

Summary from the roundtable discussion on Blue Growth

House of Sweden, Washington, April 10th 2014

SUMMARY

Roundtable on Blue Growth

Hosted by the Government of Sweden in cooperation with the Ocean Foundation.

Moderated by Swedish Ambassador for Ocean, Dr. Lisa Emelia Svensson and President of the Ocean Foundation, Mark J. Spalding.

Introductory remarks by Sweden's Minister for the Environment Ms. Lena Ek.

We have had brown growth, green growth, and now we are looking to blue growth. At each stage we have made progress to strengthen economies, foster innovation, and create jobs, yet increasingly understand that we have planetary limits. In the case of blue growth, we have a significant and undeniable dependency on the ocean's ecosystem services. If we grow our economy on the back of the ocean, we must not only do no harm, but also look to create opportunities that help restore the ocean and its balance and thus take pressure off the commons. There is great opportunity within blue growth for collaboration because the ocean and its issues are inherently international in scope.

The purpose of the roundtable was to identify ways to achieve closer collaboration and cooperation.

- How can the blue growth agenda contribute to reversing the current decline of ocean health and at the same time create jobs and wealth?
- How can we ensure the integrity of ocean ecosystem services and make their value visible?
- What are our roles and responsibilities?

This roundtable is the product of many conversations and meetings being held about the state of our world's ocean. The European Union has shown a marked commitment to the ocean and blue growth in specific policies, and there is hope for further collaboration between the United States and the EU to advance blue growth. What is necessary, therefore, is to define what

blue growth is and where possible collaborations can arise. Each meeting should build off the next to advance the conversation; moving from the House of Sweden conference in December on the Economics of the Ocean, to this roundtable, we now look forward to the April meeting at the Hague on Global Oceans Action Summit For Food Security And Blue Growth, to Secretary John Kerry's June "Our Ocean" conference, these convenings will raise the international profile of the issues facing our ocean. We hope to find areas of overlap and common ground so we can move blue growth from discussion to action.

Blue Growth is an official, new long-term strategy adopted for Europe. It recognizes that seas and oceans are drivers for the European economy with great potential for innovation and growth. It is the Integrated Maritime Policy's contribution to achieving the goals of the Europe 2020 strategy for smart, sustainable and inclusive growth (ec.europa.eu/maritimeaffairs/policy/blue_growth). Specific objectives in the European Union's agenda include advances and research into aquaculture, biotechnology, seabed mining, ocean energy, and coastal or maritime tourism.

There was a broad consensus among participants that blue growth will require anticipating future needs, critically thinking about how our world will look in the next ten to fifty years and how we will want it to look. Blue growth should be about exploring possibilities of further economic growth, without further degrading

ocean health. Moreover, it should be about restoring the ecological balance of the seas, and turn this challenge into possibilities of growing our economies. Balancing human well-being and business to create restorative, not destructive, growth, is the key to unlocking blue growth's full potential.

Many of the participants agreed that extended collaboration is needed, and that clarity and agreement on definitions is helpful. What is blue growth, beyond an amorphous cloud of concepts? To find where government, conservation, and business overlap, a common language should be established which would avoid efforts being lost in translation back to our different interested groups. Stories must be shared across the globe of both successes and failures – a global network of individual experts can, in such a way, learn from each other and find opportunities to work together to solve global crises. This will also require a large amount of data gathering and sharing. Open access data can help move efforts from data collection to information sharing and truly understanding the state of the oceans, the tools that are available, and potential partners around the globe. Coming to this level of understanding and information sharing will in turn inform better policies regionally, nationally, and globally.

From these broad discussions of definitions and data sharing we can move toward slightly more specific goals and approaches to blue growth. As pointed out by several participants, our lack of data is having significant effects on the way we value our commons. Better valuations of natural capital must be achieved to build cost-benefit analyses that truly reflect what may be lost by mistreating the marine ecosystem. By knowing the true value of these commons – for instance, fish – stakeholders can price them with greater accuracy and small island nations can charge a full “rent” to those who wish to use resources within their exclusive zones. Equity in such dealings can only come from true valuations of resources, as well as respecting the rights of small island developing states to use blue growth as a means of expanding their economies. It is the responsibility, therefore, of developed nations to aid technology advances in such areas, rather than abuse another's resources.

