SUSTAINABLE OCEAN FOR ALL
Harnessing the Benefits of Sustainable Ocean Economies for Developing Countries
Achieving sustainable ocean economies is a global priority. The ocean provides livelihoods for more than 3 billion people worldwide, and it is a key life-support system for all life on this planet. However, pressures on the ocean and the ecosystem services it provides have mounted significantly from overfishing, pollution, and climate change and are expected to further grow as the ocean becomes the stage for a range of new ocean-related economic activities. These pressures are pushing the health of the ocean to its limits, leading to habitat degradation, ocean warming and acidification, more frequent extreme weather events, and the extinction of entire species. This undermines the ocean’s ability to support long-term socio-economic benefits and sustainable development. Actions to revert these trends are therefore urgently needed. In recognition of this, for the first time the world agreed to focus on the ocean in the 2030 Agenda for Sustainable Development, through a dedicated Sustainable Development Goal (SDG 14). Ocean action has since become a priority in international fora, including in recent G7 and G20 agendas.

Achieving sustainable ocean economies goes beyond environmental sustainability. Intrinsically connected with many other SDGs, the conservation and sustainable use of the ocean needs to unlock sustainable development across social, environmental and economic dimensions. It needs to benefit all countries, especially the poorest and the most vulnerable ones, which are highly exposed to the effects of ocean degradation and possess the least ability to respond to its impacts. It requires refocussing economic activities and generating new economic and business models that innovatively contribute to both production and ocean health. Pursued in this way, sustainable ocean economies hold the potential to advance progress on major global challenges: eradicating hunger and extreme poverty, creating more and better jobs, and combatting climate change.
The report highlights that on average the economies of developing countries rely more on ocean-based sectors for income and jobs than OECD countries. Data collected for this report on six ocean-based industries show that they contribute to more than 11% of GDP in lower middle-income countries and 6% of GDP in low-income countries, compared to less than 2% of GDP for high-income countries in 2015 (Figure 1). In some low-income countries and small island developing states, tourism alone and other important ocean-based sectors account for over 20% of GDP, compared to 2% for OECD countries. Because of this greater reliance on ocean-based sectors, the expansion of the global ocean economy can provide significant opportunities for developing countries. At the same time, and for this same reason, developing countries face greater risks from increasing pressure on the ocean and rapidly deteriorating marine ecosystems. It is thus imperative that new and traditional ocean-based economic activities use ocean resources sustainably and conserve them. The evolution of ocean-based sectors will either accelerate progress towards sustainable development or reinforce current trends of environmental degradation and social exclusion.

The report finds significant variations across developing countries in the potential benefits and risks of a growing global ocean economy. So far, the East Asia and Pacific region has recorded the fastest acceleration in value added for the six ocean-based industries quantified in the report, from USD 157 billion in 2010 to over USD 175 billion in 2015, largely driven by the People’s Republic of China. The marine fisheries sector is particularly dominant in low-income and lower middle-income countries, accounting for 6% and 8% of GDP respectively. Some countries are home to vast untapped marine resources, but emerging ocean-
based sectors such as deep seabed mining could have very large negative environmental impacts. It is therefore important that developing countries be in a position to assess and balance the risks and rewards associated with developing these industries and integrate community interests alongside environmental concerns from the outset to facilitate sustainability.

Achieving a sustainable ocean economy requires a better alignment of policies across multiple sectors. If policy making across the ocean economy deals with sectors (such as fisheries, tourism, energy and ocean conservation) in isolation and without a coherent conceptual frame, multiple and sometimes conflicting policy goals can emerge. Such fragmented policy making will not be sufficient to bring about the urgent and systemic changes required for a sustainable ocean economy. More holistic and integrated policy approaches are needed to ensure policy coherence, identify and manage trade-offs between sector-specific objectives, and take advantage of synergies where policies can deliver benefits to multiple sectors. The report presents an array of both sector-specific and cross-sectoral policy options to steer developing countries’ ocean economies towards sustainability, including marine spatial planning, ecosystem-based fisheries management systems, and economic instruments such as taxes on plastic waste and marine pollution, fees and charges on the use of marine resources, and other incentives for sustainable tourism (Figure 2). The report also highlights the importance of factoring in the value of ecosystems into economic decision-making frameworks, scaling up public finance in innovative ways, and investing these resources more efficiently and strategically. Several economic instruments are already being used to promote more sustainable production and consumption patterns across ocean-related sectors, but there is substantial scope to scale these up. These instruments can also generate revenue to be channelled back to ocean conservation and used to fund sustainable investments directly, or to co-create markets and tilt the playing field in the direction of sustainability.

Figure 2 • Growth in the number of ocean-relevant environmental policy instruments

Developing countries, however, often have limited capacity and access to the finance, policy evidence, innovations and science needed to achieve sustainable ocean economies. Therefore, development co-operation has an essential role to play to facilitate such access, as well as to promote international policy coherence and a reset of international finance for the global ocean economy to truly integrate sustainability and benefit developing countries. Despite the international community’s growing interest in ocean matters, the report finds a lack of common understanding, definitions and principles with which to align co-operation efforts in support of sustainable ocean economies. While some providers have a long track record of support for specific ocean-based sectors, such as fisheries or marine protection, few have a holistic understanding of the sustainable ocean economy, and most lack dedicated development co-operation strategies as well as implementation and monitoring tools.

