

WWF and Blue Economies in the Coral Triangle:

Developing and Demonstrating Blue Economies for Sustainable Development and Profitable Resource Use in the Region

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Cover Image:

Taytay fish landing with skipjack tuna (Katsuwonus pelamis) in a crate. Taytay, Palawan, Philippines. © Jürgen Freund / WWF-Canon



School of bigeye jacks (*Carnax sexfasciatus*) in Misool, Raja Ampat, West Papua, Indonesia. Misool is an area that has started applying the Blue Economy approach through eco-tourism, where a local resort is now working closely with the community on conservation.

WWF working in a Blue World

WWF's Coral Triangle Programme, which commenced in mid-2007, provided the opportunity to consider a new way to frame our thinking for the following three years. We decided to frame a sustainable approach to natural resource use, which emphasizes the importance of the marine environment to the livelihoods and economies of the Coral Triangle and brings the private sector to the table to help achieve this. This approach can be called Green Economy, Green Economy in a Blue or Marine World, or simply **Blue Economy**. WWF's approach for the Coral Triangle Programme is to focus on Blue Economy which incorporates both a Green Economy in a blue or marine world, largely our traditional conservation approach, but also Blue Economy in the Gunter Pauli sense which advocates innovative solutions to sustainable development. At WWF we made the commitment that we will:

Enhance the achievement of WWF's conservation goals in the Coral Triangle and the broader Asia Pacific region through mobilizing and facilitating collaboration among the private sector, government and communities as they co-invest and share responsibilities for building blue economies that combine the protection of high-priority places with the reduction of unsustainable practices and the promotion of social and economic equity and environmental sustainability. The outcome envisioned is that the oceans and coasts of the Coral Triangle, the world's center of marine biodiversity, and their ecosystem services on which human well-being depends, remain vibrant and healthy, providing food and livelihoods for generations to come.¹

¹ Coral Triangle Network Initiative Strategic Plan, FY12-14, 'Building a Coral Triangle in which people and nature thrive'

Different Shades of Green and Blue – The Need to Stick to the Real Hue

WWF globally advocates that green economies "would seek to effectively manage and govern natural resources; decouple growth from resource depletion; and improve equitable human well-being within the carrying capacity of the planet's ecosystems." However, some of us who operate in the marine realm also like to talk about blue economies, recognising the importance of healthy marine ecosystems to human well-being. The concept of a blue economy is not in competition with the green economy approach as they are interdependent. Oceans are critical to sustaining Earth's life support systems and the billions of people who are dependent on oceans for livelihoods, food security and economic development. Therefore, WWF works for the protection and sustainable management of the use of the world's oceans in a way that provides equitable benefits from ocean resources to developing coastal communities and states, in particular Small Island Developing States.

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At the United Nations Conference on Sustainable Development (UNCSD) Rio+20 Summit in June 2012, green economy took centre stage. However, in the lead up to Rio+20, the concept of blue economies emerged to spotlight the dependency of small islands' and developing states' economies on healthy oceans and coasts and the sustainable use of marine resources. Pacific small island developing states advocated that for them, a green economy was in fact a blue economy because of the importance of oceans and fisheries to their livelihoods. As Rio came and went, some organisations such as the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) began to use the term "Green Economy in a Blue World" where it sees green economy tools and policies, in the context of a blue world, can address many of the structural issues that challenge Pacific Islands countries to turn "opportunities into sustainable economic, social and environmentally responsible benefits for the people of the Pacific." 5

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² Living Planet Report 2012 – SPECIAL EDITION – On the road to RIO+20

³ WWF Q&A for Rio+20

⁴ PACIFIC SMALL ISLAND DEVELOPING STATES, United Nations Member States Second Preparatory Committee Meeting United Nations Conference on Sustainable Development, Statement by H.E. Ambassador Marlene Moses Permanent Representative of Nauru on behalf of the Pacific Small Island Developing States 7 March 2011

⁵ Green Economy in a Blue World: Pacific Perspective. UN ESCAP Pacific Office, Suva, Fiji September 2012

