



# Guidelines for Blue Finance

Guidance for financing the Blue Economy, building on the Green Bond Principles and the Green Loan Principles

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## Introduction

Blue Finance is an emerging area in Climate Finance with increased interest from investors, financial institutions, and issuers globally. It offers tremendous opportunities and helps address pressing challenges by contributing to economic growth, improved livelihood, and protecting the health of marine ecosystems. The ocean economy is expected to double to \$3 trillion by 2030, employing 40 million people, as compared to 2010.<sup>1</sup> Innovative financing solutions are key to enhancing ocean and coastal preservation and increasing clean water resources, and Blue Finance has a huge potential to help realize these goals.

Specifically, Blue Bonds and Blue Loans are innovative financing instruments that earmark funds exclusively for ocean-friendly projects and protects critical clean water resources. Broadly speaking, the market has witnessed the exponential growth of sustainable finance and the emergence of diverse instruments based on green or social use-of-proceeds or sustainability targets. In this context, several transparency and integrity principles have been introduced, including the Green Bond Principles (GBP), published by the International Capital Markets Association (ICMA), and the Green Loan Principles (GLP), published by the Loan Market Association (LMA). These principles provide examples of what constitute green eligible use of proceeds and have contributed to developing a credible green bond and green loan process.

In March 2018, the Sustainable Blue Economy Finance Principles were launched. These Principles go beyond addressing plastic pollution in oceans and consider the sustainable conservation and use of oceans, seas, and marine resources in compliance with Environmental and Risk Management practices such as the IFC Performance Standards.<sup>2</sup> Amid this growing interest in scaling Blue Finance, IFC has built on the Green Bond Principles and the Green Loan Principles and related resources, including the ICMA Handbook for Impact Reporting, to provide guidance on IFC's implementation of Blue Finance in the context of green bonds and green loans.

This Guidance document aims to provide a list of eligible use of proceeds to support private investments aligned with the Green Bond Principles and Green Loan Principles and contributing to Goals 6 and 14 of the United Nations Sustainable Development Goals—“Ensure availability and sustainable management of water and sanitation for all,” “Conserve and sustainably use the oceans, seas and marine resources for sustainable development.”

This document identifies eligible blue project categories to guide IFC's investments to support the blue economy, in line with the Green Bond Principles and Green Loan Principles. The market has been seeking guidance on project eligibility criteria, translating general Blue Economy Financing Principles, such as the Sustainable Blue Economy Principles and the Sustainable Ocean Principles, towards guidelines for blue bond issuances and blue lending.

IFC aims to follow this Guidance document to finance the blue economy and encourage best practices that can enable the growth of Blue Finance globally.

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<sup>1</sup> <https://www.oecd.org/ocean/OECD-work-in-support-of-a-sustainable-ocean.pdf>

