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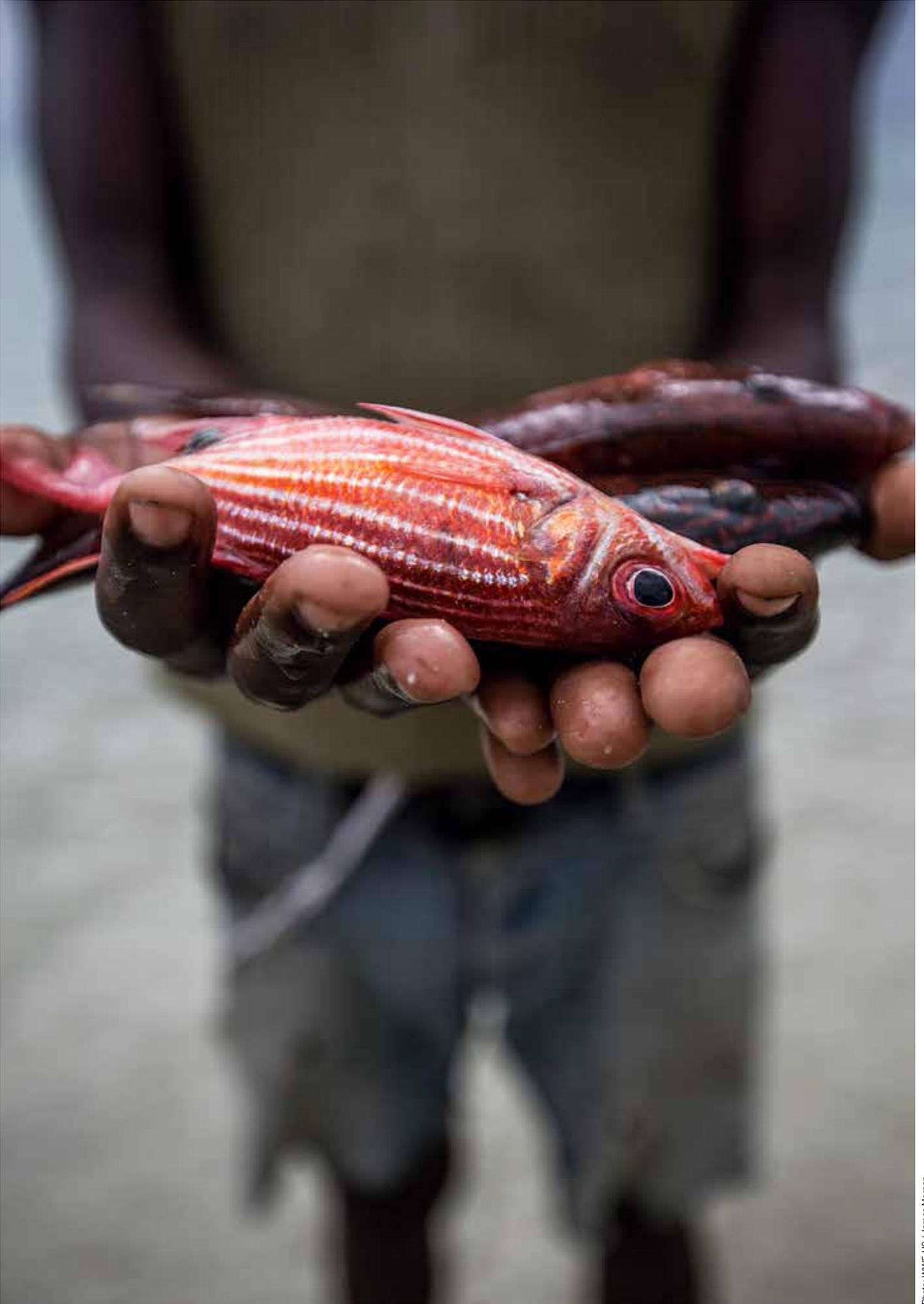
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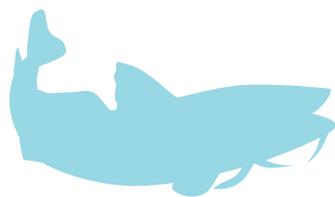
GUIDANCE for investors and policymakers

DRAFT 1.0
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Roadmap for the development of a
**SUSTAINABLE BLUE
ECONOMY PROTOCOL**



THE NEED FOR SUSTAINABLE BLUE ECONOMY GUIDANCE



**\$2.5
TRILLION**

**PER YEAR IS GENERATED
GLOBALLY FROM
THE BLUE ECONOMY**

The Blue Economy — defined as the economic benefit and value we realize from the Earth's oceans and coastlines — is expanding rapidly. Globally, the Blue Economy generates \$2.5 trillion per year from the combination of fishing and aquaculture, shipping, tourism, and other activities.¹ These figures do not include cultural and other important, but less tangible, values as well as the non-quantifiable benefits of maintaining the systemic health of the 70% of our planet that is ocean.

