



**Asia-Pacific  
Economic Cooperation**

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**2015/SOM2/OFWG/015**

Agenda Item: IX B

## **Building a Blue Economy Through ICM**

Purpose: Information  
Submitted by: PEMSEA



**APEC**  
PHILIPPINES  
2 0 1 5

**5<sup>th</sup> Oceans and Fisheries Working Group Meeting  
Boracay, Philippines  
10-12 May 2015**



## Building a Blue Economy through ICM

### Asia-Pacific Economic Cooperation 5th Meeting of the Ocean and Fisheries Working Group (OFWG)

May 11, 2015

Crown Regency Resort and Convention Centre, Station 2, Boracay Island, Philippines

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## Abundance of Marine Ecosystem Services in East Asia

- Food from wild-catch fisheries and aquaculture
- Energy sources from offshore oil, wind and waves
- Trade through shipping and ports
- Weather regulation and protection from natural hazards (e.g., storms and floods)
- Shoreline stabilization and erosion control
- Carbon sequestration by mangroves, sea grass beds and salt marshes
- Regulating and processing nutrients and waste in the environment
- Formation of sand, soil and other sediments
- Pharmaceutical and other biotechnology products
- Tourism, recreation and spiritual value

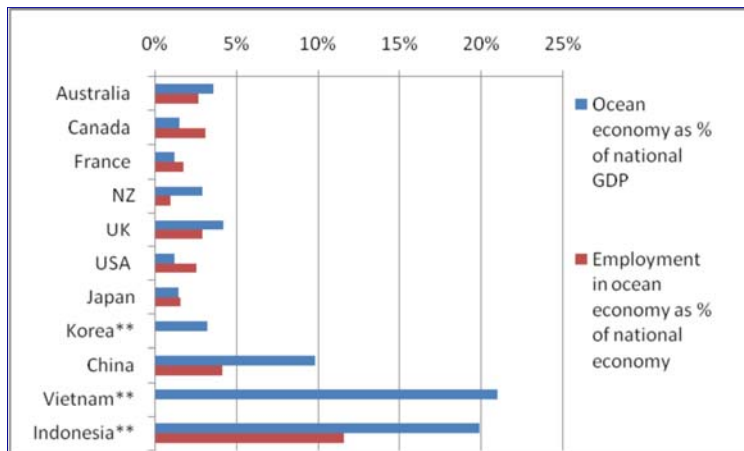


## East Asia's Strong Connection to the Blue Economy

- The coastline of East Asia spans 234,000km, home to more than 1 billion people.
- Of the world's 28 mega-cities (pop. > than 10 million), nine are located on the coasts of East Asia, along with another dozen cities with more than 5 million residents.
- Home to over one third of all coral reefs and mangroves and the highest levels of biodiversity for coral reef fish, mollusks, mangroves and sea grass species.
- Top region for seafood exports, with China, Thailand and Vietnam as the three leading seafood exporting countries.
- Asia's demand for energy is expected to increase 40 percent by 2022, which, according to the International Energy Agency (IEA) could result in investment of up to \$10 trillion in the energy sector over the next 10 years.
- Five out of the top six shipping economies in the world—China, Korea, Hong Kong, Singapore and Malaysia—are in East Asia, along with 9 of the 10 busiest container ports (by volume).
- In 2013, Asia accounted for 46.5% of all global manufacturing output, half of this from China. The ASEAN region accounts for 7% of global exports, making it the fourth-largest exporting region in the world.
- Foreign visitors to East Asia spent USD334billion in 2014, with 80% of all tourism taking place in coastal areas.



## East Asia's Strong Connection to the Blue Economy



Economic Contribution of the Marine Economy (Tropical Coasts, July 2009)



## Towards an Understanding of Blue Economy

- A handful of international organizations (APEC, UNDP, FAO) and governments like China and Indonesia have been working to develop and define the Blue Economy concept. The OFWG has made important contributions in moving Blue Economy forward.

- At the Fourth Ministerial Forum on the Sustainable Development Strategy for the Seas of East Asia in 2012, Ministers from 10 countries including Cambodia, PR China, Indonesia, Japan, Lao PDR, the Philippines, RO Korea, Singapore, Timor-Leste, and Viet Nam signed the Changwon Declaration, entitled, "Toward an Ocean-based Blue Economy: Moving Ahead with the Sustainable Development Strategy for the Seas of East Asia".

- Growing interest within the private sector, e.g., 2015 Economist World Ocean Summit themed "Blue economy; blue growth".

- Despite the growing interest in Blue Economy, it remains a new and relatively poorly defined concept, particularly for the private sector.



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## Research Report: Blue Economy for Business in East Asia

**The concept of "Blue Economy" has gained popularity, but a clear definition and its application have not been established, particularly for the private sector**

- PEMSEA is developing a research report to learn more about sustainable development of coasts and oceans by the private sector and the role of Blue Economy for business in East Asia
- PEMSEA is seeking companies engaged in activities, operations or investments in coastal and marine areas in East Asia to participate in a research study through a brief interview
- Questions the report seeks to answer:
  - What challenges are companies facing in sustainable development of coasts and oceans?
  - Where are companies finding opportunities in the blue economy?
  - How can government and business work together to facilitate Blue Economy growth?



