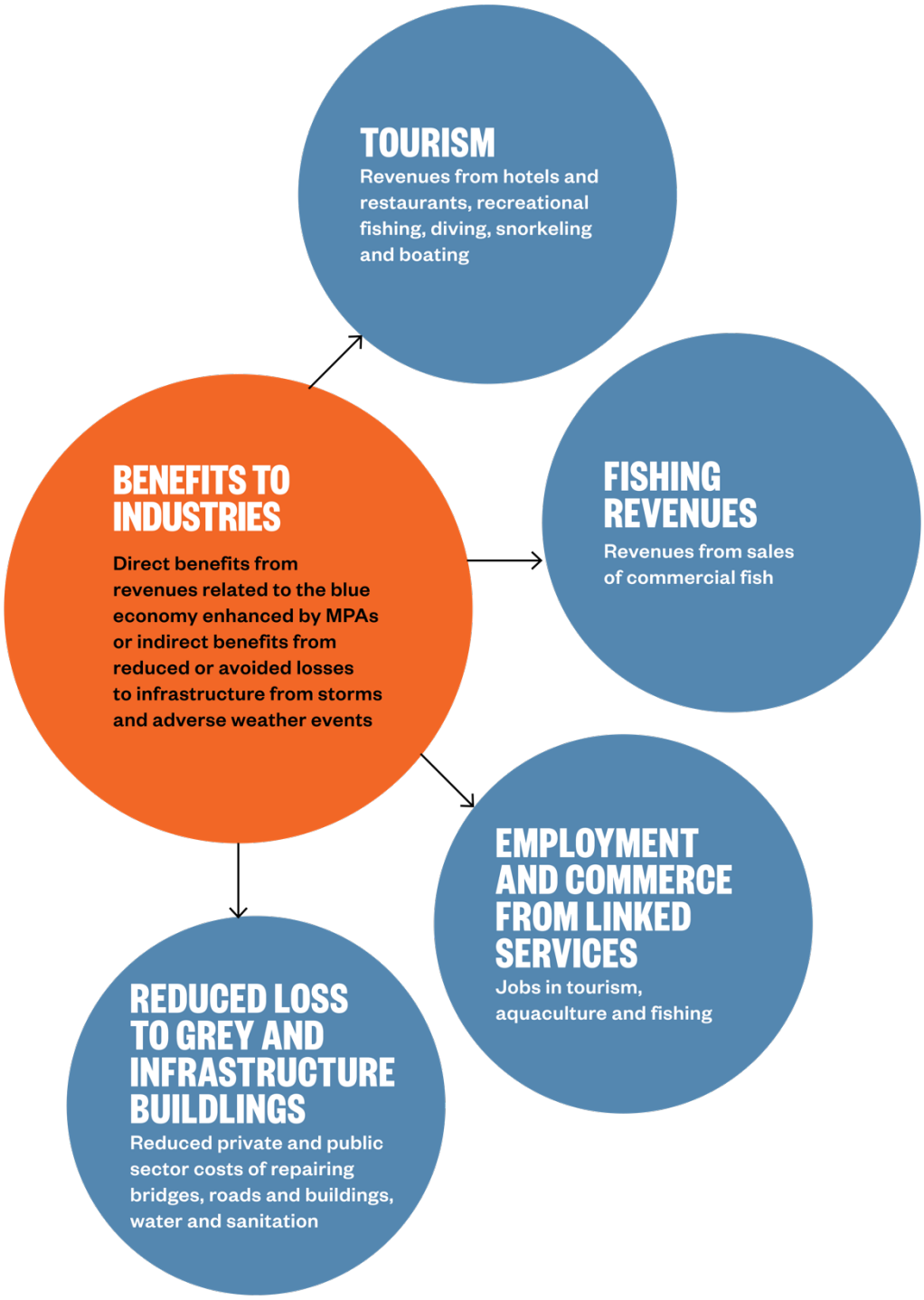


Figure 6. Sample typology of benefits associated with MPAs as presented in TNC (2022).



4. BARRIERS TO SUFFICIENT AND DURABLE MPCA FINANCE

Achieving sufficient and durable marine 30x30 finance will require addressing several barriers. These include financial, economic, institutional, social and informational barriers, many of which are inextricably linked.

Economic: Traditional accounting systems do not represent accurate ocean values or externalities and promote perverse incentives

A fundamental challenge for financing marine conservation is that those actors that cause the most harm to the ocean environment often do so without repercussions. Current financial markets and regulatory environments often ignore industry externalities, such as pollution and overfishing (Sumaila et al. 2020). Funding for mitigation or offsetting of negative environmental impacts are generally not embedded within any planning processes, or indeed even considered necessary in the first place.

Relatedly, quantifying and monetising the vast (but diffuse) benefits of marine resources to society remains a challenge (see Box on page 67) – even though current political and conservation narratives often focus on the need for MPAs to accurately account for these benefits to allocate funding. Sectors such as the fishing industry, for instance, can contribute up to 90 per cent of GDP in places such as the Pacific islands (Sumaila et al., 2020), but that funding rarely flows back to the management of the marine resources which form the basis of the industry.

Similarly, the tourism sector draws value and wealth from the ocean but often does not pay for the ecosystem services provided. The link between the users of the ocean and the benefits they reap from it needs to be better established and accounted for, thereby eliminating free riders.

Even when investments are made into ocean governance, they are vastly outnumbered by investments in activities that harm ocean health. Indeed, many economic activities that generate negative externalities in the ocean receive subsidies, which promote further unsustainable resource use, such as fossil energy extraction, unsustainable fishing and shipping (Sumaila et al. 2020). Fossil fuel production subsidies alone top US$395 billion (Deutz et al. 2020)

The global fishing sector is estimated to receive around US$22 billion in subsidies each year alone, of which almost 85 per cent goes to supporting large-scale industrial fishing operations. According to OECD estimates, governments spend on average some 20 per cent of the value of fisheries landings in support of the sector (Sumaila et al. 2019). Globally, about US$500 billion is spent by governments each year supporting activities that harm biodiversity (OECD 2019) – this is five to six times more than total biodiversity spending (OECD 2020).

Redirecting these perverse incentives (in a manner that addresses equity concerns) and scaling back the long-term pressure they place on the marine environment, is critical to reducing any MPA financing gap (Deutz et al. 2020).

