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## Sailing ahead: SIDS' pathway to sustainable economic transformation through innovative investment instruments

### 1. Rationale:

For all 39 small island developing states (SIDS) of the 79 members of the Organization of African Caribbean and Pacific States (OACPS), oceans are a source of opportunity for their economies, livelihoods and wellbeing.

Innovation and sustainable growth in the coastal, marine and maritime sectors can deliver food, energy, transport, and drive sustainable economic transformations towards prosperity, for planet and peoples. It is also essential for the economic resilience of SIDS, building their productive capacities and creating opportunities for economic diversification. Placing economies onto a sustainable pathway is critical for achieving the Sustainable Development Goals (SDGs).

The blue economy represents huge investment opportunities across multiple sectors: from sustainable fisheries and aquaculture, marine biotechnology and pharmaceuticals, eco-tourism, maritime transportation, carbon sequestration, water treatment/desalination, provision of clean energy and waste disposal. As the planet's largest carbon sink, the preservation of the oceans and the greening of marine and coastal industries is an essential part of global climate action.

However, SIDS are not receiving sufficient investment and technologies to harness the opportunities the blue economy offers for sustainable economic transformation and for low-emission, climate-resilient development. Many financial actors, including institutional investors and venture capitalists, are often reticent to invest in SIDS as risks are perceived to be too high. A further challenge is that SIDS' markets are typically small and hence lack attractiveness for larger market-seeking investors. In this context, national-level competition for finite investment resources will be detrimental. Instead, new cooperative frameworks should be sought at regional and intra-regional levels, leveraging the combined economic dynamism of SIDS for new investment attraction.

Similar structural disadvantages exist for women's participation in the blue economy and the broader economy. Increased levels of gender lens investing in the blue economy can support the economic empowerment of women in SIDS and presents a business opportunity.

A broad partnership of committed stakeholders is needed to harness SIDS economies' comparative advantages, adapt to climate change, and build a sustainable *blue future*.

This side event will discuss the challenges and opportunities of mobilizing financing and partnerships into the blue economy of SIDS, with a focus on innovative financial solutions to enable accelerated and sustainable growth.



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## 2. Objectives of the side event

The side event will gather leaders from government, investment promotion agencies, the private sector, and international organizations to discuss partnerships and solutions to unlock investments into the blue economies of SIDS. In particular it will:

- Showcase the importance of innovative financial instruments, such as the UNIDO Investment Fund, to mobilize public and private funding towards investments accelerating economic transformation and offering investors return and impact. An additional focus will be on how such instruments can strengthen their impact on women, the youth and on other marginalized groups in SIDS' societies.
- Highlight successful regional investment facilitation and promotion efforts that, by reducing competition among individual SIDS countries, have recorded successes in attracting new investors.<sup>1</sup>
- Facilitate the building of regional cooperation frameworks that drive a concerted effort to develop a pipeline of investments to support SIDS in achieving the SDGs.

## 3. Potential partners

OACPS (confirmed), Prime Minister of Seychelles (tbc), President of Palau (tbc).

## 4. Format

A high-level panel discussion with UNIDO's Director General, OACPS' Secretary General, 1 SG of a regional organization, 1 financial institution Head (World Bank or Credit Institute for Reconstruction Bank (KfW), 1 government representative of a SIDS, 1 private sector representative (prospective UNIDO Fund Manager). Due consideration will be given to geographical representation and gender balance. The panel will be moderated by UNIDO.

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<sup>1</sup> EU and OACPS funded Programme "ACP Business-friendly: Supporting value chains through inclusive policies, investment promotion and alliances"