



This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors directly should you have queries.

Blue Economy Pathways – Strengthening Blue finance in India

“Resilient Coasts, Thriving Communities: A Sea of Solutions”

KOCHI – 19TH August 2025



Structure of Presentation

1. **Introduction and Context**
2. **World Bank Engagement in India**
3. **SHORE: World Bank Coastal lending Program**
4. **BLUE FINANCE In INDIA**
5. **Discussions**

WORLD BANK – “Blue” Engagement Strategy

KNOWLEDGE AND FINANCING

1

**Analytical Support to GoI’s Missions/Programs/Plans
As a part of World Bank “Knowledge” Agenda**

2

Knowledge Exchange on Blue Economy

- **Blue Roundtables to strengthen multi-stakeholder dialogues**
- **Inclusive cross sector synergies and joint activities with IFC**
- **Leveraging World Bank’s global presence and experience in BE, to connect and cross fertilize knowledge**

3

**World Bank’s Lending Program
SHORE (Strengthening Coastal Resilience and the Economy) MPA in India**

Strengthening Coastal Resilience and the Economy (SHORE)

- Follow up Program of a decade long World Bank – GoI engagement based on ICZM
- Adopts a ‘**Multiphase Programmatic Approach**’ for a long-term sustainable development
- **Program Objective:** “To increase coastal protection and conservation, enhance livelihood benefits, and reduce marine plastic pollution in targeted coastal communities.”
- **Phase 1 - Tamil Nadu and Karnataka**

SHORE : Coastal resilience through activities in four dimensions

MPA Outcome

Strong capable institutions delivering Integrated Coastal Zone Management

Resilient shorelines with protected physical and natural assets

Resilient Coastal Communities with Diverse Incomes

Healthy Coastal & Marine Biodiversity and Ecosystems

Analytics Informing SHORE Program

- Institutional strengthening
- **Ocean Accounts and Blue Finance**
- Private Sector and the Plastic Value Chain (IFC and WB joint studies)
- Blue Carbon Assessments and Market Opportunities
- Greening of ports, fishing harbours
- Nature Based Solutions, ecotourism opportunities



BLUE FINANCE IN INDIA



Understanding the Spectrum: Blue, Green, and Sustainable Finance

Criteria	Blue Finance	Green Finance	Sustainable Finance (Broad)
Core Focus	Oceans, coastal and marine ecosystems, and freshwater resources	Climate change mitigation, renewable energy, pollution reduction	Environmental, social, and governance (ESG) issues in all sectors
Target Sectors	Fisheries, aquaculture, shipping, marine conservation, coastal tourism	Renewable energy, waste management, energy efficiency	All sectors: transport, housing, industry, agriculture, health, etc.
Primary Goals	Sustainable use of ocean resources, marine biodiversity, and blue economy	Reducing GHG emissions, protecting and restoring biodiversity and ecosystem	Balancing economic returns with social and environmental benefits
Project Examples	Coral reef restoration, sustainable fishing, marine pollution reduction, water management, offshore renewable energy	Solar/wind farms, green buildings, forest conservation	Microfinance, social housing, inclusive education, green infrastructure
Financing Instruments	Blue bonds, loans, Debt for nature swaps etc	Green bonds, climate funds etc	ESG investing, sustainability-linked loans, social impact bonds
Measurement Framework	Ocean impact metrics, SDG 14 (“Life Below Water”) indicators	Carbon reduction, SDG 13, GHG inventories	Multi-dimensional indicators (SDGs, ESG scores, impact metrics)

Sources of Blue Finance

Private

- Equity and debt investments in:
 - Sustainable fisheries and aquaculture
 - Pollution reduction
 - Renewable ocean energy
 - Carbon and biodiversity credit generation

Blended

- Sustainability-Linked Loans (SLLs)
- Sustainability-Linked Bonds
- Social Green/SDG Bonds
- Debt for Climate and Nature (DFCN) Swaps
- Natural Assets Companies (NACs)

Public

- Fiscal & financial reform
- Taxes, fees, fines, & penalties
- Emissions Trading Systems (ETS)
- Performance Bonds
- Subsidy Reforms
- Multilateral Development Banks (MDBs) Loans & MDB Guarantees/Risk Transfers

India's Emerging Ecosystem to support blue finance

Regulatory Advances

- IFSCA: Developing green and blue finance frameworks in GIFT City to promote sustainable investments.
- SEBI: Introduced ESG disclosure guidelines (2023), with a roadmap toward a blue finance taxonomy and dedicated disclosure norms.
- RBI (NGFS Member): Enhancing integration of climate risk into monetary and financial regulation.
- MoES & MoEFCC: Supporting Blue Economy Missions and marine spatial planning under India's National Blue Economy Policy Draft (2021).

Sectoral & Financial Interventions

- FIDF (Fisheries and Aquaculture Infrastructure Development Fund): Financing sustainable fisheries and coastal infrastructure since 2018.
- Sagarmala Programme: Enabling port-led development and sustainable maritime infrastructure.
- Blended Finance Pilots: Emerging models in ocean waste management and coastal resilience funded through public-private partnerships.

Maritime & Investment Reforms

- FDI Liberalization: 100% FDI allowed in port and shipping sectors; promoting India as a ship finance hub.
- National Logistics Policy (2022): Integrates multimodal maritime logistics and sustainability considerations.