Financial: MPA funding remains fragmented, relies on a limited number of traditional revenue-generating options and is generally financed at the site level

Current MPA finance is dominated by a few key finance streams: domestic budget allocations, ODA, philanthropic disbursements and, where viable, visitor fees. In most countries, domestic government spending remains the primary source of MPA finance, providing on average 57 to 80 per cent of available funds to biodiversity conservation (Bohorquez et al. 2022). ODA and philanthropy have also been traditional key sources of income for MPAs, particularly in many SIDS (OECD 2017; Deutz et al., 2020; Perry and Karousakis 2020).

Economic value versus financial revenue

There are two similar concepts that can often be mistaken for each other. In economics, the term "economic value" can be defined as the worth of goods or services to an economic agent (for example, a company or an individual). In environmental economics, the economic value of an ecosystem is often calculated by summing up both market and non-market values.

Market values are those that can be traded in a currency, whereas non-market values are perceived values that do not necessarily translate to a tradable good or service.

Because the economic valuation of a marine ecosystem includes many intangible non-market values, it is important to distinguish economic value versus financial revenue. For example, an economist may estimate that a reef is worth US$10 million per hectare, including non-market values such as the perceived value to future generations. But this does not mean that the reef can generate the same amount as a financial revenue for the management of the resource.

Many non-market values are not directly translatable to finance mechanisms, because the agent that perceives the value may be unwilling or unable to pay the perceived amount in actual cash. The economic value is not directly connected to the cost of management, and sometimes economic valuations can be mistakenly used to estimate either costs or revenue.

When designing marine 30x30 finance, using economic valuation tools can be useful for building awareness, stakeholder support and changing intergenerational policies, but we should be cautious about equating economic values to the costs or potential revenue for a specific marine area.

However, MPAs relying on only one or two financing sources are at risk from revenue interruptions, and particularly vulnerable to shifting political and donor priorities as well as geopolitical events and temporal mismatches in funding needs (OECD 2017; Perry and Karousakis 2020; Deutz et al. 2020; Andrews et al. 2020; Bohorquez et al. 2023). Marine financing needs to diversify its funding sources.

Additionally, one of the main challenges to sustainable marine finance is the fragmented, often site-specific nature of MPA funding. Many MPAs rely on site-based financing initiatives that focus on "business planning" for MPAs. This is particularly problematic for many no-take MPAs, which by their very nature disallow most economic activities which could create revenue (Bohorquez et al. 2023).

However, as previously noted, MPAs provide far-reaching economic benefits to society, and MPAs networks will have substantially wider benefits than MPAs managed as individual sites by generating significant economies of scale. As such, they should not be limited to "on-site" financing options but should capture more broad and appropriate revenues from non-site-specific polluters, users and beneficiaries, as well as financing options available to national and/or regional initiatives (UNEP 2022). In addition, removing the need for MPA managers to generate business plans and site-specific financing mechanisms will remove a significant administrative burden, improve cost efficiencies and allow increased focus on MPA management.

Another challenge to improved marine conservation financing is the fact that sustainable ocean projects often are small, complex and uncertain, making them a risky investment. Most projects also do not generate sufficient, if any, financial returns (Sumaila et al. 2020). There are no globally accepted blue economy standards, impact frameworks, or metrics, causing market fragmentation and investor confusion. A lack of connectivity to global capital markets and a gap in capacity on the ground to absorb finance can further limit the development of viable SOE business models.

The pipeline of investable ocean projects needs to be developed and improved, and appropriate de-risking mechanisms require implementation for small and/or novel business models. Global blue economy standards need to be developed, as well as global and national regulatory frameworks that facilitate and promote investments into sustainable blue economy projects.

Institutional/Political: Marine environment deemed as low priority in government mandates

While government spending remains the most important source of funding for MPAs (Iyer et al. 2018), when compared to other budget items, the marine environment comes low on the priority list. The UNDP (2018) records total government biodiversity expenditures as accounting for, on average, only between 0.03 per cent and 0.94 per cent of a country's GDP, or between 0.14 per cent and 4.6 per cent of public budgets, of which terrestrial ecosystems traditionally receive more funding than their marine counterparts (Andrews et al 2020).

There are several reasons for this. Government budgets are often stretched and MPA budgetary needs are bypassed for other more immediate and tangible needs with higher political value; short-term political landscapes prioritise unsustainable development and immediate economic gains over longer-term sustainability (TNC 2020). This is further compounded in many lower-income countries that are already operating on limited budgets. Governments also often lack urgency around environmental issues, viewing conservation and MPAs as a cost and not as an investment.

In addition, MPA management and budgets are often siloed, even though they include wider governance costs that often fall under the mandate of other agencies.

Governments need to take more ownership of the sustainable management of our oceans by increasing earmarking of finance for MPA management and budget allocations to ocean protection. Natural capital should be accounted for in national accounting mandates to increase its visibility, thereby helping to ensure government participation and commitment in the long run.

Processes need to be set up to allow for this type of financial planning, which should take place in conjunction with financial planning in other areas to allow for integration of MPA management with other government mandates. Ultimately, governments should see MPA management as an investment opportunity with the potential to generate greater socioeconomic and ecological benefits to society.

Social/equity: Asymmetrical distribution of MPA-associated costs, benefits and risk

MPAs have asymmetrical costs and benefits associated with their implementation; ocean resources and sectors are rarely equitably distributed, and many of their benefits are captured by a few (Österblom et al. 2020). Many financing mechanisms also do not adequately recognise, or support affected MPA stakeholders. Access to funding, when secured, is often restricted, and traditional management of marine resources is not always acknowledged. More participatory and equitable approaches related to the design of financing mechanisms and (re)distribution of resources, in relation to women, minority groups and local communities, should be implemented.

At the national level, finance mechanisms are needed that can efficiently collect and channel funds from MPA users and beneficiaries to MPA managers, often across jurisdictional boundaries, thereby helping to more effectively fund marine 30x30 commitments. More effective channels for channelling global funds to national and local jurisdictions are also needed. This is of relevance as developing countries will host a larger share of MPAs under a 30 per cent coverage scenario (UNEP 2022).