Despite different terminologies, what is important is that there is an understanding of what green or blue economies aim to achieve. The final global consensus from Rio was that, acknowledging that different approaches, visions, models, and tools were needed for national circumstances and priorities, green economy approaches "should contribute to eradicating poverty as well as sustained economic growth, enhancing social inclusion, improving human welfare, and creating opportunities for employment and decent work for all, while maintaining the healthy functioning of the Earth's ecosystems." And despite the lack of agreed definitions for blue or green economies, it is clear that there are some key elements that are part of both and these are healthy ecosystems that will continue to support livelihoods and economic growth, and provide benefits to all people in a fairer more equitable way.

From a WWF global perspective, the Rio+20 green economy represents a development approach or paradigm that seeks to transform the whole economy inclusive of all sectors. To that end, WWF acknowledges the growing recognition outside traditional environment circles that sustainable ocean management and marine conservation activity can improve food security, support livelihoods, and alleviate poverty. However, it also warns that the blue economy is a term that is "already in danger of being co-opted by the very forces of exploitation that pose the gravest risks to the long term health of the marine environment," and that WWF must ensure that the interpretation and implementation of blue economy approaches are in line with the spirit of the Rio+20 agreements.

Therefore, not just WWF, but the global community must ensure that when advocating for green or blue economy approaches, we promote the right kinds of approaches. This is an important issue as some people who have previously been advocates for blue economy are now quietly losing faith due to an emerging train of thought which promotes blue economy as a way of deriving greater revenue from the ocean. The danger of this thinking is the risk of even greater over-exploitation of the oceans' limited resources. WWF and others must ensure when we promote transformation, we consider the key elements or principles we want the new approaches to reflect. In addition to guarding against a free-for-all "green or blue washing" that enables a drive for

⁶ The Future We Want, Rio+20 Summit 2012

⁷ WWF Global Marine Programme Draft Strategy 2012

⁸ WWF Global Marine Programme Draft Strategy 2012

unsustainable wealth generation and unsustainable industrialisation of the marine environment, we must also ensure that the blue or green economic transformation does not come at the expense of poorer and developing countries.

WWF believes the transition to green economies is essential to end poverty for the long term and that green and blue economies are needed because the benefits of economic development have still not reached over a billion people who live in extreme poverty, and the benefits that have been realised have come at a significant cost to the Earth's natural systems, on which we all depend. 9 The inequity in access to benefits from economic development is exemplified by the fact that by 2011, the top 1% of the global population owned 44% of global assets, while the bottom 50% owned barely 1%. 10 Recognising that opinions diverge about which green economy approaches are best for bringing together the social, economic, and environmental objectives of sustainable development, in 2012, the UN Research Institute for Social Development ran a series of think tank papers on the importance of bringing the social dimension back into discussions about green economy and sustainable development. 11 One contributing paper reported that the threat to the planet and inequality go hand-in-hand and we must recognise the role of inequality in perpetuating the high levels of global poverty and undermining attempts at environmental sustainability. 12 The authors Doig and Carroll comment that as we move toward a low-carbon, resource-efficient, green economy, poorer countries and communities should not be expected to sacrifice their right to development because of past, and continuing, mistakes of richer nations; that it is essential the transition to a green economy is a just transition, and that it achieves a "fair" green economy that can support sustainable development for all.

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⁹ Building Green Economies, Creating Prosperity for People and Planet, WWF UK, 2012

¹⁰ Credit Suisse (2011), Global Wealth Report

¹¹ United Nations Research Institute for Social Development

http://www.unrisd.org/80256B3C005BB128/(httpProjects)/6901343F6EC7DEDEC12578C6004A56DA?OpenDocument

¹² A Fair Green Economy: Framing Green Economy and the Post-MDG Agenda in Terms of Equity 7 Sep 2011, Authors: Alison Doig, Erica Carroll,

http://www.unrisd.org/unrisd/website/newsview.nsf/%28httpNews%29/541981366FC48B10C125790400313EFB?OpenDocument



Papua New Guinea islanders paddle out their dugout canoe to go fishing with a gill net. Many coastal families on these islands depend on subsistence fishing for food and income.

