

CODE BLUE:

THE POWER OF THE BLUE ECONOMY TO REACH NET ZERO



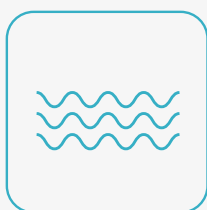
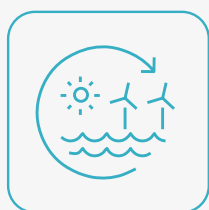
Introduction

The economic output of the world's oceans is approximately US\$1.5 trillion per year, making this 'blue economy' the seventh largest in the world. Given this significant value, the deployment of ocean-based climate solutions must play a critical role in ensuring the blue economy is able to support the sustainable growth of reliant communities and achievement of global net zero goals.

Oceans can act as our planet's largest 'carbon sink' by absorbing 25 percent of all carbon dioxide emissions and capturing 90 percent of the excess heat generated by these emissions, according to the UN. Preserving the health of the oceans is vital in the fight against climate change.



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This was one of the major findings of an ADSW Live Web Series episode hosted by Abu Dhabi Sustainability Week (ADSW) in November 2022.

Experts from business and industry came together for an ADSW Live Web Series episode titled, **“Code Blue: The Power of the Blue Economy in Getting to Net Zero”**. This session explored the significance of the blue economy and how relevant technologies can unlock the blue carbon market and achieve net zero.

The panellists included Her Excellency Dr Simona Marinescu, United Nations (UN) Resident Representative, Samoa, Cook Islands, Niue, and Tokelau; Frederic Degret, Founder and CEO, NOAH ReGen; Kerry Constabile, Managing Director, Global Head of Sustainability, Strategy and Net Zero, Standard Chartered Bank; and

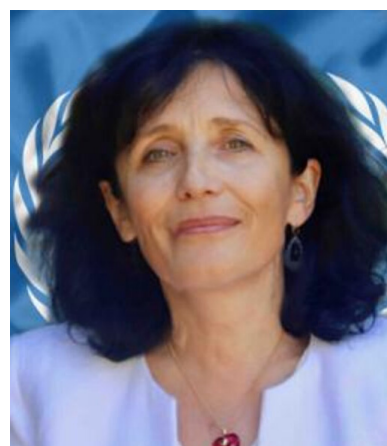
Abdulaziz Al Obaidli, Director, UAE Asset Management, Abu Dhabi National Energy Company (TAQA).

Dr Simona Marinescu shared her insights in the context of Small Island Developing States (SIDS) which manage large parts of the ocean. For SIDS, the Exclusive Economic Zone (EEZ) – the ocean under their control – is, on average, 28 times their national landmass, according to the UN, and represent close to 15 percent of the surface of the ocean. By retaining jurisdiction over the EEZ, SIDS have the opportunity to work on preserving marine ecosystems and generating food value chains, renewable energy, and carbon capture.



Dr Simona Marinescu

United Nations (UN) Resident Representative, Samoa, Cook Islands, Niue, and Tokelau



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“Unfortunately, SIDS does not have the financial means to be able to pursue the potential that the ocean offers,” she explained. “We also still do not have an agreement on biodiversity beyond national jurisdiction, so we can only work where we have national jurisdiction.”

She pointed out that in addition to financial resources, SIDS need access to technology and the ability to scale them at a country level to enable them to change people’s lives for the better.

Frederic Degret spoke of his work in providing SIDS with an ecosystem report for their transition, describing the blue economy as a game-changer. He highlighted the critical role of technologies in unlocking the economic potential of SIDS marine resources, as well as monetizing the EEZ and injecting these new revenue sources back into the economy. “What is very important for SIDS is that, once and for all, they can generate their own revenue sources without depending on another country,” he noted. “They can fast-track their transition in an autonomous way and start cutting [back on imported] energy and foods.”

In contrast, Kerry Constabile insisted that efforts should be led by science, highlighting the risk of extinction to oceans and waterways. Ensuring that the blue economy is measured, and standards are included in net zero standards is also key to the process. "There is very little mention of the blue economy to help incentivize

banks and corporates alike to drive their investment efforts," she highlighted. "And that is something that is really important, there should be both standards and guidelines and also ways to measure progress, which is absent from the net zero conversation."