Informational/Capacity: Data gaps and insufficient capacity

There is no standardised approach to estimating the costs of MPA management. Marine ecosystems are often data poor, making cost modelling and financial planning challenging (Walsh et al. 2021). Costings can therefore often omit important but less visible components for effective MPA management, thereby downplaying the financing need. Indeed, the majority of current MPA budgets are insufficient to carry out management needs and they often lack capacity development costs associated with staff training and financial literacy (UNEP 2022).

Even in those cases where budget increases are available, absorptive capacity at the site level can be a barrier. In many contexts the technical capacity required to efficiently develop, distribute and manage MPA financing is scarce (UNEP 2022). Limited understanding of MPA costs and cost drivers (in other words, financial literacy) among practitioners also makes it even harder to accurately determine financing needs of MPAs.

The large administrative burden associated with many sources of funding is another challenge, including accessing the funding and complying with reporting requirements. Limited capacity on behalf of potential recipients to comply with this is another barrier to increasing the flow of funds to sustainable marine management.

New, innovative finance mechanisms are generally nascent in nature, with few real-world applications. As such, they can sometimes be costly to implement and often fail to secure the appropriate financing. Biodiversity and carbon offsets, for instance, often require significant investments into assessing environmental impacts, as well as specific financial experience. The choice of finance mechanism must be based on assessment of whether it

delivers higher financial returns than more traditional mechanisms. Such mechanisms also require additional capacity to implement and can have significant start up times. Implementing new financing tools will thus often require additional staff to oversee administration and implementation as well as to utilise the influx of additional financing.

Similarly, as a new field, human capacity to design and implement blue economy projects and plans is limited, and this applies to governments, foundations and non-profits alike.

Ultimately, scaling investments into MPA finance requires building knowledge and effective communication to fill data gaps, build awareness among stakeholders, communicate clear policy and establish regulatory support, develop and share examples of effective solutions and build technical capacity of stakeholders to implement effective solutions, access funds and manage reporting burdens. Table 5 provides brief descriptions of these barriers, and proposed solutions to mitigate their effects.

Table 5. Barriers and potential solutions to sufficient and durable marine 30x30 finance

MPAs are primary tools for ocean management but do not receive sufficient investment

Barriers:	Solutions:
Economic	
• Human activities and industries have negative environmental impacts that are not mitigated • National accounting systems and market pricing mechanisms do not accurately reflect biodiversity and its multiple values • As a result of incomplete natural capital accounting, current government/global incentives promote activities that harm ocean health	• Countries implement effective environmental compensation policies that recognise the accepted mitigation hierarchy of avoiding adverse environmental impacts, minimising impacts that cannot be avoided, and compensating (offsetting) for unavoidable impacts • Integrate natural capital into national accounting mandates and hold users accountable based on that accounting • Redesign incentives to promote nature-positive action and remove perverse incentives that harm the environment
Financial	
• MPA finance is limited to a few key sources (for example, philanthropy and public budget allocations) • MPA finance is fragmented, and financial solutions often designed at the site level • Investment opportunities limited due to few viable cash-generating projects, riskier-pipelines, high upfront costs, and limited financial returns	• Increase size and diversity of financial resources for marine 30x30 finance and build stronger economic value cases for 30 per cent marine conservation • Develop financing mechanisms and instruments that recognise wider benefits of MPCA management, including MPCA networks • De-risk marine 30x30 finance through blended finance approaches and support for SOE • Support the development of investable pipelines of projects that recognise non-financial benefits, and other solutions for improving investability • Develop national regulatory frameworks and standards that support sustainable ocean management

Barriers:	Solutions:
Institutional/Political	
• Limited government capacity and resources to plan across complex concurrent social and environmental issues • Lack of urgency around environmental issues, particularly marine and coastal ecosystems, in part due to a lack of visibility/accounting, as well as other government priorities, such as cost of living, health and education • MPAs often viewed as funding sinks; management is siloed but often include wider governance costs which often fall under the mandate of other agencies • Temporal mismatch between government administrations (and priorities) and need for long-term MPA finance	• Build stronger social and economic value cases for at least 30 percent marine conservation • Integrate natural capital into national accounting mandates • Integrate MPA management into wider governance mandates/processes • Develop inclusive management and planning; communication protocols for facilitating inter-institutional coordination • Support on-going government capacity building and implement cross-cutting government units to support sustainable ocean governance • Develop accounting and finance structures that maintain government participation in the long-term • Develop MPA costing frameworks that account for marginal MPA costs
Social/Equity	
• Asymmetrical distribution of MPA costs, benefits and risks • Marine resource management primarily driven by market benefits that primarily captured by a few • Financing mechanisms do not adequately recognise, or support affected MPA stakeholders	• Develop effective mechanisms to efficiently collect and distribute MPA finance across all jurisdictions • Ensure that local stakeholders are adequately identified, consulted and represented in the design of financing mechanism • Develop MPA finance that is community-led, ecosystem based