But these figures, and all the food, employment and livelihoods that they represent, are not guaranteed if we do not take action to ensure the long-term sustainability of this invaluable planetary asset. Ocean stresses are well documented: biodiversity is rapidly declining, acidity is increasing, plastic and other wastes are accumulating, and the temperature is rising. Our oceans are moving deeper into ecological crisis just at the moment when we need them more than ever.

If we are to realize the full benefit of the oceans, both now and long into the future, we urgently need a set of guidelines and guardrails for investment and development policy. Following the wisdom of the United Nations Sustainable Development Goals, adopted by all nations in 2015, we need to ensure that our economic use of the seas also leads to their long-term conservation, and indeed their restoration.²

Sustainable Blue Economy Protocol: The Concept

The Sustainable Blue Economy Protocol is an approach proposed for investors and policy-makers who are considering investment and development options. Using a step-by-step approach, the Protocol will support decision makers in choosing sustainable investment and development opportunities while minimizing risk, increasing benefit-sharing, and optimizing long-term returns.

The Protocol will be based on the **WWF Principles for a Sustainable Blue Economy**,³ created in 2015 through an extensive, global consultation process. The Principles provide a clear definition of what sustainable development means in the oceans context. The Principles also define the governance processes and key actions needed to ensure that development of the Blue Economy is sustainable. They are harmonized with the 2030 Agenda and other relevant international agreements and guidance documents (see box).

The Sustainable Blue Economy Protocol will be:

Voluntary. The Protocol will be positioned as a guidance document that both private investors and public sector actors can adopt and use in the absence of, or in tandem with, regulatory guidelines.

Non-prescriptive. The Protocol will describe the conditions for sound investment and development, and provide examples. But the determination of which specific investments and enterprises should be taken forward, and in what form, will be left to the judgement of decision makers.

Science-based. The Protocol will be based on the Principles, which are grounded in the best available science of ecosystems and their boundary conditions for long-term sustainability, and in the related practices of ecosystem-based management.

People-centered. The Protocol will recognize that people are at the heart of the 2030 Agenda and the Sustainable Development Goals, and that the sustainable development of our oceans and seas should move forward in the spirit of ensuring that “no one is left behind.”

Conservation-minded. The Protocol will also take into serious account the global imperative to preserve and protect “life under water” (SDG 14) and to ensure that investment and economic development create benefits for nature conservation as a long-term value for humanity.

¹ WWF, 'Reviving the Ocean Economy: The Case for Action – 2015: ocean.panda.org'

² Goal 14 of the SDGs reads: “Conserve and sustainably use the oceans, seas and marine resources for sustainable development.” Transforming our World: The 2030 Agenda for Sustainable Development, United Nations, 2015.

³ See Annex 1, pages 6–7, for the complete text of the Principles for a Sustainable Blue Economy.



See Annex 1, pages 6–7, for the complete text of the Principles for a Sustainable Blue Economy.

TO BUILD THE PROTOCOL, START WITH THE PRINCIPLES

In recent years, the concepts of “Blue Growth” and “Blue Economy” have surged into common usage all over the world. But a clear definition of what these terms mean — and guidance about what will make the Blue Economy sustainable — has been lacking.

The WWF Principles for a Sustainable Blue Economy were developed to fill this gap. Created through a global consultation process, they are a comprehensive and systemic framework anchored in best available science and the global policy consensus on Sustainable Development Goals. They aim to help decision makers create win-win solutions that maximize both the economic value and the ecosystem health of our oceans in the long term.

The Principles define a sustainable Blue Economy as one that:

- Provides social and economic benefits for current and future generations by contributing to food security, poverty eradication, livelihoods, income, employment, health, safety, equity, and political stability.
- Restores, protects and maintains the diversity, productivity, resilience, core functions, and intrinsic value of marine ecosystems — the natural capital upon which its prosperity depends.
- Is based on clean technologies, renewable energy, and circular material flows to secure economic and social stability over time, while keeping within the limits of one planet.