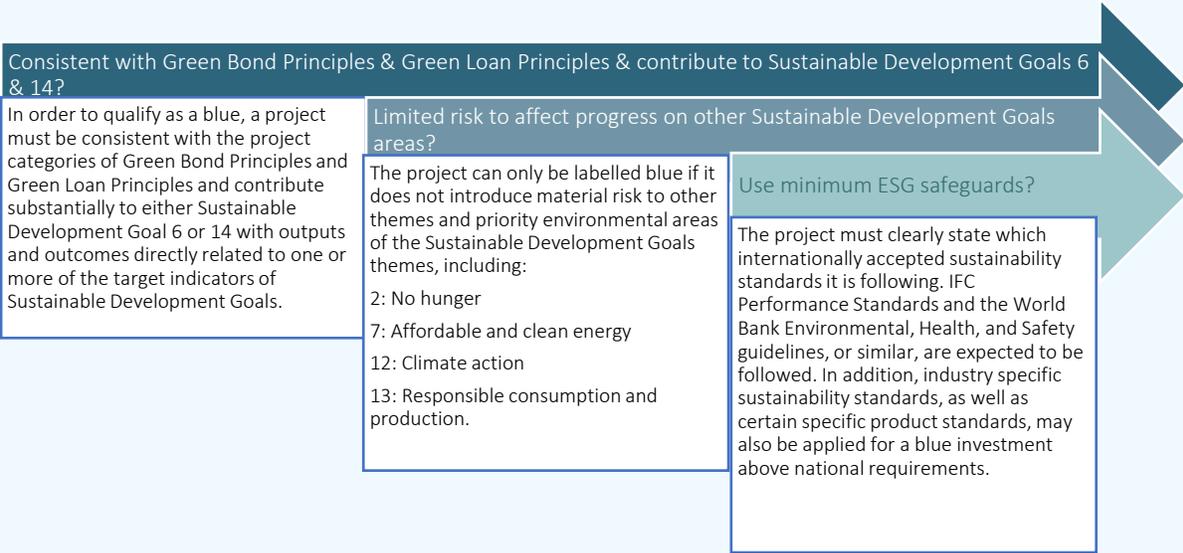
<sup>2</sup> See Annex I or download the Principles from <https://www.wwf.org.uk/sites/default/files/2018-03/Declaration%20of%20the%20Sustainable%20Blue%20Economy%20Finance%20Principles%20Brochure%20Insert%202018.pdf>.

# Blue Finance Guidance Framework

The Blue Finance Guidance Framework includes references to Sustainable Development Goals 6 and 14, as well as other activities related to Sustainable Development Goals 2, 12, 13 and 15, which address pollution in rivers and coastal areas. This includes activities identified through the application of the following assessment criteria:

1. Is the project type consistent with the Green Bond Principles’ and Green Loan Principles’ eligible project categories and does it make a substantial contribution to Sustainable Development Goals 6 or 14 beyond compliance with applicable laws and regulations?
2. Does the project type introduce risk that may affect progress on other environmental priorities, such as Sustainable Development Goals 2, 7, 12, 13 and 15?
3. Are Environmental, Social, and Governance (ESG) safeguards and standards, such as the IFC Performance Standards, applied in the implementation of the project if there are material environmental and social risks?

Figure 1: Identification of Blue Eligible Activities



## Building on the Green Bond Principles and Green Loan Principles

Blue bonds and blue loans should be consistent with Green Bonds<sup>3</sup> and Green Loans<sup>4</sup> and issuers are strongly recommended to follow a framework. To stay consistent with the Green Bond Principles and Green Loan Principles, it is best practice that an issuer of green bonds or borrower of green loans with a blue component prepares a framework that clearly distinguishes the green and blue activities for the use of proceeds. The blue activities can be derived from the Blue Finance Guidance document. This framework includes:

<sup>3</sup> Green Bonds are any type of Bond instrument where the proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing eligible green projects and are aligned with the four core components of the Green Bond Principles.

<sup>4</sup> Green Loans are any type of Loan instrument made available exclusively to finance or refinance, in whole or in part, new and/or existing eligible green projects and are aligned with the four core components of the Green Loan Principles.

1. In the section on the Use of Proceeds: Which project types intend to contribute to SDG 6 or 14 and are consistent with the Green Bond Principles and Green Loan Principles?
2. In the section on Project Assessment and Selection: How will the blue projects be assessed and selected?
3. In the section on Management of Proceeds: How will the proceeds from Blue Finance be managed?
4. How will the impact of Blue Finance be reported?

The framework serves as a transparent way to avoid green or blue washing and safeguards against reputational risk, and it should be endorsed by the issuer’s or borrower’s senior management.

Further, it builds on existing green eligible activities stated in the Green Bond Principles and Green Loan Principles and complement them.

## Blue Use of Proceeds

Building on the Green Bond Principles and Green Loan Principles, the development of blue finance includes financing eligible activities that address sustainable water management and ocean protection (SDG 6 and 14 respectively). Starting with the broad categories of eligibility under the Green Bond Principles and Green Loan Principles, the Blue Finance Guidance document further maps areas of the blue economy and how they relate to each of the Green Bond Principles’ and Green Loan Principles’ categories.

