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CONGRESS  
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THE EAST ASIAN SEAS CONGRESS

**25** Years of Partnerships for  
Healthy Oceans, People and Economies  
Moving as One with the Global Ocean Agenda

**27-30 November 2018** • Iloilo Convention Center, Philippines



**TRACK 6: OCEAN INDUSTRY AND FINANCE**

**SESSION 6.5**

**From Potential to Reality: Business  
Leadership for a Blue Economy in  
the Seas of East Asia**

**CONVENER:**



Partnerships in Environmental  
Management for the Seas of  
East Asia



**The East Asian Seas Congress 2018**  
**“25 Years of Partnerships for Healthy Oceans, People and Economies:**  
**Moving as One with the Global Ocean Agenda”**  
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**Track 6: Ocean Industry and Finance**

"From Potential to Reality: Business Leadership for a Blue Economy in the Seas of East Asia"  
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**Convening Agency**

Partnerships in Environmental Management for the Seas of East Asia (PEMSEA)

**1. INTRODUCTION**

- 1.1. Strong collaboration between government and business will be critical for achieving the UN Sustainable Development Goals (SDGs), including SDG 14 Life below water. Along with safeguarding the health of coastal ecosystems and communities, achieving the SDGs may open pathways for new opportunities for companies while supporting the health of coastal ecosystems and communities. The potential of effective public-private partnership for coastal and ocean management has been discussed for some time, but the reality of forging concrete, value-added partnerships has, in many cases, remained elusive. Companies can struggle to move beyond mere compliance or approaches that are disconnected from their core business, while public institutions and local governments may wonder how to best engage with the private sector in ways that achieve sustainable development goals while adding value that incentivizes companies to partner.
- 1.2. Organizations like PEMSEA, World Ocean Council, Philippine Business for Environment and IUCN can play a bridging role, supporting the achievement of sustainable development objectives while helping companies to address their challenges related to coasts and oceans.
- 1.3. This session examined the role of business and its needs and expectations for collaborative coastal and ocean management, along with the role of development partners in helping companies to identify and develop practical opportunities supporting the SDGs, blue economy development and local communities. Building on insights from research for a Sustainable Business Roadmap for oceans for the region, participants explored approaches to private sector partnership for blue economy development.

**2. INSIGHTS FROM RESEARCH TOWARDS A SUSTAINABLE BUSINESS ROADMAP FOR OCEANS IN EAST ASIA**

- 2.1. **Mr. Ryan Whisnant**, Director of Strategic Initiatives for PEMSEA, opened the session by welcoming the participants, going over the agenda for the session and asking participants what sector they represent. The audience was a balance of people from the private sector, NGOs and development organizations, with the majority from government. He proceeded to present background on PEMSEA's efforts to promote blue economy and recent research towards developing a sustainable business roadmap for oceans in East Asia.

- 2.2. The blue economy is incredibly important in East Asia. Mr. Whisnant cited figures from PEMSEA's recently release regional State of Oceans and Coasts (SOC) reports, which capture initial estimates of economic activities of ocean-related industries, together with the natural assets, goods and services of marine ecosystems. The region is a conduit for 90% of shipping trade globally; 40% of the world's capture fisheries and 80% of its aquaculture are produced in the region; the blue economy accounts for up to 87% of GDP in some East Asian countries and has contributed an estimated USD1.4T across 10 countries covered in the SOC report, and 54 million people are reported to be employed in ocean industries in the 10 countries.
- 2.3. The Sustainable Development Strategy for the Seas of East Asia, the regional Strategic Action Programme (SAP) for East Asia adopted by 14 countries, provides a foundation for blue economy. It incorporates significant priorities at the global level, including the SDGs, Aichi Biodiversity Targets, Sendai Framework and Paris Agreement, and it promotes sustainable economic development towards a blue economy in coastal and marine areas through the application of integrated coastal management (ICM) approaches.
- 2.4. PEMSEA has taken important steps to promote blue economy and private sector engagement in the region. In 2015, PEMSEA launched a report that identified nine industries that define the majority of blue economy business activities in the region. As part of PEMSEA's ICM programme, the private sector has been engaged at the local level in some sites, such as the Bataan Coastal Care Foundation in the Philippines, which brings together companies as a catalyst to build better coastal governance and explore public-private partnerships for coastal resources management. At the regional level, PEMSEA created the East Asian Seas Sustainable Business Network in 2015, a network of companies supporting blue economy development. It has been challenging to engage companies across multiple sectors in the network in concrete project activities.
- 2.5. Private sector engagement on blue economy is critical. The discussion on blue economy has been largely among the public sector, but the private sector is increasingly taking interest. At the same time, there are multiple development partners looking to engage the private sector in the region. We are seeing a rapid development of principles and platforms on blue economy from groups including the European Commission, World Wildlife Fund for Nature (WWF), the European Investment Bank, UN Global Compact and UN Environment, but more needs to be done to understand how to best engage companies in value-added partnership supporting blue economy in the region. There is a chance to align various private sector engagement efforts supporting blue economy development in the region and identify opportunities for concrete partnership activities.
- 2.6. PEMSEA and the International Union for Conservation of Nature (IUCN) / Mangroves for the Future (MFF) undertook research to better understand the needs, opportunities and best approaches for development organizations and business to partner on sustainable development of coasts and oceans. The research found that companies would appreciate policy updates relating to coastal and marine management relevant to their business; help in setting science-based targets; support in bringing needs of companies to government; and joint development of projects that demonstrate positive impact and make the business case relevant for specific sectors. Development organizations can act as neutral conveners to bring sectors together, helping companies to focus on solutions addressing concrete issues, such as habitat loss, biodiversity, local economic development and pollution reduction. They can support grassroots engagement and establishment of governance mechanisms, facilitate access and understanding with local stakeholders and tap into their research base to develop knowledge products and provide technical assistance.