The Principles also provide guidance on the governance processes and the key actions that will lead to a Blue Economy. They are the foundation for this proposed “Blue Economy Protocol” and would be treated as an integral part of the document.

See Annex 1 for the complete text of the Principles for a Sustainable Blue Economy.

Developing the Protocol

The development of the Sustainable Blue Economy Protocol should follow the Principles for a Sustainable Blue Economy — that is, the process should be: inclusive of key stakeholders; grounded in sound science and a precautionary approach; transparent and accountable; long-term and integrated in its coverage; and focused on generating innovation and proactive engagement by economic actors.

In order to move the process forward, it is proposed that a small working group be established, advised by a larger stakeholder council or task force, comprised of a representative group of stakeholders from key sectors, supported by independent experts. This group, which could be facilitated by WWF or be initiated by a broader partnership, would develop a draft Protocol, gather input globally from other stakeholders, and then come to agreement on a first working version for broad dissemination.

The Elements of a Protocol

An effective Protocol needs to be general enough to be applicable across a wide range of different sectors, but specific enough to address the unique conditions of development in oceans, seas and coastal areas.

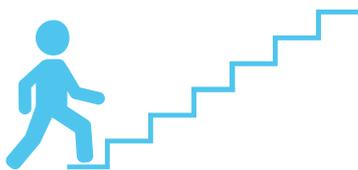
The Protocol needs to be sufficiently detailed to provide useful guidance to investors and policymakers charged with making decisions affecting sizeable capital investments, large numbers of people, and sensitive ecosystems. At the same time, it needs to be helpful without being burdensome to its users.⁴

The process of developing the Protocol should also integrate or take into account complementary initiatives, such as the Principles for Responsible Investment (PRI) and the Equator Principles (EP), so that it helps to advance alignment and synergy among Blue Economy actors.

The Protocol should clearly reference the Principles for a Sustainable Blue Economy as a foundation document from which the Protocol itself is derived.

The Protocol needs to be sufficiently detailed to provide useful guidance to investors and policymakers charged with making decisions affecting sizeable capital investments, large numbers of people, and sensitive ecosystems. It needs to be helpful without being burdensome to its users.

⁴ See Annex 1, pages 6–7, for the complete text of the Principles for a Sustainable Blue Economy.



The Protocol itself needs to support users in doing the following process, in 7 steps:

STEP 1. Identify viable and long-term profitable investment opportunities.

To support initial screening, the Protocol will assist decision makers in identifying possible targets for investment that are consistent with the Principles for a Sustainable Blue Economy, and that:

- Have a strong business case, so that the economic activity can continue and produce returns in a market economy without dependency on indefinite subsidies
- Have the basic preconditions for providing consistent returns — for investors, stakeholders, and affected communities — over multi-decade time-scales
- Appear well-positioned to contribute to a combination of key Blue Economy elements such as food security, poverty eradication, livelihood and employment, health, safety, equity, and political stability
- Are based on a business model that is both consonant with sustaining ecosystem resilience and the preservation and restoration of natural capital; and based on circular economy best practice (e.g. using clean technologies and circular material flows).

Options that pass this initial screening phase would proceed to step 2.

STEP 2. Assess the investment's economic risks and benefits.

A full risk/benefit assessment would be performed based on the economic case to determine viability of the proposal from a financial perspective, using best-practice analysis techniques. (These techniques could include use of the Natural Capital Protocol to determine the economic value of ecosystem services that would be affected, and the degree to which those services would be enhanced or put at risk — see *Annex 2*.)

STEP 3. Assess the investment's social and environmental impacts.

This step would make use of inclusive processes, stakeholder engagement and best-practice risk-assessment techniques that draw on ecosystem-based management, as well as on social risk analysis. The outline and content of the assessment would be based on the elements of the Principles for a Sustainable Blue Economy and best available science.

STEP 4. Review the investment's systemic impacts on other dimensions of sustainable development.

A final step in the analysis process would involve reviewing the impacts on relevant (material) dimensions of the Sustainable Development Goals that may have been missed or not otherwise covered by the above. The Protocol would provide guidance for determining that materiality and for performing this final, systemic impact assessment, including a consideration of long-term and cumulative impacts. Examples could include unexpected impacts (positive or negative) from changes in local indebtedness or remittance patterns, impacts on gender equality, impacts on youth employment, longer-term cumulative impacts on ecosystem health, etc.

