



INTRODUCING THE SUSTAINABLE BLUE ECONOMY FINANCE PRINCIPLES

The true potential of the ‘Blue Economy’ – defined as all the economic sectors which have a direct or indirect link to the ocean – can only be realised if our ocean’s health is secured. We need to restore, protect and sustainably manage ocean assets in order to realise the ocean’s potential to support human development well into the future.

Investors and policy-makers are increasingly turning to the ocean for new opportunities and resources. According to OECD projections ², by 2030 the Blue Economy could outperform the growth of the global economy as a whole, both in terms of value added and employment.

However, there is increasing evidence that losses in the ocean’s natural capital resulting from unsustainable economic activity are eroding the resource base on which such growth depends.

Ocean stresses are well documented: biodiversity is rapidly declining, habitats are being degraded, acidity is increasing, plastic and other wastes are accumulating, and the temperature is rising. Our ocean is showing signs that it is under extreme

stress just at the moment when we need it more than ever. The full value of the ocean’s natural capital depends entirely on our ability to protect, maintain and restore this invaluable shared asset base.

Today, the international community is increasingly engaged and mobilising action towards achieving a sustainable future for the ocean – and the vital role of the finance and investment community cannot be overstated. To facilitate this, we urgently need a framework for ocean-related investment and development policy along the most sustainable pathways possible. And that’s why we’re launching these Sustainable Blue Economy Finance Principles.



\$2.5 TRILLION
THE OCEAN IS VALUED AT MORE
THAN USD 24 TRILLION. THE ANNUAL
ECONOMIC VALUE GENERATED BY
THE OCEAN IS AT LEAST USD 2.5
TRILLION MAKING IT THE WORLD’S
SEVENTH LARGEST ECONOMY.

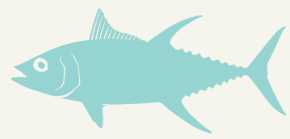
[WWF, 2015]



14 PRINCIPLES

To guide sustainable Blue Economy decisions, 14 voluntary Principles have been proposed for the finance and investment community. These complement existing frameworks in sustainable finance, and recognise the importance of compliance, transparency and disclosure, as well as the specific challenges of investment in the context of the ocean. The 14

Sustainable Blue Economy Finance Principles are designed to support the Sustainable Development Goals (SDGs) related to the management of the ocean, in particular Goal 14 (“Conserve and sustainably use the oceans, seas and marine resources for sustainable development”). They are also designed to be compliant with IFC Performance Standards and EIB Environmental and Social Principles and Standards.



FISHERIES

31%

OF FISHERIES ARE OVER-FISHED

A NEW APPROACH

Financial markets and institutions are pivotal to driving the ocean sustainability agenda. Investment capital, both public and private, can play a significant role in unlocking a truly sustainable approach.

The Sustainable Blue Economy Finance Principles are flexible enough to be applied across the entire ocean economy, providing investors with a shared framework through which to evaluate and more effectively plan their diverse activities.

The Principles point the way to what ‘sustainable investment’ actually looks like in an ocean context. The goal is to ensure that ocean-related investment delivers long-term value without having a negative impact on marine ecosystems, on efforts to reduce carbon emissions, or on ocean-based businesses of all sizes and the livelihoods of people who depend on them.

The Principles are also intended to support the development of financial instruments and development models that prove most effective in the context of ocean investment, notably in emerging fields where the stakes are even higher.



SHIPPING

90%

AROUND 90% OF GOODS USED BY THE WORLD ARE SHIPPED ACROSS THE OCEANS

[IPCC WGII AR5 (2014) Chapter 6]



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CORAL REEFS

50%

CORAL REEFS HAVE BEEN LOST ALREADY

THE COMPLEXITY OF THE OCEAN ENVIRONMENT

The Blue Economy is uniquely complex and interconnected, and its very nature and inaccessibility makes it difficult to manage and monitor. Individual sectors of ocean economic activity are interdependent; one sector’s activities can have unintended impacts throughout the supply chain or on other industries, as well as on ocean ecosystems, and the communities that rely on them for their prosperity, food security and way of life.

Ocean sustainability is not a concept that can be confined to individual silos: planning must take place in the context of the overall ocean economy. Poorly planned port developments can affect important habitats for fisheries; unsustainable fishing can degrade ecosystems such as coral reefs and compromise their role in coastal protection, which in turn can affect tourism and other business opportunities, and so on. The more we look at the web of interdependencies in the ocean, the more complex it proves to be. No ocean industry can claim to operate independently of others.