Table 1: Mapping Blue Activities under the Green Bond Principles and Green Loan Principles <sup>5</sup>

Blue Finance Area	GREEN BOND/LOAN PRINCIPLES BROAD CATEGORIES OF ELIGIBILITY				
	Pollution Prevention and Control	Natural Resource Conservation	Biodiversity <sup>6</sup>	Climate Change	
				Mitigation	Adaptation
A. Water supply and treatment sector	**	*		*	*
B. Ocean-friendly and water-friendly products	***			*	
C. Ocean-friendly chemicals and plastic-related sectors	***			*	*
D. Sustainable shipping and port logistics sectors	***	*	**	***	*
E. Fisheries, aquaculture, and seafood value chain	***	**	*	*	*
F. Marine ecosystem restoration and sustainable tourism services	**	***	***	*	*
G. Offshore renewable energy production		*	**	***	

Legend: \*\*\*Primary or direct effects, \*\*Secondary or indirect effects, \*Tertiary or derived effects  
 Light blue: Minor impact, Medium blue: Some impact, Dark blue: Strong impact.

<sup>5</sup> Mapping of blue activities to Green Bond Principles- environment objectives. Refer <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Project-Mapping-June-2021-100621.pdf> to access Green Project Mapping.

<sup>6</sup> In parallel, IFC is currently working on developing guidance around biodiversity/nature related investment activities.

Annex 1 includes a more detailed mapping of blue eligible activities and how they relate to the Green Bond Principles and Green Loan Principles. This Blue Finance Guidance document may be updated periodically to be consistent with Green Bond Principles and Green Loan Principles and may be used for the initial identification of blue assets.

To prevent greenwashing, not all water and ocean related activities and assets are eligible as blue finance. To be eligible they need to document how they make a substantial contribution to SDG 6 or 14 beyond a documented baseline. The proceeds from the blue component of a green bond or loan can be allocated to finance or refinance the following eligible activities:

**A. Water supply and treatment sector: investments in the research, design, development, and implementation of water efficiency, clean water supply, and water treatment solutions.**

1. New drinking water treatment, storage, and sustainable supply infrastructure that documents at least 20% water savings (e.g. reducing Non Revenue Water) per unit of service compared to a documented baseline.
2. Rehabilitation of existing water infrastructure that documents at least 20% water savings per unit of service compared to a documented baseline.
3. More sustainable desalination plants that help protect groundwater depletion and wetlands and avoid hypersaline pollution of the environment (e.g., ISO standard 23446).
4. Water efficiency technologies and equipment and water management activities that reduce water footprint. This includes the financing or refinancing of technologies (e.g. drip irrigation, water recycling solutions, etc.) where the manufacturers show the respective substantial water efficiency benefits or a documented reduction in water consumption in land-based aquaculture, agriculture and irrigation, and residential, commercial, and industrial uses.
5. Wastewater treatment plants, including industrial, agri-business, commercial, residential, or city level, in areas connected to rivers or coastal water basins. This also include biogas and heat exchange systems at wastewater treatment plants to increase their efficiency and effectiveness.

**B. Ocean-friendly and water-friendly products: investments in the value chain, including production, packaging, and distribution of environmentally friendly products that avoid water or ocean pollution.**

1. Research, design, manufacturing, trade, or retail of household products, with a sustainable supply of raw materials that can displace existing harmful products or reduce nitrogen and phosphorus loads of the aquatic environment:
  - Biodegradable and phosphate-free detergents and shampoos, such as new enzyme-based products.
  - Biodegradable and phosphate-free shampoo bars, deodorant bars (such as a soap bar), and cosmetics without plastic packaging.
  - Microbead-free toothpaste in non-plastic containers.
2. Research, design, manufacturing, trade, or retail of essential components of the value chain of alternative low carbon and biodegradable materials (e.g., Lyocell) to fossil-based fibers (e.g., polyester) used in medical, apparel, and other industries.
3. Research, design, manufacturing, trade, or retail of biodegradable plant-based plastics and packaging or compostable plastics and packaging in locations where compostable facilities are readily available.