The Coral Triangle Region – Why Blue Economy Approaches are Important

In the Coral Triangle region, the most diverse marine region on the planet, the critical link between the state of the oceans and marine resources and the livelihoods of the more than 120 million coastal people who depend on those resources, is self-evident. Fish caught in the Coral Triangle region is exported to Hong Kong, China, Japan, North America, Europe, and the UK. The live reef food fish trade alone is valued at more than USD800 million annually and the region's tuna industry is estimated to be worth USD1 billion per year. ¹³ Nature-based tourism is worth approximately USD12 billion annually. In addition to food and jobs, the oceans and coastal habitats of the Coral Triangle provide other important ecosystem services including protection of communities from storm surges and destructive tsunamis; they serve as transport routes and provide the necessary inputs for a range of industries that drive the region's economy.

However, the 2012 World Resources Institute's *Reefs at Risk Revisited in the Coral Triangle report*¹⁴ presents a very sobering analysis of the status of the coral reefs and warns that the threats to coral reefs in the Coral Triangle Region are much higher than the global average. Key findings from the report include:

- More than 85 per cent of reefs within the Coral Triangle Region are currently threatened by local stressors, which is substantially higher than the global average of 60 per cent;
- The most widespread local threat to coral reefs in this region is overfishing, including destructive fishing, which threatens nearly 85 per cent of reefs;
- When the influence of recent thermal stress and coral bleaching is combined with these local threats, the per cent of reefs rated as threatened increases to more than 90 per cent;
- Rising levels of carbon dioxide and other greenhouse gases in the atmosphere will further threaten reefs in the Coral Triangle Region, as warming water prompts coral bleaching and more acidic water slows coral growth; and
- By 2030, almost all reefs in the Coral Triangle Region are projected to be threatened, with 80 per cent in the high, very high, or critical categories.

¹³ Ecological Footprint and Investment in Natural Capital in Asia and the Pacific, June 2012 ADB &WWF

¹⁴ Reefs at Risk Revisited in the Coral Triangle, Lauretta Burke, Kathleen Reytar, Mark Spalding & Allison Perry, 2012 World Resources Institute.

The report also considered the threat to livelihoods and food security and found that "the three countries in the world with the greatest numbers of people who fish on reefs are all in the Coral Triangle Region: Indonesia, the Philippines, and Papua New Guinea. In both Indonesia and the Philippines, more than one million people are dependent on reef fisheries for their livelihood. In Solomon Islands, more than 80 per cent of households engage in fishing." Social and economic vulnerability to coral reef degradation and loss is also extremely high across the Coral Triangle region.

However, it is not just the countries of the Coral Triangle who will be impacted by these threats to the marine ecosystems. The region is also significant to global markets. For example, the international fisheries exports from the Coral Triangle countries in 2009 were estimated to be worth nearly USD3.8 billion.¹⁶

Recognising that these threats were continuing despite many years of conservation efforts at the national and sub-regional level, in 2007, WWF launched its own regional Coral Triangle Programme. The programme builds on the work of its national offices and utilizes the resources of the international network to help foster the transformation required to tackle the unsustainable and destructive practices that are depleting the marine and coastal resources of the Coral Triangle region. Through this regional programme, WWF was a key player in bringing together stakeholders to establish a multicountry platform for sustainable management of the region's marine resources in the Coral Triangle. In 2009, Indonesia, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and Timor Leste launched the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF) and endorsed a Regional Plan of Action to conserve and sustainably manage coastal and marine resources within the Coral Triangle.

¹⁵ Reefs at Risk Revisited in the Coral Triangle, Lauretta Burke, Kathleen Reytar, Mark Spalding & Allison Perry, 2012 World Resources Institute

 $^{^{16}}$ Ecological Footprint and Investment in Natural Capital in Asia and the Pacific, ADB and WWF, June 2012



Kudat fish landing. These fish are sold to feed staff and families from palm oil plantations all over Sabah. Kudat, Sabah, Malaysia.

Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF)

The government-led CTI-CFF is the most significant oceans initiative ever established in this region. It carries the endorsement of the heads of state of all six Coral Triangle countries, with strong support of seven formal development partners that include the Asian Development Bank, the Global Environment Facility, the Australian and United States governments and the three global conservation organizations WWF, The Nature Conservancy, and Conservation International.

The six governments who are part of the CTI-CFF recognised that there needed to be transformation from the unsustainable "business as usual" approach and developed strategies, many of which also support blue economies approaches. Through the CTI-CFF Regional Plan of Action, the six countries have committed to "implement *transformational* actions that will be needed over the long-term to ensure the sustainable flow of benefits from marine and coastal resources for this and future generations." This approach is aimed at addressing the economic, social, and ecological drivers that influence the management and conservation of marine and coastal resources at all scales and institutional levels. In developing the Regional Plan of Action, the six governments agreed to a set of fundamental guiding principles which include: supporting people-centred biodiversity conservation, sustainable development, poverty reduction and equitable benefit sharing; including and engaging multiple stakeholders; and recognizing the uniqueness, fragility, and vulnerability of island ecosystems.

The CTI-CFF has made good progress towards establishing enabling conditions to support the implementation of these commitments. It has secured commitments of approximately USD400 million in investments from development partners. The CTI-CFF strategies include identifying and designating priority seascapes; and establishing a regional network of Marine Protected Areas (MPAs) that will be connected, resilient, sustainably financed, designed to generate income, sustain livelihoods, and provide food security benefits for coastal communities while conserving biological diversity.

¹⁷Regional Plan of Action, Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security, 2009

The six Coral Triangle countries have also prioritised applying the Ecosystem Approach to Management of Fisheries (EAFM) and to other marine resources by collaborating to develop a common regional framework for legislation and policy that would support EAFM. They are also working towards building sustainable fisheries and encouraging responsible regional governance of key commercial species such as tuna and live reef food fish. Improving enforcement of Illegal, Unregulated and Unreported (IUU) fishing is being tackled through greater collaboration between the Coral Triangle countries. Each of the national governments has developed corresponding National Plans of Action towards achieving the goals of the CTI-CFF and deliver national priorities.

At the national level, a number of the Coral Triangle countries are starting to explore what are blue economies. For example, the government of Indonesia has made a strong commitment to continue and extend the CTI-CFF as an implementing framework for those correlated principles in the concept of blue economy. At the Rio+20 Summit, the Indonesian government launched its "Indonesian Perspective on Blue Economy — Sustainable Growth with Equity" book in which it recognizes that green economy on its own is not sufficient to meet Indonesia's ambitions, and that Indonesia's ocean development needs to be under taken by applying innovation to recreate resources efficiency and that "economic activities be undertaken in a way that can minimize waste, preserve the environment, and create more jobs and business opportunity." As host of the Asia Pacific Economic Cooperation (APEC) meeting to be held in Bali in 2013, Indonesia is promoting the theme of blue economies for the APEC agenda.

¹⁸ Indonesian Perspective on Blue Economy – Sustainable Growth with Equity, 2012



Local fishermen with tuna catch Sulu Sea, Philippines. The Philippines, together with Indonesia and Papua New Guinea, are among the top 10 tuna producing countries in the world. A Blue Economy that supports a more sustainable tuna industry is needed to help ensure food security and livelihood for millions of people.

WWF's Coral Triangle Programme – Supporting Blue Economies

WWF's regional programme in the Coral Triangle aims to provide the enabling conditions that help achieve more equitable socio-economic models and instruments that promote human well-being, distribute the world's wealth and natural resources more equitably within sustainable limits, and maintain healthy ecosystem services for future generations. Our approach is to develop strategies that encourage blue economies that are sustainable and also climate-smart. Few places globally are more vulnerable to climate change than the Coral Triangle, and research indicates its impacts are potentially catastrophic for the region's people, resources, and environment. ¹⁹ Taking a climate-smart approach to our work is crucial to achieving future food security and climate-change goals while helping the region mitigate and adapt to the effects of climate change.

