

An aerial photograph of a coastal region, likely a delta or estuary, showing a complex network of waterways and land parcels. The land parcels are overlaid with a red and blue color scheme, where red indicates areas at risk of inundation due to sea level rise. The water bodies are shown in various shades of blue. The text 'The Sea Change Impact Financing Facility' is overlaid in large white font on the left side of the image.

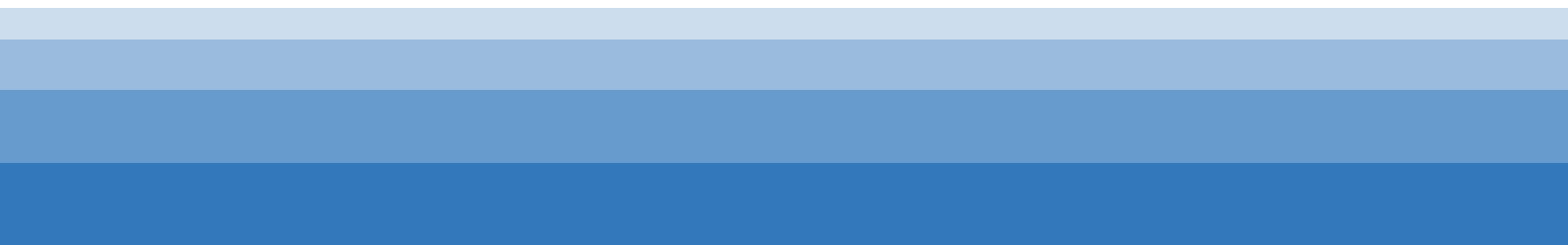
# The Sea Change Impact Financing Facility





**sciff**

Sea Change Impact  
Financing Facility

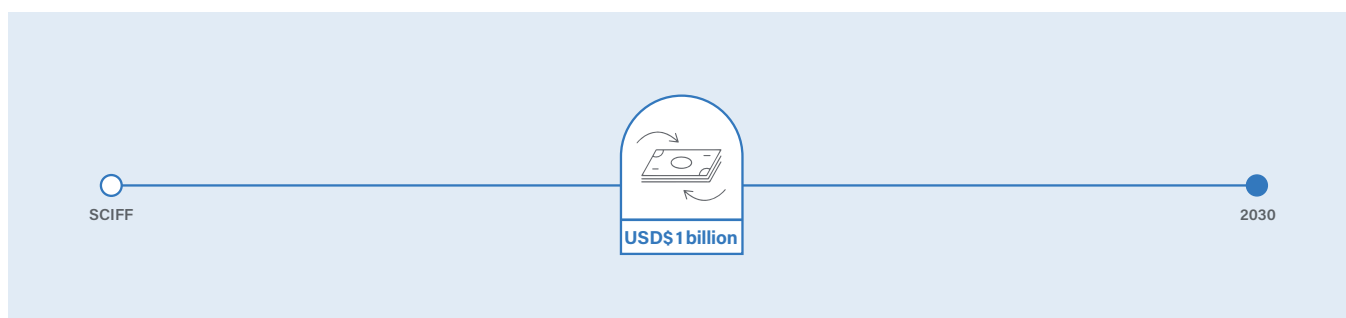


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## THE SEA CHANGE IMPACT FINANCING FACILITY (SCIFF)

The Sea Change Impact Financing Facility (SCIFF) is a collaborative effort to develop an open ocean financing architecture designed to drive at least USD\$1 billion of private investment into coastal and ocean ecosystems, with a focus on the Global South, by 2030. This will provide a springboard from which to mobilise at least USD\$2.5 billion of broader finance capital.



The SCIFF complements ORRAA's development of an investible project and product pipeline from the ground-up by building out the large-scale investments needed to build the capital markets for the Ocean – an ocean financing ecosystem. It will also integrate sustainable blue finance into broader climate and biodiversity finance so that it becomes second nature to invest into planetary health on land and at sea.

ORRAA launched the SCIFF concept at the One Ocean Summit hosted by President Macron in Brest, France, in early 2022. The Alliance has worked since then to further develop the vision to accelerate and unlock investment, to innovate and scale.

ORRAA will be working together with its members on a blue finance delivery roadmap between now and 2025. This will include 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.