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## Sectors of the Blue Economy

- Renewable Energy
- Oil & Gas
- Ports, Shipping & Marine Transport
- Tourism, Resorts & Coastal Development
- Fishing & Aquaculture
- Manufacturing & Chemicals
- Agriculture
- Maritime Financial
- Undersea Infrastructure
- Marine Technology & Environmental Services
- Undersea Mining
- Biotechnology



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## East Asian Seas Sustainable Business Network

**The EAS-SBN is an action-oriented, influential community of forward-thinking companies and investors operating in the East Asian region and focused on sustainable development and building a blue economy through the protection, rehabilitation, conservation and sustainable use of oceans and coasts**

- Open to companies and socially responsible investors with coast- and ocean-based operations and interests in East Asia
- Companies join for strategic value, not just philanthropy or PR
- Invitation-only, for companies demonstrating a commitment to environmental and social performance
- Representatives are senior leaders with oversight for their company's environmental and social performance and strategy
- Members enjoy benefits including an annual forum, updates on issues relevant to business in the region, webinars with experts, online member center for networking, working groups and customized and discounted PEMSEA Services



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## World Bank Regional Knowledge Management Project

### World Bank-funded project for Scaling Up Partnership Investments for Sustainable Development of the Large Marine Ecosystems of East Asia and their Coasts

- Promote sustainable development and improve livelihoods of local populations by reducing pollution and promoting sustainable marine fisheries, ICM and ecosystem based management
- Developing a platform for enhancing the delivery of on-the-ground activities and supporting capacity-building through targeted knowledge management products and services
- Piloting with 6 World Bank projects in China, Philippines, Indonesia and Vietnam
  - Guangdong Agricultural Pollution Control Project
  - Philippine Rural Development Project (PRDP)
  - Philippines Climate Change Adaptation Project (PhilCCAP)
  - Coral Reef Rehabilitation and Management Program - Coral Triangle Initiative (COREMAP-CTI)
  - Coastal Resources for Sustainable Development (CRSD)
  - Capturing Coral Reef & Related Ecosystem Services (CCRES)



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## Scaling Up Investment through Knowledge Management

### Facilitate investment in Blue Economy and integrated coastal management (ICM) through the use of specific knowledge products and services.

- Broad range of sub-projects / activities / enterprises that require or could scale with input of investment capital
  - Ecotourism, sustainable fisheries, pollution control technology, etc.
- Pilot initially targeting potential investments emerging from World Bank projects; eventually will include enterprises emerging directly from local gov't, nat'l gov't, private entrepreneurs, development agencies, etc. from across East Asia
- Covers a range of investors (e.g., donors, impact investors, development banks) and investment mechanisms (e.g., grants, equity investment, loans)
- Investment component design based on extensive research of current investment landscape in East Asia and interviews of over 20 investment experts
- Platform should not reinvent or compete with existing services, but should complement these by addressing gaps to help broker investment
- Biggest gap identified is not a shortage of investment capital, but a difficulty finding investable projects
- Platform will focus heavily on helping projects become more investment-ready



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**SEA Knowledge Bank**

**Welcome to the SEA Knowledge Bank**

The Seas of East Asia Knowledge Bank is an e-portal consisting of an e-library, online help desk with online access to communities of practices, directories, web-based State of the Coasts Reporting System, and is a marketplace of investment opportunities.

The SEA Knowledge Bank is developed under the project on Applying Knowledge Management to Scale up Partnership Investments for Sustainable Development of LMEs of East Asia and Coasts, a World Bank/Global Environment Facility Medium-sized project implemented by PEMSEA from 2014-2016.

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UPCOMING EVENTS

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Prepare for ICM Investments  
Find ICM Investment Opportunities

Solution Exchange  
State of the Coasts Reporting System  
Events

Training  
Certification  
Study Tours

PCOPs  
Browse e-Portal

gef WORLD BANK GROUP  
A GEF/World Bank Medium-sized Project implemented by PEMSEA (2014-2016)

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## Features for Scaling up Investments

The SEA Knowledge Bank will include two sections for scaling up investments, designed for **Investment Preparation** and showcasing **Investment Opportunities**

### **Investment Preparation**

1. Understand the benefits of ICM projects
2. Discover ICM investment gaps in the local area (e.g., rapid assessment)
3. Develop effective ICM policies and programs within the local government
4. Improve local capacity to receive investment (e.g., investment-readiness assessment)
5. Prepare bankable ICM projects (e.g., upload investment-ready projects)

### **Investment Opportunities**

1. Know the investment landscape in a particular country
2. Find investment-ready projects proposed by local governments and other organizations
3. Connect with project developers and other investors (e.g., online, investment forums)
4. Measure the impact of your investment

## Other Upcoming Blue Economy Initiatives

- **PEMSEA is planning a second study tailored for government**
  - Exploring definitions and methodologies for assessing blue economy across countries in East Asia
  - Researching the contribution of ecosystems and economic activity in coastal and marine areas to national economies in countries of the region
  - Identifying activities or sectors that have growth potential, investment opportunities and emerging markets
  - Highlighting policies and incentives to promote and facilitate investments in Blue Economy projects
- **East Asian Seas Congress 2015**
  - November 16-21, Danang, Vietnam
  - Workshop Sessions and Side Events covering:
    - Maritime Sector Contributions to a Blue Economy for the Seas of East Asia
    - Application of Knowledge Management for Scaling up Investments and Partnerships
    - Policies and Good Practices in Public-Private Partnership
    - Partnership Round Table for Investments in ICM
    - Measuring Contributions of Blue Economy to National GDP



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## Areas of Potential Collaboration with APEC OFWG

- Building a Sustainable Business Network for the Seas of East Asia
- Scaling up Blue Economy investments in East Asia through SEAKnowledgeBank.net
- Researching the contribution of the economic activities in coastal and marine areas as well as ocean and coastal ecosystems to national economies in countries of the region
- Highlighting policies and incentives to promote and facilitate investments in Blue Economy projects
- Development and demonstration of a pilot-scale Blue Economy fund, providing incentives and recognition to local governments and their private sector partners to implement ICM and Blue Economy initiatives



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## Questions?

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