STEP 5. Perform a final summary review and identify modifications or alternatives.

For any project, or element of a proposed project, that has been determined not to adequately meet minimal conditions for ensuring long-term profitability and sustainability, this step provides an opportunity to find corrections, alternatives, or to make the determination that the project is a “no go” and that a search for other options is necessary.

STEP 6. Engage stakeholders in implementation.

As the project moves into implementation, the Protocol would provide guidance on how to engage stakeholders in monitoring implementation to determine whether the assessments of expected impacts (positive or negative) were correct and if corrective management actions should be triggered.

STEP 7. Monitor, evaluate, adapt and share what is learned.

The Protocol would recommend processes and timelines for monitoring implementation, evaluating success and impact, making necessary changes, and drawing important conclusions for feeding back into the local, national or international community so that our learning about how to conduct sustainable Blue Economy investment and development could continue to advance. It would also recommend standards for robust, transparent monitoring of both the positive returns and the negative impacts of the investment or development project.



NEXT STEPS

To advance this concept, the following needs to occur:

- Develop a small multi-stakeholder working group to review and refine this design specifications document.
- Through that group, identify a larger group to participate and in the development of the Protocol itself.
- Develop a process (deally 6-12 months) and link the process to established milestones such as prominent international conferences.

For more information on WWF's ocean work and the Sustainable Blue Economy, visit: ocean.panda.org





The world's oceans, seas and coastal areas are the largest ecosystems on the planet and a precious part of our natural heritage. They are also vital to the livelihoods and food security of hundreds of millions of people around the world, and to the economic prosperity of most countries.

ANNEX 1: Principles for a SUSTAINABLE BLUE ECONOMY



Photo: Matthias Rust / WWF

Preamble

The world's oceans, seas, and coastal areas are the largest ecosystems on the planet and a precious part of our natural heritage. They are also vital to the livelihoods and food security of billions of people around the world, and to the economic prosperity of most countries.

The ability of these marine environments to provide jobs and nutrition over the long term is, however, already under pressure from human economic activities; and it is being further threatened by development approaches that are fragmented, uncoordinated, and often in conflict with what science tells us is physically possible or ecologically sound.

Fortunately, many governments, organizations and communities in

both developed and developing countries are becoming aware of the need for a more coherent, integrated, fair, and science-based approach to managing the economic development of the oceans.

Humanity increasingly understands that we are an integral part of the marine ecosystem, and that we must plan and implement our economic activities with care, balancing the desire to improve human living standards and wellbeing with the imperative to sustain ecosystem health. Active leadership is needed, in both the public and private sectors, to steer the Blue Economy in a sustainable direction. This includes delivering on commitments already made – globally, regionally, nationally and locally.

To ensure that the economic development of the ocean contributes to

true prosperity and resilience, today and long into the future, with special recognition of the needs of developing countries, WWF is proposing the following Principles for a Sustainable Blue Economy.

These Principles provide a definition of a Sustainable Blue Economy and a roadmap to help us get there. They are universal and can be applied to any part of the oceans, seas or coasts, as well as used by any actor involved in the economic development of the sea, including governments, private and financial sector actors, international agencies, and civil society groups.

WWF invites all Blue Economy actors to use these Principles for a Sustainable Blue Economy and to embed these definitions, descriptions, and actions into marine policy and activities, all around the world.

A SUSTAINABLE BLUE ECONOMY is a marine-based economy that ...

- Provides social and economic benefits for current and future generations, by contributing to food security, poverty eradication, livelihoods, income, employment, health, safety, equity, and political stability.
- Restores, protects and maintains the diversity, productivity, resilience, core functions, and intrinsic value of marine ecosystems – the natural capital upon which its prosperity depends.
- Is based on clean technologies, renewable energy, and circular material flows to secure economic and social stability over time, while keeping within the limits of one planet.

A SUSTAINABLE BLUE ECONOMY is governed by public and private processes that are ...

- **Inclusive.** A Sustainable Blue Economy is based on active and effective stakeholder engagement and participation.
- **Well-informed, precautionary and adaptive.** Decisions are based on scientifically sound information to avoid harmful effects that undermine long-term sustainability. When adequate information and knowledge are missing, actors take a precautionary approach, actively seek to develop such knowledge, and refrain from undertaking activities that could potentially lead to harmful effects. As new knowledge of risks and sustainable opportunities is gained, actors adapt their decisions and activities.
- **Accountable and transparent.** Actors take responsibility for the impacts of their activities, by taking appropriate action, as well as by being transparent about their impacts so that stakeholders are well-informed and can exert their influence.
- **Holistic, cross-sectoral and long-term.** Decisions are based on an assessment and accounting of their economic, social and environmental values, benefits and costs to society, as well as their impacts on other activities and across borders, now and in the future.