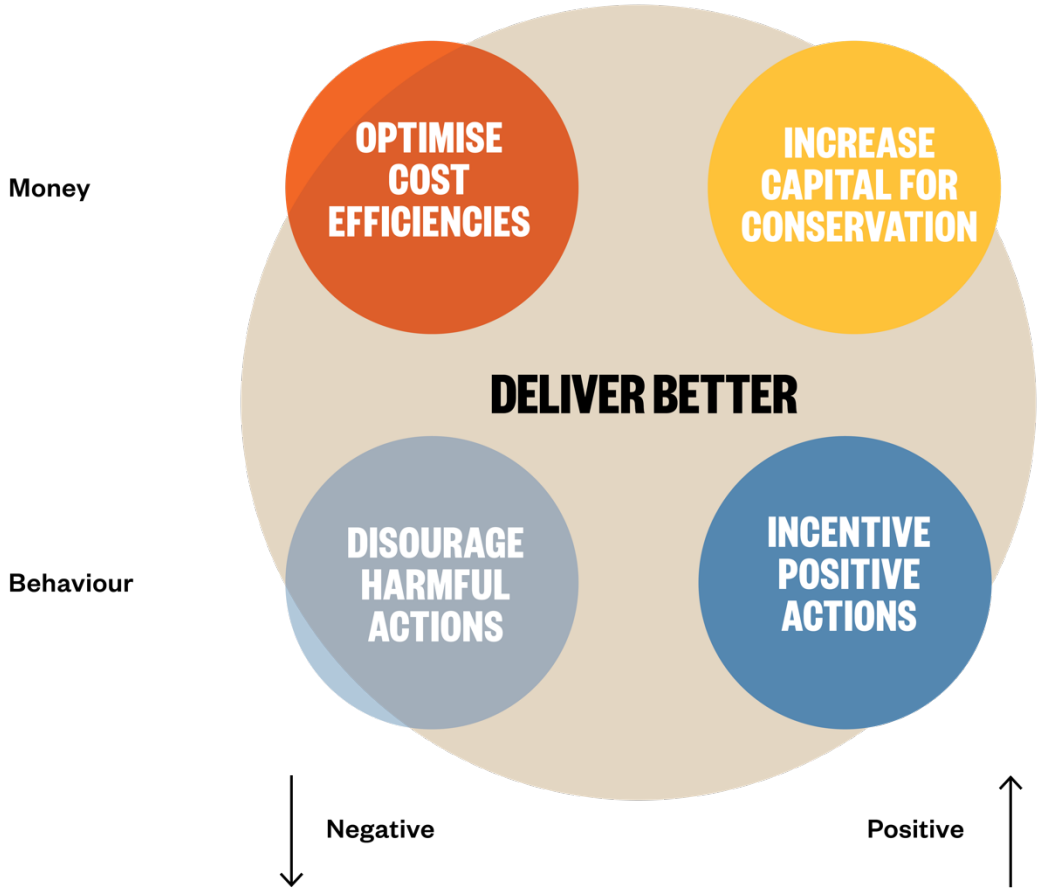
Barriers:	Solutions:
Informational/Capacity	
• Limited knowledge/data on costing of appropriate levels of marine management for conservation success • Insufficient human resource capacity to design and execute marine 30x30 finance, including expertise in finance and natural sciences, as well as limited personnel in many SIDS • Limited knowledge/data on innovative finance mechanisms which can require significant investment with little proven track record	• Build knowledge and effective communication to fill data gaps, build awareness among stakeholders, communicate clear policy and establish regulatory support • Develop standardised approach to estimate MPA costs and increase investments into collection and analysis of ocean data • Reduce administrative burden associated with many finance sources and mechanisms • Develop and share examples of effective solutions • Build the technical capacity of stakeholders to implement effective solutions

5. SUSTAINABLE CONSERVATION FINANCE

Durable and sufficient marine 30x30 finance is embedded within the wider construct of sustainable conservation finance as defined by UNDP (2018) and Meyers et al. (2020). Conservation finance is defined as those "mechanisms and strategies that generate, manage and deploy financial resources and align incentives to achieve nature conservation outcomes" (Meyers et al 2020).

Based on BIOFIN and Conservation Finance Alliance's (CFA) previous work on sustainable conservation finance, durable and sufficient marine 30x30 finance acknowledges a wide array of actions are needed to close the finance gap beyond simply mobilising additional resources, including activities which reduce the size of the needed finance in the first instance – in other words, finance solutions that incorporate CFA's four complementary outcomes (Meyers et al. 2020, updated by Vivid Oceans 2022):

Figure 7: Ocean finance outcomes (Meyers et al, 2020, updated by Vivid Oceans 2022)



6. EXAMPLES OF FINANCE MECHANISMS

This appendix includes an indicative and non-exhaustive list of finance mechanisms that could help support the implementation of marine 30x30 finance. For more detail, the following sources can be consulted:

The Biofin Catalogue of finance mechanisms for nature, an online catalogue developed by the UNDP Biodiversity Finance Initiative (UNDP, 2017) which lists 68 finance mechanisms and solutions

The Conservation Finance Guide by the Conservation Finance Alliance (CFA), a landing page for a number of useful conservation finance links

Conservation Finance: A Framework by CFA (Meyers et al, 2020), which seeks to clarify the definition and role of conservation finance and offers a new framework for categorising finance mechanisms in general

The Ocean Finance Handbook by Friends of Ocean Action (2020), which provides a review of the current investment landscape for the blue economy and includes a description of available capital finance mechanisms and sources

Financing Green: Unlocking Finance for Nature and People by WWF (2023), which details WWF's work on green financial solutions.

Funding Marine Protection at Scale by Conservation International, Starling Resources, Big Ocean and Pacific Islands Forum Fisheries Agency (Andrews et al, 2020), which provides an assessment of the main finance mechanism available to large-scale MPAs

Financing Protected Areas: Guidelines for Protected Area Managers by the Financing Protected Areas Task Force of the World Commission on Protected Areas (2000), which explores potential financing mechanisms for all protected areas, divided the latter into national and site level mechanisms

Funding the Big Blue by Pew Charitable Trusts (Walsh et al., 2021), which explores the status of financing for offshore and high-seas MPAs and includes a list of relevant finance mechanisms

Marine Protected Areas: Economics, Management and Effective Policy Mixes – Chapter 4: Sustainable Financing of Marine Protected Areas by OECD (2017), a book chapter that provides an overview of a range of finance mechanism available for MPA finance

Financing Marine Conservation: A Menu of Options by Centre for Conservation Finance, WWF (Spergel and Moye, 2004), which provides a comprehensive list of potential finance mechanisms for marine conservation

Finance Tools for Coral Reef Conservation from 50 Reefs, Wildlife Conservation Society and the CFA (Iyer et al., 2018), which details key finance mechanisms relevant to coral reef conservation

Innovative financing for the High Seas by Thiele and Gerber (2017), which discusses finance mechanism relevant to the high seas in particular A New Tool to Evaluate, Improve, and Sustain Marine Protected Area Financing Built on a Comprehensive Review of Finance Sources and Instruments by Bohorquez et al. (2022), which provides guidance and a decision-making tool on sources of finance and mechanisms ("instruments") to leverage financing from those sources.

Table 6: The BIOFIN Workbook (UNDP 2018) identifies six categories of finance instruments or mechanisms:

Category	Definition of solution	Examples
Grants	The allocation of a grant, which includes private donations and Official Development Assistance (ODA).	Government budget allocations; philanthropic grants.
Debt	An obligation or liability to make a payment and possibly the acquisition of ownership rights (equity, property, or financial asset).	Debt-for-nature-swaps, blue bonds.
Risk management	The transfer of risks between two or more parties, a guarantee.	Insurance.
Fiscal	Fiscal reform, in other words, changes in taxation or the modification of a subsidy's regime.	Green taxes.
Market	A market transaction, such as Ecosystem Services (ES) and carbon markets.	Payments for environmental services, user fees, offsets.
Regulatory	A regulatory reform, in other words, the imposition of a certain behaviour through the law or a regulation.	Fines and improving prosecution; requiring mitigation hierarchies; outlawing the dumping of waste.

