



A unique group of leaders who are fast-tracking solutions to the most pressing challenges facing the ocean



Financing ocean innovation

Context

The ocean is the ultimate resource for all. It covers 70% of the Earth's surface, is the planet's largest biosphere and is home to 50–80% of life on Earth. The ocean generates 50% of the oxygen and absorbs 28% of all CO₂ emissions and 93% of the additional heat generated from those emissions – making it the largest carbon sink on the planet. Goods and services from the ocean amount to about USD 2.5 trillion each year, making the ocean the seventh largest economy in the world in terms of gross domestic product. The value of goods and services from the ocean are forecast to double by 2030. Moreover, it feeds 3 billion people who depend on a healthy ocean for their primary source of protein, a figure that could double in 20 years.

Yet we are causing widespread harm to this planetary lifeline. Human activities have pushed marine species and their ecosystems to the brink. Actions by humans have severely altered 66% of the marine environment. Over 33% of fish stocks are currently fished beyond biological sustainability.

Acidification and warming seas are causing widespread death of coral reefs. About 100 million sharks are killed each year merely for their fins and half of all vertebrate marine animal populations have declined in just the past 40 years. 80% of people live within 100 kilometres of the ocean, and three-quarters of the world's mega-cities are by the sea. Should practices not change, we will have more plastics than fish in the ocean by 2050.

In recent years, the ocean has been rising rapidly up the international agenda (e.g. G7, G20, UN), with recognition that in order to safeguard the marine environment and its value for future generations, a radical system change is needed.

Our ocean is, and will increasingly become, a significant driver and enabler of global economic growth. There is huge potential for the ocean economy to grow and provide for sustainable development, but this will come at a time when competing claims on ocean resources are set to grow. The pressures that arise from this could lead to unsustainable results if these tensions are not carefully managed and monitored.

Investing for change and mobilizing the right financing mechanisms and, crucially, the required levels of finance



is key to shifting to the sustainable management of the ocean. There are no comprehensive assessments of the investment requirements for this. Nonetheless, it is widely acknowledged that significant increases in finance flowing towards conservation activities will be needed to realize the 2030 sustainable development opportunity. Mobilization of innovative financial models and private capital are required to initiate new sources of funds for sustainable ocean economic growth.

What the Friends are doing

The support of both the public and private sector for this long-term sustainable development paradigm is essential, and multilateral funders and commercial finance institutions have a key role to play in this respect. Future investments must ensure environmentally and socially sustainable development and growth within the context of science-based conservation, management and protection of ocean and coastal resources and ecosystems, including ecosystem services.

Friends of Ocean Action is therefore seeking to demonstrate the economic risks and opportunities of ocean finance. This includes the cost arising from damage to the ocean, to humanity, fisheries, people's health and collateral impacts as well as the cost and timing of restoration. It also highlights the long-term economic benefits, the business case and return on investment derived from a healthy ocean – and a standard to measure performance, including a baseline and a target.

Friends of Ocean Action is exploring the opportunities for, risks of and barriers to deploying innovative financing solutions for sustainable investment in the ocean and how these solutions can be scaled up to invest greater volumes of capital in sectors and opportunities for ocean conservation and sustainability, whilst attracting innovators to this space. Part of this effort is focused on the publication of a major report seeking to offer a synthesis of the current ocean finance landscape. It will aim to provide financiers, practitioners and decision-makers, active within both the ocean and investment communities, with a clear framework for understanding currently available financing options, investable opportunities and models with which to marry the two.

The Friends are also seeking partners to co-create and work to launch a major platform to bring together a unique collection of risk-tolerant investors, seeking to invest for positive change in the health of the ocean. It will aim to offer those who commit to the platform the opportunity to catalyze systemic change by investing in organizations committed to operations, and solution finding, that improve ocean health. By aligning private finance to projects that both conserve and utilize marine resources in a more sustainable way, the systemic change required in our ocean economy can be accelerated and, in time, its economic promise fully realized.

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