To help quantify finance and map activities, this report introduces the first official tracking of official development assistance (ODA) in support of the ocean economy. It
ODA FOR THE OCEAN ECONOMY
(2013-2018, constant 2017 prices)

ODA FOR SUSTAINABLE OCEAN ECONOMY
OTHER OCEAN ECONOMY ODA


Not only are ODA flows for the sustainable ocean economy small, they could also be employed more effectively. Currently, they are highly concentrated in three sectors – maritime transport, fisheries and marine protection – suggesting that more could be done to support the range of existing and new ocean-based sectors and thus foster greater economic diversification and resilience (Figure 4). Furthermore, increases in ODA for the ocean economy have supported the expansion of ocean-based industries – largely maritime transport – without increasing the sustainability of these sectors. However, several examples of sustainable ocean projects do exist, contributing to a common understanding of what constitutes sustainable activities across ocean-based sectors and offering insights into replicable practices. These examples include: the employment of new technologies to enhance sea surveillance and security; increasing the value of fish products through certifications of sustainability; measures for fostering sustainable tourism; and support to reduce the environmental impacts and GHG emissions from ships and port infrastructure. Specific examples are identified across six key sectors or areas: sustainable fisheries, sustainable tourism, renewable ocean energy, green shipping, ocean conservation and the reduction of ocean pollution.

In addition to directly funding sustainable projects, development co-operation is helping to align private finance with the sustainable ocean economy. Through the catalytic use of guarantees, syndicated loans and other development finance instruments, development co-operation leveraged USD 2.96 billion of private finance for the ocean economy in 2013-17 (Figure 5). Of this total, 43% supported ocean-based industries and ecosystems and 57% was comprised of land-based activities that reduce negative impacts on the ocean such as waste management, sanitation and water treatment. Development co-operation has also proved critical for developing innovative financial instruments that attract additional financing for sustainable ocean economies, such as blue bonds, debt for ocean swaps, innovative insurance schemes and ocean impact investment funds. Increasing funding towards the sustainable ocean economy needs to go hand in hand with diverting and re-orienting finance away from harmful and unsustainable activities, which often have the greatest negative impacts in developing countries. Therefore, development co-operation needs to support policies, regulations and financial levers to integrate sustainability requirements into traditional financial services and investments, financial markets (e.g. stocks and bonds), and credit markets (e.g. loans or bonds),
Figure 4  ●  ODA to the ocean economy at a glance (2013-2018)


Figure 5  ●  ODA is helping develop new financial instruments and mobilise private finance for sustainable ocean economies

Source: Authors
To achieve sustainable ocean economies that benefit all, actions are required of all countries and stakeholders. Figure 6 summarises recommendations from the report addressed to developing countries and development co-operation providers for developing countries to harness the benefits of the sustainable ocean economy.

Figure 6 • Main recommendations

TO HELP DEVELOPING COUNTRIES HARNESS THE BENEFITS OF A MORE SUSTAINABLE OCEAN ECONOMY...

**DEVELOPING COUNTRIES CAN...**

- Develop holistic, cross-sectoral national sustainable ocean economy strategies and financing strategies
- Promote an integrated approach to management of land, coastal and sea areas
- Get involved with ocean knowledge and innovation networks

**DEVELOPMENT CO-OPERATION PROVIDERS CAN...**

- Track ODA for the sustainable ocean economy, based on common definitions and principles
- Explore new development schemes fit for achieving sustainable ocean economies
- Use ODA to improve the commercial viability of investments in sustainable activities and businesses
- Integrate ocean sustainability requirements in all ODA and development finance institution (DFIs) lending
- Promote international policy coherence for a sustainable global ocean economy
About the Sustainable Ocean for All initiative

This brochure presents the highlights from the report *Sustainable ocean for all: harnessing the benefits of sustainable ocean economies for developing countries*, which is part of the Sustainable Ocean for All initiative.

The Secretary-General of the Organisation for Economic Co-operation and Development (OECD) launched the Sustainable Ocean for All initiative in 2019. This initiative offers original evidence and a policy space to support a transition to a global ocean economy that the poorest and most vulnerable countries can benefit from. It contributes to the ambition of the 2030 Agenda for Sustainable Development and Sustainable Development Goal (SDG) 14 to “conserve and sustainably use the oceans, seas and marine resources for sustainable development”. With special attention to small island developing states (SIDS) and least developed countries (LDCs), the report advances SDG 14.7 in particular, which focuses on sustainably increasing the economic benefits of marine resources for these countries.

About this report

This report is a collaboration of the OECD Development Co-operation Directorate (DCD) with the OECD Environment Directorate (ENV) and the Science, Technology and Innovation Directorate (STI).

The report was co-ordinated by Piera Tortora (DCD), who also serves as co-ordinator for the Sustainable Ocean for All initiative. Together with Claire Jolly (STI) and Katia Karousakis (ENV), they composed the core drafting team for the report. Jorge Moreira da Silva, Director of the Development Co-operation Directorate, provided overall direction for the report. Oversight was ensured by Haje Schütte (DCD) and Jens Sedemund (DCD). Inputs and comments were provided from across the OECD, including notably by Anthony Cox, Deputy Director of the Environment Directorate. See the full report for complete list of acknowledgements.