Grants

PUBLIC BUDGET ALLOCATIONS

Governments remain the main financier for MPAs, especially in wealthier countries, and government budget allocations continue to be the single-most important source of funding available to support MPAs (Iyer et al. 2018). Governments can increase funding through hypothecation (earmarking) and fiscal transfers within government that help redistribute tax revenues across government levels towards marine conservation outcomes. Government funding represents one of the few revenue streams that can fund management costs. Many other project-based or "programmatic" funding sources are required to finance project-related activities and can restrict funding to non-related management and/or administrative needs.

However, this type of funding remains low as a share of overall government spending. The UNDP (2018) records total biodiversity expenditures as accounting for, on average, between 0.03 per cent and 0.94 per cent of a country's GDP, or between 0.14 per cent and 4.6 per cent of public budgets. Government funding can also be volatile as it remains vulnerable to changes in political agendas.

Government finance can play a key role in blended finance solutions by de-risking transactions, thereby helping to attract private sector investments and development of innovative mechanisms that involve private capital. Governments can also help develop a regulatory environment conducive to private sector investments, for instance through "setting up investible entities that can substantially lower transaction costs and aggregate sustainable projects in a way that they become more investible" (Sumaila et al 2020).

OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

ODA flows from official agencies of foreign governments to recipient countries. It represents government aid that specifically targets economic and welfare development in low-income countries and can represent one of the most important transfers of funds from developed to developing countries. The funds can be transferred to awarded programs and projects directly or indirectly through accredited agencies, private companies, or civil society organisations. Although the most common disbursement is grant financing, funding can also come as concessional loans, guarantees or equity (UNDP 2017).

The OECD (2020b) estimates that 0.8 per cent of global ODA was dedicated to the sustainable ocean economy (in other words ocean conservation and the sustainability of ocean-based industries) between 2013 and 2018, equalling US$1.5 billion/year. Of this, US$0.3 billion targeted ocean protection specifically during the same period.

GRANTS AND DONATIONS

Private philanthropy and donor funding will continue to play an important role in MPA financing. Philanthropic support for oceans exceeded ODA funding for the first time in 2015 and continues to rise (Blasiak et al 2019). Donor funding is, however, often short-cycle programmatic funding and is thus most beneficial in supporting MPA establishment, capacity development and sometimes in developing longer-term finance mechanisms, frameworks and institutions. Donor funding can also be difficult to predict and often comes with restrictions on how and when funds can be used.

The past decade has seen the corporate sector becoming increasingly involved in philanthropic funding. Corporate donations can take the form of direct-giving programs, the set-up of private foundations or public charities (UNDP 2017).

CONSERVATION TRUST FUNDS (CTFS)

CTFs are "private, legally independent institutions that provide sustainable financing for biodiversity conservation" (Spergel and Mikitin 2014). CTFs typically manage a pool of financial assets with the aim to generate a financial return to sustainably finance the implementation of conservation projects (Andrews et al, 2020). CTFs could be used to provide funding for both recurring operational costs as well as contingency funding. The term encompasses conservation funds, carbon funds and other environmental funds; common types of capital structures include endowment, sinking and revolving funds (UNDP, 2017). In addition to being a supplementary funding mechanism, CTFS are also valuable administration tools in protected area financing and management and can channel financing from any source.

Recent recommendations for MPA finance highlight CTFs as an important component in any MPA financing strategy (Andrews et al 2020; Walsh et al 2021). More generally, CTFs remain a useful tool in creating a diverse financing portfolio as well as overcoming any mismatches between short-term conservation funding timelines and longer-term conservation needs.

PROJECT FINANCE FOR PERMANENCE (PFPS)

PFPs are funding mechanisms that unite major donors behind a large-scale complex conservation project managed through CTFs. PFPs often involve the creation of a significant sinking fund by multiple donors, paired with a commitment by government to increase conservation efforts, such as PA management budgets, over the same period as the sinking fund's life, during which time a vehicle (for example, endowment fund) may be developed to replace it. PFP deals rely on rigorous financial planning and have one single closing, which occurs only when all the resources and commitments required for full initial funding of these areas are met (WWF 2015; Bath et al 2020). Traditionally, government budgets and other sustainable finance mechanisms are put in place over time as the sinking fund is gradually depleted (Bath et al 2020; Iyer et al. 2018).

International Non-Governmental Organisations and donors have promoted and implemented this approach to mobilising commitments from multiple sources up front, thereby avoiding piecemeal and insufficient funding for conservation areas and leveraging the power of a large donation to convince governments to assure long-term funding. The approach brings together many different types of donors (national governments, bilateral agencies, private foundations, non-profit organisations and multilateral agencies) in a simultaneous conservation investment, and has been used by the likes of the Linden Trust for Conservation, the Gordon and Betty Moore Foundation and the WWF, among others (Bath et al 2020; Iyer et al. 2018).

Debt

BONDS

A bond is a method for a government body or private firm to raise debt financing for a specific use, such as an infrastructure project. Investors who purchase the bonds are directly loaning money to the borrower (in other words, the government or company issuing the bond), which the borrower then pays back according to a predetermined schedule with interest. Bonds typically fall into two categories, the first is general obligation bonds, where the bond is paid back by the borrower using any legally available resources. Then there are special revenue bonds, where the bond is repaid from a dedicated form of revenue usually associated with the project, such as tolls being used to pay for construction of a bridge.

Environmental bonds target specific projects that yield environmental benefits and, depending on the targeted sector, these can be referred to as "nature", Green (terrestrial), Blue (marine) or "climate" (climate-change-related) bonds. While the Green bond principles allow for Blue bonds, there is not yet a universal standard for Blue bond issuance. The Blue Natural Capital Positive Impacts Framework provides principles for the issuance of Blue bonds (Roth et al, 2019) and the Asian Development Bank (ADB) has developed an Ocean Finance Framework to define Blue bond project eligibility. In 2018, the Republic of Seychelles launched the world's first sovereign Blue bond aimed at making the country's fishing industry more sustainable.

