

APRIL 2024

Outrigger Ocean Impact Fund (“Outrigger Fund”)

The [Ocean Risk and Resilience Action Alliance](#) (ORRAA) is supporting the development of [The Outrigger Ocean Impact Fund](#) - **enabling regenerative and sustainable blue economy impact investments in Small Island Developing States (SIDS) to tackle the ‘missing middle’, unlock potential, grow investment through private and blended finance and deliver returns.**

Financial Innovation

- A blended finance fund, designed to tackle the ‘missing middle’ by investing into Small and Medium Sized Enterprises (SME) in SIDS/Large Ocean States (USD\$2-15m ticket sizes), in the six ORRAA-identified regenerative and sustainable blue economy sectors¹.

Snapshot

- The Outrigger Fund will provide dedicated blended finance to SIDS across six regenerative and sustainable blue economy sectors through an impact-led Article 9-compliant fund, pursuing a 100% sustainable investment approach, with dedicated Impact KPIs.

Purpose

- To accelerate financing and investment, both public and private, in SIDS towards a regenerative and sustainable blue economy and thus help build resilience, mitigate the impacts of climate change, protect coastal communities, and deliver nature positive outcomes.

¹ The six [ORRAA-identified regenerative and sustainable blue economy sectors](#) are: Ocean Conservation, Ridge to Reef, Sustainable Seafood, Sustainable Blue Infrastructure, Circular Economy and Blue Technology, and Ocean Based Renewables.

Investment Approach

- The Outrigger Fund will be a blended finance fund with three main tranches: senior debt, senior equity, and junior equity.
- A USD\$10m Technical Assistance Facility (TAF) will be attached to the fund to aid in capacity building for sponsors, governments, and local stakeholders, thereby de-risking the investment opportunities.

Structure

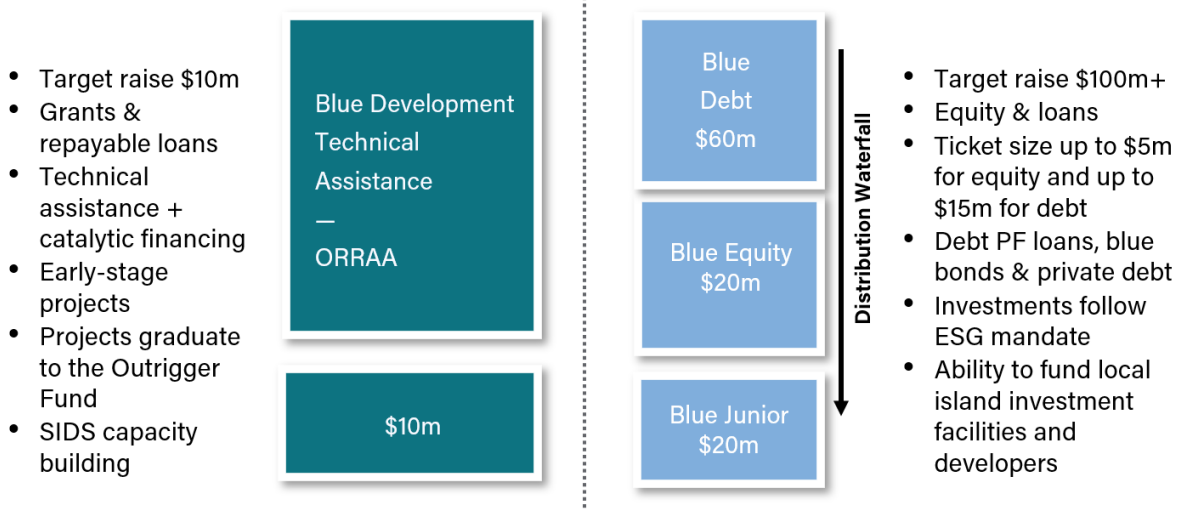


Figure displaying fund structure, developed by the Outrigger Fund.

Size: Target fund size is USD\$100m (cap USD\$125m), with a target first close of USD\$40-50m by Q4 2024.

Impact

1. Improve the sustainability and resilience of SIDS' economies; to strengthen the resilience of coastal communities to climate change; and to conserve and enhance the biodiversity and ecosystems within SIDS' coastal regions and Exclusive Economic Zones (EEZs).
2. Deliver catalytic capital to enable private sector investment into projects and technology solutions that springboard from ORRAA's Product Pipeline.
3. Create investor value and positive climate impact by directly investing in companies, projects, and infrastructure in SIDS, leveraging the Ocean to solve the climate, biodiversity, and pollution crises.
4. Originate and lead transactions in the target geographies to accelerate and leverage impact capital in SIDS and to bring co-investment (both private and blended) to target projects.

Stage of Development: [ESTABLISHMENT PHASE]

- **Jan - Mar 2024 Fund formation:** Validate fund scope/mandate, expand team, develop pipeline, governance and legal formation, detail operating policies including Impact Frameworks.
- **Mar - Sept 2024 Fund raise:** Finalise term sheet and Private Placement Memorandum (PPM), legal formation, initiate formal first close fund raise, active pipeline origination.
- **Oct - Dec 2024 Fund launch:** Complete first close, initiate second close fund raise, complete governance policies/structure, initiate pipeline investment process.
- **2025 Investment Close:** Close Fund One, ensure all policies/frameworks are operational.



Support Needed

- USD\$300k – grant/loan for set-up costs
- USD\$100m [USD\$40m first close; USD\$5M junior/first loss + USD\$10M TA; cap at USD\$125m]

The [Ocean Risk and Resilience Action Alliance](#) (ORRAA) is the only multi-sector collaboration connecting the international finance and insurance sectors, governments, non-profits, and stakeholders from the Global South to pioneer finance products that incentivise investment into coastal and ocean nature-based solutions. Our goal, by 2030 is to activate at least USD\$500 million of investment into this space, and in so doing, help build the resilience of at least 250 million climate vulnerable coastal people.

ORRAA is spearheading the development of the Sea Change Impact Financing Facility (SCIFF), an open ocean financing architecture designed to drive at least US\$1 billion of private investment into coastal and ocean ecosystems by 2030, with a focus on the Global South. The SCIFF is building an ocean financing ecosystem to complement ORRAA's development of an investible project and product pipeline and will integrate sustainable blue finance into broader climate and biodiversity finance ecosystems.

ORRAA is working together with its members on a blue finance delivery roadmap between now and 2025, developing financing instruments, bridging policy frameworks, building financial literacy, and developing pathways and scalable tools to unlock financing for coastal and ocean resilience and regeneration.

Investing in coastal communities and the Ocean
