



Sustainable Financing Options for the Regional Governance Framework (RGF)

SUSTAINABLE FINANCING PLAN FOR THE RGF

What?

- Options to strengthen financial sustainability: sufficiency, reliability and resilience of financing
- Focus on the 8 member IGOs of the ICM as key constituents of the RGF

Why?

- Ensure that the PPCM governance and financing options are embedded in an overall financially sustainable regional governance framework
- The future PPCM can play a crucial role for the financial sustainability of the RGF



SUSTAINABLE FINANCING PLAN FOR THE RGF

- 1. Assessment of financial sustainability**
- 2. Sustainable Financing Options**



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FINANCIAL SUSTAINABILITY OF THE RGF

Key budget concepts

- **Regular budget:** resources which are intended to fund regular expenses that are fundamental to the existence of the organisation and its institutional mandates.
- **Core institutional budget:** dedicated to staff, running costs as well as key activities (subset of the regular budget).
- **Programme budget:** resources allocated for the implementation of projects or activities of the organisation's programme of work.

FINANCIAL SUSTAINABILITY OF THE RGF

Key assessment criteria

Sufficiency: Amount of financing is sufficient to carry out work in accordance with mandates

- *Are regular and programme budget deemed sufficient?*

Reliability: Regular budget is secured and allocated reliably

- *Do agreed regular contributions vary?*
- *To which extent are they actually paid?*

Resilience: *IGOs can flexibly react to and cope with budget fluctuations*

- *Adequate mechanism in place to cope with uncertainty?*
- *Diversity of donors and sources?*

FINANCIAL SUSTAINABILITY OF KEY RGF CONSTITUENTS

Criteria	Indicators	CEP	WECAFC	IOCARIBE	OSPESCA	CCAD	CRFM	CARICOM Sec	OECS
Sufficiency	Regular budget								
	Programme budget	not available		not available				not available	not available
Reliability	Actual contributions (% of pledges)		not applicable	not applicable				not available	
	Continuity of pledges								
Resilience	Trust fund for member contributions			not applicable	not available	not available		not available	not available
	Donor diversity		not available	not available			not available		
	Diversity of sources								

green – high score; yellow – medium score; red – low score

FINANCIAL SUSTAINABILITY OF THE RGF

In summary

- Regular budgets need to be higher
- Contributions need to become more reliable
- Donor diversity needs to be enhanced
- Financing sources in general need to be diversified

SUSTAINABLE FINANCING OPTIONS FOR THE RGF

Guiding principle

Long-term financing for the RGF is secured and is sufficient, reliable and resilient.

SUSTAINABLE FINANCING OPTIONS FOR THE RGF

Two (complementary) approaches

Option 1: Donor centered approach – Strategic planning to enhance grant acquisition

Option 2: Beneficiary centered approach – Combining a “business planning” with EBM revenue generation

-> see Background report: Potential mechanisms and sources for financing Ocean Governance in the CLME+ region

SUSTAINABLE FINANCING OPTIONS FOR THE RGF

Option 1: Donor centered approach – Strategic planning to enhance grant acquisition

- **Phase 1 (1-5 years):** IGOs enhance their individual and joint grant acquisition potential, while increasing donor diversity.
- **Phase 2 (+5 years):** Intensifying coordination and cooperation among IGOs, while assuring that resources for ocean governance are allocated efficiently at IGO and RGF level.

DONOR CENTERED APPROACH

Objectives Option 1

- High level of common ownership and credibility
- Increased regional visibility of ocean governance
- Enhanced individual and joint fund leverage
- Synergies and efficient allocation of resources
- Regional scale cooperative approach to secure funding



DONOR CENTERED APPROACH

Option 1: What needs to be done?

- Align programmes of work with the SAP and respective IGOs role
- Implement individual resource mobilization strategies
- Approach donors in a coordinated manner
- Streamline ocean governance with Blue Economy and Climate Change
- Coordinate joint funding initiatives (facilitated by a convener)



Gradually PPCM can become the “convener”



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DONOR CENTERED APPROACH

Option 1: Where do we stand?

➡ **No formal resource mobilization strategies in place yet, but...**

- Strategies and ideas are being developed
- IGOs demonstrate successful + creative resource mobilization capacity
- some already started to align their programmes to SAP
- some already cooperate bilaterally or multilaterally on programmes
- some have experience in successful joint grant acquisition efforts

SUSTAINABLE FINANCING OPTIONS FOR THE RGF

Option 2: Beneficiary centered approach – Combining a “business planning” approach with EBM revenue generation

- **Phase 1 (1-5 years):** IGOs explore and strengthen their potential to generate revenue from their intrinsic activities, as well as increasing partnership with the private sector.
- **Phase 2 (+5 years):** Recurring voluntary contributions and/or revenue from user charges replenish a revolving regional trust fund managed by the PPCM.

BENEFICIARY CENTERED APPROACH

Objectives Option 2

- large proportion of financing is provided by direct beneficiaries (and polluters) of the marine resources, public and private
- Regional scale cooperative approach to secure funding
- Private sector becomes a strategic partner
- Resource base for ocean governance is broadened substantially



BENEFICIARY CENTERED APPROACH

Option 2: What needs to be done?

- Identify direct and indirect beneficiaries of the IGOs work
- Implement a “business planning” approach
- IGOs support countries to identify beneficiaries of EBM measures and ecosystem services
- Countries implement beneficiary centered financial mechanism to broaden resource base for ocean governance
- Facilitate continuous strategic dialogue with the private sector at regional scale
- jointly identify potential cooperation opportunities and implement at regional scale

BENEFICIARY CENTERED APPROACH

Option 2: Where do we stand?

- ➡ Own revenue generation not yet common among IGOs
- ➡ No financial contributions from the private sector so far
- Numerous successful examples for financial mechanisms in WCR Numerous CSR activities (especially tourism industry)
- most of the IGOs consider new private sector partnerships
- *CLME+ Partnership* as basis for a concerted regional dialogue

SUSTAINABLE FINANCING OPTIONS FOR THE RGF

In summary

Enhanced regional coordination gives access to several new opportunities to secure long-term funding for ocean governance.

Questions and Answers

Reflections by the ICM members

By the countries:

Sharing countries perspectives and priorities regarding the proposed SFP options for the RGF:

What can work and why? What can't work and why?

What needs to be done (and by who)?