LOANS

Loans are debt instruments that differ from bonds in that they cannot be traded in public markets, have shorter tenures, and typically the issuer of the debt is a financial institution rather than a government body or company. Green and Blue loans can come from multilateral development institutions such as the ADB and the World Bank, or multilateral development banks like the Green Climate Fund (Thiele & Gerber, 2017). The Adaptation Fund, for instance, is administered by the World Bank and has as one of its aims to invest in "climate-smart ocean economies".

So far, the returns of the industry are too low to attract venture capital sources, but the use of, for example, loan guarantees to cover the risk of default could help leverage more finance into the ocean energy sector (in a loan guarantee the loan is guaranteed by a third party, for instance a government, in the event that the borrower defaults; Economist Intelligence Unit 2015; Thiele & Gerber 2017).

DEBT-FOR-NATURE-SWAPS

In a debt-for-nature-swap the sovereign debt of a country is partially or fully forgiven by its creditors and in exchange the debtor government commits to investing the accrued savings in conservation or climate-related expenditures or both. The restructuring can be either public/bilateral, negotiated between creditor and debtor governments, or private/commercial, where a third-party donor agrees to buy a part of the indebted country's debt at a reduced value (UNDP 2017; Andrews et al 2020).

Under the Seychelles Conservation and Climate Adaptation Trust (SeyCCAT) debt for adaptation swap, for instance, the Seychelles government used private philanthropic funding and loan capital raised by TNC's NatureVest to buy back US$21.6 million of its sovereign debt at a discount (InterAction, 2018). One of the conditions linked to the debt conversion was the development of the Seychelles Marine Spatial Plan; another was the creation of SeyCCAT, which provides a funding mechanism for the long-term financing of activities related to the stewardship of Seychelles' ocean resources and blue economy (Sumaila et al 2020). As of March 2024, TNC has since facilitated similar debt-for-nature swaps in Belize, Barbados and Gabon (TNC 2022c, 2023, 2023b), and the Pew Bertarelli Ocean Legacy Project in Ecuador (Pew Bertarelli Ocean Legacy 2023).

Risk Management

INSURANCE

Insurance is a risk transfer product in which an insurance provider agrees to pay specified financial benefits to the policyholder if and when specific events happen. There are two main types of insurance products:

- Parametric-based, which means it pays out if a predetermined trigger occurs.
- Indemnity-based, which provides compensation for actual or potential losses or damages suffered.

Insurance in conservation is a relatively new concept but could represent an important financing tool for marine conservation. A policyholder can pay premiums to a third-party (insurer) which then invests to conserve a well-managed ecosystem, thereby reducing the policyholder's risk and reducing the likelihood of a third-party pay-out. One example is a parametric insurance scheme set up by TNC and partners in Quintana Roo in Mexico, which has been used successfully to fund the protection and restoration of a coral reef ecosystem (TNC, 2022b). Parametric insurance has also been blended with other financial mechanisms. As part of the Belize Blue bond and debt-for-nature swap, a parametric insurance fund was established to support the Belizean economy in the event of a hurricane, helping reduce risk for the accompanying bond (TNC 2022).

Fiscal

TAXES

Green or Blue taxes are taxes levied by governments on business or individuals that have a proven and defined negative impact on the environment. Green taxes can support conservation, both by disincentivising negative behaviours that cause environmental harm and/or by generating revenue to support conservation activities, thereby offsetting the harmful impact. In a "blue" setting this could include taxing the shipping industry, extractive industries or the commercial fishing industry, to encourage more sustainable and climate-friendly practices (Andrews et al 2020).

SUBSIDIES

Subsidies can take the form of direct transfers, tax credits and regulatory advantages that generate economic or financial benefits to the recipient. Harmful subsidies are subsidies that support harmful practices, such as unsustainable practices in the fisheries sector (UNDP 2017). Sumaila et al (2020) estimate that around US$35 billion worth of subsidies are provided to global marine fisheries each year, out of which US$22 billion goes to harmful subsidies that support unprofitable, large-scale industrial fishing operations, leading to inflated fishing capacities and, by extension, overfishing. Reforming or phasing out such subsidies can result in government savings and funds that can be used for more positive measures instead, such as sustainable aquaculture or renewable marine energy (Sumaila et al 2020).

Market

USER FEES AND ROYALTIES

User fees are typically entrance or activity fees charged to visitors when entering a particular area where visitors can enjoy some recreational benefit, such as diving. A green fee is a more general term for any fee with an environmental purpose.

Fees can also be concessions in the form of leases, licences or permits granted to entities that are undertaking operations in an MPA, such as cruise ships, fisheries, restaurants, lodges, guides or dive boats. It is normally signed for a limited period and often with a private entity.

Although less common for MPA finance, other ocean-based user fees do exist. These include fishery fees and permits etc. However, these are generally not earmarked for MPA management needs. More recently, a UNEP (2022) paper laid out the rationale for charging user fees to a broader group of ocean stakeholders, including the fisheries sector, shipping, telecommunications as well as oil and gas, to name but a few.

PAYMENT FOR ECOSYSTEM SERVICES (PES)

In a PES structure, the beneficiary or user of an ecosystem service pays to the provider of that service in exchange for service provision and maintenance. The beneficiaries/users can make a direct payment to the provider through a private contract or an indirect payment through the intermediation of, for example, the government, which charges the users through a tax or fee (UNDP 2017). PES programs have been successfully implemented for watershed management objectives as well as in the forest, agriculture and energy sectors.

BIODIVERSITY AND CARBON OFFSETS

Biodiversity offsets are finance mechanisms that generate a “measurable conservation outcome” resulting from actions designed to compensate for a loss arising from project development or other environmentally detrimental activities (UNDP 2017). Normally, the actor doing the harm must first implement appropriate prevention and mitigation measures. In a marine setting, this could be relevant for the fisheries industry (bycatch offsets) or other actors doing harm, such as the shipping industry (oil spill offsets).

For carbon offsets, investors offset carbon emissions by buying carbon credits from private companies, NGOs, or MPA managers, which use the funds for projects that reduce/store greenhouse gas emissions (Hagedoorn et al 2017). Carbon credits in the marine environment are often termed “blue carbon”. In a marine setting, carbon credits would be relevant for, for example, those industries that rely solely on the ocean for transport and contribute significantly to greenhouse gas emissions, such as the shipping industry.

