DEVELOPMENT OF SOCIAL KPIS FOR THE FINANCING OF A BLUE ECONOMY IN THE CARIBBEAN

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Contents

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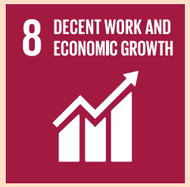
Executive Summary

Although it covers less than 1% of the world's ocean area, **the Caribbean Sea accounts for approximately 14% to 27% of the global ocean economy and 18% of regional GDP overall[1,2].** The economic potential of the maritime exclusive economic zone is significantly larger than that of the Caribbean's land area. In aggregate, the maritime area is almost 4.5 times the size of its land acreage, resulting in more than 70% of the region's population settling along the coast and depending on the sea for subsistence and income[3]. The Caribbean Sea holds significant economic potential, but further investment is essential for sustainable growth. It is important that this investment is targeted in a way that incentivizes the generation of positive impacts for all and mitigates any potential negative outcomes associated with the sectors that make up the blue economy. The blue economy has the potential to improve human well-being across company value chains, areas of influence, and consumers alike. Economic activity in ocean and water-related projects has huge potential to advance human rights-related issues and improve well-being as a whole. The use of relevant key performance indicators can provide a means for steering investment and action towards a more equitable and sustainable Caribbean Blue Economy.

While a range of indicators, principles, and guidance have emerged over the last few years and are focused on supporting the blue economy, many have been designed with environmental impact as a priority. In contrast, there has been less attention on what should be measured to ensure that the blue economy is developing in a way that not only minimizes any negative impact but equally maximizes positive outcomes for all members of society. The absence of impact data visibility and measurement can result in difficulty assessing whether investment and business activity has had a positive or negative impact on society and makes attributing those outcomes harder. Indicators can be used to measure the baseline or status quo as well as ongoing progress. Negative screening indicators aim to ensure minimum criteria are met and avoid any red being crossed, whereas positive indicators can help to signpost areas of social impact that are of increasing importance for engagement in the blue economy. Additionally, guiding behavior toward positive outcomes can help to ensure that investments contribute to social progress and sustainable development, offering opportunities to create tangible benefits for local communities and wider stakeholders. The way in which the Caribbean Blue Economy evolves will be absolutely critical for meeting the Sustainable Development Goals (SDGs).

Sustainable Development Goals (SDGs).

Indicators focused on fair pay and job security can support the achievement of SDG 1 by helping to increase the proportion of the population living above the poverty line and the percentage of the population with access to social protection-related benefits.



Similarly, by asking for **transparency on skills** development for employees and asking what policies and processes are in place to ensure employee safety, the indicators should enable the development of a blue economy in line with SDG 8.

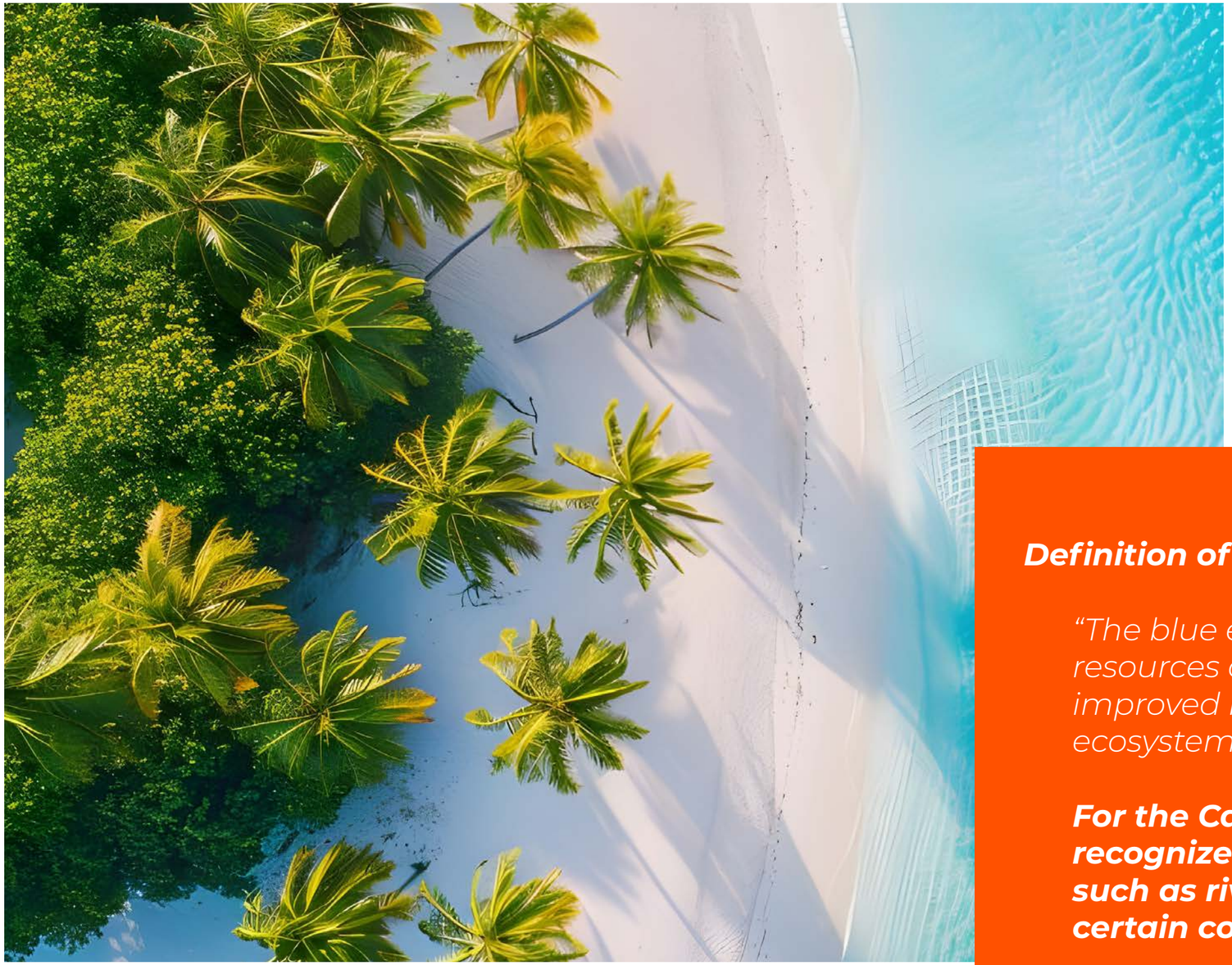
Further, by asking companies to **report on pay ratios and mean wages,** overtime, this can guide company decision making in such a way that supports the achievement of SDG 10.

The indicators will also drive corporate behavior that aligns with SDG 14 by **measuring alignment with MSC guidance and the protection of traditional fishing grounds,** for example.

The Caribbean is a region with a diverse and vibrant culture and unique social demographics which deserve specific consideration to ensure the blue economy develops in a way that fosters a just transition. In this context, key issues in the Caribbean have been considered in the design of the indicators, which have been grouped across the following areas:

- **Employment and Working Conditions:** The seasonality of employment in the Caribbean is a unique factor that deserves careful consideration across multiple sectors, including tourism and now also fishing, due to the increased intensity and frequency of storms resulting from climate change.
- **Community Benefit and Cultural Preservation:** The Caribbean is home to a range of cultures and backgrounds, including Indigenous Peoples, and it is crucial to respect their rights and interests and incorporate these in project development and ongoing business operations across key sectors like conservation, tourism, fishing, and renewable energy.
- **Diversity and Inclusion:** The level of inclusion, around gender and other relevant collectives, varies widely across sectors and countries, and in some instances is much higher where in other places it lags behind.
- **Governance:** Robust governance is crucial to ensure that benefits of the blue economy remain in the Caribbean and are fairly distributed between sector participants.

The indicators included herein are intended to cover the full spectrum of social areas of relevance in the blue economy in the Caribbean region. This means that some of the indicators may also be relevant outside of the blue economy. The indicators can be used by corporates and financial institutions to provide a first filter through negative screening (compulsory minimum requirements) and supported by positive screening focused on how to drive social impact with companies and sectors in the Caribbean. **Over time, the collection and analysis of this data will start building a clearer picture of the impact of the Caribbean's Blue Economy and support corporate reporting and financial institutions' decision-making.**



Introduction

Since Rio+20, the concept of the blue economy has continued to gain international interest, with the world's oceans quickly becoming a new economic frontier. The ocean influences the livelihoods of about 40% of the world's population living at or near the coast, and its contribution to current and future economic growth is significant[4]. **The total value of key ocean assets is estimated at approximately USD 24 trillion through direct outputs** (e.g., fishing, aquaculture), services (e.g., tourism, research) trade and transport (e.g., coastal and oceanic shipping) and adjacent benefits (e.g., carbon sequestration, energy, biotechnology)[5].