Trade agreements can be a great tool to promote environmental protection and oceans issues. In new trade negotiations under negotiation, such as the Transatlan-

tic Trade and Investment Partnership (T-TIP), the United States has made proposals that would put environmental commitments on par with commercial obligations – and punitive measures could be taken if environmental commitments are not met. These negotiations are often opportunities to get concrete agreements from countries that they will hold up environmental protections, combat illegal fishing, or will not subsidize harmful fishing practices. Produce or process certification was suggested as possible measures to combat IUU fishing. It also holds possibilities for negotiation and further collaboration. Certifying shipping and fishery products/processes would benefit from sharing information and procedures, creating more rigorous and accurate systems based on lessons learned from around the globe.

An interesting counter-point to blue growth worth noting here is that there may be simpler solutions than finding new resources to exploit, such as urban mining for rare earth metals or the standardization of shipping containers. These were two stand out examples discussed of innovation reducing the need for potentially damaging exploratory missions and wasteful practices. It is clear that alternatives are also part of the discussion of blue growth – if we want growth that restores the ecological balance of the seas, perhaps not looking at the sea for our answers is the first step. What other options there are, and what the costs of each alternative may be, should also be on the table for discussion. Many participants expressed that in order to advance discussion; a “priority list” must be set globally – an agenda of sorts to establish what issue areas can be approached using blue growth in an appropriate fashion. Some such topics were discussed more specifically; aquaculture, shipping, seabed mining, and coastal marine spatial planning were among them. For aquaculture, zoning policy and property rights become issues in areas where they are a common practice. Regulations, rather than stifling business, can encourage good business practices by establishing good zoning policy that keeps stocks healthy. If the United States could introduce better regulations on aquaculture, its products, and its processes, then business could grow nationally, rather than relying on a predominantly Asian market. With better regulations and better products, industry leaders could then look at the problems facing aquaculture (such as climate change, ocean acidification, and developing equitable access rights) rather than focusing solely on production. Aqu-

aculture has the potential to help developing states if it can be done properly. Here is where the proper valuation of natural capital also comes into play; the cost-benefits of other options must be weighed, but the analysis will be skewed if natural capital is not valued to its fullest potential. The interaction with capture fisheries must also be monitored and regulated to develop these cost-benefit analyses.

It was highlighted that in shipping, we have seen clear examples of what standardization can do; in a telling example, shipping costs and carbon footprints were greatly reduced by re-structuring the classic steel containers to weigh one tenth of their original weight. In addition to these measures, industry leaders are leaning in to the environment; the creation of a Clean Shipping Index was an initiative from industry leaders to establish standards in shipping. It was stressed that good business leaders recognize the need for long-term sustainability, as their businesses rely on maintaining the ecological balance of the seas as well. Business people should be more included in conservation discussions as they demonstrate they are able and willing to collect data and invest in good practices or regulations.

The roundtable exchanged views on seabed mining, an issue that comes with more reservations from the conservation community; given the track record of mining endeavors on land, those in the conservation field may be skeptical of any seabed mining. In keeping with “blue growth,” however, it was expressed that there may be opportunity to recover what our growing society needs in a way that is at least neutral if not actively good. Again, alternatives must be sought for “cleaner,” cheaper solutions, such as urban mining. However, seabed mining is likely in our collective future in some form or another, so will need great collaboration for data sharing and best practices from those in the business. From the point of view of businesses, also, the consumer must feel the weight of an environmental burden. Once these negative externalities are built in, or at least made evident to a consumer, behaviors may change quite quickly. Engaging consumers is a potentially powerful tool to drive innovation in blue growth.

Finally, coastal and marine spatial planning was discussed as an area that, much like blue growth itself, would benefit from definition. Many expressed that establishing an ecosystem based marine spatial planning is of

great importance, as well as exchanging experiences in its practical implementation. In defining spatial planning, there must also be thought not only to what situations are like today, but what they will be 20 – 50 years from now in the face of changing climate, but using the tools we have available today. Re-thinking our coastal strategies while engaging private industry is a promising area for blue growth. It will require governments for zoning, non-profits and conservationists for environmental assessments and consulting, and businesses for innovation. Natural coastlines buffer storm surges and sea level rise – restoration projects not only add as many jobs and economic opportunity as grey infrastructure, they also add to these natural benefits. Effects may be felt in a reduction of spending on flood insurance and clean ups, increased ecosystem services, and less severe storms. Adaptation to climate change comes into play when discussing coastline management and spatial planning. Sitting down to the table and looking at green vs. grey infrastructure and sharing stories and experiences will be critical to even define spatial planning as well as develop best practices. True valuations of natural capital must be established for true cost-benefit analyses, weighing green restoration against grey infrastructure solutions to ever-changing coastlines. To make the value of eco-system services visible is of great importance.