Regulatory

FINES AND PENALTIES

Revenue can be drawn from penalties imposed on a company or individual that has committed an environmental crime and/or is responsible for unintentional damages to the environment. Prevalent environmental crimes include illegal wildlife trade, illegal waste, human-made disasters and spills. Charges can include fixed fines, remediation costs and economic damages, and the amount of the compensation is often determined by an assessment of economic loss and remediation costs (UNDP 2017). Fines collected for environmental damage can be used to finance long-term conservation programs, and not simply to clean or offset any damage.

BLENDED FINANCE

Although not included within the original BIOFIN framework, blended finance is an important component of marine 30x30 finance and therefore worth highlighting in more detail. Blended finance uses capital from public or philanthropic sources to increase private sector investment, particularly in developing countries and, more recently, in the ocean sector.

Blended finance brings together multiple finance mechanisms with varying risk/return profiles within a single project or investment. Many of these initiatives also have financial guarantees, thereby reducing the loan risk for some of the (generally private sector) investors and encouraging greater experimentation in project lending. Blended finance approaches allow organisations with different objectives to work together to meet goals, such as financial return, social benefits and environmental objectives. This model is attractive to impact investors looking for social and environmental as well as financial returns (Vibrant Oceans 2022).

Traditionally, blended finance is specifically aimed at projects with uncertain returns and no track record, generally supporting up-front capital expenditure and capacity building, and de-risking opportunities for the private sector investors. Blended finance is therefore considered particularly relevant for MPA financing (Vivid Economics 2018) and, in addition to upstart costs, has also raised funds for long-term maintenance costs, such as a the debt-for-nature swap in the Seychelles in 2020.

As of 2020, blended finance initiatives have mobilised some US$140 billion (Meyers et al 2020) and are gaining traction within the marine finance community. A recent example of this is the launch of the Sustainable Ocean Fund (Athelia with the support of Conservation International), an impact investment vehicle that can deliver marine conservation, improved livelihoods and attractive economic returns (GEF 2018).

7. ASSUMPTIONS AND PREREQUISITES

Assumptions

The systems-led approach laid out within the Principles Paper is adaptive, and assumptions must be tested through time to check on how the work is progressing towards the intended outcomes. Assumptions must hold true for outcomes to be achieved. This section outlines the key assumptions developed in conjunction with the theory of change underpinning this guidance material.

MPCAs are ocean management tools that use spatial management to preserve biodiversity and support ocean health. These spatial management tools can be more cost-effective than other sector-based management tools, as they often represent one of the easier, less complex ways in which to meet management needs.

Finance alone will not achieve 30x30 commitments; increasing MPCA funding in isolation does not guarantee that outputs and outcomes will be achieved. Rather, successful implementation of marine 30x30 will also require strong governance, good science and increases in capacity, among other factors. Increasing MPCA finance without acknowledging the wider governance structure in which these MPCAs exist will likely be ineffective in meeting 30x30 goals.

Finance is not viewed as an endpoint but as a process. Financial planning is an iterative process with many context-specific steps which must regularly be reassessed and adjusted for; the idea of achieving "sustainable finance" as a tick box is obsolete. This guidance should be viewed as a place to get started, and adequate capacity must be identified for the long and iterative financial planning process.

There is no single finance mechanism that suits every context. There is no magic bullet or innovative tool that can single-handedly close the ocean finance gap. Caution should be applied when looking at innovative finance mechanisms to ensure that they deliver better impact per dollar than existing mechanisms, and that the mechanism suits the context at hand. Socio-cultural, political and economic contexts can vastly alter the results of implementing a particular mechanism.

Ocean areas have multiple stakeholders at the local, national and international levels, including traditional owners and other IPLCs, who are involved in the management and/or use of ocean areas. While this guidance document focuses on supporting actions that can be primarily taken at a national level by government agencies, marine 30x30 finance strategies must represent all stakeholders in an equitable and inclusive manner to be successful.

Lastly, climate change will continue to impact the ocean worldwide, and although funding the global climate change agenda is beyond the scope of this paper, marine 30x30 will support a resilient ocean system that can better adapt to climate impacts. As such, climate finance mechanisms will remain an important source of funding for ocean finance and more work needs to be done to connect the two.

Prerequisites

A number of prerequisites will need to be in place to successfully implement marine 30x30 finance. These are like other previous national and regional level conservation initiatives.

To lay the groundwork for maximum success and impact, this guide draws on prerequisites defined in SOPs (Ocean Panel 2021) and by the BIOFIN (UNDP 2018):

Attributes of a Sustainable Ocean Plan	
1. Developed in an **inclusive** way so that all relevant interests are heard and addressed from the outset	5. **Ecosystem-based**, recognising the interactions within ecosystems and with people
2. **Integrative,** coordinating between government agencies, ocean sectors and processes	6. **Knowledge-based**, underpinned by the best available science and knowledge, including local and Indigenous knowledge
3. **Iterative,** in that it works for today while anticipating the changes of tomorrow	7. Politically **endorsed** by the national government at the highest levels
4. **Place-based**, encompassing all marine and coastal areas within national waters	8. Sufficiently **financed** over the long-term
	9. Sufficiently **capacitated** to ensure implementation

The BIOFIN prerequisites
• **Political will:** Confirmed support from the highest government levels and community leadership
• **Collaboration**: Evidence of willingness across agencies, ministries and sectors to start a collaborative journey
• **Openness to process:** Willingness to consider budgetary and management reforms and to make financial data accessible during the process, which must in turn respect sensitivities [19]
• **Capacity:** Existence of basic capacity to undertake the technical work

19. This bullet point has been edited to make it generally applicable to the marine 30x30 context. The other bullet points are exact citations.

While all prerequisites are necessary, political will is vital. Successful marine 30x30 finance will require countries to exhibit a favourable government position, including in those areas of government not normally associated with MPCA management, such as ministries of finance, ministries responsible for economic development, as well as relevant line ministries, such as fisheries and energy. This will help set government expectations and ensure the government is held accountable for the delivery of the financial plan. Similarly, political will and understanding of the importance of marine conservation and of marine spatial plans and SOPs will support planning and implementation.