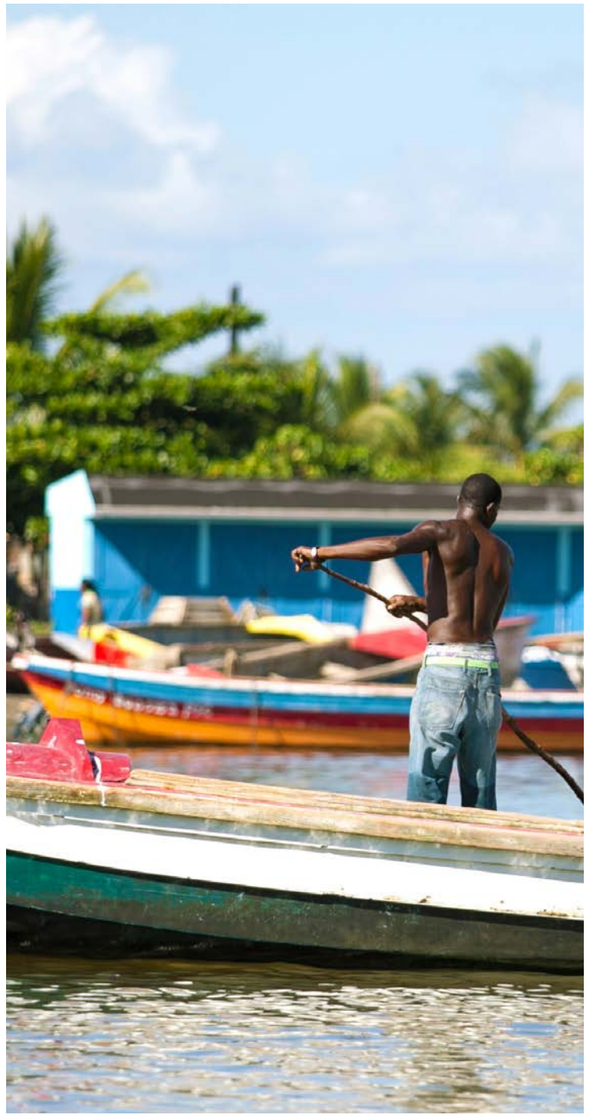
Definition of the Blue Economy – IDB Invest

"The blue economy is the sustainable use of ocean resources and fresh water for economic growth, improved livelihoods and jobs, as well as ocean ecosystem health"

For the Caribbean region it is also important to recognize the significance of other bodies of water such as rivers and lakes, which are critical in certain countries.

The Caribbean directly sustains a growing population of almost 45 million6 inhabitants across the 37 coastal and small island countries and territories that make up the region. **Key to the health and success of the blue economy is the availability of sustainability-linked financing, which has grown in volume and popularity in recent years.** As of November 2022, the total value of sustainability-linked financing (SLF) issued exceeded USD 1.2 trillion, with 85% in the form of sustainability-linked loans (SLLs) and the remainder as sustainability-linked bonds (SLBs)[7]. Whether through SLLs or SLBs, SLF incentivizes the pursuit of sustainability targets by tying pricing to the achievement of certain key performance indicators (KPIs), while also allowing companies and financial institutions to signal their sustainability efforts to the market. Public disclosure by corporations and financial institutions across sustainability-related KPIs is growing, particularly in Europe and North America where regulation related to climate impacts and dependencies has been enacted.

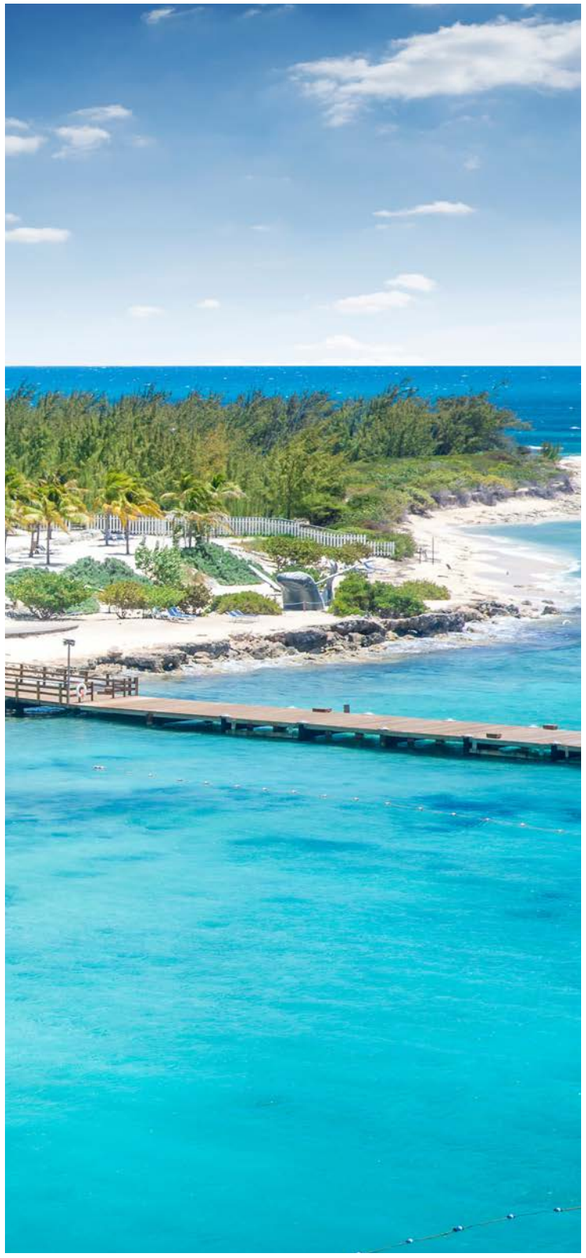
Demand is growing among investors, companies, and a wider society for a more comprehensive range of KPIs as awareness of inequality has increased and the need to ensure a just transition of the blue economy is understood. **Indicators provide the means to measure and monitor a wide range of social impacts—both positive and negative—and can be used as a tool when screening investments or making business decisions.** Companies are also increasingly aware of the way in which social impact interacts



with their strategic priorities and the need to have material KPIs to effectively monitor the positive impact across operations, value-chain, communities, and consumers beyond doing no harm.

The absence of social indicators has the potential to generate multiple adverse effects. By not measuring their social impact, companies will continue to practice business as usual, unaware of the ramifications. There is also a latent risk that there will be no intentionality in changing the social status quo in their area of influence. There may be inadequate focus on the creation of quality jobs and working conditions, potentially leading to a lack of job opportunities for local people and unsafe labor practices. Excluded groups such as women and Indigenous communities could continue to face exclusion from economic opportunities. Additionally, without incentives for local benefit sharing and job creation, economic development in affected areas may be limited. There may also be a lack of incentives for engagement with local communities, resulting in projects that fail to meet or are in direct contradiction to community needs. Furthermore, without indicators to assess governance practices, issues such as lack of transparency or corruption may go unchecked. Overall, the absence of social indicators could hinder efforts to address inequalities and impede a just transition in the blue economy. However**, by integrating social KPIs investors are able to take a more holistic view of how the private sector strives for an inclusive blue economy.**

Several initiatives have already made significant headway in providing clear and comprehensive guidance that can support impact reporting and assessment. Many of these are intended to be used across both terrestrial and marine settings and in a range of industries and geographies and are, therefore, broad in their design. The creation of a comprehensive set of KPIs specific to the blue economy has more recently been a focus for the United Nations Environmental Programme, World Bank PROBLUE, and the Blue Economy Development Index, to name a few. The scope and reach of these developments are explored further below. However, there is an opportunity to build on these initiatives to recognize various sectoral, regional, and local nuances of social impact in the Caribbean Blue Economy.



Caribbean Context

Caribbean countries oversee extensive ocean territories that often vastly surpass their land areas. For instance, The Bahamas has an exclusive economic zone (EEZ) estimated at 242,970 square miles, while its land area is only 5,383 square miles. Similarly, St. Vincent and the Grenadines have an EEZ of about 13,900 square miles, which is more than 90 times its land area. In the case of St. Kitts and Nevis, the ocean space spans nearly 7,900 square miles, compared to a land area of just 100 square miles[8].

The blue economy in the Caribbean is, therefore, of high significance to the region, with both positive and negative impacts affecting a wide range of communities. Expanding blue economy opportunities can create jobs, alleviate poverty, create inclusive growth, and improve infrastructure. **The World Bank estimates that the Caribbean's ocean economy generates 18% of the region's total GDP[9], and the tourism industry alone employs over 2 million people[10].** However, there are also more harmful impacts to consider, with overlapping economic and environmental concerns, made more acute by poor transparency and often limited governance.

Gender Inequality

Gender lens investing is an ever-growing and increasingly well-established investment strategy across the globe, and commercial banks have worked with institutional investors to address the Small and Medium Enterprise (SME) credit gap facing women-led businesses in The Caribbean[11]. There are currently between 1.2 to 1.4 million micro, small, and medium enterprises (MSMEs) owned by women in the Latin America and Caribbean (LAC) region[12] but women often face barriers to equal participation and representation in sectors such as fisheries, aquaculture, and maritime industries. They are frequently underrepresented in decision-making roles and face challenges when accessing resources and opportunities. **Gender disparities persist in employment, income, and access to education and training programs[13].**

Employment Opportunities

While the blue economy is a significant source of employment in the Caribbean, job opportunities and access to resources and networks can be difficult for excluded groups such as youth, women, and rural communities. **There may be a mismatch between the skills demanded by blue economy sectors and those possessed by the local workforce, as shown by the youth unemployment rate of 16%[14].**

Indigenous and Coastal Communities

Indigenous businesses have demonstrated remarkable resilience and have strong growth potential; there is an opportunity for investments in Indigenous businesses that could create mutually beneficial relationships and equitable access to growth and trade[15]. However, Indigenous Peoples and coastal communities often face exclusion in the development and management of blue economy resources[16]. **Their traditional knowledge and practices may be undervalued or overlooked in decision-making processes, leading to disparities in resource access and benefits.**

Vulnerability to Climate Change

With 70% of its population living in coastal flood zones17, the Caribbean is one of the world's most vulnerable regions to the impacts of climate change, including sea-level rise, extreme weather events, and ocean acidification. These environmental changes can exacerbate social inequalities, disrupt livelihoods, and threaten coastal infrastructure, posing significant challenges to sustainable development and a need for adaptation across sectors in the blue economy[18].

