

## **The World Ocean Council: A Global Industry Leadership Alliance For Ocean Sustainability**

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### **Global needs and opportunities for “Corporate Ocean Responsibility”**

Ocean sustainability issues are increasing affecting the future of shipping - and that of most, if not all, other industries using ocean space and resources, e.g. oil and gas, fisheries/seafood, aquaculture, ports, marine tourism, ocean renewable energy, seabed mining. This is creating important needs and opportunities for collaboration, synergies, and business benefits among the diverse sectors of the ocean business community. Unfortunately marine industries are not engaging in a coordinated systematic approach to the multi-sectoral policy developments affecting their ability to do business in the ocean. Opportunities are also being missed for ocean industry collaboration and economies of scale in developing solutions to cross-cutting marine environmental issues.

As the principle users of the marine environment, shipping and other ocean industries have the most to gain by developing and delivering solutions to sustainability - and the most to lose by continuing to be perceived as the primary cause of ocean problems as the marine environment is subject to increasing commercial use. Business access to ocean resources, services and space is at risk from the loss of the “social license” to operate in the seas and from the ocean governance regimes and policies that are emerging from processes in which industry is not well engaged.

To address the ocean sustainability issues and opportunities critical to business, the World Ocean Council (WOC) is creating an unprecedented global, cross-sectoral industry alliance. The WOC is catalyzing proactive, collaborative efforts towards “Corporate Ocean Responsibility” by leaders in the shipping industry and other sectors. Cross-sectoral leadership and collaboration will result in significant business value for those committing to the vision of a healthy and productive ocean that supports sustainable use and stewardship by the responsible ocean business community.

### **Growing ocean use, impacts and concerns**

Although the ocean covers over 70% of the earth’s surface, it is an increasing crowded place. Ocean industries such as shipping, oil, fisheries, aquaculture, and tourism are big and have been expanding rapidly, with increasing impacts to the marine environment. Seaborne shipping already accounts for 90% of global trade, and worldwide cargo will continue to rise in the coming decades. The offshore oil industry is expanding and moving into ever deeper waters and new areas, for example Brazil has recently discovered offshore reserves that rival those of the North Sea, and the waters of Angola may soon be the leading oil producer in Africa. In the seafood sector, more and more fishing vessels are searching ever harder to harvest fish, with human consumption of seafood fish growing from 20 - 85 million tons during 1960 – 2002, at the same time that 70% of fish stocks have become fully- or overexploited.

Add in the other ocean uses, such as the doubling of cruise ship passenger capacity in the past 20 years, the recent growth in offshore aquaculture and wind farms, and the coming of wave energy, and the overall mix becomes a dangerous. Inter-industry conflicts in the ocean are on the rise, for example, witness this year’s skirmishes between fishers and oil exploration firms off the coast of Norway as they try and work the same areas. As noted by Michael Grey of Lloyd’s List of London: “[I]t is probably sooner rather than later that we will hear of the first accident involving a ship or fishing craft and a wave generator, so systems that promote inter-industry co-operation must surely be welcomed.”

Underlying this growing level and variety of industry marine activities is an ocean in trouble. Oceans provide 59% of the world's ecosystem benefits; nearshore marine areas alone (5% of the Earth's surface) provide 38% of these global benefits. Unfortunately, the global marine environment, its unique biodiversity and its life-sustaining resources are being degraded, destroyed and overexploited at an ever increasing rate and global scale. Scientists recently produced the first global map of impacts to the marine environment, which graphically illustrated that essentially all of the world's marine environment is affected by human activities to some extent. Even the ocean's essential role in regulating climate is being compromised as marine ecosystem health declines. Ocean ecosystem impacts are especially affecting the coastal inhabitants and communities worldwide that depend on marine areas for food and livelihood.