### The SCIFF:

- Supports an open architecture for global coastal and ocean finance, complementing the efforts of impact funds, NGOs, corporates, asset managers, institutional investors, development banks and facilitating the entry of additional sources of capital into the space.
- Focuses on delivering positive adaptation and resilience outcomes, that are nature and climate positive, and bring integrity and equity to investments through the full engagement of local communities and locally-led initiatives.
- Integrates insurance tools, guarantees and concessional capital to de-risk investments, helping to attract additional capital to accelerate investment into coastal and ocean resilience.
- Deploys an integrated set of standards and guardrails with mission-led governance based on strong Small Island Developing States (SIDS) and Least Developed Country (LDC) representation.

# ORRAA's overall strategy is three pronged.

Firstly, it is focused on building a Project Portfolio Pipeline from the ground up - nurturing and scaling the development of community-led finance and insurance products and projects that build coastal and ocean resilience which lock in sustainable financing, are locally led, and climate, nature, and gender positive.

Secondly it is about tackling the 'Missing Middle' - a place which many project developers call the "valley of death", when they have emerged from grant or philanthropic funding, but aren't yet big enough to be of interest to impact or private sector investors. Enabling greater private sector investment into impact-driven coastal and ocean resilience, particularly in emerging markets and SIDS, and which deliver a market-based return.

And the third element is delivering a Sea-Change from the top-down - deploying private sector investment, sovereign, and regional level financial products to de-risk and accelerate financial intermediation towards sustainable blue economy investments that are nature positive, increase resilience, reduce unsustainable debt burdens, and mitigate losses and damages.

This is where the SCIFF (Sea Change Impact Financing Facility), named after the small wooden boat that is known in many cultures around the world, comes in as a way of driving both change and investment. It enables us to develop a core flotilla, navigating a sea change to drive coordinated action.

Over the past two years, we have worked with our members to understand, test and assess the foundational elements needed for a sustainable and equitable global ocean financing architecture - designing and integrating change from the top-down.

In 2021, ORRAA worked with our member Palladium on identifying the opportunities and key obstacles for scaling sustainable blue finance. Together, we spoke with 43 thematic experts representing a range of stakeholder categories and regional perspectives. One of the key insights was that financial commitments into the sustainable blue economy announced by public, non-profit, and philanthropic institutions over the past ten years amounted to just over USD\$13 billion, which is a fraction of the annual estimated investment of between USD\$150 - 300 billion that is required.

### Additional insights include:

- ☉ There are blue economy industries that have already matured and are now magnets for new funding, leaving some industries underinvested.
- ☉ There are traditional conservation projects that are treated as concessional only, receiving donor capital, but not viewed as bankable by the private sector.
- ☉ Geographies having the potential for outsized impact and contributions to global climate goals have some of the necessary pieces in place, to catalyse investment, but not all. They might have investor interest, but technical assistance for capacity building is lacking, and the policy enabling environment is underdeveloped.
- ☉ More capital is needed to nudge and jumpstart early projects that show promise but simply are not receiving the required investor attention.
- ☉ For some areas - like Blue Carbon - there is huge interest, but the marketplace is at risk of improper development without careful consideration.
- ☉ There are lots of initiatives, but it is highly fragmented. More brainpower is needed. More coordination is needed. More action is needed.

As a result of these findings, we began to explore the key elements needed to build a new global ocean financing architecture to deliver ocean investment at scale.

SCIFF as a multi-component finance facility will provide a foundational structure for the global ocean finance space, while being complementary and responsive to efforts already being made.

#### Each element of the architecture:

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- 🌐 Highlights investible business opportunities;
- ⋮
- 🌐 Attracts additional sources of capital; and
- ⋮
- 🌐 Provides concessional capital to de-risk and accelerate investments.
- ⋮

The SCIFF takes a dynamic approach to building this new financing architecture and the finance vehicles that are most fit-for-purpose: creating an investment ecosystem for sustainable initiatives; developing at speed and at scale; assembling it from individual projects to aligned platforms; and engaging investors and insurers through dedicated finance intermediaries.

ORRAA is collaborating with leading financial institutions, external experts and our members to design the elements for this commercially managed framework. More than 12 ORRAA members have signed Letters of Intent to partner on the SCIFF initiative. These include the IUCN, Asian Development Bank, Commonwealth Blue Charter, AXA, and Deutsche Bank.

ORRAA members are also playing a key role in constructively evaluating the viability of these initiatives. They stress-test ideas, assess viability, strengthen or shift their focus, and ensure that – by the time they emerge – they are ready to deploy. Further development of the financial vehicles will then be spun out.

The creation of this new ecosystem, together with ORRAA's investments into scalable projects with the prospect of bankable returns, will enable the deployment of billions of dollars into nature-positive coastal and ocean resilience over the next decade.