Private sector organizations and financial institutions can play a crucial role in addressing social challenges associated with the blue economy in the Caribbean. By investing strategically, fostering inclusive growth, and promoting ethical business practices, including good governance and transparent reporting, they can tackle issues such as job insecurity, income inequality, and cultural erosion. Through partnerships with local communities and a holistic commitment to sustainability, they can contribute to equitable development and resilience to climate change, ultimately driving positive social change in the region.

The focus of this project has been to develop a set of social performance indicators for the private sector and financial institutions in the Caribbean. The indicators are intended to encourage greater visibility, enhance positive outcomes and mitigate negative social impacts as well as support the transition to a more equitable, inclusive, and sustainable blue economy.

A Just Transition

The indicators have been developed considering what is needed to facilitate a just transition in the Caribbean Blue Economy. In alignment with the United Nations, a "just transition" is broadly defined for this context as ensuring that no one is left behind in the transition to low-carbon and sustainable economies and societies[19].

Definition of a Just Transition

Just transition means meeting climate goals in a way that is fair and inclusive to the whole society—communities, workers, small scale suppliers/distributors and social groups— and leaving no one behind. Just transition breaks the cycle of exclusion and deprivation by: (i) putting people at the center of climate action; (ii) ensuring a well-managed transition away from a high-carbon economy given the uneven changes among groups, while; (iii) recognizing the complex system changes needed in moving towards a new economic model.

Intentionally addressing and incorporating social equity considerations in investment decisions and processes is critical for the blue economy to deliver its full potential in addressing sustainability challenges.

Scope and Methodology

The indicators have been designed to incorporate both universal metrics and sector-specific KPIs. They cover key sectors in the Caribbean, including tourism, conservation, energy, fishing, biotechnology and deep-sea research, as well as transport and shipping. The indicators primarily target the social impacts of private sector activity in the blue economy; however, when integrated with commercial and environmental indicators, they can provide a comprehensive means to measure and monitor progress towards achieving a more equitable and sustainable blue economy.

The indicators have been developed through a combination of desk research and stakeholder consultation, including three workshops held in the Caribbean in Jamaica, Belize, and The Bahamas.

Benchmarking of social indicators & mapping of social dimensions of blue economy sectors

Desktop research was undertaken to understand key social challenges as well as opportunities present in the blue economy sectors today. A literature review was also carried out to determine benchmarks and best practices for social and blue economy indicators in use currently. In addition, initial stakeholder engagement was conducted to understand previous work to develop social indicators as well as any challenges encountered.

Development and testing of KPIs

In order to ensure that the KPIs were developed with direct input from local stakeholders, in-country workshops were planned for three countries. The coastal and small island countries and territories of the Caribbean each have their own unique social, environmental, cultural, and economic profiles. To assess which were best suited to engagement, consideration of the stages of development, the relative sizes of the blue economies, female participation rates and ocean health were all considered. Belize, Jamaica, and The Bahamas were selected to provide a diversity of perspectives for the design of the indicators.

Building on the benchmarking review, a draft set of KPIs was developed and tested during in-country workshops held in January 2024. Workshop attendees were shown the draft indicators and asked to share their insight on topics such as data gaps, considerations specific to their country, and any feasibility challenges that would be important to consider. This feedback was then incorporated into a refined set of KPIs.

Refinement of KPIs and Implementation Guidance

The inputs from the expert stakeholders engaged, listed in the Acknowledgements section, aided in refining the list of KPIs as well as the Implementation Guidance notes for companies and financial institutions listed below. Some indicators had previously been sector-specific, but were deemed relevant enough to several sectors to be brought into Universal categorization. New indicators of particular relevance to the region and focus sectors were added, e.g., access to financial services for MSMEs and qualitative as well as quantitative metrics were included, e.g., presence of a sexual misconduct policy. Further engagement with corporations was also subsequently completed in order to ascertain how social indicators could be best adopted and incorporated within existing practices today.

Market Context and Indicator Benchmarking

Indicators, principles, and decision frameworks have been used by companies and investors to guide and measure the impact of their activities and investments for many decades. A key part of this process was to analyze and assess existing indicators and principles used today, and how these could be built on to develop indicators that can best serve the opportunities and challenges unique to the blue economy in the Caribbean.

A cohort of sector-relevant indicators, principles, and decision frameworks were analyzed in depth, with each having their own purpose, scope, and target audience:

- United Nations Sustainable Development Goals.
- Iris Impact Reporting and Investment Standards.
- Equator Principles.
- Blue Economy Development Index (BEDI) Principles.
- World Benchmarking Alliance.
- Nagoya Protocol Hub.
- United Nations Global Compact.
- IDB Safeguards.
- World Bank PROBLUE Indicators.
- UNEP Sustainable Blue Economy Finance Principles.
- EU Sustainability Criteria for the Blue Economy.
- Food and Agriculture Organization of the United Nations (FAO) Core Indicators.

Each set of indicators, principles, and decision frameworks was assessed in terms of its blue economy alignment and degree of focus, in addition to the audience targeted and coverage of the key social issues in the Caribbean. **A summary of each indicator assessed and its coverage of these key social themes is provided in the nexts pages.**

Key: High coverage | Medium coverage | Limited to no coverage

Existing principles & guidance	Blue economy alignement	Target audience(s)	Employment wages, benefits & working conditions	Community benefit & cultural preservation	Diversity & inclusion	Governance
SUSTAINABLE DEVELOPMENT GOALS	The SDG 14 principles underscore the significance of marine conservation, minimizing marine pollution, and ensuring the sustainable management of oceans, seas, and marine resources.	Project developers; Governments.				
IRIS IMPACT REPORTING & INVESTMENT STANDARDS	No direct coverage the blue economy; however, the alignment vcts.	Impact investors (project specific).				
EQUATOR PRINCIPLES	No explicit alignment to the blue economy, however some aspects could be applied to ensure sustainable and responsible utilization of marine resources and coastal development.	Financial institutions (project specific).				
Blue Economy Development Index (BEDI) Principles	Aligns closely with objectives of the Blue Economy, although principles have minimal focus on social impacts.	Government; researchers; eNGOs.				
World Benchmarking Alliance	Emphasis on sustainable use of marine resources, ocean conservation, and economic activities related to oceans aligns with several SDGs, including SDG 14 (Life Below Water).	Businesses.				
German Nagoya Protocol HuB	No direct mention the blue economy, however proper implementation of the Nagoya Protocol can contribute to the sustainable development of the blue economy by ensuring the responsible utilization of marine biodiversity and genetic resources.	Government; researchers; Businesses.				
United Nations Global Compact	Does not specifically target the blue economy, their overarching themes align with various aspects of sustainable development and can be connected to the principles and practices within the blue economy framework.	Businesses.				

Key: High coverage | Medium coverage | Limited to no coverage

Existing principles & guidance	Blue economy alignement	Target audience(s)	Employment wages, benefits & working conditions	Community benefit & cultural preservation	Diversity & inclusion	Governance
IDB	IDB Safeguards. Do not have specific provisions exclusively tailored to the concept of the blue economy, they encompass principles that align with sustainable practices and environmental conservation, which are foundational to the blue economy framework.	Project developers; Governments.				
ProBleu	Indicators focused on 4 key pillars: reduced marine pollution; sustainable fisheries management; enhanced coastal resilience; and improved ocean governance directly contributing to the blue economy. Although mainly focused on enhanced biodiversity, the principles also focus on economic development and job growth.	Project developers; Financial institutions.				
UNEP	Sustainable Blue Economy Finance Principles. Serve as guidelines for sustainable investment in ocean-related projects, aligning with the principles of the blue economy by promoting responsible financing to support the conservation and development of marine resources, fostering economic growth while ensuring environmental sustainability.	Financial institutions.				
Blue Economy Development Index (BEDI) Principles	Targeted specifically towards the blue economy, with indicators focusing on economic and environmental aspects with some consideration of social impacts.	Businesses; policymakers; researchers.				
Food and Agriculture Organization of the United Nations	Core indicators for private sector contribution to SDGs. Targeted towards food and agricultural sectors. Indicators are broad-based with coverage across economic, environmental, social and governance aspects.					