### **The challenge of addressing sustainability in the global ocean**

Sustainable development of the dynamic, interconnected global ocean "commons" - for which everyone, and no one, is completely responsible - presents unique challenges for maritime industries. As marine environmental health declines, shipping and other ocean industries are collectively being held responsible for their impacts by the public, non-government organizations (NGOs), inter-governmental organizations (IGOs) and governments. Advocacy groups are aggressively confronting ocean industries on a sector, incident, or local basis (e.g. trawling, oil spills, port expansion). Moreover, ocean environmental concerns are increasingly being pursued through globally coordinated campaigns on issues that will affect most industries (e.g. ocean zoning, marine protected areas (MPAs), ocean noise, marine debris, greenhouse gas emissions). Unfortunately there is often not a corresponding coordination of effort by the sectorally fragmented ocean business community to engage these cross-cutting issues and international campaigns.

Ocean stakeholders are pushing for increased ocean regulation in a variety of international organizations, programs, and agreements where the international "playing field" and "rules" for the ocean are established. Although the shipping industry has a long-standing and productive interaction with the International Maritime Organization (IMO) and the MARPOL conventions on pollution from sea-based sources, many ocean sustainability issues are much broader than this coverage and are being actively taken up in other policy arenas.

Some of the most important ocean governance developments are being pursued through coordinated efforts in the international policy processes covering the sustainable development of oceans and coasts that are not sector-specific, e.g. the Convention on Biological Diversity (CBD) and the UN Convention on the Law of the Sea (UNCLOS), the Convention on the International Trade in Endangered Species (CITES); the Convention on Migratory Species, Regional Seas Conventions, etc. Coordinated industry participation in these processes is lacking, as is balanced, comprehensive information regarding industry efforts to address marine environmental issues, with ocean industries often portrayed solely as the perpetrator of ocean demise.

As a result, private sector access to ocean resources, services and space - even by companies with the best environmental record - is increasingly at risk due to the loss of the "social license" to operate. Ocean governance regimes and policies are emerging from processes in which industry is not well engaged and in which other stakeholders have sophisticated, well organized agendas and involvement.

There have been limited efforts by responsible companies to differentiate themselves from poor performers and try to do business in a more environmentally sustainable way. However, the efforts of one company or even a whole sector are not enough to address collective global impacts by a diverse range of industries in a shared global ecosystem.

### **The opportunity for industry leadership in ocean stewardship and sustainable use**

As the private sector is the primary ocean user, it is well placed to develop and deliver solutions in response to society's increasing demands that marine ecosystem use is sustainable and industry impacts on the marine environment are minimized, if not eliminated. The health, productivity and biodiversity of the world's ocean cannot be secured without proactive, collaborative private sector leadership and the ocean business community has the opportunity to develop proactive leadership and deliver ocean sustainability solutions that work for business, rather than being forced to react to conditions advanced by other stakeholders. As Vaclav Mikulka, Director, United Nations Division of Ocean Affairs and Law of the Sea states: "Managing the global oceans requires the involvement of all stakeholders, especially the private sector, and all ocean industries have a responsibility to help maintain the health and productivity of the marine environment."

There is a need and opportunity for responsible companies from the multi-sectoral ocean business community to create leadership and collaboration in ocean stewardship among those who want to address marine environmental issues, differentiate themselves from poor performers, collaborate with like-minded companies within and across sectors, and engage ocean stakeholders and policy processes.

With the establishment of the World Ocean Council there is now a structure and process for companies to seize this opportunity and create a global industry leadership alliance on ocean sustainability. As Law of the Sea chief Mikulka says, "The World Ocean Council efforts to bring together the global 'ocean business community' to develop leadership and collaboration for ocean sustainability and stewardship are critical to the future of the oceans."

### **Catalyzing solution-oriented strategies and actions for ocean business**

The WOC is the only international organization created to catalyze cross-sectoral efforts on ocean sustainability. Through the following strategies and actions, we are working with the responsible ocean business community to address the challenges of ocean sustainability:

1. *Creating a vibrant international, cross-sectoral ocean business community that provides private sector leadership towards achieving marine ecosystem sustainability and addresses threats to ocean space and resource access.*

The WOC is a business membership organization that creates a broad, global leadership alliance of like-minded companies and industry associations committed to marine environmental sustainability and stewardship. We are creating a forum for interaction among responsible companies on ocean issues, for example, the WOC "Sustainable Ocean Summit" is planned for 2009. We work with companies to increase their understanding of marine sustainability issues and stakeholders and serve as a clearinghouse for objective, independent and balanced information on ocean sustainability issues relevant to the ocean business community. The WOC is creating "platforms" and working groups for substantive collaboration and action on issues and regions of interest in order to address threats to industry access to marine space and resources.

