

# Blue Economy

**ISSUE** The ocean is the largest continuously connected ecosystem known to mankind, spanning a suite of ecosystem types, ranging from nearshore coastal ecosystems to large marine ecosystems to the areas beyond national jurisdiction. The global ocean is central to the livelihoods and food security of billions of people around the world, with an estimated 4.3 billion people reliant on fish for 15 percent of their animal protein intake. The ability of the ocean ecosystems to support long-term economic growth and essential protein is, however, under pressure from anthropogenic activities. These pressures are exacerbated by fragmented and uncoordinated sustainable management decisions that at times are not informed by sound science.

The ocean is already a significant generator of wealth. One recent report estimated that the value of key ocean assets is US 24 trillion, with an annual value of goods and services at USD 2.5 trillion (about 5% of global GDP and the world's 7th largest economy). A number of ocean and coastal nations around the world, most critically Small Island Developing States, but also including the European Union and larger coastal nations, are actively developing and promoting a Blue Economic growth agenda.

With the blue economy expected to grow faster than the general global economy, a 'business as usual' trajectory for the oceans forecasts a catastrophic economic and environmental outlook with lasting impact on people and the planet. Increasing demand for marine resources, technological advances in the exploration of ocean resources, overfishing, climate change and ocean acidification, pollution, biodiversity

and habitat loss, along with inadequate stewardship and law enforcement, are combining to produce irreversible damage to the health of the oceans.

Against this background, the last three years witnessed renewed international attention to the plight of the oceans, and the corresponding need for a more considered approach to sustainable management and conservation of our oceans and coastlines, has grown considerably. This was reflected in the UN agreement on the 2030 Agenda for Sustainable Development, where a stand-alone goal was dedicated to the issue. Sustainable Development Goal 14 points the world towards a vision to conserve and sustainably use the oceans, seas, and marine resources.

In parallel, considerable momentum has gathered behind the current and future role of the ocean and its resources in economic development—called the

Blue Economy. This has focused on the potential for growth of global trade and commerce and an increased resource base for critical provisions and services such as food and energy.

## SOLUTION

A sustainable Blue Economy combines governance, strategic priority and policy setting, and investment needs while simultaneously identifying the socioeconomic opportunities provided by the coastal and ocean resources. The Blue Economy concept is based on sound science to inform policy formation, which will inform and help shift the multiple sectors involved in coastal and marine ecosystem based economic activities away from practices that are leading to environmental and ecosystem degradation. The Blue Economy thus is a vision of a vibrant ocean and coastal areas that also fosters economic growth and sustainable livelihoods.

Strengthening Blue Economy opportunities will require increased understanding of the complexities of the marine ecosystems and the intrinsic links to land-based activities. To foster entrepreneurship towards more sustainable use of marine and coastal resources, ocean nations must deploy a suite of tools, such as marine spatial planning. These tools will serve to identify and manage the opportunities and constraints that lie within Exclusive Economic Zones to then inform policy formulation, adoption, and investment processes towards long-term environmental sustainability.

National strategies and political priority-setting exercises need to highlight the importance of healthy marine and freshwater aquatic ecosystems, as the systems are intrinsically linked to opportunities for prosperity and economic growth. The need for strong, resilient marine and freshwater ecosystems is clear to all levels of society and resource users. However, these complex systems feed into many sectoral issues, while not being limited by political boundaries. Long-term solutions need national implementation and action supported by regional cooperative frameworks to ensure local priorities and obstacles are acknowledged and respected between the stakeholders sharing ocean resources.

The Blue Economy captures a range of activities and sectors, three overarching issues stand out due to their importance towards developing sustainable blue economies: healthy coastal and marine ecosystems; sustainable fisheries; and pollution from land-based sources.

- **Sustaining healthy coastal and marine ecosystems** such as deltas, mangroves, salt marshes, sea grasses, and coral reefs, helps sustain fisheries, tourism, and coastal protection, sequester carbon, filter run-off waters and provide biodiversity hotspots. Therefore, these need to be protected, among others through deployment of tools such as marine spatial plans and establishment of marine protected areas (MPAs).
- **Catalyzing sustainable fisheries management** practices and national and regional policy processes is vital in recognition of the role fisheries and fisheries practices play in eliminating hunger, promoting health, and reducing poverty. To secure the primary protein source for 2.6 billion people will mean that countries need to embrace both wild and farmed fisheries management and look to micro and macro algae to explore its potential use as a cost effective nutrient pollution remediation, carbon sequestration, and renewable energy tool.
- **Reducing pollution in marine environments** can be achieved by supporting strategic regional investments to inform the transformation of plastic supply chains with substantial impacts on global marine plastic pollution, while piloting and promoting the scaling of innovative point and non-point pollution, to address the challenging issues around pollution from municipal, industrial and agricultural production.

## LOOKING AHEAD

The prospect for the global marine and ocean community, to utilize the current political interest and associated investments to address marine debris, towards ensuring continuous attention to the sustainable blue economy agenda is unique and has the potential to lead to multiple sets of action across the Blue Economy agenda.



Over the coming years countries will need to identify sustainable public and private national investments under the rubric of the Blue Economy. The GEF 7 IW strategy will be able to support this process through funding of collective management of coastal and marine systems and implementation of the full range of integrated ocean policies, and legal and institutional reforms. This will be done in tandem with catalyzing regional processes, such as the transboundary diagnostic analysis/strategic action program in order to advance cooperation in large marine ecosystems. Approximately 100 GEF-eligible nations have used this process to reach agreements to improve Ocean management.

GEF has an opportunity to assist countries in effectively addressing a suite of stressors such as overfishing, land-based sources of pollution, and loss and damage of key coastal and marine ecosystems through a combination of national and regional investments targeted to strengthen national Blue Economy opportunities. Given the numerous initiatives around oceans in recent years that have emerged in the international community circles, there is a clear need to establish an overarching and integrated framework required to mobilize action, and support institutions in a cross-sectoral transition toward achievement of SDG 14.

Ultimately, SDG 14 is only providing a framework for action. It will now be up to coastal nations and the global community in general to reach these initial targets. However, the real challenge will be to formulate and implement new and more rigorous science-based targets that will help ensure that coastal and marine ecosystems will continue to support local livelihoods, economic growth, and ultimately sustain human health for generations to come.

One starting point is to change the narrative when advocating for change to ensure that the marine and

ocean resources are sustainably managed. To do this it is essential that all stakeholders involved comprehend the environmental impact of their actions and see the economic potential of safeguarding resources. One example is related to the No-Take zones/protected areas, which are often perceived negatively by stakeholders that depend on them economically. However, if conservation areas are framed in economic terms such as “fish factories” or “fish banks,” possibly it will spur the transformational suite of changes needed to achieve a sustainable management of coastal zones and fisheries.

Another important point of focus is to move marine science agenda forward. The appropriate tools, methodologies and technical solutions need to be readily available and open to assist nations in their work towards ensuring that the ocean and marine ecosystems will support local health, prosperity and economic development. For example, Marine Spatial Plans are essential to informing political priority setting within the ocean and marine ecosystem space. MSPs should, among others, ensure that the carrying capacity and the short and long-term socio-economic benefits of the different coastal ecosystems are properly considered when economic developments are planned and implemented.

Finally, to establish a sustainable Blue Economy, we need to get the finance right. Financial tools are currently being developed to support the engagement at all levels such as Blue Bonds. On the more innovative side, one set of tools that has recently catalyzed significant interest is related to innovative products from the insurance industry. This could be an opportunity for the GEF and like-minded institutions to explore and expand the financial tools that countries can access to develop Blue Economy solutions.