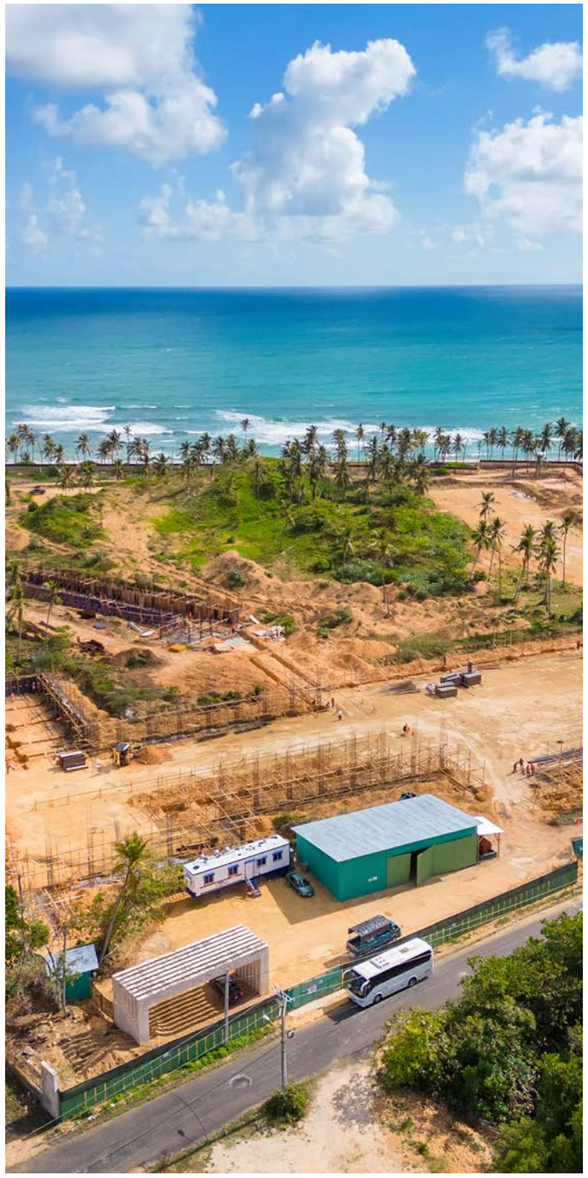
While existing frameworks emphasize sustainable resource management, economic growth, environmental conservation, and governance, **there is a notable gap in adequately addressing some of the nuanced social dimensions of the blue economy in the Caribbean.** Across the indicators, principles and decision frameworks, several key themes emerged across the social areas included. While social impact consideration is not always explicitly stated, several frameworks touch upon issues such as gender inequality, job insecurity, and cultural impacts, highlighting the need for greater emphasis on addressing these social issues within the blue economy context. Additionally, governance and transparency are mentioned by several frameworks to ensure equitable and sustainable outcomes for all stakeholders involved in blue economy activities. Therefore, key themes that emerged have been reflected in the design of the indicator areas: employment conditions, cultural preservation, and community impacts, diversity, and inclusion, as well as governance.

Key Performance Indicators

The indicators listed below, have been designed to be flexible to accommodate the mosaic of cultural practices and historical backgrounds as well as business attitudes and practices across the Caribbean. The objective of the indicators is to facilitate the measurement and monitoring of potential negative and positive impacts of the blue economy, with sector-specific indicators noted.

*The indicators included herein have been categorized into those that can be used for **'negative screening'** to identify any potential red flags and those that can be used for **'positive screening'** to identify particularly positive areas in which companies and financial institutions should look to actively support a more equitable and sustainable Caribbean Blue Economy.*

The primary audience for the indicators includes: i) companies facilitating assessment of their social impact and guiding their strategies and; ii) financial institutions which are supporting the blue economy.



Negative Screening

Applying filters to a universe of securities, issuers, investments, sectors, or other financial instruments to rule them out based on poor performance on ESG factors relative to peers or specific environmental, social or governance criteria. This may include ruling out particular products, services, regions, countries, or business practices.

UN PRI[20]

Negative screening is often performed initially to assess compliance with existing regulations and international standards as the minimum to begin to address social inclusion.

Indicators are defined as the target social impact which requires measurement and are grouped by subject areas, whereas metrics refer to the specific method (either quantitative or qualitative) through which the target social impact and area is measured.

The indicators have been grouped by relevant subject areas. including: employment wages, benefits and working conditions; diversity and inclusion; community benefit and cultural preservation; and governance. Community benefits and cultural preservation have been combined into one area.
Indicators have been categorized based on their applicability across the blue economy (universal) or their applicability to a specific sector (sector-specific). Many of the indicators, particularly the universal indicators are also applicable beyond the blue economy and have been included in order not to present an incomplete picture of the social indicators that need to be measured. However, indicators with particular relevance and importance for the blue economy are noted in dark blue. The relevance of the KPIs will vary throughout the Caribbean region depending on the specific country, blue economy sub-sectors, and cultural norms. More detail on the recommended considerations for the use of the KPIs for sectors and countries is provided in the Implementation Guidance.

Negative Screening

As discussed in the previous section, corporations and financial institutions can first carry out **negative screening** to assess whether a project has covered the minimum social areas of importance in the Caribbean Blue Economy.

	Area	Indicator	Metric	Qualitative	Tourism	Conservation	Renewable Energy	Fishing	Biotech	Transport & shipping
N.1	Employment Wages	Fair pay	Proportion of employees paid at or above national living wage.							
N.2		Wages and benefits as a proportion of revenue	Wages and benefits/revenue.							
N.3	Working Conditions	Workplace incidents	# of accidents, # deaths at work per year.							
N.4		Lost time incidents	Lost time incidents per 100 FTE workers per year.							
N.5		Adherence to sector-relevant safety guidance and standards on site/ vessel and for any equipment	Description of alignment and checks in place to ensure enforcement.	X						
N.6		Adherence to ILO Core Labor Standards	Policies aligned with ILO Core Labor Standards and associated enforcement measures. # of incidents of child or forced labor.	X						
N.7		Sexual misconduct policy	Presence of a policy for handling sexual misconduct reports with relevant enforcement measures in place.	X						
N.8		Anti-human trafficking	Presence of anti-human trafficking policies and practices with relevant enforcement measures in place.	X						

	Area	Indicator	Metric	Qualitative	Tourism	Conservation	Renewable Energy	Fishing	Biotech	Transport & shipping
N.9	Diversity and Inclusion, Value Chains	Anti-discrimination policy	Presence of an anti-discrimination policy.	X						
N.10		Disability access at facilities/ workplace	Proportion of facilities/ workplaces equipped with accessibility features such as wheelchair ramps, elevators, accessible parking, and accessible restrooms.		■					
N.11	Diversity and Inclusion, Value Chains	Local supplier engagement	% of contracts with MSMEs by volume, value Led by women, LGBT+, other gender-identities, ethnic minorities, rural, youth, poor, low education, disabled persons, former inmates.		■			■	■	
N.12	Community benefit	Measures to prevent negative impacts on local livelihoods	Social Impact Assessment (SIA) and Management Plan which addresses any risks and mitigates negative impacts on local communities and livelihoods.	X	■	■	■	■	■	■
N.13		Consultation with local stakeholders and free, prior, and informed consent	# of rightsholders identified and # included in consultation and FPIC agreement.		■	■	■	■	■	■
N.14		Incidents of rights violations	# of incidents of Indigenous Peoples and local stakeholder rights violations in relation to tenure/rights to local resources.		■	■	■	■	■	■
N.15	Cultural Preservation	Displacement of historically excluded groups	# of people displaced, value of economic activity displaced, redress, relocation, and compensation.		■	■	■			
N.16		Accessible grievance mechanisms and management process	Information available and accessible to any affected stakeholder on grievance mechanisms, and processes in place for addressing grievances in a transparent and effective way.							

	Area	Indicator	Metric	Qualitative	Tourism	Conservation	Renewable Energy	Fishing	Biotech	Transport & shipping
N.17	Cultural Preservation	Cultural sensitivity training for staff	# of grievances logged and resolved, time taken to address grievances.							
N.18	Governance	Paying fair taxes	Frequency of training offered, percentage of staff covered by training, level of seniority of staff trained.							
N.19		Anti-bribery practices & policies	Tax compliance rate - % instances where corporation tax has been paid accurately and on time over a 5-year period.	X						
N.20		Complaints and whistleblowing policies	Presence of a whistle-blowing policy, # instances recorded and time taken to resolve issues raised.							
N.21		Compliance with Data Protection Acts	Presence of a data protection policy in line with the relevant Caribbean Data Protection Act.	X						
N.22		Responsible lobbying and influence policy	Disclosure of potential conflicts and recusal policies.							
N.23		Transparency in revenue distribution and financial transactions	Regular reporting and auditing.							
N.24		Ongoing involvement of local communities in key decision-making processes	Ongoing community engagement programs, presence of multiple local community members on management or governance boards, Community Committees connected to the Board.	X						

Positive Screening

The indicators included under positive screening capture activity that goes beyond compliance and minimum standards and provide a framework for data that can be measured and monitored as corporations and financial institutions seek to achieve greater impact in the Caribbean Blue Economy, and information becomes more available to support this measurement.

	Area	Indicator	Metric	Qualitative	Tourism	Conservation	Renewable Energy	Fishing	Biotech	Transport & shipping
P.1	**Employment Wages**	**Tipping policies**	% of tips retained by customer-facing staff.		■					
P.2		**Pay inequality**	Ratio of the highest-paid worker's income to the lowest-paid worker's income.							
P.3		**Pay equality for diverse groups**	Mean wage of historically excluded groups (LGBT+, other genders, ethnic minorities, rural, youth, poor, low education, disabled persons, former inmates) relative to the overall mean.							
P.4		**Gender wage gap**	Difference between median earnings of men and women relative to the median earnings of men.							
P.5	**Employee/ Worker Benefits**	**Job security and predictability**	Ratio of contract or temporary workers to permanent workers.		■		■	■		
P.6		**Seasonality of income for staff**	Average take-home pay in 'peak season' vs. remainder of the year.		■					
P.7		**Skills development for local residents**	Annual training budgets by seniority Collaboration with local educational institutions for skill-building. # of initiatives, timespan, # of local people involved, # of qualifications achieved.		■	■	■	■	■	■
P.8		**Benefits provided by role**	% of employees enrolled in a health insurance plan offered by employer, % of employees enrolled in the employer-sponsored pension plan.							