THEORY OF CHANGE



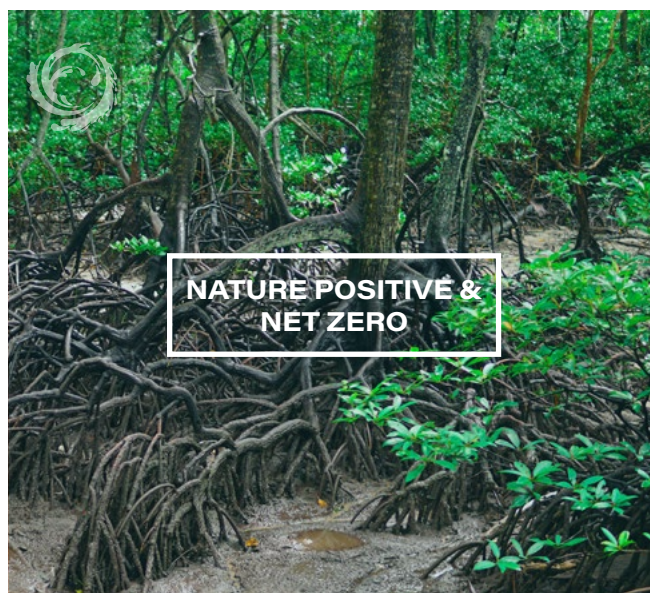
## THEORY OF CHANGE

The flow of finance into nature positive and net zero coastal and ocean resilience needs to be vastly and rapidly increased. While there is a universal gap in sustainable investment into these areas, this is even more significant for SIDS and developing country coastal states. It is a challenge to find and then build investment pathways between project and community needs and the significant financial resources of the private sector. It is also an immense opportunity.

The SCIFF's theory of change is based on the simple yet compelling concept that a global coastal and ocean financing architecture, which brings together and complements the efforts of existing actors, can help accelerate investment and bridge the financing gap. Restoration of natural capital is fundamental to providing the coastal and ocean ecosystem services that sustain the types of sustainable blue economy investments and businesses that the SCIFF will support.

The SCIFF aims to deliver a new dynamic of change by working both from the bottom up, with projects and early-stage companies, and linking them to existing and emerging aligned platforms. At the same time, it will offer new opportunities for impact and institutional investors and asset owners to engage via financial intermediaries, and de-risked through guarantees and insurance products. It will encourage market participants to engage and allow funds to flow to the coastal and ocean resilience space, including to all aspects of the sustainable blue economy.

The SCIFF's goal is for such financing flows to strengthen the resilience of 250 million climate vulnerable coastal people to the impacts of climate change and ocean risk, particularly those in SIDS and the Global South which are directly dependent on a sustainable blue economy.







GOVERNANCE



## GOVERNANCE

The SCIFF will ensure that the perspectives and priorities of stakeholders from the Global South are fully integrated into its functions, and that gender diversity and equity are central. It will offer all key partners a seat at the table and encourage cooperation and learning.

### **It will be underpinned by the following guiding principles:**

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- 🌀 Integrate coastal and ocean risk and resilience as a core element of climate adaptation finance.

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  - 🌀 Yield outcomes that are nature-positive and accelerate the achievement of the 1.5°C target.

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  - 🌀 Develop ecological resilience, adaptive capacity, and abundance.

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  - 🌀 Build the social, economic and community (including cultural) resilience of the billions of people that depend on coastal and ocean ecosystems for their livelihoods and their way of life.

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  - 🌀 Ensure that financing is mission-led through governance that aligns with public and private sector requirements, while avoiding processes that place an undue burden on actors with already limited resources.

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  - 🌀 Incorporate strong SIDS and coastal LDC representation.
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## SCIFF'S SECTORS

The SCIFF is focused on investing into ocean, coastal nature and resilience that builds the adaptive capacity of communities, drives biodiversity positive outcomes and is integral to securing comprehensive climate-smart solutions. Its various components focus on six sectors:

### OCEAN CONSERVATION

Investment into projects to improve biodiversity and resilience in coastal communities, creating business opportunities through marine protected areas, ecotourism, payments for ecosystem services and blue carbon

### SUSTAINABLE BLUE INFRASTRUCTURE

Technologies and efficiencies, including green/blue solutions to freight and passenger shipping and green ports

### SUSTAINABLE SEAFOOD

Capital and technical resources for best practice aquaculture and wild-caught seafood businesses and supply chains, particularly in emerging markets and SIDS that can be certified sustainable and access high-value markets globally