- C. Ocean-friendly chemicals and plastics-related sectors: investments in the research, design, development, and implementation of measures to manage, reduce, recycle, and treat plastic, pollution, or chemical waste in coastal and river basin areas.<sup>7</sup>**
1. Infrastructure that prevents runoff of agrochemicals and industrial chemicals into areas connected to rivers or coastal water basins.
  2. Substantial reduction per unit of product or replacement of phosphate-based or nitrogen-based synthetic fertilizers with alternative sustainable and biodegradable fertilizers and supplements, in areas connected to rivers or coastal water basins.<sup>8</sup>
  3. Use of recycled or reused plastics for manufacturing in a circular economy approach, in areas connected to rivers or coastal water basins.
  4. Plastics collection and recycling facilities and reusing or repurposing of plastics in areas connected to rivers or coastal water basins.
  5. Urban drainage systems that prevent plastics, chemicals, or pollutants runoff in areas connected to rivers or coastal water basins.<sup>9</sup>
  6. Flood mitigation systems that prevent plastics, chemicals, solid waste, or pollutants runoff in areas connected to rivers or coastal water basins.<sup>10</sup>
- D. Sustainable shipping and port logistics sectors: investments in the research, design, development, and implementation of water and waste management and reduction measures in shipping vessels, shipping yards and ports.**
1. Investments in ballast water treatment and shipping vessels to comply with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) to avoid spread of invasive alien species<sup>11</sup> (i.e., ISO standard 11711).
  2. Investments in membrane bioreactor type water treatment equipments and facilities for all blackwater and greywater generated from ports and shipping and cruising vessels.
  3. Investments in bilge water treatment in shipping vessels.
  4. Investments in shipping vessels to reduce their contribution to maritime air and noise pollution.
  5. Investments in oil (fuel) spill prevention, risks safeguard, and recovery facilities.
  6. Solid waste receiver facilities at ports and terminals for the collection of garbage.
- E. Fisheries, aquaculture, and seafood value chain: sustainable production and waste management and reduction measures that meet, keep, or exceed Marine Stewardship Council certification standards or equivalent certification standards approved by IFC.**
1. Sustainable land-based aquaculture production of high value niche products, such as crustaceans, sea urchins, ornamental corals, and fish.
  2. Sustainable cultivation of bivalves for algae and nutrient removal in eutrophic coastal waters.
  3. Sustainable production of algae and other marine micro or macro organism to produce food, feed, pharmaceuticals, cosmetics, or other bio-based products through bio-technological applications.
  4. Cold chain and storage for small and medium size fishing in areas with sustainable fishing quotas.

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<sup>7</sup> Coastal areas are areas that border the coastline or areas that have at least 50% of their surface within 10 kilometers from the coastline. River basin areas are the area of land from which all surface run-off flows through a sequence of streams, rivers, and, possibly, lakes into the sea at a single river mouth, estuary, or delta.

<sup>8</sup> The runoff of fertilizers into oceans cause eutrophication, which is the enrichment of nutrients in an ecosystem. Excessive amounts of nutrients encourage the growth of algae and other aquatic plants, which in turns leads to many negative effects, such as extensive growth of algae (algae blooms) and oxygen depletion in the sea.

<sup>9</sup> Such urban infrastructures could locally be part of wider climate change adaptation measures.

<sup>10</sup> Such flood mitigation infrastructures could locally be part of wider climate change adaptation measures.

<sup>11</sup> While ballast water is essential for safe and efficient modern shipping operations, it may pose serious ecological, economic, and health problems due to the multitude of marine species carried in ships' ballast water. These include bacteria, microbes, small invertebrates, eggs, cysts, and larvae of various species. The transferred species may survive to establish a reproductive population in the host environment, becoming invasive, competing with native species, and multiplying.

