

## Catalyzing global 'corporate ocean responsibility'

By PAUL HOLTHUS



The ocean is in trouble. Recent studies show that almost no part of the global ocean is unaffected by human impacts. Marine biodiversity is being degraded, destroyed and overexploited at an ever increasing rate and global scale. This is affecting the coastal inhabitants and communities worldwide that depend on marine areas for food and livelihood, many of whom are poor and marginalized. Degradation of the natural functions of the ocean may also affect its critical role in regulating the climate. As the primary user of ocean space and resources, business is key to the future of the ocean.

### Global impacts

Oceans support a significant, unique component of the world's biological diversity in a dynamic, inter-connected, three-dimensional water world covering over 70% of the earth's surface. Due to the fluid, international nature of the ocean, its biological and ecological richness and resources often extend over vast geographic scales. The marine environment provides 59% of the world's ecosystem benefits, with the 5% comprising the nearshore marine environment, *i.e.* estuaries, coastal wetlands, mangroves, coral reefs, and continental shelves, alone providing 38% of the world's ecosystem goods and services.

Many businesses are entirely dependent upon ocean resources, services and space, *e.g.* marine transport, offshore oil and gas, ports, fisheries, aquaculture, marine tourism, and seabed mining. The worldwide economic value of ocean goods and services is estimated at USD 6-21 trillion. Ocean industries such as shipping, oil,

fisheries, aquaculture, and tourism are big and are expanding rapidly, bringing ever increasing impacts to the marine environment and its biodiversity. Seaborne shipping accounts for about 90% of global trade. US container shipments quintupled from 1980 to 2006, and worldwide cargo will double or triple by 2020. Cruise ship passenger capacity doubled in the past 20 years and continues to expand. Shipping impacts to marine biodiversity include oil spills from tankers and fuel tanks, invasive species, and waste discharge at sea. Ship borne air pollution is projected to increase 150% over the next 30 years.

Ocean oil industry activity increased 9% in recent years, with Mexico's production alone expanding 70%. About 4,000 ocean wells exist around the world and exploration is expanding to ever deeper areas, particularly in many developing countries. Oil and gas industry operations in the marine environment result in a range of impacts from seismic testing, platform spills, drilling waste, etc. In the area of fisheries, human consumption of fish grew from 20 - 85 million ton during 1960 - 2002 and 70% of fish stocks are now considered to be fully exploited or overexploited. Fisheries impacts include over harvesting, excessive by-catch, trawling of ocean bottom habitat and direct and indirect impacts to marine mammals, seabird and other endangered wildlife. Other growing ocean industries include aquaculture, seabed mining, bio-prospecting and offshore wind energy – all creating their own sets of impacts and user conflicts.

### The rules that rule the waves

Sustainable development of the dynamic, interconnected global ocean 'commons' – for which everyone, and no one, is completely responsible - presents unique challenges. The international 'playing field' and 'rules' for the sustainable development of the ocean are being established through numerous organizations, programmes, and agreements, most of which are UN related: *e.g.* Agenda 21's Chapter 17 on oceans and coasts and the World Summit on Sustainable Development targets; the UN Convention on the Law of the Sea (UNCLOS), which provides a global legal framework; and the CBD, which has promulgated the Jakarta Mandate on marine and coastal biodiversity conservation and sustainable use.

Numerous other international agreements cover more specific aspects of the sustainable development of oceans and coasts. These include: the International Maritime Organization (IMO) conventions on marine pollution from sea-based sources; the UN Environment Program (UNEP) Global Pro-

### The World Ocean Council (WOC)

The World Ocean Council brings together ocean industries, *e.g.* shipping, oil and gas, fisheries, aquaculture, and tourism, to catalyze leadership and collaboration in addressing ocean sustainability and stewardship and is working with ocean industries to contribute to the sustainability of the seas in several ways:

- a. International research alliance on marine environmental problems. We are bringing together companies to develop a cooperative industry program of support for independent research into shared marine environmental problems, creating economies of scale in finding practical, cost-effective, operational solutions to collective issues such as ships collisions with marine mammals and waste discharge at sea.
- b. Ocean industry collaboration with other stakeholders. The WOC is organizing cross-sectoral industry working groups on priority marine conservation issues, such as marine protected areas and the Arctic, to increase industry understanding, willingness and ability to engage ocean conservation. We will facilitate constructive industry input to multi-stakeholder forums on these issues, for example, through industry participation in NGO workshops on designing high seas marine protected areas.
- c. Sustainability strategies to improve companies' marine environmental performance. We are working with companies to document their ocean ecological footprint, develop ocean sustainability strategies to reduce their marine environmental impacts, measure their performance, and publicly report their results.

gramme of Action for Protection of the Marine Environment from Land-Based Activities; the UN Food and Agriculture Organization (FAO) Code of Conduct for Responsible Fisheries; the Convention on the International Trade in Endangered Species (CITES); and several Regional Seas Conventions.

Although business is by far the main user of ocean space and resources, and responsible for the impacts that governments are seeking to manage, with a few exceptions, it is, by and large, not included, or only operates on the margins of these international ocean management processes. At the same time, governments and international bodies lack of capacity needed for surveillance and management of the global marine environment.

### The tragedy of the ocean commons

The conservation of marine biodiversity is inherently multi-sectoral and international, requiring the participation of all stakeholders. As the primary user of the marine environment, and source of many ocean impacts, business is best placed to develop and drive solutions, but is often

WOC side event at COP-9

29 May, lunchtime, GSI/S26

*"The health, productivity and biodiversity of the world's ocean cannot be secured without proactive, collaborative business leadership"*



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not doing so in a way that addresses the global scale of the issues. Industry efforts to address its impacts are usually piecemeal and reactive, usually undertaken by one company in a limited area.

The problem is that there are few incentives for leadership in environmental responsibility and collaboration in a shared global ocean ecosystem. It is often not clear how, and with whom, to work on

the complex, intertwined, international marine issues. In this 'tragedy of the commons', actions taken by one company to be a good ocean steward generate costs that are not perceived to have benefits, resulting in a competitive disadvantage and few incentives to tackle shared environmental problems.

Although there are few incentives to take on shared environmental problems, some companies try to do business in a more environmentally sustainable way. Unfortunately, the efforts of one company or even a whole industry sector are not enough to address global, cumulative impacts of growing ocean use by a diverse range of industries. At the same time, some UN agencies, governments, and NGOs are working to address marine environmental problems, but are not engaging with ocean industries. A new approach is needed to overcome the limitations of government and international community capacity to manage the seas and the lack of a critical mass of business commitment.

### **Global Solutions**

The health, productivity and biodiversity of the world's ocean cannot be secured without proactive, collaborative business leadership. My work with ocean industries over the years has confirmed that responsible companies want to address environmental impacts, differentiate themselves from poor performers, collaborate within and across sectors, and engage other ocean stakeholders. The problem is that there has been no structure and process to make this happen.

The World Ocean Council has been formed to transform the way ocean sustainability is addressed by bringing together the responsible actors from a wide range of ocean industries to catalyze leadership and collaboration in ocean sustainability and stewardship – creating a culture of 'Corporate Ocean Responsibility' (see box, previous page).

The next meeting of the WOC (24 June 2008, New York) will be held in association with the annual UN oceans deliberations, and be followed by a side event inside the UN to increase the understanding of government/UN/NGO representatives to the UN oceans consultations of the proactive industry marine sustainability efforts. Interested companies and trade associations are invited to contact us for more information.

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