

“Healthy Oceans – Healthy Coast”

International Leadership Conference towards achieving SDG 14

“Current challenges and opportunities in ocean and coastal sustainable development”

~ Celebrating 45 years of IOI and its work in Sustainable Ocean Governance ~

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The Hong Kong
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International Ocean
Institute



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Shenzhen World Health Foundation

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KEYNOTE PRESENTATION

Good morning Excellencies, Ladies and Gentlemen:

On behalf of the United Nations Conference on Trade and Development (UNCTAD), which is the focal point of the UN system for the integrated treatment of trade and development, I am pleased to address this gathering of leaders responsible in one way or another with life below seas and oceans under the apt title of "Healthy Oceans, Healthy Coasts: Current Challenges and Opportunities in Ocean and Coastal Sustainable Development".

First, I wish to express my appreciation for the organization of this leadership seminar to its co-sponsors' namely the Hong Kong Polytechnic University; the

International Ocean Institute; the Shenzhen World Health Foundation; and my own organization, UNCTAD.

I wish to thank sincerely Antonella VASSALLO, Managing Director, IOI HQ; Angelina YUEN, Vice President, Hong Kong Polytechnic University; and Dr. and Mrs. HU, Shenzhen World Health Foundation for the conference support and hospitality which has been top notch. Also, the agenda of the seminar promises to be exciting, topical and relevant to global discourse on advancing global goals adopted by the Special UN Summit in 2015.

I also wish to take this opportunity to congratulate the International Ocean Institute on its 45th year of existence and work on sustainable oceans governance. The IOI has accumulated a wealth of knowledge on sustainable oceans that it uses to build up leadership and advocacy among citizens and governments for good governance and stewardship over oceans and marine resources. UNCTAD has recognized the importance of this effort and hence we have collaborated closely on ocean economy issues with the IOI for several years. We are thus pleased to be present here today at this commemorative seminar.

Let me also acknowledge the eminent personalities delivering keynote addresses this morning: Dr. Awni BEHNAM, Honorary President of IOI, who I have known as a colleague and worked with for many years; Gao GUOHUI, Chairman of the Board, Shenzhen World Health Foundation; James MSEKELA, Chairman of the Group of 77 and China in Geneva; Vladimir JARES, Deputy Director, UN Division for Ocean Affairs and the Law of the Sea; and Lu HAIFENG, Secretary General, Global Forum on Human Settlements. I am convinced that the messages from them will provide new ideas and concrete suggestions on moving forward in advancing SDG 14, the oceans goal, as the global community is being mobilized to hold the first global conference on this goal in 6 weeks from today in June in New York. This seminar is thus timely in crafting a message from stakeholders engaged in oceans sustainability to this UN conference.

I wish to make three points regarding the economic dimension of oceans, i.e., the ocean or marine or the blue economy which is reflected in SDG 14 targets 14.2 on

marine and coastal ecosystems, 14.4 on IUU fishing, 14.6 on bad fishing subsidies, 14.7 on SDGs and LDCs, 14.b on small scale artisanal fishers, and 14.c on UNCLOS.

In doing so I must underscore upfront that the economic dimension of oceans, simplified as sustainable use of oceans and oceans resources, is interwoven in an intricate manner with its environmental dimension which is about stewardship and conservation of oceans and its resources, and its social dimension which is about livelihoods, food, culture and communities. So like other SDGs, the oceans goal also deals with people, planet (oceans) and economy, and the challenge and opportunity is to make this complex interaction a positive one with gains for all and losses for none.

My first point is that the ocean, marine or blue economy has no internationally agreed definition. Dr. Awni Behnam who delivered the first keynote address in this seminar had defined it in 2007 as "living with the ocean and from the ocean in a sustainable relationship". The term has been used in literature as an extension to or part of the popular concept of the green economy, that came to the fore of international attention at the UN Rio+20 Summit in 2012.

So while the green economy is associated with land-based economy, the blue economy is associated with sea-based economy. In this manner we can note with satisfaction that what was once a noticeable phenomenon of 'sea-blindness' among many countries and institutions in considering economic opportunities primarily as derived from land-based resources and comparative advantage, this is now changing toward considering also the potential economic forces of oceans and seas, especially for island and coastal States. This recognition is important and it is due to continuous advocacy by many including experts such as myself and my colleague David Vivas who is moderating a session of this seminar.

This gradual shift in mind set is being witnessed in some countries. Seychelles, for example, has set in motion a policy to base its economic transformation by moving from a small island state, connoting a small economy, to a large ocean state, connoting a large economy, by developing and implementing strategies based on use of its blue economy. It is one of the few countries to do so that want to maximize the use of its large exclusive economic zone more meaningfully.

Few other countries or regions are in early stages of examining the potential, and developing, a blue economy policy and strategy. They include the European Union Marine and Maritime Agenda for growth and jobs; the 2050 African Integrated Maritime Strategy and Plan of Action; Africa's Blue Economy policy handbook by UNECA; the Pacific Islands Regional Ocean Strategy, supported by an Oceans Commissioner; Mauritius ocean economy roadmap; and Cabo Verde blue economy strategy.