5. Medium to large-scale processing and product development, with an emphasis on pelagic species, such as tuna loins, sashimi-grade tuna, and bycatch in jurisdiction with enforced sustainable fishing quotas.
6. Small to medium-scale biorefineries for fish processing byproducts (e.g., oil, collagen, amino acid, mineral production) in jurisdictions with enforced sustainable fishing quotas.
7. Investments in fisheries, including investments in tuna fisheries, to meet, keep, or exceed the Marine Stewardship Council certification standard or other standards approved by IFC for the fishing industry.
8. Investments in aquaculture to meet, keep, or exceed the Aquaculture Stewardship Council certification standard or other standards approved by IFC for the aquaculture industry.
9. Production, trade, or retail of seafood products with the blue Marine Stewardship Council label<sup>12</sup> or Aquaculture Stewardship Council label.<sup>13</sup>
10. Investments for a Fishery Improvement Project<sup>14</sup> registered at the International Seafood Sustainability Foundation.<sup>15</sup>
11. Traceability systems to ensure sustainability of operations, facilities, and supply chains in the fishing industry. This investment should meet, keep, or exceed the Marine Stewardship Council certification for chain of custody certification for suppliers of seafood products.

#### F. Marine ecosystem restoration and sustainable tourism services.

1. Licensed certified<sup>16</sup> sustainable tourism in the vicinity of marine conservation areas, within less than 20 kilometers from the marine-protected areas, with **inclusive livelihood** elements and business opportunities, such as resorts, hotels, boat operators, sailing schools, and diving centers.
2. Nature-based freshwater and marine visitor centers showcasing the environment and disseminating research and knowledge about lakes, wetlands, reefs, and other aquatic ecosystems.
3. Investments in conserving, improving, and restoring marine and coastal ecosystems, including the support of innovative governance structures suitable for private and public investments.
4. Investments in the development of ecosystems' insurance products related to critical aquatic ecosystems, such as coral reefs, mangroves, and wetlands.
5. Investments in information systems, technology, and instruments deployed for measuring, tracking, and reporting physical and chemical indicators of the water body to achieve sustainable fishery and aquaculture management, water-related ecosystem restoration, and disaster resilience. This could include systems with drones, autonomous sailing vessels, autonomous underwater vehicles, and ocean buoys, among other technologies.

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<sup>12</sup> The blue Marine Stewardship Council label enables customers to trace products to a sustainable source. Independent surveillance audits and DNA testing prove this. The blue label represents the world's most recognized and market-leading seafood certification program, endorsed by the Global Sustainable Seafood Initiative and the United Nations Food and Agriculture Organization and promoted by the World Wildlife Fund.

<sup>13</sup> Similar to the label that the Marine Stewardship Council awards, the Aquaculture Stewardship Council assigns labels for responsibly farmed aquaculture products.

<sup>14</sup> A Fishery Improvement Project is a multi-stakeholder effort to address environmental challenges in a fishery. It utilizes the power of the private sector, including retailers, processors, producers, and catchers, to incentivize positive changes toward sustainability in a fishery and seek to make these changes endure through policy change. The project identifies environmental issues that need to be addressed, sets priority actions, and oversees the adopted action plan.

<sup>15</sup> The link for the International Seafood Sustainability Foundation is <https://iss-foundation.org/what-we-do/fisheries-improvement/tuna-fips/>.

<sup>16</sup> E.g. Tourism with an accepted certification, that includes ocean protection and water management within its audit criteria, officially licensed in accordance to law. This includes, but it is not limited to, the Preferred-by-Nature certification and others based on the Global Sustainable Tourism Council (GSTC) Criteria for Hotels and Tour Operators.