	Area	Indicator	Metric	Qualitative	Tourism	Conservation	Renewable Energy	Fishing	Biotech	Transport & shipping
P.9	Employee/ Worker Benefits	Average training budget by role	% of revenue spent on training, # of people attending training, # of people attending training split by seniority.							
P.10		Knowledge transfer and capacity building initiatives from foreign nationals in senior management positions to local residents	Hours spent on capacity building, number of trainings, # of people who have received trainings.							
P.11		Skills acquisition	% of employees who feel they are acquiring new skills and competencies.							
P.12	Working Conditions	Average work hours and # of hours worked overtime	Average number of hours worked per week and incidents of working over contracted working hours.							
P.13		Workplace safety training	Hours of health and safety training per year.							
P.14		Sexual harassment training	Hours of sexual harassment training per year.							
P.15		Workplace sexual misconduct	# instances of reported sexual misconduct.							
P.16	Diversity and Inclusion, and Value Chains	Employment rate of historically excluded groups	# and % workforce, by rank/position (women, LGBT+, other genders, ethnic minorities, rural, youth, poor, low education, disabled persons, former inmates).							
P.17		Managerial positions held by historically excluded groups	% of historically excluded hires in senior roles, diversity at Board level (women, LGBT+, other genders, ethnic minorities, rural, youth, poor, low education, disabled persons, former inmates).							

	Area	Indicator	Metric	Qualitative	Tourism	Conservation	Renewable Energy	Fishing	Biotech	Transport & shipping
P.18	Diversity and inclusion, and Value Chains	Board training on diversity & inclusion	% of Board that have received training in last 3 years.							
P.19		Career progression	# average of years at each level/role, broken down by seniority.							
P.20		Churn rate by women and diverse groups	% of women and diverse groups leaving the company compared with the general workforce per year.							
P.21		Accessibility of training opportunities for historically excluded or excluded vulnerable groups	# of participants and annual budget spent on historically excluded or vulnerable groups (women, LGBT+, other genders, ethnic minorities, rural, youth, poor, low education, disabled persons, former inmates).							
P.22		Access to finance for MSMEs, women, and historically excluded or vulnerable groups	% of financing provided to MSMEs and women by value.							
P.23		Ethical sensitivities	Establishment of local ethics committees with effective governance and visibility to ensure that research activities adhere to cultural and ethical norms.			■			■	
P.24		Affordability and access to biotechnology products derived from research for local communities	Average cost of products relative to average income.						■	
P.25	Community Benefit	Coastal community resilience	Annual investment as a % of revenue in coastal community resilience.		■	■	■			
P.26		Community investment	Amount of financial or in-kind investment made in community initiatives.							

	Area	Indicator	Metric	Qualitative	Tourism	Conservation	Renewable Energy	Fishing	Biotech	Transport & shipping
P.27	Community Benefit	**Development and implementation of benefit-sharing mechanisms to ensure that economic gains are distributed equitably among local communities**	Benefit sharing agreement in place, % of revenues allocated, # and value of initiatives or investments delivered. Disaggregated by gender, race, and age.			■			■	
P.28		**Increased access to affordable and clean energy for remote communities and vulnerable and historically excluded communities**	# of project-connected households with renewable energy access, % reduction in energy costs, # of MWh of renewable energy power generated per year.				■			
P.29		**Access to affordable renewable energy by community**	% of local energy provision from renewable energy.				■			
P.30		**Accessibility of biotech/ research to local community**	# of initiatives launched with local healthcare providers/NGOs.					■		
P.31		**Incidence of community objections e.g., road block or other protests, negative social media posts**	# of road block or other protests, negative social media posts.							
P.32	Cultural Preservation	**Monitoring and addressing instances of cultural insensitivities or disrespect**	# of complaints logged.		■					
P.33		**Governance level engagement with cultural preservation**	Cultural preservation visible at board – either through a member with responsibility or through the agenda.	X						
P.34		**Active engagement with initiatives that protect and preserve local cultural heritage and practices**	# of initiatives, % of revenues spent on initiatives.							
P.35	Governance	**Third-party certification of social impact aligned with industry standards/ guidance**	Certification document relevant to the sector (e.g., ASC, ISO, etc.).	X						

Implementation Guidance

The indicators have been designed to ensure consistency with widely adopted frameworks in existence as well as relevance for the Caribbean Blue Economy. The KPIs seek to therefore be both broad and specific, and the effectiveness of their use can be enhanced by providing potential users with guidance on the themes and dynamics that are likely to be of particular interest and focus for the region. Across both the Areas that the KPIs encompass and the specific sectors that have been covered, there are themes worthy of additional attention, as highlighted below:

Employment, Wages, Benefits and Working Conditions

The Employment Wages, Benefits and Working Conditions Area of the indicators is intended to build transparency of the fairness with which staff and workers are remunerated, the reliability of that income, the non-financial benefits of employment, and the safety of the work environment. Within these themes, there are particular indicators that are of heightened relevance to the Caribbean Blue Economy. This may be due to the prevailing dynamics relating to a particular blue economy sector or to cultural norms and practices in the region. For example, investors and businesses active in the region should be particularly conscious of workplace safety, particularly in the fishing and shipping sectors but also for certain roles within renewable energy and biotechnology. Working offshore often involves working in harsh weather conditions and remote locations, which increases the risk of accidents and injuries[21]. The consultation process also highlighted that skills development and capacity building for local residents is of high importance in the Caribbean, particularly to support the potential to move into senior management positions in tourism in Jamaica and The Bahamas.

Investors and businesses active in the region are also encouraged to focus on instances of sexual misconduct, policies, and training with tourism, fishing, and maritime transport of most relevance. These indicators are also of heightened relevance for the just transition as it is often the most disadvantaged and excluded who are more likely to experience workplace accidents and assault[22]. Lastly, income stability is a prevailing theme, with some sectors experiencing considerable seasonality as well as discretionary elements to staff and worker remuneration. Variable income leads to economic vulnerability for individuals, households, and communities and undermines efforts to achieve poverty reduction for the region.

There are also several metrics that are of particular importance to investors and businesses when considering the just transition, and the extent to which a company is having an impact that might support or challenge the ability of the economy to adapt in a way that is fair. By better understanding differences in pay, training, and other benefits, stakeholders can more accurately identify if specific groups are being left behind. For example, Indigenous communities in the Caribbean, such as the Garifuna, often face exclusion from economic opportunities, including those within the blue economy[23]. Limited access to land, resources, and decision-making processes can hinder their participation in activities such as fishing, tourism, and marine conservation.

Jamaica: Fisheries

Jamaican fisheries contribute to mainly small-scale food security, as well as to the employment of the coastal communities where fishing-related activities are often the only or the most important source of food and livelihoods for about 40,000 people[24].

However, historically, small-scale fisherfolk, especially those from excluded communities, have faced challenges such as overfishing, habitat destruction, and limited access to resources and markets. But positive initiatives have been supported in the region, including some that focus on the meaningful gender imbalances in the sector. Efforts have been made to support women's participation in fisheries through programs such as the Mainstreaming Gender Equality in Fisheries in the Caribbean initiative which focused on improving governance of gender-related issues in fisheries[25]. The initiative delivered foundational work creating momentum on gender equality, including:

- **Raising awareness and building capacity of over 100 unique stakeholders** in the region through four virtual capacity building and discussion webinars;
- **Developing five technical research papers,** including on country awareness of and compliance to international and regional frameworks and traditional knowledge in fisheries, to help close regional research gaps and identify priority areas for mainstreaming gender in fisheries of the Caribbean;
- **Drafting five national fisheries and gender action plans** for Dominica, Grenada, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago; and
- **Collating findings to develop a regional Gender Analysis, Strategy, and Action Plan** (Gender ASAP) to facilitate action on gender mainstreaming[26].

Diversity, Equity & Inclusion

The Diversity, Equity & Inclusion (DEI) Area of the indicators is intended to build transparency of how different groups are impacted by the activities of a business and whether access and benefits are fair. Of all the areas included in the indicators, DEI may be the most challenging due to data availability. Lack of data on groups such as Indigenous Peoples, Afro-descendants, persons with disabilities, and lesbian, gay, bisexual, transgender, and queer (LGBTQ+) people negatively impact decision-making for both businesses and policymakers[27]. Project stakeholders also noted that businesses within the Caribbean Blue Economy may not currently have significant resource and visibility on these dynamics. These indicators are also of importance when considering the just transition as excluded groups e.g., persons with disabilities are often over-represented among the poor[28].

Community Benefit & Cultural Preservation

The Community Benefit & Cultural Preservation Area of the indicators is intended to build transparency of the impact businesses are having on local communities and the extent to which they have been considered and consulted. Businesses and investors active in the Caribbean Blue Economy may want to consider a closer focus on the extent to which there is meaningful interaction with local communities, particularly in tourism, conservation, and fishing. Poor consultation practices erode trust between project proponents and affected communities, leading to a loss of credibility and legitimacy for the project. For example, there have been instances of civic unrest in Jamaica due to beach access restrictions put in place by resort developers[29].

Project stakeholders also noted that the displacement and relocation of local people are important issues to be considered in the region. For example, resort development in Honduras has led to the displacement of Garifuna families with the army or local police carrying out the eviction of hundreds of people[30].

Businesses and investors will also see opportunities to align positive community impact with innovation and growth —in particular by partnering with local communities and Indigenous Peoples to offer cultural tourism experiences.

Belize: Tourism

The overall economic benefits of tourism in Belize are worth up to BZD 700 billion, corresponding to roughly 40% of GDP. The industry is estimated to directly employ around 20,000 nationals and a further 90,000 indirectly[31].