It is also recommended that – where contextually appropriate – the systems-led approach aligns with an ongoing MSP. The marine spatial plan should follow best practices as per the latest literature (see references below) and:

- include well-designed, ecologically viable MPCA network with at least 30 per cent coverage of ocean domain, that is comprehensive, representative and adequate
- account for all main ocean uses, sectors, activities and reflect how they are coordinated across time and space
- integrate local knowledge and the value of local traditions, and respect local, national and regional regulatory frameworks related to social and environmental safeguards).

MSP will influence the zoning type and, as such, the benefits and costs to manage the MPCA and which finance mechanisms that would be relevant. The MSP should be tailored to the national context of each country. It is important to note that countries will vary in the complexity of their MSP; for some countries, an MSP may be as simple as spatially designating 30 per cent of their EEZ under protection, while for other countries an MSP may entail implementing a more integrated approach that looks at the 100 per cent.

Advice on how to conduct MSP is beyond the scope of this document, however more information can be found in: Crowder and Norse, 2008; Pomeroy and Douvere 2008; Ehler and Douvere 2009; Rodriguez 2017; Ntona and Morgera 2018; Ceccarelli et al. 2018; Winther et al. 2020; Dudley, N., and Stolton, S. (eds.) 2022.

It is important that ocean-related activities transition towards a SOE. The ecological and economic viability of ecosystems requires that SOE activities be developed alongside 30x30 commitments, which will require careful application of appropriate guardrails. A prerequisite is that all activities, regardless of location, adhere to the **14 Sustainable Blue Economy [20] Finance Principles** over time and sector-based guidance documents (UNEP Finance Initiative; UNEP-FI 2018). These principles and associated practical guidance documents support a transition towards a Sustainable Blue Economy across ocean-linked sectors.

The UNEP-FI guidance is also the basis for the recently released guidance on Blue bonds (ADB/IFC 2023). As noted by the ADB/IFC (2023), Sustainable Blue Economy "maintains, restores, and protects diverse, productive, and resilient ecosystems; halts the loss of biodiversity; enhances energy efficiency; and reduces carbon emissions and pollution while improving livelihoods and jobs".

20. The Sustainable Blue Economy includes clean technologies, renewable energy and circular material flows. It does not include non-renewable extractive industries such as offshore oil and gas, dredging, or deep-sea mining, or those unsustainable practices associated with other sectors (ADB/IFC, 2023). Taken together, these criteria form the definition of Sustainable Blue Economy sectors in this document.

Detailed prerequisites for marine 30x30 finance implementation

BIOFIN

In addition to the core BIOFIN prerequisites, the BIOFIN Workbook (2018) also lists the following principles:

- **User orientation.** The [...] process and results are designed primarily for the intended users' own convenience.
- **Evidence driven.** The selection, design and implementation of finance solutions are based on sound evidence.
- **Inclusiveness.** Prioritisation and decision-making are informed by in-depth consultation with a wide group of stakeholders and facilitated by a strong focus on capacity development.
- **Leaving no one behind.** The needs of the poorest and most vulnerable members of the society are carefully considered, with solutions that help to alleviate poverty.
- **Gender sensitive.** Potential impacts are analysed from a gender perspective.
- **Openness and transparency of data.** Disclosure of expenditure and investment data leads to efficiency and effectiveness gains and can enhance citizens' participation.

The Sustainable Blue Economy finance principles

Investments into the Blue Economy should adhere to the following principles (UNEP Finance Initiative (2018):

1. **Protective**. We will support investments, activities and projects that take all possible measures to restore, protect or maintain the diversity, productivity, resilience, core functions, value and the overall health of marine ecosystems, as well as the livelihoods and communities dependent upon them.

2. **Compliant.** We will support investments, activities and projects that are compliant with international, regional, national legal and other relevant frameworks which underpin sustainable development and ocean health.

3. **Risk aware.** We will endeavour to base our investment decisions on holistic and long-term assessments that account for economic, social and environmental values, quantified risks and systemic impacts and will adapt our decision-making processes and activities to reflect new knowledge of the potential risks, cumulative impacts and opportunities associated with our business activities.

4. **Systemic.** We will endeavour to identify the systemic and cumulative impacts of our investments, activities and projects across value chains.

5. **Inclusive.** We will support investments, activities and projects that include, support and enhance local livelihoods, and engage effectively with relevant stakeholders, identifying, responding to, and mitigating any issues arising from affected parties.

6. **Cooperative.** We will cooperate with other financial institutions and relevant stakeholders to promote and implement these principles through sharing of knowledge about the ocean, best practices for a sustainable Blue Economy, lessons learned, perspectives and ideas.

7. **Transparent.** We will make information available on our investment/banking/insurance activities and projects and their social, environmental and economic impacts (positive and negative), with due respect to confidentiality. We will endeavour to report on progress in terms of implementation of these Principles.

8. **Purposeful.** We will endeavour to direct investment/banking/insurance to projects and activities that contribute directly to the achievement of Sustainable Development Goal 14 ("Conserve and sustainably use the oceans, seas and marine resources for sustainable development") and other Sustainable Development Goals especially those which contribute to good governance of the ocean.

9. **Impactful**. We will support investments, projects and activities that go beyond the avoidance of harm to provide social, environmental and economic benefits from our ocean for both current and future generations.

10. **Precautionary.** We will support investments, activities and projects in our ocean that have assessed the environmental and social risks and impacts of their activities based on sound scientific evidence. The precautionary principle will prevail, especially when scientific data is not available.

11. **Diversified.** Recognising the importance of small to medium enterprises in the Blue Economy, we will endeavour to diversify our investment/banking/insurance instruments to reach a wider range of sustainable development projects, for example in traditional and non-traditional maritime sectors, and in small and large-scale projects.

12. **Solution driven**. We will endeavour to direct investment/banking/insurance to innovative commercial solutions to maritime issues (both land- and ocean-based), that have a positive impact on marine ecosystems and ocean-dependent livelihoods. We will work to identify and to foster the business case for such projects, and to encourage the spread of best practice thus developed.

13. **Partnering.** We will partner with public, private and non-government sector entities to accelerate progress towards a sustainable Blue Economy, including in the establishment and implementation of coastal and maritime spatial planning approaches.

14. **Science led**. We will actively seek to develop knowledge and data on the potential risks and impacts associated with our investment / banking / insurance activities, as well as encouraging sustainable finance opportunities in the Blue Economy. More broadly, we will endeavour to share scientific information and data on the marine environment.

MARINE 30X30 FINANCE

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