## G. Offshore renewable energy facilities.

1. Offshore wind energy facilities, such as wind farms at least 20 kilometers<sup>17</sup> from the coastline, that include additional features such as fisheries' sanctuaries for juveniles of certain marine species, substantial artificial reef elements, and other additional measures promoting marine biodiversity. Offshore wind farms included in the Blue Finance Guidance document are subject to the condition that additional elements such as no-fishing zones and artificial reefs contributing to natural resource conservation and biodiversity are added through local marine spatial planning to the project design *and* that comprehensive Environmental Impact Assessment baseline surveys are conducted over a full year in addition to regular environmental monitoring of the area during operations. The use of proceeds *cannot* be allocated to the offshore oil and gas sector due to the potential contribution to a continuous lock-in to a fossil-based economy and greenhouse gas emissions. The use of proceeds also cannot be allocated towards the marine extraction of seabed minerals sector, as the associated activities could potentially be damaging to ocean and marine life, which needs further assessment.

The Blue Finance Guidance document has been independently reviewed by NIRAS A/S, a specialized ocean science and engineering think-tank based in Denmark with extensive expertise and experience in blue activities and sectors. In cases where complexities are encountered in making a direct application of the Blue Finance Guidance document, it is recommended that an independent expert be engaged with international qualifications in sustainable water management and marine sciences.

## On Project Selection

To stay consistent with the Green Bond Principles and Green Loan Principles, an issuer of green bonds or borrower of green loans with a blue component would elaborate, within its framework, on the governance to assess and select blue-related activities and assets. In addition, IFC in relation to its investments will ensure that the issuer or borrower would implement Environmental and Social risk management measures such as IFC's Environmental and Social risk management standards as part of the selection of blue assets and activities.<sup>18</sup>

## On Management of Proceeds

An issuer of green bonds or borrower of green loans with a blue component would elaborate, within the framework, on how the proceeds will be managed in accordance with the Green Bond Principles and Green Loan Principles.

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<sup>17</sup> This threshold of 20 km is recommended by NIRAS as external reviewer based on its extensive experience assessing environmental risk of offshore wind power projects.

<sup>18</sup> See IFC Environmental and Social Performance Standards, World Bank Environmental, Health, and Safety Guidelines, or equivalent.

## On Impact Reporting

The issuer or borrower would make all reasonable efforts to gather data for the use of proceeds in an allocation report and for impact reporting and implement the relevant impact indicators included in the ICMA Handbook for Impact Reporting and related documentation.<sup>19</sup>

## On External Review of Blue Finance

It is strongly recommended to have a second opinion confirming that proposed blue loans and blue bonds are consistent with the Green Loan Principles and Green Bond Principles. This guidance can inform the process of reviewing the eligibility of use of proceeds in proposed blue loans and blue bonds.

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<sup>19</sup> <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf>

# Annex I: Mapping Blue Activities under the Green Bond Principles and Green Loan Principles

The table below is indicative and aims to relate the usual primary objective of a blue activity and indicative level of impact with the GBP/GLP environmental objectives. By being indicative, this table does not constitute eligibility criteria and is provided only as a reference. For specific projects, it may need to be complemented by additional information on the project’s context and environmental standards applied.

Green Bond/Loan Principles Broad Eligibility Categories					
Blue Finance Group and Economic Activity	Pollution Prevention and Control	Natural Resource Conservation	Bio-diversity	Climate Change	
				Mitigation	Adaptation <sup>20</sup>
<b>A. Water supply and treatment sector: investments in the research, design, development, and implementation of water efficiency, clean water supply, and treatment solutions.</b>	**	*		*	*
1. New drinking water treatment, storage, and sustainable supply infrastructure that documents at least 20% water savings per unit of service compared to a documented baseline.	**	*			*
2. Rehabilitation of existing water infrastructure that meet the above criteria.	**	*			*
3. More sustainable desalination plants that help protect groundwater depletion and wetlands and avoid hypersaline pollution of the environment (e.g., ISO standard 23446).	**	*			*
4. Water efficiency technologies and equipment and water management activities that reduce water footprint. This includes documented reduction in water consumption in land-based aquaculture, agriculture and irrigation, and residential, commercial, and industrial uses.	**	*			*
5. Wastewater treatment plants including industrial, agri-business, commercial, residential, or city level, in areas connected to rivers or coastal water basins. This also includes biogas and heat exchange systems at wastewater treatment plants to increase their efficiency and effectiveness.	**	*		*	*

