

CONCEPT PAPER

THE 4th IORA BLUE ECONOMY MINISTERIAL CONFERENCE (BEC-IV)

“Ocean Wealth and Ocean Health through the Blue Economy”

Colombo, Sri Lanka

11 August, 2023 at the Lakshman Kadirgamar Institute (LKI)

The Ministry of Foreign Affairs Sri Lanka in collaboration with the Lakshman Kadirgamar Institute of International Relations and Strategic Studies (LKI) have successfully hosted numerous conferences pertaining to Sri Lanka’s foreign policy objectives in the maritime domain. As such, the continued collaboration of these two institutions to organize the Fourth IORA Blue Economy Ministerial Conference (BEC-IV) on a virtual platform 11 August 2023 aims to enhance regional cooperation to advance blue economy topics.

1. Context

The Ocean is the lifeline of the earth. It is the largest ecosystem of the planet containing saline water. Ocean covers 71% of the planet’s surface and contains 95% of the biodiversity and 97% of the planet's water. This largest ecosystem is also a huge economic system - a Blue Economy. It includes all industries and sectors that have to do with oceans, seas and coasts in the broadest sense, regardless of whether the activities take place on or in the sea or on land. These include: shipping, fishing, renewable energy production, ports, shipyards, aquaculture, algae production, tourism as well as research & development and education. Globally 350 million jobs are linked to marine fisheries providing a substantial portion of the global population with food and livelihoods. The seabed currently provides 32% of the global supply of hydrocarbons with exploration expanding. One billion people in developing countries depend on seafood for their primary source of protein. Advancing technologies are opening new frontiers of marine resource development from bioprospecting to the mining of seabed mineral resources. The sea also offers vast potential for renewable “blue energy” production from wind, wave, tidal, thermal and biomass sources in addition to providing a medium of transport for 90% of global trade. Tourism is also a critical component of the blue economy.

To serve as an effective driver of sustainable development, blue economy activities ought to establish synergies between the dual approaches of ocean wealth and ocean health. As efforts increase to unlock the potential of the seas and oceans which covers 71% of the Earth’s surface, promoting innovative, holistic, and collaborative action is necessary to ensure that the contribution of the blue economy to national income is managed sustainably. The concept of ocean wealth includes, amongst other fields, the capitalization of geostrategic positions, raising the standard of living for communities whose income is directly linked to the oceans, and

sourcing maritime financing from non-traditional donors and investors. Ocean health can be measured by the longevity of marine economic activity and includes the replenishment and protection of carbon sequestering ocean plants, fishery and aquaculture stocks, the adaptation and mitigation of marine related threats and disasters, and bolstering human health through marine security. To successfully bring together the two concepts, a whole-of-government approach is necessary to mobilize all stakeholders in the creation and monitoring of blue economy projects.

Previous IORA Ministerial Conferences have focused on greater collaboration and ambition in ocean-based growth. In continuing with these efforts, the **Fourth IORA Ministerial Conference** seeks to highlight sustainability in ongoing blue economy efforts and future collaboration. To successfully devise sustainable blue economy plans, however, the long-term participation of coastal communities is essential. In that regard, alternative livelihood approaches and resource value addition processes will also need to be viewed through a sustainability lens. To develop a holistic approach, IORA Member States should seek to foster pathways for collaboration not just between various levels of government, but between civil society organizations and the private sector between Member States.

Sri Lanka as a developing island state believes that by employing a synergistic, sustainable development strategy under the theme of *“Ocean Wealth and Ocean Health”*, IORA Member States will be better aligned to changing global trends. Greater access to private sector and non-traditional financing will be made available as financial institutions are increasingly adopting a sustainability mandate. Furthermore, as voluntary international cooperation in the environmental discourse pays closer attention to the role of the blue economy, IORA Member States have an opportunity now to demonstrate the effectiveness of regional participation in the implementation of innovative blue economy activities.

2. Objectives

The main objective of the BEC-IV is to establish synergies between the economic benefit and sustainable use of marine resources along the Indian Ocean belt. Discussions would attempt to take stock of progress made and develop a holistic work plan that includes direct and indirect blue economy stakeholders. The BEC-IV also aims to enhance cooperation between the IORA member states for achieving progress in all sectors related to the blue economy.