- **Innovative and proactive.** All actors in a Sustainable Blue Economy are constantly looking for the most effective and efficient ways to meet the needs of present and future generations without undermining the capacity of nature to support human economic activities and wellbeing.

To create a SUSTAINABLE BLUE ECONOMY, public and private actors must ...

- **Set clear, measurable, and internally consistent goals and targets for a Sustainable Blue Economy.** Governments, economic sectors, individual businesses and other actors must all set relevant and measurable goals and targets for a Sustainable Blue Economy to provide their planning, management and activities with a clear direction.

Goals and targets for different economic, social and ecological areas – as well as related policies and activities – must be made as integrated and coherent as possible, to avoid conflicts and contradictions.

- **Assess and communicate their performance on these goals and targets.** The goals and targets for a Sustainable Blue Economy must be regularly monitored and progress communicated to all stakeholders, including the general public, in a transparent and accessible way.
- **Create a level economic and legislative playing field that provides the Blue Economy with adequate incentives and rules.** Economic instruments such as taxes, subsidies and fees should be aimed at internalizing environmental and social benefits, costs and risks to society. International and national laws and agreements, including private agreements, should be framed, implemented, enforced, and continuously improved in ways that support a Sustainable Blue Economy.
- **Plan, manage and effectively govern the use of marine space and resources, applying inclusive methods and the ecosystem approach.** All relevant uses of marine space and resources must be accounted, planned, managed and governed

through forward-looking, precautionary, adaptive and integrated processes that ensure the long term health and sustainable use of the sea, while also taking into account human activities on land.

Such processes must be participatory, accountable, transparent, equitable and inclusive, in order to be responsive to present and future human uses and needs, including the needs of minorities and the most vulnerable groups in society.

To make informed trade-offs, such processes should also use appropriate tools and methods to capture the range of benefits that ecosystem goods and services can bring to different stakeholders.

- **Develop and apply standards, guidelines and best practices that support a Sustainable Blue Economy.** All actors – including governments, businesses, non-profit enterprises, investors and consumers – must develop or apply the global sustainability standards, guidelines, best practices, or other behaviors that are relevant to them. For organizations, application of such standards should not only ensure that their activities are conducted in a responsible way, but also improve their own performance and competitiveness, today and in the future.
- **Recognize that the maritime and land-based economies are inter-linked and that many of the threats facing marine environments originate on land.** To achieve a Sustainable Blue Economy in the seas and coastal regions, land-based impacts to marine ecosystems must be addressed and actors must also work to promote the development of a sustainable green economy on land.
- **Actively cooperate, sharing information, knowledge, best practices, lessons learned, perspectives, and ideas, to realize a sustainable and prosperous future for all.** All actors in a Sustainable Blue Economy have a responsibility to participate in the process of implementation, and to reach out across national, regional, sectorial, organizational, and other borders, to ensure collective stewardship of our common marine heritage.

ANNEX 2: Other relevant FRAMEWORKS & GUIDELINES

The following table presents an initial list of some existing frameworks and guidelines that should be referenced and considered during the development of a Sustainable Blue Economy Protocol.

