With an estimated asset value exceeding $24 trillion, the ocean and its “blue economy” is an increasingly critical source of resources, both renewable and non-renewable, to the world’s growing population. It provides food, jobs and livelihoods to over 3 billion people, and facilitates our globalized trading economies. Coastal areas are home to nearly 2.4 billion people, with coastal regions forecast to exhibit high rates of urbanization, population and economic growth.

Before the COVID-19 pandemic, forecasts suggested that the ocean economy could provide economic growth opportunities creating $3 trillion annually in gross value added by 2030, doubling from current levels.

Yet, we are causing widespread harm to this planetary lifeline. Human activities have pushed marine species and their ecosystems to the brink, having severely altered two-thirds of the marine environment, and increased carbon emissions are causing seas to warm, rise and acidify. We risk squandering our biggest buffer against climate change, a vital source of food and the largest natural resource on the planet. However, if protected, sustainably managed and appropriately
invested in, the ocean’s potential as a source of increased economic prosperity could be realized.

Investment into the ocean economy is currently low; just 1% of the ocean economy’s $1.5 trillion gross value added was invested in sustainable projects (through philanthropy and overseas development aid) in the last 10 years. A major financing deficit exists in the fight to limit the decline of biodiversity and, by extension, the sustainable use and conservation of ocean resources. Closing this financing gap will require major reorientations of finance (both public and private) towards investments that lead to more sustainable outcomes by seeking to incentivize reduced damage to the marine environment. Examples of necessary adjustments include a reorientation of financial flows towards activities that do not contribute to continued decline in ocean health, as well as a mobilization of innovative financial models and private capital to introduce new sources of funds for sustainable ocean economic growth.

To realize the full potential of the sustainable blue economy and facilitate necessary expansion in investment, informed and sustainable approaches and clarity of definition are needed. Investing for change and mobilizing the right financing mechanisms and, crucially, the required levels of finance will be key to shifting to the sustainable management of the ocean.

PAST ACHIEVEMENTS

Research has shown that there is great interest in investing in the blue economy, but it remains a niche area that has not yet been fully explored and capitalized on, partly due to a lack of expertise. In Phase I, Friends of Ocean Action worked to close this knowledge gap through the publication of the Ocean Finance Handbook. The handbook seeks to provide a reference document to foster understanding and generate conversations between financial institutions and marine-based businesses, conservation professionals and programme managers. It also serves as an up-to-date overview of the investment landscape in the blue economy with the intent of providing a common baseline of understanding of sustainable blue economy financing for all stakeholders – especially for those looking for investment.

Find out more in the Friends of Ocean Action Phase I Impact report.
In Phase II, Friends of Ocean Action is exploring the potential development of a user-friendly online database, building off the back of The Ocean Finance Handbook, which provides users with an easily navigable filtering system to find potential sources of income for blue economy projects and marine conservation activities. Such a tool is envisaged to be of value to both investors and fund managers seeking to increase awareness of their activities as well as project owners seeking to understand where finance may be sourced. The aim is to help increase transparency of opportunity and access to funding.

To further bolster this access to funding, Friends of Ocean Action will continue to work alongside high net-worth individuals and family offices seeking to either invest or provide grant-based capital to ocean conservation and the sustainable blue economy in an effort to ensure positive impact in the social and environmental outcomes of these investments. In addition, the Friends will work alongside other platforms from the World Economic Forum seeking to scale the potential of nature-based solutions and increase their sources of financing.

Friends of Ocean Action is also seeking to support the global ocean recovery through the creation of Blue Recovery Hubs. The hubs will seek to support countries, especially small island developing states, to accelerate progress towards a sustainable and resilient recovery by enhancing the long-term sustainability of existing blue economy sectors and generating new, sustainable opportunities that can lead to economic diversification and act as an SDG multiplier across multiple economic and social areas.

**About Friends of Ocean Action**

Friends of Ocean Action is a unique, informal group of over 65 global leaders from a range of sectors who are fast-tracking scalable solutions to the most pressing challenges facing the ocean. The Friends focus their attention on achieving the targets of the Sustainable Development Goal for Life Below Water, SDG14, through five key and interconnected impact pillars – creating a digital ocean, building a resilient ocean, activating ocean finance, nourishing billions and UpLink Ocean – as well as cross-cutting themes of a just ocean and advancing wider sustainable development through ocean action.

For more information, contact us by email at ocean@weforum.org, visit us at www.friendsofoceanaction.org and follow us on Twitter @FriendsofOcean.