3. Desired Outcome

The conference shall include an opening plenary session with speeches by dignitaries and adoption of the Colombo Declaration on Blue Economy.

4. Participation

The Fourth IORA Blue Economy Ministerial Conference is proposed to be held virtually on the 11 August 2023, 2023 at 10.00 am (Sri Lanka Time) and bring together Ministers, Government Officials, and experts from IORA Member States, its Dialogue Partners, universities, scientific and research community, think tanks, private sector and the relevant UN bodies.

5. Proposed Agenda (Please see attached)

Opening Ceremony

Welcome address and opening remarks by the Secretary to the Ministry of Environment,

Remarks by the Secretary General/IORA

Opening Statement and GOSL national statement by the Minister of Environment of Sri Lanka

General Debate

Statements by the Ministers of IORA member states

Statements by the representatives of Dialogue Partners

Closing Remarks

Additional Secretary to the Ministry of Foreign Affairs

6. Statements

Maximum duration of statements per member state/ dialogue partner is 2 minutes. Pre-recorded statements are allowed to be aired.

7. Venue

The Ministry of Foreign Affairs in collaboration with the Ministry of Environment and Lakshman Kadirgamar Institute (LKI) will organize this virtual conference at the auditorium of LKI

8. Technical details and the virtual meeting link

The Ministry of Foreign Affairs of Sri Lanka will be sharing the technical details, virtual meeting links, and the meeting guidelines.

Topics for statements

Fisheries and Aquaculture

Fisheries and aquaculture play an important role in ensuring food security, growth of business and investment opportunities, and overall alleviation of poverty. Hence, the promotion of sustainable fishing and aquaculture is significant for the protection of ocean health as there is growth in demand for seafood products and as there is overexploitation of fisheries which threatens ocean biodiversity and ecosystems. The management of the fisheries industry requires sustainable production of fisheries and achieving a balance between demand and supply. According to the United Nations Food and Agriculture Organization (FAO), 34.2% of fisheries are overfished. Hence, mechanisms for eliminating illegal, unregulated and unreported fishing are needed as well as mechanisms for minimizing waste in the fishing industry. Investing in innovative and sustainable technologies addressing the above can aid in developing the blue economy in the region. Aquaculture also offers potential for alleviating provision of food and livelihoods. A slow and gradual growth is seen in the aquaculture sector, and yet it contributes significantly to global fish consumption. However, harmful environmental impacts were seen in this sector due to poor selection of sites, use of harmful chemicals and veterinary drugs, the impact of escapees on wild stocks, and unsustainable and inefficient production of fishmeal and fish oil. Habitat destruction and social and cultural impacts on aquaculture communities were evident through the recent aquaculture practices.

Marine Biotechnology, Research and Development

The creation of processes and products from marine organisms through the application of molecular and cell biology, bioinformatics and biotechnology, known as marine biotechnology (or blue technology) is a key area of interest as it supports the development of eco-sustainable and highly efficient society. Research and development into biotechnology as well as into other aspects of the ocean, marine resources and organisms can assist the governments, marine-based/ marine industries and the public to make informed decisions about sustainable use of marine resources in the region. Such efforts are critical for raising public awareness, ocean-based economic development and for the well-being of nations relying on marine resources. Marine biotechnology can be applied in reproduction of marine species, growth promotion of important fish species, fish feed production, fish oil production, disease diagnosis, production of medicines, reduction of environmental degradation and in biofuel production. Further, Blue Biotechnology can be further involved to address key environmental issues by using bio-sensing technologies to allow in situ marine monitoring, bioremediation and developing cost-effective and non-toxic antifouling technologies. It would be beneficial to undertake collaborative research to generate new knowledge on marine resources, to ensure sustainable use of marine resources, to gain maximum use of biotechnology, to implement innovative and adequate assessment and monitoring systems, and to identify critical marine areas for conservation and protection.