2. *Ensuring companies are well-informed on ocean policy and decision making processes and constructively engaged on key issues and developments with ocean stakeholders.*

The WOC is working to ensure there are "eyes and ears" for responsible ocean industry members by monitoring, analyzing and reporting on major ocean policy and decision-making processes and developments, especially those that are not sector specific. Further, we are developing a "voice" for sustainability oriented companies by coordinating industry information and input to these processes and enhance collective, constructive, sustained engagement of the public and ocean stakeholders by companies involved in the WOC. The result is active monitoring and analysis of major policy developments for WOC members, early industry awareness of critical developments and emerging issues, rapid and effective input to critical policy processes and proactive, positive relations with the public and ocean stakeholders.

- 3. Catalyzing and coordinating cross-sectoral industry collaboration in developing practical, cost-effective, science-based solutions to specific marine environmental issues.*

The WOC is fostering collaboration among companies to determine priorities and develop science programs that benefit from economies of scale in finding cost-effective solutions to shared environmental problems, e.g. the impacts of sound on marine life, shipboard waste discharges, environmentally sound recycling of vessels and marine structures. This will result in practical, cost-effective solutions to address priority shared marine environmental problems and the reduction or elimination of specific industry impacts to the marine environment.

- 4. Working with ocean industries to improve environmental performance by developing and implementing continuous improvement, best practices and standards.*

The WOC works with companies and sectors to determine their “ocean footprint” and develop Corporate Ocean Responsibility policies and strategies. We are helping industry to develop best practices on cross-cutting issues, e.g. marine debris, ship strikes on whales. This enables us to document and disseminate case studies and best practices in Corporate Ocean Responsibility, e.g. case studies on creating an ocean sustainability strategy, case studies in best practices for partnerships with ocean NGOs. Through best practices, specific marine environmental issues can be addressed and impacts reduced. Leadership companies that implement ocean sustainability strategies and actions to minimize their “ocean footprint” and minimize their impacts beyond compliance are improving their brand value and reputation among ocean stakeholders.

- 5. Developing operational ocean industry leadership alliances in priority regional or national or sub-national sea areas.*

The WOC is working to develop cross-sectoral industry leadership in critical geographic ocean areas, e.g. the Arctic, Mediterranean, Caribbean, and coordinate industry inputs to regional processes and participation in specific processes. This leads to operational alliances addressing ocean sustainability issues in priority geographic areas and participation in regional solutions implemented that reduce inter-industry conflicts and/or stakeholder conflicts and ensure access to ocean space and resources.

- 6. Facilitating interaction among sectors to improve mutual understanding, create cross-sectoral dialogue and reduce ocean use conflicts.*

Opportunities for dialogue, exchange of information and developing mutual understanding among like-minded companies are being created through the Sustainable Ocean Summit and other means to increase cross-sectoral information exchange on ocean sustainability issues and challenges. Better understanding among industries of each other’s ocean use requirements leads to improved collaboration and participation in ocean spatial planning at local, national and international levels to avoid and resolve user conflicts.

- 7. Developing collective industry support for, and participation in, improved ocean science, especially on climate change.*

The WOC is developing and coordinating cross-sectoral calls for expanded, improved and better coordinated ocean science, especially regarding climate change. This will improve the understanding of the oceans, create a more predictable ocean operating environment and increase the use of science for safe, responsible industry operations and marine ecosystem management. Related to this are efforts to develop ocean industry participation in programs to improve ocean science, e.g. participation in ocean observation programs, interaction with intergovernmental ocean database programs.

