

Fourth International Conference on Small Island Developing States “Charting the Course Toward Resilient Prosperity”

Interactive Dialogue 1:

Revitalizing small island developing States economies for accelerated and sustainable growth

1.0 Purpose of Session

Considering the challenges faced by SIDS across the three dimensions of sustainable development as well as those caused by external shocks, climate change, sea-level rise, rapid coastal erosion, the discussion should identify collective action towards enhancing SIDS' economic diversification, building resilience and disaster recovery, and propelling sustainable development through strategies, policies, and initiatives. This theme would focus on practical steps, partnerships, and policies, including to utilize the blue economy for SIDS' sustainable growth, tourism, marine management, ocean industry expansion, renewable energy, and ecosystem conservation.

Time and Date: 11.00am – 1.00pm, Tuesday 28th May 2024

Title of Briefing Paper: Promoting sustainable ocean-based economies to build resilience and support national economies in Pacific Small Island Developing States.

2.0 Background information on Issue

- 2.1 The concept of ocean-based economy was first introduced at the 2012 United Nations Conference on Sustainable Development (Rio+20). Ocean-based economy also popularly known as Blue Economy, emphasised conservation and sustainable management of oceans, based on the principle and understanding that healthy ocean ecosystems are more productive and forms a vital basis for sustainable ocean-based economies.
- 2.2 It seeks to promote economic growth, social inclusion and the preservation, improvement of livelihoods at the same time ensuring environmental sustainability of the oceans and coastal areas.
- 2.3 The 2050 Strategy for the Blue Pacific Continent highlights the importance of recognising the economic value of our ocean for economic benefits and growth in a manner that will maintain environmental integrity and drive economic prosperity and development for all Pacific peoples.

2.4 The ocean provides services in addition to products and profits potentially bringing great wealth to Pacific island countries, with only a small fraction of that wealth already translated into economic terms.

2.5 In addition to the present and potential economic values of ecosystems and species, the ocean provides inherent supporting, regulating, and socio-cultural ecosystem services, e.g. climate regulation and nutrient cycling, often ignored and under-valued because they are free. The expense of ecosystem restoration or compensation for the loss of these ecosystem services is greater than the cost of preservation.¹

2.6 Approximately USD3.3 billion is injected into national economies of Pacific countries and territories from fisheries and tourism.²

2.7 Environmentally sound tourism is a key opportunity for Pacific islands. Tourism accounts for 7.2 percent of regional GDP and 5.8 percent of employment.³ Approximately half of all international tourists travel to coastal areas, globally. Coral reefs attract 350 million people and drive over USD 30 billion each year in tourism revenue globally. Pacific species and heritage offer unique tourism value. Whale-watching is a multi-million-dollar Pacific industry, with further potential. In Palau, the lifetime value of a live shark is USD 1.9 million for dive tourism. Pacific underwater cultural heritage is largely undeveloped for tourism. There are over 4,000 heritage sites in the Pacific, many accessible to snorkelers and divers.⁴

3.0 Current Situation and Known Regional and Global Issues

3.1 The Pacific SIDS already face the challenges of fiscal sustainability risks in the short term and financing shortfalls in critical areas especially in the right against climate change, increasing urgency to consider innovative financing instruments and mechanisms.⁵ The need to diversify investment portfolios, increase the role

¹ McCarthy et al. 2012. Financial costs of meeting global biodiversity conservation targets: current spending and unmet needs. *Science* 338:946–949

² Seidel & Lal. 2010. Economic value of the Pacific Ocean to the Pacific Island Countries and Territories. IUCN. Gland. 75

³ Seidel & Lal. 2010. Economic value of the Pacific Ocean to the Pacific Island Countries and Territories. IUCN. Gland. 75

⁴ UNESCO 2010. Underwater Cultural Heritage in Oceania p. 111

⁵ 2050 Strategy for the Blue Pacific Continent, 2022

of private sector in key sectors such as fisheries, agriculture, forestry, mining and tourism.

- 3.2 The Blue Pacific narrative recognises the inseparable link between the ocean, seas and the Pacific peoples where the ocean is the basis of livelihoods for Pacific communities. It seeks to achieve “sustainable development that combines economic, social and cultural development in ways that improve livelihoods and well-being of the Pacific peoples and use the environment sustainably.
- 3.3 One of the pressing regional issue in respect of sustainable use of ocean resources is having sufficient understanding of the science of the ocean. Oceane development activities still requires further scientific research to understand its impacts on marine resources.

4.0 Regional Progress with Actions and Support Needed.

- 4.1 Much has been achieved in the last ten years in terms of ocean-based economies, but PSIDS still believes that more needs to be done.
- 4.2 For the PSIDS, the 2050 Blue Strategy and related regional frameworks serve as a guide, an advisory to sovereign governments to use and manage ocean resources sustainably while ensuring national economic growth and development. Extraction, resource use, or ecosystem service use should avoid harming the ecosystems and species that provide that good or service.
- 4.3 PSIDS will requires access to affordable long-term financing at scale to support and strengthened research capacities and technology use.
- 4.4 A blue economy will require capacity for technological innovation, including cleaner and renewable technologies, sustainability innovations for fisheries, aquaculture, tourism, and shipping, as well as capacity to develop bio-based industries. This is lacking in the Pacific Region.
- 4.5 Good governance on the environmental and social sustainability, and ultimately the economic outcomes of blue economies are dependent on good governance. An ocean-based economy requires improved governance of individual sectors, as well as multi-sectoral governance of all ocean activities.
- 4.6 Strengthening public-private partnerships allow large-scale government and regional projects, to be completed with private funding and leveraging strategic partnership to support Pacific SIDS in strengthening their policies, procedures and decision-making processes for environmentally sustainable development and to implement priorities over the next ten years and beyond is vital towards achieving the 2050 Strategy for the Blue Pacific Continent as well as other key regional and international obligations and commitments.