However, **while tourism can bring economic benefits to Belize, it is essential to ensure that development is carried out in a sustainable and socially responsible manner**, respecting the rights and interests of Indigenous Peoples and involving them in decision-making processes that affect their communities and territories. Indigenous communities may face challenges in asserting their land rights and protecting their territories against encroachment by tourism developments due to unequal power dynamics and limited resources for legal advocacy[32]. But there is also growing demand for cultural tourism, such as immersive experience tours where craft skills and cooking methods are taught, artisanal workshops, cultural festivals, and homestays[33].

Governance

The Governance component of the indicators is intended to build transparency in the policies, practices, and processes that businesses implement to ensure fair and compliant behavior. Investors and companies active in the Caribbean Blue Economy may want to prioritize indicators that create transparency relating to anti-bribery, as this feature can be present in certain sub-sectors or countries within the region. For example, bribery can occur in port operations, customs clearance procedures, and maritime trade transactions, affecting the efficiency, transparency, and fairness of maritime activities. Corrupt practices may involve underreporting cargo, evading customs duties, or obtaining preferential treatment for vessels through illicit payments. The World Bank estimates that corruption constitutes an additional cost on business, totaling as much as 10% of sales in high-risk markets[34]. Countries that appear to have a higher incidence of corruption include Dominican Republic, Guyana, and Haiti[35]. Alongside this, a focus on complaints procedures and whistleblowing policies may be a prudent area to focus on for investors and businesses. Workshop attendees highlight the existence of cultural barriers to reporting misconduct as well as a lack of awareness of rights and mechanisms. have significant resource and visibility on these dynamics. These indicators are also of importance when considering the just transition as excluded groups e.g., persons with disabilities are often over-represented among the poor.

The Bahamas: Shipping

As an archipelago of 700 islands covering major shipping routes The Bahamas is one of the biggest shipping registries in the world[36]. The Bahamas is a major maritime hub in the Caribbean region, with a significant portion of its economy dependent on shipping and maritime transportation.

While the shipping industry provides meaningful employment opportunities for Bahamians, there may be concerns about the working conditions of seafarers, port workers, and other maritime personnel. Issues such as long working hours, inadequate wages, lack of job security, and insufficient access to healthcare and social benefits can affect the well-being of workers and their families[37].

As well as these cross-sectoral themes, there are a number of industry-specific considerations to be observed when utilizing the indicators:

Tourism

Tourism is a critical sector of the blue economy in the Caribbean, and in each of the target countries contributes a considerable share of the total economy. Any impact—both negative and positive—will be magnified as a result. Tourism can have negative impacts on food security, erosion of culture, seasonality of income, and community benefits. Demand for local products can make local product prices more expensive for local communities while large-scale tourism can erode coastal communities' traditional cultures. Seasonality of coastal and marine tourism means workers may be laid off temporarily and many benefits from tourism are captured by larger international organizations rather than local MSMEs. At the same time, tourism can also support improved livelihoods through the creation of new livelihood opportunities, and empower local communities economically, particularly as tourism tends to provide women and other excluded groups with more opportunities relative to other sectors. There are also opportunities for cultural engagement, exchange and education through tourism excursions and experiences. Best practice would also see leading businesses collaborating with local communities to establish appropriate and sensitive cultural guidelines for tourism.

The tourism sector in the Caribbean is characterized by a combination of large international and regional corporations but also independent hotels and MSMEs. Investors looking to deploy capital into the sector should align their reporting expectations to the capacity and resources of the ultimate investee. There is a risk that requirements around data reporting ultimately exclude smaller actors who are less well equipped to capture and report data on e.g., income seasonality for workers or demonstrate the existence of workplace safety audits and training. Where data or policy gaps exist, companies can communicate their existing practices and be supported to develop a pathway to data collection and reporting.

Conservation

The conservation sector has historically been reliant on grants and donations to carry out its important work, but with the emergence and growth of ecosystem service revenues like carbon removal and biodiversity, this sub-sector brings opportunity but also important considerations for how these projects are designed and regulated. Ecosystem and nature conservation can cause several social issues: conservation can threaten livelihoods when projects interfere with sustenance and income generation of local communities; cultural clashes may arise if projects are not designed with sufficient consideration of local cultural dynamics; ecosystem service revenues are more easily accessed by experienced and well-financed market participants; in the absence of careful regulation, this new marketplace could allow corrupt or exploitative practices. When these negative impacts are mitigated, the conservation sector has the potential to create livelihood opportunities through restoration/patrol jobs and through revenue share arrangements, as well as empower communities as custodians of the habitats they live in. Many of these local communities and Indigenous People possess traditional ecological knowledge that can be of important value to projects.

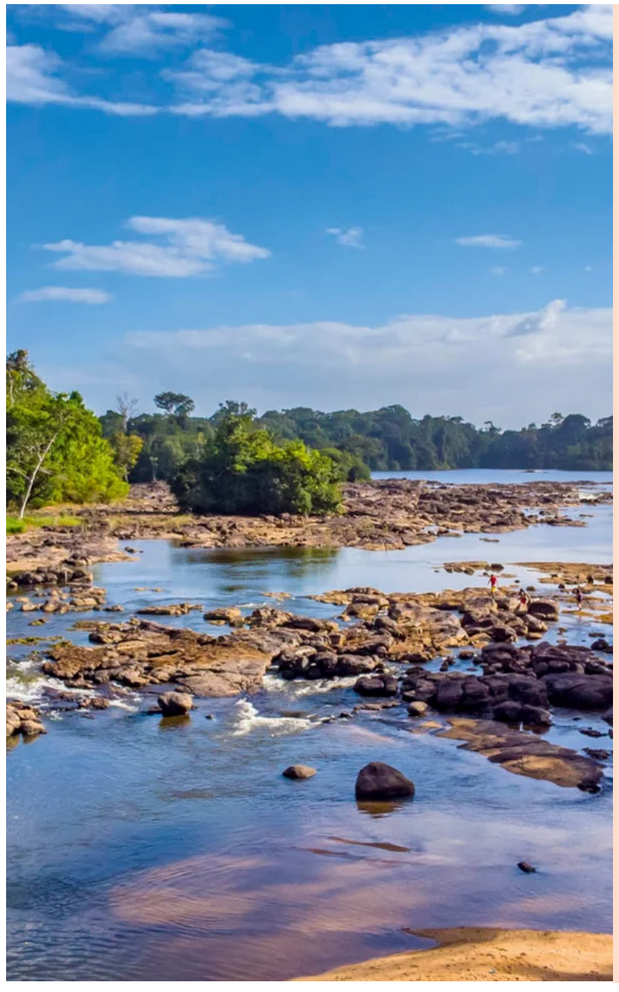
Case Study: Coral Innovation Hubs

The Nature Conservancy's (TNC) Coral Innovation Hubs use state-of-the-art facilities to scale up coral reproduction and restoration, employing techniques like larval propagation and microfragmentation to increase coral survival rates. The initiative aims to preserve coral genetic diversity and enhance resilience. Healthy coral reefs absorb an average of 97% of the energy of incoming waves, helping to protect shoreline communities during severe storms.

Importantly, the project also prioritizes community involvement and education. TNC raises awareness about the importance of coral reefs among students, local communities, and governments. **This approach ensures that local populations are not only beneficiaries but also active participants in conservation efforts,** which enhances the sustainability and impact of the project38.

Renewable Energy

Renewable energy projects can be large in scale, which magnifies their potential for both negative and positive impacts. The best projects will consider the needs of local communities from design through inception, building, and management. The sector can pose several negative social issues. These include potential environmental loss, disruption, or degradation affecting local communities strongly reliant on fish stocks for food security; workers in traditional energy supply jobs who may be displaced and find it difficult to retrain in the renewables sector; offshore wind projects which may result in noise pollution for local communities; the installation and management of large renewable projects that can put a strain on local infrastructure and resource availability. However, the sector has the potential to deliver positive benefits to local communities including the installation and management of renewable energy projects having a multiplier effect on the local economy; new energy projects resulting in improved services, including education and healthcare; some renewable energy projects may facilitate improved access to and more affordable energy for less well-served areas and groups.



Case Study: BDHP Suriname

Located deep in the Suriname jungle at the Upper Suriname River, the two villages Bëkyooköndë and Duwata had historically relied on a small diesel generator with an unsteady supply of fuel. The community forms part of the Saamaka tribal culture, with 37.500 people living overall in the Upper Suriname River Basin region[39].

The Bëkyooköndë and Duwata Hydropower Project (BDHP) will provide 50kW of hydropower to deliver a continuous supply of energy to the villages. The project emphasized the involvement of local stakeholders in its planning and execution. This approach ensured that the energy solution was not only technically effective but also culturally and socially acceptable to the community. By engaging local leaders and residents in the decision-making process, the project aimed to address local needs and preferences, thus fostering a sense of ownership and responsibility towards the renewable energy infrastructure.

Additionally, the project adopted financial practices to overcome local infrastructure challenges and utilized locally available components, which helped to reduce costs and improve maintenance. This inclusive and participatory approach ensured that the project was aligned with the community's social and economic context, ultimately contributing to its long-term sustainability and success[40].