To this end, WWF is working with its country offices in the Asia Pacific region to expand private-sector engagement in support of national conservation and footprint strategies and advocate for policies that genuinely promote the sustainable and equitable development of natural resources. We are building on relationships and platforms already established in-country and in the region with governments, the private sector and communities to leverage improved conservation policies and practices, increasingly linking businesses (fishing, aquaculture, and tourism) to the places that support their continued viability and the communities that depend on the sustainable use of such places.

The Coral Triangle Programme - Theory of Change

- By investing in "priority" high conservation value places, industry will have a stake in the positive financial and conservation outcomes these investments will generate.
- By diversifying management frameworks, resource users will take a bigger role in the management of the resources that underpin their own future.

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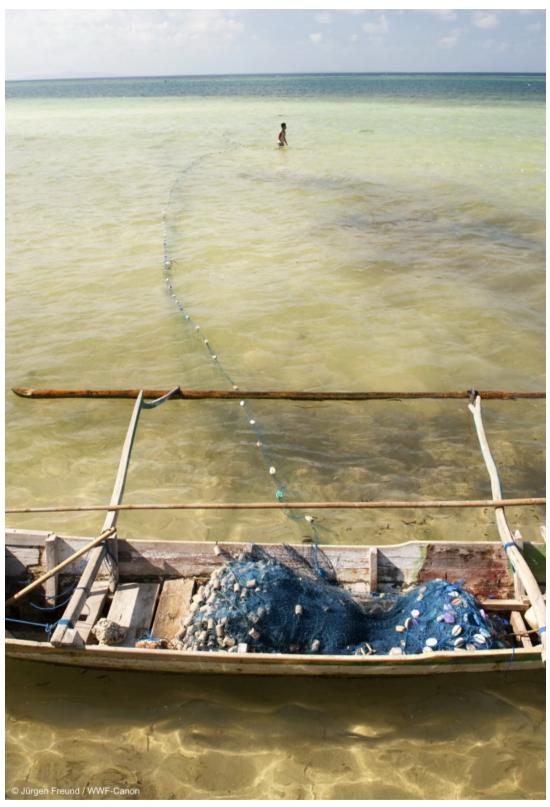
¹⁹ The Coral Triangle and Climate Change: Ecosystems, People and Societies at Risk, 2009

WWF's approach by its country offices in the Coral Triangle region has largely been of a 'green economy in a blue world or marine setting' approach, focused more on traditional marine conservation, which has largely relied on MPAs as tools. However, increasingly, WWF's conservation work at a national level is expanding to include engagement in fisheries and aquaculture improvement projects and working with the private sector higher up the supply chain. Similarly, the six government CTI-CFF approach is largely about the 'green economy in a marine or blue setting' as reflected in the Regional and National Plans, and the various policies and conventions that the countries already subscribed to over the years.

A second aspect of WWF's blue economy approach is around innovation in the spirit of Gunter Pauli's Blue Economy. Pauli's approach is to foster entrepreneurship to create sustainability and demonstrate that it is possible to develop new business models and economic development that "emulate natural systems in order to dramatically increase humanity's capacity to respond to the basic needs of all." Pauli encourages models that are: innovative; have zero waste; generate food, energy, and jobs; convert poverty into development and scarcity into abundance; and generate money for communities. ²¹

²⁰ http://www.theblueeconomy.org/blue/Home.html and www.zeri.org

The Blue Economy.Mov http://www.youtube.com/watch?feature=player_embedded&v=1af08PSlaIs#t=0s



 $Father \ and \ son \ set \ their \ gill \ net \ by \ the \ shallows \ of \ Tomia. \ Wakatobi, \ South \ Sulawesi, \ Indonesia.$

Showcasing the Depth of Blue Economy Approaches for the Coral Triangle

WWF's regional programme in the Coral Triangle has always been focused on facilitating transformation in the private sector and on developing innovative schemes, mechanisms and partnerships. As an example, one of the key platforms established by WWF with Coral Triangle governments and partners to bring the private sector to the CTI-CFF is the annual Coral Triangle Regional Business Forum. The first two forums were largely focused on showcasing 'green economy in a blue world' examples and partnerships. However, the 3rd CTI Regional Business Forum (March 25-27, 2013) aims to be a platform for the private sector showing what they are doing to reduce their company footprint for sustainability in the environment and livelihoods.

