

Funding a safe and sustainable ocean economy

The ocean economy

By 2050, the world's population is projected to be at least nine billion, with corresponding demands for food, jobs, energy, raw materials, and economic growth. The ocean economy, comprising established ocean industries (shipping, ports, fisheries, shipbuilding, marine manufacturing and construction, tourism) as well as newer industries (such as aquaculture, offshore renewable energy, maritime safety and surveillance, marine biotechnology, high tech marine products and service, higher quality connectivity and transmission, ocean conservation and maintenance and desalination) is likely to play an ever-increasing role in meeting these demands. Achieving this growth in a way which ensures the long-term sustainability of the ocean economy and the safety of those who work in it is critical.

Sustainable blue finance

Sustainable ocean (Blue) finance can redirect funds from potentially harmful activities to the development of blue solutions that address rising oceans, climate change, pollution, nature loss, good livelihoods, and safety. Despite developments in the field of ocean finance over the last decade, the sustainable ocean economy finance gap is growing faster than overall investment. The UN has estimated that the world will need to spend between \$3 trillion and \$5 trillion annually (around 3% of global GDP) to meet the SDGs by 2030. SDG14, and the wider blue economy receives the least amount of private sector capital of all the SDGs.

A paradigm shift is required to realign the global economy, by growing the *blue* economy to sustain ocean, community, and economic health.

Although government funding is valuable, especially in the early stages of risky investments, it cannot support the scale of funding needed over the long term – for this private sector funding is essential.

Private sector capital is not moving at the pace and scale needed in the ocean space. There are several barriers to attracting mainstream investment, which need to be addressed:

1. a lack of awareness and capacity around the opportunities in growing the blue economy
2. the lack of common frameworks and guidance for key actors including governments, investors, corporations, and intermediaries
3. the small pipelines of investable deals

The role of Lloyd's Register Foundation and its partners

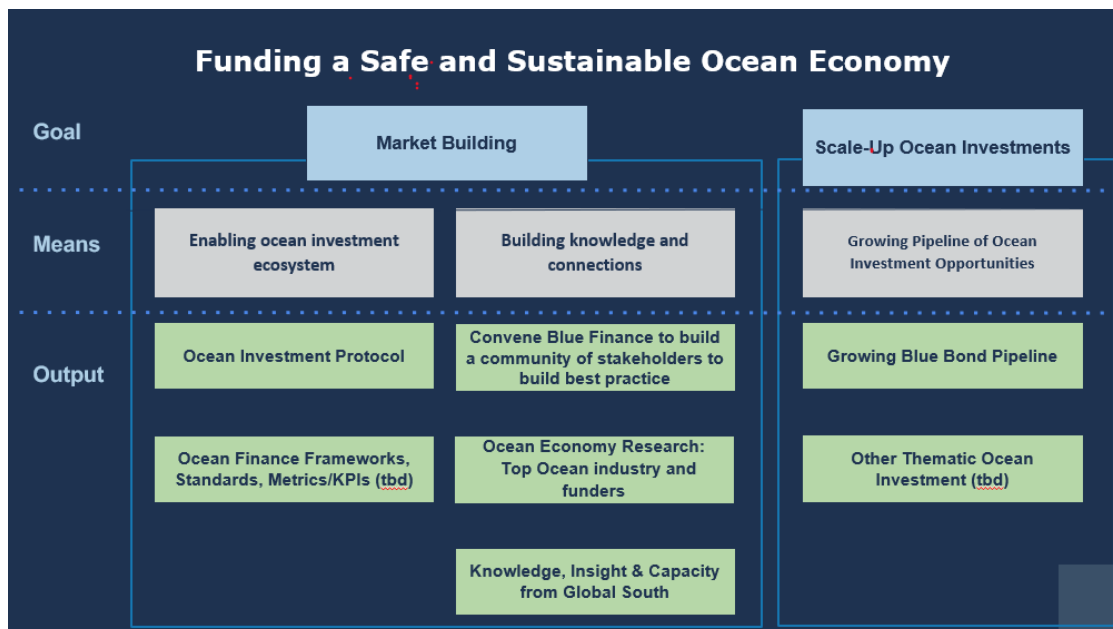
Suzanne Johnson is working on behalf of the UN Global Compact Ocean Stewardship Coalition, with funding from Lloyd's Register Foundation to enable safe and sustainable growth in the ocean/maritime economy through better access to finance.

Her work involves: establishing new relationships; building and directing new coalitions, and wider ecosystems; raising funds and donations for events; creating new content (for example new guidance on blue bonds, thought-leadership pieces, agendas for workshops and meetings); and

championing blue finance at major global fora and events with the World Bank, the UN and major investment banks, funds, foundations, and NGOs.

Over the coming 24 months towards the UN Ocean Conference in 2025, the focus is on building the market and supporting the scale-up of ocean investments. The programme has three main components within two overarching goals:

1. Building the market for blue finance by:
 - a. Enabling an ocean investment ecosystem by establishing the frameworks, standards, incentives, metrics and tools to support blue finance
 - b. Building knowledge and connections by establishing and running a blue finance community and feeding it with up-to-date research on attitudes and activity in blue finance
2. Scaling the pipeline of safe and sustainable ocean investment opportunities by advising and encouraging those who could establish new blue economy investment.



The long-term outcomes of this work include improved standards and frameworks to support safe and sustainable blue finance (which importantly address the needs of less developed countries); better access to public and private finance for high quality (safe and sustainable) ocean projects; and ultimately greater global finance flows serving safe, sustainable, and prosperous blue growth.