## **Business Value through Reduced Risk and Increased Sustainability**

The benefits to business of the World Ocean Council include:

- *Reduced risks from better tracking and participation in policy and decision making processes.*  
Regular monitoring, analysis and reporting on policy developments that affect ocean industries, especially those occurring in multi-stakeholder, non-sectoral processes, creates an “early warning system” to alert WOC members of the need and opportunity to provide timely information or involvement. This prevents the need for reactive, defensive, confrontational actions that damage reputations and create operational costs. Early, informed engagement will help avoid unbalanced, ill-informed policies and decisions that are not workable for industry.
- *Reduced risks due to improved understanding of ocean issues and improved relationships with stakeholders.*  
Better understanding of the marine environmental issues and processes important to other stakeholders and the public, and improved, more trusting relations with those stakeholders, reduces the possibility of unforeseen campaigns and negative publicity affecting business operations.
- *Economic benefits of collaboration in developing solutions to shared, pre-competitive issues.*  
Collective efforts to undertake research and development on issues affecting a range of industries creates economies of scale, reduce transaction costs and leverage other funds to address the issues that threaten continued industry activities.
- *Increased participation in international ocean policy developments.*  
Involvement in key national and international ocean policy and management fora is facilitated by a regular flow of information from the WOC to its constituents and the coordinating of industry participation, as appropriate.
- *Competitive advantage of proactively addressing environmental impacts.*  
Companies that act beyond, and in advance of future regulations and societal demands gain first-mover advantages and mitigate the financial impact of responding to future regulations or “social license” needs.
- *Increased credibility and recognition of industry actions on ocean sustainability.*  
The WOC generates credibility, visibility and global presence for the ocean sustainability efforts of responsible companies, adding to brand reputation and ability to interact constructively with government and non-confrontationally with stakeholders.
- *Sharing of pre-competitive best practices in marine environmental responsibility.*  
Leadership companies are able to learn from the experience and practices of other ocean industries in addressing environmental and social issues, stakeholder relations, partnerships, etc.
- *Reduced user conflicts with other industries.*  
Companies benefit from the opportunity to meet and interact with colleagues from other ocean industries. Increased and improved relationships among ocean business sectors enhance the potential for inter-industry conflicts to be avoided or minimized before they create economic or reputational impacts.

### **World Ocean Council Progress and Next Steps**

The WOC is achieving considerable progress in its mission to bring together the multi-sectoral ocean business community to catalyze global leadership and collaboration in ocean sustainability and “Corporate Ocean Responsibility”. Extensive interaction with ocean industry companies has

leveraged involvement and in-kind support to for the alliance and the basis of WOC membership. Interaction with many of the global ocean industry associations (oil and gas, shipping, tankers, fisheries, aquaculture, etc.) has led to their interest in the WOC, and opportunities to review and analyze sectoral ocean environmental issues and stakeholders. Relationship building with the UN Division on Ocean Affairs and Law of the Sea (DOALOS) and other UN ocean agencies have resulted in strong IGO partnerships and endorsements of the WOC. Major NGOs are also supportive of the WOC mission and efforts.

In mid-2008, the WOC organized a cross-sectoral industry meeting at UN offices on “Global Ocean Industry Leadership and Collaboration on Sustainable Development of the Marine Environment” (New York, June 24-25, 2008). The workshop brought together representatives of the oil and gas, shipping, fisheries, aquaculture, and other sea-based industries to identify the priorities for leadership and collaboration, determine the strategy and mechanisms for working together and develop the action plan for moving forward.

The World Ocean Council is now well underway as a unique business association for ocean industries to create private sector leadership and collaboration in tackling ocean environmental issues and at the same time generate business benefits and reduce the threats to continued responsible use of marine areas and resources. As Lloyd's Register notes, “If we are thinking globally, oceanically and collectively, rather than considering our own narrow industry requirements, the World Ocean Council could be a very good idea. [It] could provide just the sort of co-operative inter-industry vehicle we need.”

BIMCO members are invited to contact the WOC for more information on becoming a member of this important, innovative effort to bring together the sustainability leaders of the ocean business community. BIMCO members are also invited to participate in the “Sustainable Ocean Summit” (Belfast, 16-17 June 2009), the first high level, cross-sectoral conference on ocean sustainability by and for ocean industries.