WWF is encouraging the CTI-CFF governments and our own network to embrace innovation and entrepreneurship increasingly as part of our toolbox. The other work that we now describe as green economy in a blue or marine world is more "business as usual". Continuing to supporting this approach is important because the economic arguments that come from it are now so compellingly visualized and articulated through green economy work and assessing the value of natural capital in another priority area where WWF and its partners work - the island of Borneo.

The report 'Heart of Borneo: Investing in Nature for a Green Economy'²² addresses questions such as: What is the value of Borneo's natural ecosystems and associated services to the economies of Brunei, Indonesia, and Malaysia? Who profits from these ecosystem services? Who suffers from degradation or loss of these services? What investments would be required to safeguard ecosystem services? This body of work gives WWF and partners a much better vocabulary when talking to finance ministers and institutions and development agencies. However, WWF can also use its network reach to explore and trial the more creative version of blue economy that Pauli advocates, thereby increasing its engagement with entrepreneurs and innovators to see how we can work smarter to achieve more, at faster and larger scales. In this way, WWF could also help demonstrate the sustainable blue economy approach and steer governments away

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²² HEART OF BORNEO: INVESTING IN NATURE FOR A GREEN ECONOMY, Annawati van Paddenburg, Andrea M. Bassi, Eveline Buter, Christopher E. Cosslett, Andy Dean, Published by WWF HoB Global Initiative, 2012. www.hobgreeneconomy.org

from supporting approaches which just aim to maximize economic returns from marine and coastal ecosystems or do not provide the equity, fairness and social benefits expected from green and blue economies.

This is the vision for WWF's Coral Triangle Programme whereby through designing new mechanisms that support adoption of new technology and finance schemes and facilitating Public-Private Partnerships — mobilizing collaboration between fast moving, quick decision-making corporates with an appetite to try new things and motivate governments — WWF would contribute to achieving lasting, transformative outcomes for the ecosystems, fish stocks, and community livelihoods.

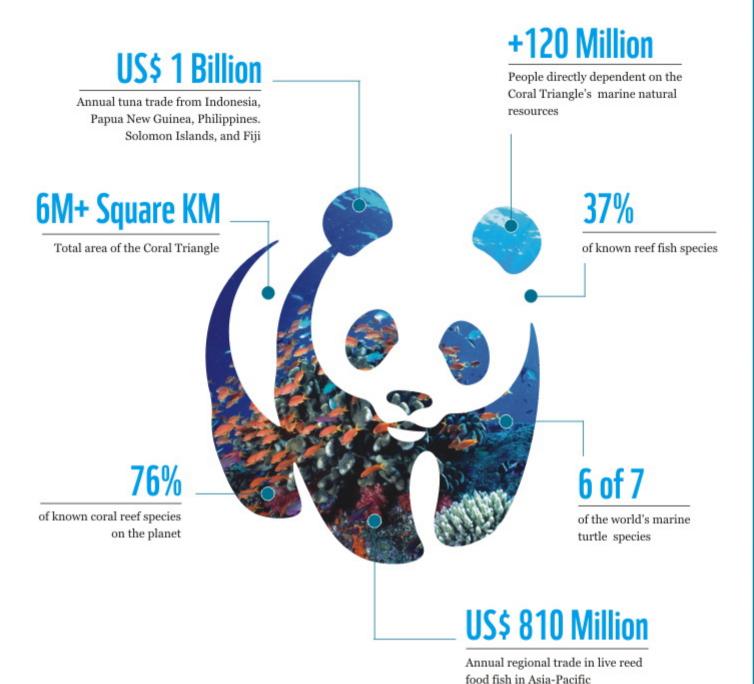
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The Coral Triangle in numbers





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/coraltriangle