Seaports and Shipping

Maritime transport and shipping industry is crucial for development of the blue economy. The shipping sector contributes to greenhouse gas emissions which represents 2.6% of total global emissions in 2012 and emissions are expected to increase with over 3.9% - 6.5% by 2050. Hence, efforts must be taken for decarbonisation of the shipping industry. Ensuring ocean health is also a matter of addressing climate change concerns, pollution at ports and increasing green energy efficiency at ports. It is not too early to evaluate and implement the goal of a 'Zero emission port' as ports hold a critical role in supply chain management. The current and future strategies and also investments determine the long term social and economic implications. More importantly, the Indian ocean is a gateway for Europe, North America and East Asia, and hence, trade and strategic engagement in the region must have a special focus as the roles of the seaports continue to evolve with the developments in technology and sustainable innovations. The involvement of shipping and cruise companies, port and logistics operators, service providers, designers and builders of vessels, and port construction companies is vital for leveraging ocean wealth while ensuring ocean health. Regional cooperation is also important for unlocking development of the blue economy due to state relations and interconnectedness of maritime trade and regional shipping hubs.

Offshore Hydrocarbons and Seabed Minerals

Sustainable mining and the use of seabed minerals are vital for meeting increasing industrial demands. Oceans naturally contain abundant oil, natural gas, seabed minerals including hydrocarbons, zinc, rare earth metals, manganese nodules and other resources. These minerals are found in deep sea and offshore resources. Blue economic development requires exploration of all mineral resources in the exclusive economic zones of states, and investments for exploration, processing and development of minerals including for research and development. Deep sea mining depends on access to technology and continuous investments. Collective regional action for seabed exploitation remains an effective option for resolving the cost-benefit dilemma and for ensuring a sustainable supply of marine minerals to blue economy industries and manufacturing industries. Further, assessment of impact/ damage to the marine environment and marine life from mining offshore hydrocarbons and seabed minerals, is essential as use of unsustainable mechanisms, over exploration and extraction may cause significant damage resulting in the disruption of carbon capture by the ocean. Mining activities must be properly regulated and cheap extraction methods must be avoided to protect ocean and human health.

Tourism

Marine tourism, with its related marine activities is a growing industry that represents an important contributor to the economy of countries and for generating employment. However, these activities, if not managed sustainably, could develop a parasitic relationship with the environment, leading to destruction and degradation of marine habitats and environment, loss of biodiversity, marine pollution and over-exploitation of resources. This necessitates actions for environmental protection in order to prevent any irreversible impacts (for example sedimentation over coral organisms by sheer human physical impact, beach erosion, and mangrove clearance) that may arise from the marine tourism industry (whale

watching, diving explorations to shipwrecks etc.). Protecting local marine resources is one of the most urgent needs in promoting sustainable tourism. Sustainable coastal tourism can assist with the preservation of artisanal fishing communities, allow for subsistence fishing, protect the environment, and make positive contributions to sustainable economic development.

In view of addressing these issues, there is a need to develop Marine Spatial Planning (MSP), create and increase the size of marine protected areas (MPAs), establish and promote sustainable marine tourism, create opportunities for financing MPAs and to develop more marine parks supporting billions of dollars of vital ecosystem services worldwide.

Tourism developments bring various challenges as highlighted earlier. The tourism consumer, however, is driving the transformation of the sector with a 20% annual growth rate in ecotourism; about 6 times the rate of growth of the overall industry. A Blue Economy approach where ecosystem services are properly valued and incorporated into development planning will further advance this transition, guiding tourism development and promoting lower impact activities, such as ecotourism and nature-based tourism, where the natural capital is maintained as an integral part of the process.

Ocean Energy and Offshore Renewable energy plants

The world population is expected to increase to an estimated 9 billion people in 2050, 1.5 times greater than the current population, resulting in an increase in countries' demands on fossil fuels. Renewable sources of energy such as solar and wind are already being implemented worldwide. However, additional incentives in renewable energy are strongly in demand to further decrease the burden on fossil fuels. The time is therefore appropriate to explore the potential of renewable energy derived from the ocean. The ocean offers vast potential for renewable "blue energy" from wind, wave, tidal, thermal and biomass sources. There is also potential for the development of the offshore oil and gas industry in the Indian Ocean region.

Administrative Note

1. Participation

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2. Level of Participation

Ministers dealing with Blue Economy and Senior Officials.

3. Proposed Agenda (Please see attached)

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7. Point of Contact

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