Key Blue Finance Initiatives

Concessional credit

- FIDF: Provides interest subvention of 3% for loans upto 12 years
- Many commercial banks offers sector specific schemes for fishing and acquaculture
- KCC for fisheries sector

Risk sharing facilities and innovative instruments

- NABARD operates a credit guarantee fund for FIDF loans
- SDG 14 is part of sovereign green bond framework
- Partnership with MDBs: IFC-Axis Bank US\$ 500 million blue loan in 2024

Umbrella programs

- PMMSY
- Blue Economy 2.0 announced in Feb 2024

Barriers to the Uptake of Blue Finance

Financing Gaps

- Major shortfall in budget allocations for marine conservation and coastal management.
- Value of marine services not matched by adequate financial support.

Risk Perception

- Marine and coastal projects perceived as high-risk with uncertain returns.
- Long gestation periods discourage investor interest.

Lack of Market Standards and Taxonomy

- No clear blue finance taxonomy leads to fund misallocation and potential greenwashing.
- Absence of universal methods to assess the health of marine ecosystems.

Measurement & Evaluation Issues

- Difficulty in measuring success of blue investments in the short term.
- Lack of standard impact metrics and MRV systems.

Investor Awareness and Engagement

- Low investor understanding of blue sectors and associated opportunities.
- Weak regulatory incentives and limited public-private coordination.

International Experiences

Issuer	Area	Year	Amount	Time-frame	Approach	Key Activities
Seychelles Sovereign Blue Bond	Seychelles	2019	\$15M	10yrs	Govt-led blended F	MPAs, sustainable fisheries
Nordic-Baltic Blue Bond	Baltic Sea	2019	SEK 2B	5yrs	Blended F	Wastewater treatment, water pollution and water related climate change adaptation
ADB Blue Bond	Australia and New Zealand	2021	\$151M	15yrs A; 10yrs NZ	PPP	Plastic pollution and GHG reduction
Belize Blue Bond	Belize	2021	\$364M	20yrs	Debt for Nature swap	Protect 30% of marine ecosystem (conservation based)
Bank of China Blue Bond	China	2021	\$942.5M	3-5yrs	Private sector led	Offshore renewable energy, sustainable water and waste water management
BDO Unibank Blue Bond	Philippines	2022	\$100M	7yrs	Private sector led	Water conservation, waste water management and plastic recycling
Indonesia Sovereign Blue Bond	Indonesia	2023	\$150M	7-10yrs	Govt-led blended F	Coastal protection and management of fisheries and aquaculture, conservation and restoration of mangrove
Fiji Sovereign Blue Bond	Fiji	2023	FJD 20M	15yrs	Govt-led blended F	NbS for coastal protection for vulnerable communities; Scaling up aquaculture; Fiji blue town ambition; wastewater treatment ¹¹

Insurance for Blue Economy

Insurance needs

- Blue sectors conventional operational risks and elevated weather risks. The risk implications vary in terms of scale, timing, location and impacts. Therefore, to address different types of risk, an insurance-mix is required.
- For wide-ranging, macro-level weather risks, parametric insurance is emerging as an ideal solution.
- Micro insurance and mutual insurance may be considered to cover individual level risks.

Existing schemes

- Pradhan Mantri Suraksha Bhima Yojana (PMSBY) and Fishermen Group Accident Insurance schemes
- Partial Damage and Total Loss of Fishing Vessels
- Partnerships with NGOs and private sector

Way forward

- Comprehensive strategy on blue economy insurance
- Explore expansion of parametric insurance and risk pools for blue economy
- Combine with other financial services to complement efforts

Blended Finance for blue economy

What is blended finance?

- Blended finance is a strategic approach that combines various sources of concessional, commercial and development finance to leverage their respective strengths to promote sustainable development.
- The key principles of blended finance include additionality, alignment with development goals, and effective risk sharing among stakeholders.
- Financial instruments in blended finance include grants, loans, equity, and guarantees, each playing a unique role.

Blended finance in India

- Nascent but growing market
- Many FIs are already participating in blended finance transactions.
- These transactions are often aligned with climate and sustainability goals

Potential for blue economy

- Could be combined with blue bonds or sustainability linked bonds
- Could leverage corporates, FI and other relevant stakeholders in the blue economy
- Can scale up existing efforts by crowding in large amounts of private capital

Recommendations to Scale blue finance in India

Data and taxonomy

- Inclusion of blue economy aspects in national climate finance taxonomy
- Tagging and database on blue economy financing
- Expand focus to sectors beyond fisheries

Integration with sectoral themes

- Explore integration of blue economy considerations in MSME programs
- Highlight role of blue economy in adaptation and resilience

Innovative financing instruments

- Issuance of blue bonds, outcome bonds, blue loans etc., potentially supported by blended finance
- Risk sharing mechanisms and blended finance for blue economy activities

Insurance

- Dialogue on expanding parametric insurance and risk pools for blue economy
- Launch innovative and affordable insurance products for fisheries and other sectors

Capacity building

- Enhance ability of financial institutions to underwrite blue economy
- Multisectoral approach to generating pipeline of blue projects

Open Floor for Discussions