In summary, there are evidently many places for collaboration across interest groups (government, civil, conservation, and business) as well as across nations and continents. Better data will drive better policy, and engaging consumers will drive better practices. This conversation must be carried forward and built upon in future meetings. What is clear is there are many threats facing our ocean, but also many opportunities. We must capitalize on the momentum we have and do something good for the ocean, and good for us. We must choose not only what our priorities are, but also what our next steps will be to promote blue growth.

NEXT STEPS

How can USA and Sweden/EU foster collaboration and cooperation as a pilot for broader North Atlantic efforts? And, as we pursue blue growth, how can we work together to ensure it constitutes responsible, sustainable development that supports

- Socio-economic and aesthetic development?
- Historical, cultural and ecological protection?
- Enhancement of ocean ecosystem services?

Expressed another way, ocean health is fundamentally “Earth’s life support system,” and thus it must be fully operational. As a proxy, we express this life support as “eco-system services” that are provided for all life on earth; plants and animals (including humans):

- Provisioning (e.g. food, oxygen and water)
- Regulating (e.g. climate/temperature regulation, coastal stabilization)
- Supporting (e.g. pollution filtration, waste processing)
- Cultural (e.g. aesthetics, recreation, fun and inspiration) [NB: EU Atlantic Strategy includes socially inclusive growth]

As we pursue Blue Growth, how do we collectively ensure the integrity of these services? As part of Blue Growth, can we also seek to create jobs and wealth by implementing the solutions to reverse the current decline of this ocean health?

Focus on listing our priorities, and which of them we have in common between the US and Sweden, or the US and the EU and take advantage of general opportunities:

- Find common language
- Highlight our best examples
- Share data and expertise
- Think about common threats (such as sea level rise)

And, for example take advantage of specific opportunities:

- Economics
 - Valuation of natural capital
 - International trade agreements
 - Look at ocean (blue) investment opportunities
 - Develop public private partnerships
 - Explore less costly/harmful alternatives to damaging the ocean
 - Integrate economic data with ocean observation data
- Policy
 - Jurisdiction, regulation and authority
 - Reduce bad fishing and other ocean extraction subsidies
 - Look at finance mechanisms, including loan guarantees for public private partnerships

- Research and Science
 - Further develop the Global Ocean Observing System
 - Understand the harm from seabed mining
 - Ocean acidification and bivalve mariculture
- Human and ocean health
 - Produce, process and ship products in the most sustainable way
 - Reduce bad fishing practices, and overfishing in general
 - Restore coastal ecosystems that are buffers to sea level rise and storm surges

DISCUSSION OF NEXT STEPS

1) Establish Our Roles

Looking at how the US government, industry, and non-profit sectors from the United States can develop cooperation and interaction with the European Union and its “Blue Growth”. Collaboration between the United States and Sweden/EU can be a pilot for broader efforts across the North Atlantic for advances in blue growth technology, research, and policies. Developing “blue” must rest entirely upon being sustainable in terms of socio-economic and aesthetic development, protection of history, culture, and ecology, as well as enhancement – rather than degradation – of ocean ecosystem services.

2) Ensure Protection of Ecosystem Services

The world’s ocean is “Earth’s life support system”, sustaining us by providing food, water and oxygen; regulating climate, temperature, and coasts; supporting life through pollution filtration and waste processing; and providing cultural values from recreation, inspiration, and aesthetics. It is vital to note that the European Union’s Atlantic Strategy includes socially inclusive growth as a specific opportunity sustainable growth and development. Collaboration to develop blue growth must ensure the integrity of the above services and hopefully reverse the current decline of said services, while seeking to create jobs and wealth in an ever more populous world. The challenge, therefore, is to implement solutions to the threats facing the ocean in ways that stimulate job creation and economic development.