<sup>20</sup> Further assessment is required to be performed to confirm any contribution to adaptation, based on location and industry. Adaptation is always context-specific and requires a granular assessment that applies the Joint Multilateral Development Banks’ Methodology for Climate Finance Tracking. This methodology applies the three step criteria to determine an activity’s contribution to adaptation, which involves (1) Identification of the physical climate risk (2) Identify of the vulnerability of the activity to the above referred physical climate risk (3) Documentation of how the activity manages the risk.

<b>B. Ocean- or water-friendly products: investments in the value chain, including production, packaging, and distribution, of environmentally-friendly products that avoid water or ocean pollution.</b>	***			*	
1. Research, design, manufacturing, trade, or retail of household products with a sustainable supply of raw materials that can displace existing harmful products or reduce nitrogen and phosphorus loads of the aquatic environment: <ul style="list-style-type: none"> <li>• Biodegradable and phosphate-free detergents and shampoos, such as enzyme-based products.</li> <li>• Biodegradable and phosphate-free shampoo bars, deodorant bars, such as a soap bar, and cosmetics without plastic packaging.</li> <li>• Microbead-free toothpaste in non-plastic container.</li> </ul>	***				
2. Research, design, manufacturing, trade, or retail of alternative low carbon and biodegradable materials (e.g., Lyocell) to fossil-based fibers (e.g., polyester).	***			*	
3. Research, design, manufacturing, trade, or retail of biodegradable plant-based plastics and packaging or compostable plastics and packaging in locations where compostable facilities are readily available.	***			*	
<b>C. Ocean-friendly chemicals and plastics sectors: investments in the research, design, development, and implementation of measures to manage, reduce, recycle, and treat plastic, pollution, or chemical waste in coastal and river basin areas.</b>	***			*	*
1. Infrastructure that prevents runoff of agrochemicals into areas connected to rivers or coastal water basins.	***				*
2. Replacement of phosphate-based or nitrogen-based synthetic fertilizers with alternative sustainable and biodegradable fertilizers and supplements, in areas connected to rivers or coastal water basins.	***			*	
3. Use of recycled plastics for manufacturing in a circular economy approach.	***			*	
4. Plastics collection and recycling facilities and reusing or repurposing of plastics in areas connected to rivers or coastal water basins.	***			*	
5. Urban drainage systems that prevent plastics, chemicals, or pollutants runoff in areas connected to rivers or coastal water basins.	***				*
6. Flood mitigation systems that prevent plastics, chemicals, solid waste, or pollutants runoff in areas connected to rivers or coastal water basins.	***				*

<b>D. Sustainable shipping and port logistics sectors: investments in the research, design, development, and implementation of water and waste management and reduction measures in shipping vessels, shipping yards, and ports.</b>	***	*	**	***	*
1. Investments in ballast water treatment and shipping vessels to comply with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) to avoid spread of invasive alien species (e.g., ISO standard 11711).	***	*	***		
2. Investments in membrane bioreactor-type water treatment equipments and facilities for all black water and grey water on shipping or cruising vessels.	***				
3. Investments in bilge water treatment in shipping vessels.	***				
4. Investments to reduce maritime air and noise pollution.	**	*	*	***	
5. Investments in oil (fuel) spill prevention, risks safeguard, and recovery facilities.	***	*	*		
6. Solid waste receiver facilities at ports and terminals for the collection of garbage.	***				*
<b>E. Fisheries, aquaculture, and seafood value chain: sustainable production and waste management and reduction measures that meet, keep, or exceed Marine Stewardship Council certification standards or equivalent certification standards approved by IFC.</b>	***	**	*	*	*
1. Sustainable land-based aquaculture production of high value niche products, such as crustaceans, sea urchins, ornamental corals, and fish.	***	*			
2. Sustainable cultivation of bivalves for algae and nutrient removal in eutrophic coastal waters.	***	*	*		
3. Sustainable production of algae and other marine microorganisms or macroorganisms to produce food, feed, pharmaceuticals, cosmetics, or other bio-based products through biotechnological applications.	**	*			
4. Cold chain and storage for small- and medium-sized fishing in areas with sustainable fishing quotas.	**	*		*	*