RISK

Such systemic complexity gives rise to significant risk, threatening the resource base on which we all depend. Risk management is a collective concern and obligation: ocean activities across the board must be balanced with the long-term capacity of marine resources and ecosystems.

The Sustainable Blue Economy Finance Principles will help to provide a necessary investment framework and support the finance community in unlocking a greater understanding of the specific risks inherent to the Blue Economy – and how to avoid them.



PLASTIC

8 MILLION

TONNES OF PLASTIC DEBRIS ENTER THE OCEAN ANNUALLY (1 DUMP TRUCK PER MINUTE)

OPPORTUNITY

The Principles are more than a risk management tool, in fact they are geared just as strongly towards opportunity. The current and potential future value of the sustainable Blue Economy is immense, but its vast size and interconnected nature means that only a collective commitment to sustainable development will allow us to approach the challenge at the scale needed. No government, organisation or private company can do this alone, and there’s no time to waste: an agreed framework for collective action is urgently required.

The Principles also provide a framework for securing the long-term health and integrity of our ocean, and are a foundation for shared progress. They’re intended to help create a multi-sector shift and address today’s rising direct and cumulative impacts and user conflicts. By fostering cooperation and communication on everything from ocean health and scientific research, to data collection and technical innovation, the Principles leverage the reach of individual operations into something infinitely more powerful and productive, a truly sustainable path forward for the development of the Blue Economy.

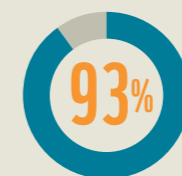
ECOSYSTEM SERVICES - THE OCEAN:



PRODUCES 50% OF THE OXYGEN WE BREATHE



ABSORBS 30% OF GLOBAL CO2 EMISSIONS



ABSORBS 93% OF ADDED HEAT



A HEALTHY OCEAN HELPS MITIGATE CLIMATE CHANGE AND ITS IMPACTS



REEFS AND MANGROVES PROVIDE COASTAL PROTECTION



CONTAINS IMMENSE GENETIC RESOURCES

HOW WERE THE SUSTAINABLE BLUE ECONOMY FINANCE PRINCIPLES CREATED?



This initiative has been spearheaded by the European Commission, WWF and the Prince of Wales's International Sustainability Unit; and is supported by the European Investment Bank. The lead organisations gathered input from a range of stakeholders to ensure that the Principles are geared to the needs and reflect the knowledge of as broad a range of stakeholders as possible.

Some of these stakeholders came together to express their support for this initiative at the Our Ocean conference hosted by the European Union in Malta in October 2017, where they expressed the following commitment:

'Althelia Ecosphere, Aviva Investors, the BPCE Group, the European Investment Bank, Seventure Partners, Willis Towers Watson and the World Bank announced their participation in a partnership to support the development of a sustainable blue economy. Contributing towards this goal, they agreed to develop a set of sustainability principles that will guide investment and financing decisions in the 'blue economy', with a view to announcing these principles in 2018. They are also willing to engage with other financial institutions and economic players to promote this partnership. This partnership is supported by the European Commission, the World Wide Fund for Nature and the Prince of Wales's International Sustainability Unit.'

Furthermore, the principles were endorsed in the final report of the High-Level Expert Group on Sustainable Finance published in January 2018, in which the Group recommended the adoption and implementation of the Sustainable Blue Economy Finance Principles by the finance community.³

Accenture Development Partnerships supported the development of these principles on behalf of the WWF, the European Commission and the Prince of Wales's International Sustainability Unit. Through stakeholder interviews with investors and detailed secondary research on sustainable finance initiatives, a gap analysis of existing sustainable finance initiatives was undertaken. The final 14 Principles put forward include seven widely-recognized principles for sustainable investment and seven principles specific to the Blue Economy.

TAKE ACTION

This folder contains a copy of the voluntary sustainable Blue Economy Finance Principles. We invite your organisation to join the growing list of signatories, and demonstrate your support for the development of a sustainable Blue Economy.

For more details please visit:

<https://ec.europa.eu/maritimeaffairs/befp>

or email: MARE-FINANCE-PRINCIPLES@ec.europa.eu for more information.

1. "The potential of the blue economy", World Bank Group, 2017
 2. The Ocean economy in 2030 © OECD 2016
 3. https://ec.europa.eu/info/publications/180131-sustainable-finance-report_en