### OCEAN-BASED RENEWABLE ENERGY

Small-scale wave, solar and tidal power where the investment provides innovation or uniquely leverages the Ocean without detriment to biodiversity

### CIRCULAR ECONOMY & BLUE TECHNOLOGY

Businesses that leverage ocean assets or directly prevent ocean degradation by using innovative new techniques or technologies such as plastic upcycling and waste management

### RIDGE TO REEF

Investment into integrated solutions between agriculture, sustainable forestry and land use, recognising the importance of watersheds and coastal management

An aerial photograph of a coastline, showing a mix of sandy beaches, rocky shorelines, and deep blue ocean waters. A large, semi-transparent circular graphic is overlaid on the center of the image. The graphic consists of a thick, light blue outer ring and a central area with a white-to-blue gradient. Inside the central area, there are stylized, white, wave-like shapes that resemble a globe or a stylized face. The overall aesthetic is clean and modern, with a focus on natural elements and a circular design motif.

SCIFF'S  
FINANCIAL COMPONENTS



## SCIFF'S FINANCIAL COMPONENTS

Looking forward to 2025, ORRAA's main objective is to develop the core components of a coherent sustainable ocean financing ecosystem.

This multi-layered facility will provide an architecture that complements and responds to efforts already underway.

ORRAA is now navigating forward by focusing on the deployment of four new blue finance instruments over the next three years.

# 1



## neptune fund

### Neptune Fund

A single donation to The Neptune Fund will work towards ocean conservation action for the next 8-10 years. It is an expendable endowment that allows both capital and income to be spent on ocean conservation, thereby providing reliable, long-term support to locally-led ocean conservation for some of the most threatened and overlooked marine species and ecosystems.

For organisations supported by the fund, longer term core operational support means better planning for annual funding cycles, ultimately making them more effective by supporting the knowledge, culture, and experience of local communities and Indigenous Peoples. Initially, the fund will focus mainly on investments into Southeast Asia, Melanesia and the East Indian Ocean, regions with exceptionally high levels of marine biodiversity, but which face key gaps in resourcing. Neptune has grown from an initial investment of USD \$50,000 to a USD \$500,000 facility in under a year.

[DISCOVER MORE HERE](#)



2



OUTRIGGER  
I M P A C T

### Outrigger Ocean Impact Fund

A dedicated ocean impact fund focused on investing into sustainable and regenerative blue economy Small and Medium-sized Enterprises in Small Island Developing States to tackle the 'missing middle' (USD \$1-10 million ticket size) financing gap in Small Island Developing States/Large Ocean States. Feasibility Complete. Establishment Phase underway. Working towards a first close of the Fund in the middle of 2024 and currently engaging with cornerstone investors.

3



nautilus  
Ocean Guarantee Company

### Nautilus - Ocean Guarantee Company

A means of de-risking investments into sustainable blue economy sectors through the provision of guarantees. Feasibility Complete. Establishment Phase underway.

Undertaken in partnership with the Development Guarantee Group.

DEVELOPMENT GUARANTEE GROUP



4



octopus desk

### Octopus Desk

A blue marketplace platform connecting eligible blue resilience project developers with investment partners seeking environmental, social and financial returns. Enabling sustainable blue economy transaction match-making and technical assistance for investors and project developers.

Development Phase: Ongoing in partnership with Investable Oceans.

INVESTABLE OCEANS





In addition, the SCIFF team is scoping and assessing the feasibility of three additional cornerstone components.

1



### Blue Bond Incubator

Assisting in the development and deployment of blue bonds in SIDS and developing coastal countries through technical and financial services to those countries and companies looking to issue blue bonds.

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(Feasibility Phase)

2



### 30x30 Ocean Regeneration and Resilience Facility

Assessing the feasibility of an insurance premium levy on the core business classes using the Ocean to cover the costs of 30x30 designation, monitoring and enforcement, as well as post-disaster resilience rebuilding for SIDS and LDCs. Feasibility work starts in January 2024.

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(Feasibility Phase)

3



### Catalytic Blue Resilience (C-Bed) Facility

Assessing the viability of a USD \$250-500 million catalytic scaled facility for concessional finance instruments such as subordinated debt, concessional loans, and circular grants.

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(Feasibility Phase)

The ideas behind these entities as the core components of the SCIFF, as well as all the initial thinking and scoping, is being led by the ORRAA Secretariat and its members and partners. Should the scoping studies show feasibility, each would be established independently of ORRAA, but contain at their core, the governance and principles behind driving investment into a sustainable blue economy, a healthy and regenerating ocean, and resilient coastal communities.





DISCOVER MORE HERE 