5. Medium- to large-scale processing and product development, with an emphasis on pelagic species in jurisdictions with enforced sustainable fishing quotas.	**	*			
6. Small- to medium-scale biorefineries for fish processing by-products (e.g., oil, collagen, amino acid, and mineral production) in jurisdictions with enforced fishing quotas.	**	*			
7. Investments in fisheries, including investments in tuna fisheries, to meet, keep, or exceed the Marine Stewardship Council certification standard or other standards approved by the IFC for the fishing industry.	***	**	*		
8. Investments in aquaculture to meet, keep, or exceed the Aquaculture Stewardship Council certification standard or other standard approved by IFC for the aquaculture industry.	***	**	*		
9. Production, trade, or retail of seafood products with the blue Marine Stewardship Council label or the Aquaculture Stewardship Council label.	***	**	*		
10. Investments for a Fishery Improvement Project registered at the International Seafood Sustainability Foundation.	**	**	*		
11. Traceability systems to ensure sustainability of operations, facilities, and supply chain in the fishing industry.	**	**	*		
<b>F. Marine ecosystem restoration and sustainable tourism services.</b>	**	***	***	*	*
1. Licensed certified sustainable tourism in the vicinity of marine conservation areas, within less than 20 kilometers from the marine-protected areas, with inclusive livelihood elements and business opportunities, such as resorts, hotels, boat operators, sailing schools, and diving centers.		**	**		
2. Nature-based freshwater and marine visitor centers showcasing the environment and disseminating research and knowledge about lakes, wetlands, reefs, and other aquatic ecosystems.		**	**		
3. Investments in conserving, improving, and restoring marine and coastal ecosystems.	**	***	***	*	*
4. Investments in the development of ecosystems insurance products related to critical aquatic ecosystems, such as coral reefs, mangroves, and wetlands.	*	**	*		

5. Investments in information system, technology, and instruments deployed for measuring, tracking, and reporting physical and chemical indicators of the water body to achieve sustainable fishery and aquaculture management, water-related ecosystem restoration, and disaster resilience.	*	*	*		
<b>G. Ocean-friendly offshore renewable energy facilities</b>		*	**	***	
1. Offshore wind energy facilities, such as wind farms at least 20 kilometers from the coastline, that include additional features such as fisheries sanctuaries for juveniles of certain marine species, substantial artificial reef elements, and other additional measures promoting marine biodiversity.		*	**	***	

			Light blue	Indicative Marginal positive impact
			Medium blue	Indicative Substantial positive impact
			Dark blue	Indicative Very strong positive impact
			***	Usual Primary objective
			**	Usual Secondary objective
			*	Usual Tertiary objective

## Annex II: Basic Blue Glossary

**Blue Economy:** Sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ocean ecosystems and water resources.

**Blue Finance:** Investments dedicated to finance or refinance activities that contribute to oceans protection and/or improved water management.

**Blue Loan:** Loan that is aligned to the Green Loan Principles and where the proceeds are exclusively dedicated to finance or refinance activities that contribute to oceans protection and/or improved water management.

**Blue Bond:** Fixed income instrument that is aligned to the Green Bond Principles and where the proceeds are exclusively dedicated to finance or refinance activities that contribute to oceans protection and/or improved water management.

**Blue Impact:** The measurable variation in a physical, chemical or biological variable of oceans ecosystems or water related systems as expressed by a quantitative indicator.

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