Framework or guideline	How it relates to the Principles for a Sustainable Blue Economy and the development of the Blue Economy Protocol.
<p>2030 Agenda and the Sustainable Development Goals (“SDGs”)</p>	<p><i>Specific references include:</i></p> <p>Goal 1, Target 1b: Creating policies for “accelerated investment in poverty eradication actions.” When these involve marine and coastal resources, the policies should be formed using the Principles as a foundation and checklist.</p> <p>Goal 7, Target 7a: “... promote investment in energy infrastructure and clean energy technology.” This can be pointed out to be in alignment with the WWF Principles.</p> <p>Goal 10, Target 10b: “Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest ...”. The WWF Principles can be used to advocate for targeted ODA and FDI in the marine sectors using a sustainable development filter. The Principles define what SD should look like in those sectors.</p> <p>Goal 14: The Principles are intimately linked to the entirety of this Goal and Targets.</p> <p>Goal 17, Target 17.5: “Adopt and implement investment promotion regimes for least developed countries.” When these “investment promotion regimes” involve marine and coastal resources, the regimes should be informed by the Principles.</p>
<p>The Global Compact (“GC”)</p>	<p>While not explicitly an investment guide, the Global Compact is the most widely accepted business sustainability guidance document (“the world’s largest sustainability initiative” says the website), with over 12,000 business signatories, including many banks, insurance and investment firms.</p> <p>Global Compact Principles 7, 8, and 9 are important reference points for the WWF Principles:</p> <p>GC Principle 7: Use of the precautionary principle is stipulated in the WWF Principles.</p> <p>GC Principle 8: “Environmental responsibility” can be interpreted as indicating the need for an ecosystem-based approach.</p> <p>GC Principle 9: “Encourage the development and diffusion of environmentally friendly technologies” links directly to the WWF Principle on “clean technologies, renewable energy, and circular material flows”.</p>
<p>Principles for Responsible Investment (“PRI”)</p>	<p>The PRI are the investment world’s more specific equivalent to the Global Compact, and considers itself “the world’s leading proponent of responsible investment.” It is independent and not formally affiliated with the United Nations. With over 1,500 signatories, including over 1,000 investment managers, PRI is a flagship initiative in the field of sustainable investment.</p> <p>PRI’s six principles focus on adopting Environment, Social, and Governance (ESG) issues into investment decision-making and practice.</p> <p>The WWF Principles can be seen as the detailed “next step document” for putting the PRI into practice in the context of the Blue Economy. They define what ESG means for the Blue Economy.</p>

<p>UNEP Financial Initiative (“UNEP FI”)</p>	<p>UNEP FI, founded after the 1992 Earth Summit, promotes a sustainable development approach to investment and requires that participating banks, insurers, and investment firms sign the “UNEP Statement of Commitment by Financial Institutions (FI) on Sustainable Development statement”.</p> <p>The statement is in good alignment with the WWF Principles, specifically in its endorsement of the precautionary principle; use of best practices, technologies, and standards; continuous learning and updating of such best practice; measuring progress against clear goals; and information sharing.</p>
<p>Equator Principles (“EP”)</p>	<p>Framed as a “risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects,” the EP have been endorsed by 85 financial institutions in 35 countries. They are focused on screening project financing, including capital investments and loans.</p> <p>Signatories commit to a number of actions that are linkage points to the WWF Principles, including screening for social and environmental impact, promoting environmental management, promoting stakeholder engagement etc.</p> <p>The WWF Principles can be framed as a support document to help EP-committed investors to screen and follow-up on Blue Economy-related investments.</p>
<p>The Natural Capital Protocol</p>	<p>A framework designed to help business decision makers integrate considerations of natural capital – defined as “the stock of renewable and non-renewable resources (e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people” – into existing business processes. It offers “a standardized framework to identify, measure, and value impacts and dependencies on natural capital.”</p> <p>Created by a coalition of 200 organizations from many different sectors, the Natural Capital Protocol could be used in tandem with the proposed Sustainable Blue Economy Protocol: they are different, but complementary, process tools.</p> <p>Specialized sector supplements have been developed for some industries, and a supplement for the financial sector will be published in September 2017.</p>
<p>Arctic Investment Protocol</p>	<p>Launched at the World Economic Forum meeting in Davos in January 2016, the Arctic Investment Protocol is much less detailed than the proposed Sustainable Blue Economy Protocol. It consists of just six principles:</p> <ol style="list-style-type: none"> 1. Build resilient societies through economic development. 2. Respect and include local communities and indigenous peoples. 3. Pursue measures to protect the environment of the Arctic. 4. Practice responsible and transparent business methods. 5. Consult and integrate science and traditional ecological knowledge. 6. Strengthen pan-Arctic collaboration and sharing of best practices. <p>The proposed Sustainable Blue Economy Protocol could serve as a specialized reference document informing Blue Economy investments in Arctic regions.</p>

The Ocean in numbers

100%
RECYCLED



US\$ 24 TN

The overall value of key ocean assets is more than US\$ 24 trillion.

US\$ 2.5 TN

The annual economic output of the ocean (‘gross marine product’) is at least US\$ 2.5 trillion.



2050

At current rates of temperature rise, coral reefs will likely disappear by 2050.

7TH

Based on the gross marine product, the ocean is the 7th largest economy in the world.



Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

www.panda.org

SUSTAIN OUR SEAS 