Most other countries and regions still suffer from 'sea-blindness' over the economic potential of their ocean space. So there is need to encourage such countries and regions with sea space to look into the potential of their ocean economy based on their EEZs or even in terms of combing the EEZs into regional economic spaces among countries with established regional economic community like the Caribbean Community, the Pacific Islands Forum or the Indian Ocean Commission.

My second point is the potential economy contribution of oceans is significant. Recent studies on the matter indicate that the oceans economy, could provide a huge stimulus to sustainable economic growth, and extend the frontiers of development for countries with sea space. UNCTAD estimates that the value of the ocean economy is about US\$ 3 trillion, which is about 5% of the global GDP. In a study in 2015, the WWF conservatively estimates the value of goods and services from oceans at about US\$ 2.5 trillion annually and its overall long-term asset value is worth US\$ 24 trillion, which is far larger than any of the largest sovereign wealth funds.

A 2016 OECD study conservatively estimated the ocean economy value added output in 2010 at US\$1.3 trillion which is about 2.5% of world gross value added, and it created 31 million jobs. It further estimated that this contribution to world gross value added would double to over US\$ 3 trillion between 2010 and 2030 and provide over 40 million full time jobs.

My third point, linked to the first and second points, is that the ocean sectors that can be harnessed for economic development are several. One is **harvesting and trading of marine living resources**. It includes the harvesting and trade in seafood (fresh and value added) to meet growing demand for ocean-based food, nutrition and protein.

This concerns in particular fish and fish products, which has been traditionally been exploited but now faces tremendous pressures on sustainability so that needs to be addressed as further development of both wild caught fish and aquaculture fish production and sale are expanded.

This sector also includes the usage of marine living resources for pharmaceuticals and chemicals through marine biotechnology and bioprospecting. There is demand for ocean-based biotechnology for health care, cosmetics, enzymes and nutraceuticals. It is estimated that about 18,000 natural products have been developed to date from about 4,800 marine organisms, and the number of natural products from marine species is growing at an annual rate of 4%. Moreover, the global market for marine biotechnology is projected to reach \$4.9 billion by 2018, driven by increased investments in marine biotechnology research and growing demand for natural marine ingredients due to changes in consumer patterns preferences towards the "natural" products.

Another broad ocean economy sector is the **extraction and use of marine non-living resources and use of renewable, non-exhaustible natural forces (wind, wave and tide energy)**. This relates to the extraction of minerals including via seabed mining (a controversial issue), extraction of energy sources like oil and gas, generation of off-shore renewable energy and fresh water generation via desalination to meet the demand for minerals, energy and fresh water.

A third category of the blue economy is oceans as a **vector for transport of traded goods and people, coastal development and tourism and recreation**. The ocean and a vast waterway for ships to transport goods and people, and has added benefits of ports and related services. There is strong growth in seaborne trade and so maritime transportation is rising. It has the added issue of use of fossil fuels and impact on greenhouse gas that must be addressed. Ocean-based

tourism is growing strongly and offers major opportunities for economic growth for coastal states.

Developing the potential of oceans and marine resources starts with recognition of the potential of the blue economy, elaboration of a national ocean based strategy and implementation of that strategy.

This is a key challenge facing countries in advancing SDG 14 and its intended goal of promoting sustainable development and eradicating poverty and hunger.

Now, some concluding remarks.

The ocean economy provides a new frontier of development that countries, developing and developed, have yet to fully explore and harness without undermining environmental sustainability. The 2030 Sustainable Development Agenda and SDG 14 in particular provides a wakeup call for the international community to consider more fully the potential of the ocean economy in realizing economic growth and promoting prosperity of islands and coastal states.

Sectors of the ocean, marine or blue economy can be galvanized to foster growth, economically diversify and add value, such as from fish products and marine genetic resources. Traditional fish and sea food export can be harness to generate high levels of value addition. Marine genetic resources need to be better regulated and mainstreamed into national innovation systems so value can be captured and potential for developing new food, drugs and cosmetic products can be developed. Also links between sustainable fish and sea food production and marine resources extraction need to be linked to other oceans economic sector with growth potential such as port services, tourism, food processing, and R&D.

The marine sectors demonstrate potentially strong future growth prospects so countries need to mobilize investment to develop the sectors. In this direction, national and regional oceans, marine or blue economy policies and strategies should be developed and implemented. This is a nascent area despite the importance of oceans and thus the particular attention of countries is required, drawing upon some initial steps in some countries and some regions.

Finally, there is need for permanent advocacy on oceans to build up expertise, knowledge and support for realization of SDG 14. The IOI, in cooperation with partners, should develop and implement an ocean literacy programme for policy makers to address the issue of sea-blindness and move the oceans goal from decisions to actions. The work of the International Ocean Institute, and its network of partners as realized today in this seminar of leaders is a sterling example of the challenge to transform oceans, this global commons, into a formidable asset for sustainable development. THANK YOU.