Fishing

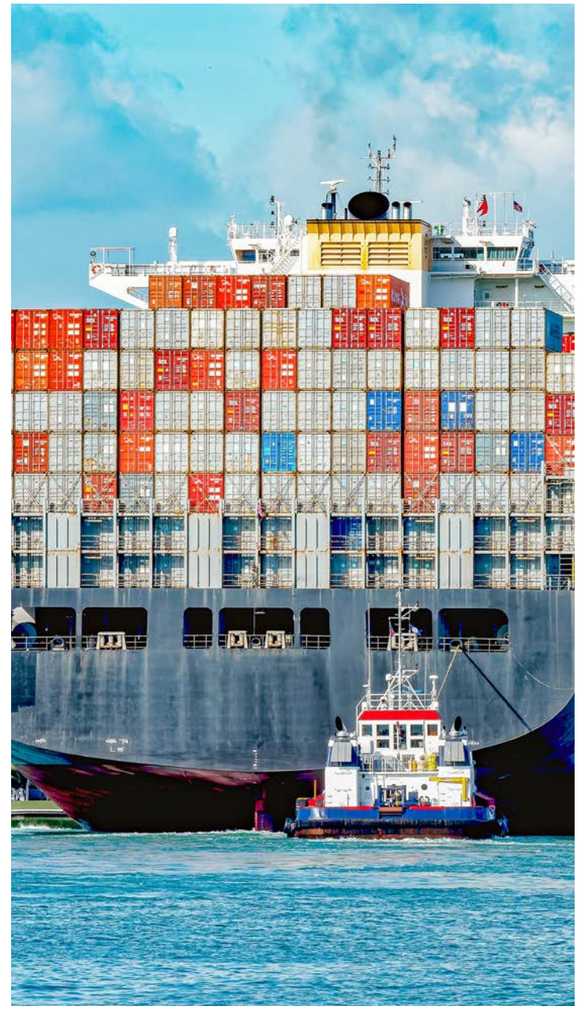
In 2019, the fishing sector provided stable jobs to an estimated 350,000 people in 17 Caribbean countries, generating fish production value of more than USD 500m[41]. While the fisheries and aquaculture sector in the target countries represents a relatively small share of the total economy, there is growing attention on the need to address key social issues associated both with the sector in general and as a result of the pressure to achieve better environmental performance. The sector, if not mitigated, can lead to social issues including unequal pay where there is gendered occupational segregation, with men generally undertaking better-paid tasks; women in the fishing industry being less likely to be able to access finance than men; labor conditions violations on-board larger shipping vessels; safety concerns and instances of modern slavery. The fisheries and aquaculture sector has the potential to provide empowerment and livelihood improvements with the majority of fishers in the Caribbean either self-employed and/or operating on a small scale. **Fishing also provides an important source of nutrition in terms of protein for coastal communities[42].** Best practice operations will see businesses invest in training programs for local residents and the practice of methods that reduce interference with local livelihoods.

Biotechnology & Deep Sea Research

Technological developments have the potential to achieve outsized change, but this can either be to the advantage of those already in a position of power, or it can be to achieve improved access and outcomes for the most excluded. Technological developments without sufficient safeguards could cause social issues, including exacerbating inequalities if technological advancements are accessed most quickly by those already in a position of advantage; raising ethical concerns, e.g., genetic engineering that may clash with local cultural or religious beliefs. This dynamic may be particularly salient in the Caribbean, as religion plays a significant role in the lives of many people in the region; bioprospecting by companies from wealthy countries may lead to the exploitation of resources and unfair profiteering. Equally, **biotechnology and deep-sea research could provide opportunities including public health benefits,** e.g., from vaccines and surveillance targeting infectious diseases or public health threats, and economic growth through the development of novel products or processes, potentially fostering economic growth in coastal communities.

Transport & Shipping

Given the reliance on trade for island economies, improving overall connectivity is important – 37 of the 50 least connected countries are small island countries. As the transport and shipping sector is of particular importance in the Caribbean, connectivity and therefore growth of the sector is also critical. If unaddressed, the sector has the potential to pose a range of social issues including: the development and expansion of ports and shipping facilities leading to the displacement of local communities, long periods at sea resulting in physical and mental health issues for seafarers, alongside concerns with modern slavery on board shipping vessels; the hierarchy of job positions in the maritime sector leading to income inequality among locals or migrant labor. If well managed, **the sector has the potential to deliver benefits including regional employment, particularly as trade increases;** shipping/marine transport facilitating the crucial exchange of goods and services across the Caribbean, and improved opportunities for inter-island travel. The best practice would include businesses that monitor the affordability of transport services for local residents and identify opportunities for local enterprises to participate in the supply chain.



Conclusions

As the importance of the blue economy continues to grow both in the Caribbean and globally, it is crucial to ensure that its growth is both sustainable and inclusive. **Private sector organizations and financial institutions can play a pivotal role in facilitating a just transition in the blue economy through the integration of social responsibility into their business practices and investments.** This necessitates the development and implementation of comprehensive social performance indicators tailored specifically to the unique challenges and opportunities specific to the blue economy, as included herein for the key social impacts present in the Caribbean today.

The indicators have been designed to align with existing global indicators, principles, and decision frameworks while remaining relevant to the blue economy in the Caribbean specifically. They have been designed to provide both broad and flexible insights as well as those specific to a particular sector or context, thereby enhancing their efficacy in guiding business practices and investment strategies. Within each Area covered by the indicators, certain themes require particular attention in the Caribbean context:

Employment Wages, Benefits, & Working Conditions

Transparency regarding remuneration fairness, income reliability, non-financial benefits, training opportunities, progression, and workplace safety is paramount. Certain indicators gain particular relevance in the Caribbean, such as those focused on workplace safety in sectors like fishing and shipping where hazardous conditions elevate the risk of accidents. Additionally, prioritizing skills development and capacity building, notably in tourism—a dominant sector in many Caribbean nations—is crucial for local empowerment and facilitating a just transition. Addressing income stability is another critical aspect, as fluctuating income patterns - such as those experienced in fishing, tourism, and other informal employment- exacerbate economic vulnerability and undermine poverty reduction efforts in the region.

Diversity, Equity & Inclusion, & Value Chains

Despite challenges regarding data availability, transparent reporting on the impact across different demographic groups and access to benefits remains essential. **Excluded communities, including women, Indigenous Peoples, people with disabilities, and LGBTQ+ communities, often face exclusion from employment, training, and promotion opportunities as well as visibility in senior-level jobs and decision-making roles**. This exclusion necessitating a focus on inclusive practices at all levels of seniority and thus more equitable outcomes.

Community Benefit & Cultural Preservation

Transparency regarding the impact on local communities and cultural preservation is vital for building trust and legitimacy and thus ensuring the longevity and sustainability of operations. Meaningful engagement with communities, particularly in sectors such as tourism, conservation and fishing, is essential to prevent conflicts and ensure positive outcomes for businesses and local communities alike. Special attention must also be given to issues of displacement and relocation to mitigate adverse effects on local populations.

Governance

Transparency regarding policies, practices, and anti-corruption measures is of vital importance for ensuring fair and compliant behavior. Investors and companies should prioritize indicators related to anti-bribery and complaints procedures, especially in sectors prone to corruption such as port operations and maritime trade transactions. Additionally, addressing cultural barriers to reporting misconduct and enhancing awareness of rights and reporting mechanisms are crucial for fostering accountability and ethical conduct.

Recommendations for the private sector

As discussed above, **private organizations and financial institutions can wield significant influence in shaping the trajectory of the Caribbean Blue Economy, presenting a unique opportunity to drive positive change and foster sustainable development**. Various key considerations for private sector organizations and financial institutions are listed below:

Integrate social KPIs with economic and environmental indicators: Firstly, while these indicators have been designed to provide a comprehensive assessment of social impacts, organizations can help to ensure a balanced approach to decision making by embedding these KPIs alongside existing frameworks focusing on economic and environmental factors.

Develop comprehensive and transparent reporting mechanisms: In addition, establishing transparent reporting mechanisms is crucial for effectively communicating the social impact of business activities to stakeholders. Transparent reporting enables stakeholders to track progress and publicize the company's commitment to social responsibility, as well as signaling and enabling accountability.

Invest in data collection and analysis: Additionally, investing in data collection and analysis is essential for accurate reporting of social indicators and supporting excluded groups in accessing relevant data. Investing in capacity-building initiatives targeted at local communities, particularly in sectors like fisheries, could play a crucial role in enabling effective data collection on the ground. By allocating resources to enhance data collection capabilities, organizations can improve the reliability and accessibility of social impact data, facilitating evidence-based decision-making and targeted interventions to address social impacts.

Implement impact assessments: Conducting impact assessments at the outset of projects further enhances the ability of organizations to identify potential social implications and mitigate risks. Impact assessments provide valuable insights into the social dynamics of a particular context, helping organizations identify opportunities for positive impact and areas for improvement. By incorporating impact assessments into decision-making processes, organizations can proactively address social challenges and enhance their overall social performance.

Collaborate with industry peers: Fostering collaborative partnerships with industry peers, government agencies, and local NGOs is essential for strengthening data collection efforts and enhancing the reliability of social indicators. By sharing resources and expertise, private institutions can help to facilitate improvements in data quality and access, helping to drive more targeted efforts and initiatives.

Engage stakeholders and communities in decision-making processes: Furthermore, engaging stakeholders and communities in decision-making processes is critical for ensuring that a wide range of perspectives are considered. Involving local communities, Indigenous Peoples, and employees in initial consultations and business planning processes fosters a sense of ownership and promotes sustainable development practices that align with the needs and aspirations of local stakeholders.