3) Establish Priorities

To move on to the next stage of blue growth, we benefit from focusing on common priorities in light of general and specific opportunities. Priorities may stem from promising business ventures or from common threats, such as sea level rise and ocean acidification. Finding a common language will be a useful exercise for collaboration, ensuring representatives of business, government, and non-profits are all on the same page. Sharing stories and successes will also be vital, spreading examples of what has worked and how a successful project could be implemented elsewhere. Sharing stories will also lend itself to sharing data and expertise, establishing a global network of experts and information. There are numerous common threats we all face, as the ocean is an inherently international issue – thinking about these common threats will allow actors to participate in global endeavors from an individual, national, or regional level.

4) Identify Opportunities

Opportunities to develop blue growth abound across economics, policy, research, and health. In economics, valuation of natural capital is a growing field promising the true worth of natural resources and services, theoretically ensuring true cost-benefit analysis and equitable agreements between communities dependent on a natural resource or service and investors or developers dependent on profit. Such analysis invites a closer look at alternatives to damaging processes; examples include seabed mining vs. urban mining, or restoration vs. fortification of coastlines. There may be easier, cheaper, or less damaging solutions to the challenges we face today; even environmental solutions that contribute just as much to job creation and economic growth. International trade agreements, public private partnerships, and ocean investment opportunities are all tools being implemented that cover punitive systems for bad practices or incentives for investment. The integration of economic and ocean data can be a powerful tool to encourage growth that is actually beneficial to the oceans.

This data integration, and sharing, will in turn inform better policy decisions. Policy tools are plentiful, and have been applied to countless other situations. In the realm of the ocean, jurisdiction, regulation, and authority become major players. With the power of policy, bad fishing practices or subsidies for harmful extrac-

tive industries can be curtailed. Regulation, zoning policies, and property rights are central to aquaculture facilities and the health of their products. Developing good zoning and property practices will be an important next step to expand sustainable aquaculture out of the Asian market. Innovation can be inspired with loan guarantees for public private partnerships; an example can be found in the ARPA-E program for renewable energy. Such policies can invigorate a blue growth industry, leading to economic growth alongside environmental restoration.

Another tool that can be put into play is in the realm of science and research. Opportunities abound to contribute to the Global Ocean Observing System, again sharing ideas and data across the world. There are opportunities to learn about ocean ecosystems previously unknown, like the seafloor where exploratory mining expeditions are making leaps and bounds for our knowledge base. This research and exploration, however, must be properly applied so we understand not only the opportunity for mining, but also how harmful disrupting this system might be. Mariculture of bivalves, especially in the Pacific Northwest of the United States, has led research on ocean acidification and climate change. These businesses have the perfect set up for scientific studies, and want to share and analyze data to improve their stocks. A healthy ocean means healthy, sustainable business; they are invested in the health of the oceans long-term. For this reason, research and science is welcomed. Actively engaging business people can be greatly beneficial to the bottom lines of conservationists and CEOs alike.

Lastly, opportunities arise in linking ocean health to human health. The ecosystem services the ocean provides humans have been made abundantly clear; valuations of natural capital are aiding this clarity. Adaptation to climate change has a great potential for stimulating growth that does some good – from job creation to ecosystem restoration and ecosystem-based management. This opportunity lends itself to international collaboration due to its inherently cross-boundary scope. Adaptation could be, truly, economic growth with environmental benefits. For blue growth to succeed, human and ocean health must go hand in hand in the production, processing, and shipping of products in a safe and sustainable manner. Industry leaders are leaning in to the environment; the creation of a Clean

Shipping Index was an initiative from industry leaders to establish standards in shipping. It was emphasized that good business leaders – from aquaculture to shipping – will recognize the need for long-term sustainability, as their businesses rely on maintaining the ecological balance of the seas as well. Engaging business can enhance both human and ocean health. Policies, like the T-TIP, have the power to reduce bad fishing practices and even overfishing in general. Restoring the health and resiliency of fish populations can be achieved by turning true valuations of natural capital into robust fishing policies or licenses.

The above next steps and areas of overlapping interest hold great potential for collaboration between the United States and Sweden, as well as the European Union and world at large. These areas and opportunities will take careful thought and examination to put into practice; the end result could be a healthier ocean, a healthier population, and more sustainable businesses alongside economic and population growth. Carry this conversation and these next steps into future conversation – the chance to achieve truly sustainable growth is a very real possibility, and the time to organize and act is now.