In addition, there is a growing need for tech-enabled solutions to measure the health of the blue economy, by overlaying different types of data with geo-informed data to generate the full picture of the current status quo and the rapid changes taking place.

According to Abdulaziz Alobaidli, around 40 percent of the world's population live in coastal cities, more than three billion people use the oceans for their livelihood and day-to-day needs, and 80 percent of global trade takes place on the oceans. He believes oceans will continue to play a significant role in our lives as a key part of the economy.



Frederic Degret

Founder and CEO, NOAH ReGen

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"It is not a question of worth, it is a question of survival," he said, emphasizing the need to place more focus on, not only the preservation of oceans, but also the means to capture the opportunities they bring to advance much of today's climate agenda, including carbon neutrality.

Across the Gulf Cooperation Council (GCC) region, the seas play a particularly critical role, as sea water desalination plays a key role in the region's water security. In the UAE, more than 95 percent of the water used in households comes from the sea. As such, many analysts and green hydrogen advocates believe that the Middle East will play a significant role in green hydrogen production with ocean water playing a key role in driving the promising new energy source.



Abdulaziz Alobaidli

Chief Operating Officer, Masdar

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"But what we are responsible for, as people and nations, is to ensure that we first mitigate any potential negative impacts such processes have on the ocean. We need to make sure that we invest further in relevant technologies to make them more efficient and environmentally friendly than today. "



"Desalination is part of our economy and our survival in the UAE," Al Obaidli said. "But what we are responsible for, as people and nations, is to ensure that we first mitigate any potential negative impacts such processes have on the ocean. We need to make sure that we invest further in relevant technologies to make them more efficient and environmentally friendly than today. "

With the Worldwide Fund for Nature (WWF) estimating that the oceans represent US\$24 trillion in assets, Dr Marinescu highlighted the need for countries to have localized and contextualized blue economy strategies and

visions to establish sustainable processes. Such strategies would focus on both conservation and economic benefits to ensure that the blue economy continues to preserve the quality of the ecosystem.

Recent data from the High-Level Panel for a Sustainable Ocean Economy has shown that pursuing the blue economy and combining marine conservation with food, energy, transport and carbon sequestration, would reduce net-zero emissions gap by 15 percent yearly, further highlighting the significant role that oceans could play.

Countries can learn about innovative financing tools that have proven useful for others, and identify bankable projects that are not only aligned with the blue economy but are also inclusive, involving communities and ensuring that women are at the centre of activities, while generating sustainable benefits.

Mangrove restoration and regrowth are also essential for the health of the ocean and the ecosystem, as well as land resilience. Constabile highlighted how mangroves act as protective mechanisms against increased and exacerbated natural disasters.



Kerry Constabile

Managing Director, Global Head of Sustainability, Strategy and Net Zero, Standard Chartered Bank

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RECOMMENDATIONS



Dr Marinescu: We reached an important milestone earlier this year when the World Trade Organisation (WTO) adopted a resolution to cut subsidies and prevent overfishing which kills the oceans' resources. We are also working globally on redesigning food systems. This is a UN initiative to ensure that we sustainably manage the resources we have, including those from the ocean.



Alobaidli: I personally believe that there is no green economy if you do not have a blue economy. And the blue economy is the enabler for everything we try to achieve. Without the oceans, we will not be able to achieve our carbon dioxide reduction targets. We need to put more focus on the blue and if there is no blue then there is no green.



Degret: Blue is the new green. The way we need to structure the blue economy in the climate emergency we are facing is by setting up an ecosystem to put all relevant stakeholders around the same table. This platform needs to be digitalized to enable everyone to join forces. We have to learn from the past. Without regenerating our oceans, we are going to collapse, so it is obvious that we need to move forward.



Constabile: No COP is sufficiently addressing the blue economy because, in some ways, it has been very hard to align on one way of measuring the health of the oceans and the actions that can be taken by each government, stakeholder, and non-state player. I also think there remains a bifurcation between the biodiversity negotiations which are happening as we speak, and the climate negotiations, and we really need to merge the two. Biodiversity is a climate issue and climate is a biodiversity issue and there is no dividing them. So I would call on the UAE to have a Blue Economy Day in Dubai to unify the two.



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For more information

General enquires: contactus@adsw.ae

Media enquires: media@adsw.ae



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