Adopt a flexible, adaptive approach: Finally, companies operating in the Caribbean Blue Economy should adopt a dynamic and adaptive approach to their use of social indicators, continually refining frameworks based on stakeholder engagement, monitoring and evaluation activities, and evolving data availability. This flexibility will help to facilitate organizations to address changing social dynamics, continually tailor and adjust indicators to specific contexts and involve standards and demands, and overall drive positive social impact over time.

Recommended next steps

An evaluation of the social impacts present in the Caribbean, encompassing both positive and negative dimensions, has been conducted to develop the indicators. Through this process, the aforementioned KPIs and associated Implementation Guidance have been developed to acknowledge and account for the intricate landscape of social dynamics within the region.

These indicators are designed to offer an understanding of the prevailing social landscape across various sectors, empowering private enterprises, and financial institutions to make informed business decisions. Nonetheless, there remains an opportunity to further validate, refine, and operationalize these indicators to ensure their effectiveness. A number of next steps could be undertaken in order to ensure and optimize their applicability and robustness over time:

Testing and refinement through further stakeholder engagement: There is potential to test and monitor the use of the indicators with stakeholders across a diverse range of sectors to validate and refine the KPIs, enabling ground-truthing to verify their feasibility and practical implementation by private organizations and financial institutions.

Adopt a stepped approach to rollout: There is potential to implement a phased rollout strategy, allowing for iterative refinement and adaptation of the indicator framework based on ongoing feedback and evaluation. The list of indicators and the associated metrics used can also be adapted over time on the basis of improving data availability and evolving local contexts. Initially many companies will need to prioritize compliance with the Negative Screening criteria before progressing to assessing and reporting on a growing number of the Positive Screening indicators over time.

Apply regionally specific thresholds: For each indicator, an appropriate threshold based on the regional characteristics could be applied to establish what constitutes both negative and positive results. Some of these thresholds could be binary (e.g., the absence of a policy in place would indicate a negative 'score'), whereas others would require a specific benchmark (e.g., % of women in leadership positions would need to be over 50% to indicate a positive 'score').

Explore the potential to integrate these social indicators with economic and environmental KPIs: In addition, there is potential to explore integrating these social indicators with existing economic and environmental metrics relevant to the Caribbean's blue economy, facilitating a more holistic understanding of the sustainability of specific initiatives and business ventures.

In conclusion, the growth of the Caribbean Blue Economy presents a critical opportunity for sustainable and inclusive development for the region. Private sector organizations and financial institutions are poised to contribute to this development by integrating social responsibility into their operations to help enable a just transition. **The comprehensive social KPIs developed provide a framework for navigating the complex social landscape of the region. Designed to align with global standards while remaining adaptable to local contexts, these indicators aim to provide valuable insights for guiding business practices and investment strategies across the focus sectors.**

Overall, by adopting these indicators and maintaining a flexible, adaptive approach to implementation, private sector organizations and financial institutions can play a transformative role in driving positive social change and sustainable development across the Caribbean region.

Appendices

Case Studies

To better understand learning and emerging best practices related to the use of social indicators in the blue economy, a series of key examples and case studies where initiatives have employed social indicators were also examined, with key learnings incorporated into the ultimate design of the KPIs.

Case study: Fisheries - Discrepancies in Small-Scale Fisheries Policy Implementation in South Africa

Overview	
Location(s): South Africa **Relevant sector(s):** Fishing	
Description	**Key takeaways for KPI development**
Background: The development of a new small-scale fisheries policy in South Africa was envisioned as an inclusive, community-focused process, grounded in human rights principles. However, numerous challenges were encountered upon implementation and scaling of the policy. **Impacts** • **Exclusion** of thousands of fishers from the implementation process. • Shift towards **state-centric management,** diverging from a community-based approach. • Factors contributing to **policy disjuncture:** lacking ongoing stakeholder engagement, socio-economic changes, resource constraints & implementation delays.	• **Inclusive stakeholder engagement is essential.** The case study underscores the importance of inclusive stakeholder engagement in policy development processes. Exclusion of key stakeholders, such as thousands of fishers, can lead to dissatisfaction and resistance, and ultimately undermine the effectiveness of the policy implementation. • **Continuous stakeholder engagement is crucial.** It also emphasizes the importance of ongoing stakeholder engagement throughout the policy implementation process. KPIs should be designed to assess the frequency and quality of stakeholder consultations, ensuring that diverse perspectives are considered and incorporated into decision-making. • **Balancing centralized management with community involvement:** The case study highlights the importance of balancing centralized management with community involvement in sustainability projects. KPIs should be designed to monitor the level of community participation and ensure that decision-making processes are inclusive and transparent.

Case study: Marine Co-management Project in Thuan Quy, Vietnam

Overview

Location(s): Thuan Quy, Vietnam
Relevant sector(s): Fishing

Description

Background: The Thuan Quy Marine Co-management Project addressed the economic vulnerability caused by overfishing, particularly the decline in clam populations (Anadara antiquata) impacting the livelihoods of local fishers and threatening coastal communities. To ensure sustainable resource use, the project proposed a co-management system aimed at restoring the local marine ecosystem and enhance community livelihoods.

Impacts

- **Livelihood diversification.** Introduced alternative economic models including gill net fishing and ecotourism, boosting daily income from USD 15 to USD 25 for fishers and from USD 8 to USD 15 for alternative livelihoods.
- **Community welfare initiatives.** Reserved 20% of project revenue for social welfare, establishing vital community infrastructure & offering student scholarships, indirectly benefiting the entire community.
- **Co-management & policy influence.** Developed legal and institutional frameworks, engaging local stakeholders to inform policies and regulations in Binh Thuan province.
- **Financial sustainability.** Established a revolving fund, ensuring potential long-term financial viability for the project's organizational structure.

Key project sponsors/stakeholders

- **Importance of livelihood diversification and resilience.** KPIs should reflect the importance of livelihood diversification and resilience-building strategies. Metrics assessing the success of alternative economic models, such as gill net fishing and ecotourism, can demonstrate the project's impact on enhancing community livelihoods and reducing dependency on a single income stream.
- **Capturing and encouraging local benefit-sharing arrangements.** Incorporating indicators related to benefit-sharing arrangements is essential for assessing the equitable distribution of project benefits among stakeholders. Monitoring the reach and impact of these initiatives ensures transparency and accountability in benefit-sharing processes.
- **Involvement of local stakeholders in consultations and decision-making processes.** Engaging local stakeholders in decision-making processes is critical for ensuring the relevance, legitimacy, and sustainability of project interventions. KPIs should assess the extent of community participation and empowerment in co-management initiatives, including representation in decision-making bodies, involvement in policy development, and participation in project planning and implementation.

Case study: PROBLUE Gender-Inclusive Initiatives

Overview

Location(s): Gulf of Fonseca, Tanzania, Bangladesh, Haiti
Relevant sector(s): Fishing, Tourism, Conservation

Description

PROBLUE is a Multi-Donor Trust Fund, housed at the World Bank, which supports the development of integrated, sustainable, and healthy marine and coastal resources. The program operates across multiple geographies and focuses on encouraging greater levels of gender inclusion across its projects

Location	Description
GULF OF FONSECA	PROBLUE partnered with Honduras, El Salvador and Nicaragua to aid female entrepreneurs in artisanal fishing and aquaculture. It focuses on boosting gender equality in blue economy jobs like fisheries and tourism, aiding coastal community recovery following hurricanes Eta and Iota, and during COVID-19 using the Build Back Bluer approach.
TANZANIA	PROBLUE aids women with business training in seaweed production, ecotourism tied to fisheries, and plastic pollution management. This work focuses on marine pollution and aims to create gender-inclusive job guidelines for plastic pollution and waste management initiatives.
BANGLADESH	A PROBLUE-funded gender study in Bangladesh identifies job opportunities for women in salvaging discarded fishing gear. It raises awareness and introduces business ideas at the community level, with the government piloting gender-equitable net recycling in two sites.
HAITI	PROBLUE collaborates with Haiti's government for a gender analysis examining how coastal ecosystem degradation impacts women. This ensures that gender-specific vulnerabilities are considered in all analyses.

Key takeaways for KPI development

- **Gender equality in blue economy jobs:** KPIs should focus on measuring the participation and empowerment of women in traditionally male-dominated sectors of the blue economy, such as fisheries and tourism. Metrics assessing the number of female entrepreneurs supported, their level of engagement/attendance, and the impact of gender-inclusive job creation initiatives could provide insights into program effectiveness.
- **Community recovery and resilience building efforts.** KPIs should capture the program's contribution to coastal community recovery and resilience building efforts in the aftermath of natural disasters and socio-economic crises in order to guide efforts to reinstate livelihoods and improve resilience.

About the Consultant

Finance Earth is the UK's leading environmental impact investment boutique, providing financial advisory and fund management services across the natural and built environment. Finance Earth helps to create projects—and the investment vehicles to fund them—that balance positive outcomes for nature, communities, and investors.

Finance Earth works in partnership with a broad range of clients including NGOs, government, social enterprises, foundations and aligned corporates to create investable environmental and social projects. At the same time, Finance Earth works with a range of investors to structure financial products that can accelerate the protection and restoration of nature.

The team has managed over GBP 50million of blended social and environmental impact funds and has designed over GBP 500 million of impact investment structures.

Finance Earth is a wholly employee-owned social enterprise, with 51% of profits recycled into on-mission activities and investments. Finance Earth is a trading name of Environmental Finance Limited, which is authorized and regulated by the Financial Conduct Authority (registration number: 831569).

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