2.7. In the research, companies expressed interest in a sustainable business alliance for oceans at the regional level. It should include value chain partners and competitors to tackle shared problems and provide a venue for discussing best practices and sharing expertise, but it must focus on tangible cases and impacts, not merely exchanging information.

### 3. BUSINESS AND THE OCEANS

3.1. The first panel, moderated by **Ms. Anna Oposa** from The Purpose Business shared examples of business partnerships supporting ocean conservation in sectors including consumer products, coastal tourism, seafood and textiles. Panelists shared their successes, challenges and opportunities for contributing to the SDGs and sustainable blue economy in the region.

3.2. **Ms. Joy Munsayac**, Public Affairs and Communications Manager for Coca-Cola Far East Limited opened by providing an introduction to the Coca-Cola company. The company and its bottling partners and business system include more than 700,000 associates worldwide, 27+ million customer outlets and 4,100+ products. Coca-Cola has been doing business in the Philippines for more than 107 years. The company strives to do the right thing for people and the planet and aims to help create shared opportunity in every community it serves. The company has embraced the SDGs and is committed to programs and partnerships that help communities, initiating community programs at the national and local scale that address all of the 17 SDGs. Under each SDG, there is a corresponding program in partnership with government and civil society organizations.

3.3. Ms. Munsayac described three areas of focus: 1) women's economic empowerment, 2) water leadership and 3) world without waste. On women's economic empowerment, the company has a global program of empowering 5 million women by 2020. On water leadership, the company offsets an estimated 115% of water used for the production and manufacturing of its products through community water access programs and projects to replenish water in nature, also helping communities get water for drinking and agriculture. In partnership with WWF, Coca-Cola Philippines is undertaking a PHP25M multi-year watershed rehabilitation program in the Ipo Watershed.

3.4. Coca-Cola recognizes that the world has a packaging problem. Like other companies, they have the responsibility to help solve it and they believe that a litter-free world is possible. In January 2018, Coca-Cola's CEO announced the World Without Waste program (<https://www.coca-colacompany.com/stories/world-without-waste> ). The company will reshape its approach to packaging with goals to help collect and recycle a bottle or can for every one it sells by 2030; continue to focus on making its packaging 100% recyclable; and using more recycled materials in its packaging. This goal has been adopted and activated by 200 markets globally, and everywhere Coca-Cola sells its products there must be a world without waste program.

3.5. PET plastic is precious. It can be recycled to many things, not just food and beverage packaging. Coca-Cola has a high collection rate of PET and there is a multi-billion-dollar industry that takes care of the plastic if collected properly. The company recognizes that it can leverage its brand assets for the promotion of proper waste collection and recycling. It aims to invest its marketing dollars and skills to promote recycling, because they believe in a circular economy model. Partnership plays an important role in helping them to achieve their goals. They work with all sectors, partnering with the government, civil society and other private sector. Examples include partnership with Circulate Capital on catalytic

funding, Ocean Conservancy on educational campaigns and coastal cleanups and local partners on setting up full waste recovery facilities.

**Discussion:**

- 3.6. **Ms. Jacky Caancan** from DENR-NCR asked for more details about the solid waste facility in Paranaque where Coca-Cola is working with PARMS.

**Ms. Munsayac:** The facility collects from several players in the Fast Moving Consumer Goods (FMCGs) sector, not just Coca-Cola, everyone from the top 10 FMCGs. It is a state-of-the-art Research & Development facility for recycling. It processes the waste collected from the Local Government Units. The City Environment and Natural Resource Office will operate it together with PARMS where there are many technical experts. It's not just for FMCGs, but also for recyclers and plastic associations. The task of FMCG is to fund the set-up, equipment and the whole waste recovery facility.

**Ms. Guillaume Drillet:** How is it possible to replenish 115% of the water the company uses?

**Ms. Munsayac:** It's possible to replenish more than the amount used by first using state of the art water recycling facilities along with sponsoring programs that more than offset the usage in other places by restoring ecosystems and providing water to communities.

- 3.7. **Ms. Mariglo Laririt** presented on The Ten Knots Group of Companies and Blue Economy. She began by providing the history of Ten Knots in Palawan, Philippines, where it operates four island resorts. The company has been advocating for responsible tourism and a quadruple bottom line approach, which is composed of financial growth, environmental stewardship, community engagement and organizational development. Theirs is a business that is aligned with principles of conservation and community engagement. The company recognizes that Ten Knots cannot operate in a place where people are unhappy with them when they are in the business of making people happy.
- 3.8. The company believes in strong local partnerships by engaging locals to be part of the supply chain, and development of employment opportunities and livelihoods. For example, in 2017, PHP20M worth of seafood was sourced from Palawan suppliers, 100% of rice is sourced locally and vegetables are sourced through a Corporate Vegetable Program in partnership with the Department of Agriculture. Management is measured on use of local products as one key performance indicator. A local Women Weavers Association supplied the resorts' amenities with 10,545 units of woven bags from 2015-2018. Creative partnership with local fisherfolk, where they don't just supply fish but also provide services to their guests, has resulted in a 33% increase in annual fees paid for fishermen's services through the program "From Hooks to Books".
- 3.9. The company runs a conservation network to streamline environmental protection efforts in El Nido, where they have enjoined many resort companies to participate in conservation programs. Nature Interpretation and Wildlife Management Trainings have been delivered to more than 30 organizations including local communities, NGOs, the LGU and resort staff. An average of 20 wildlife rescues per year are made possible through scientists and veterinarians. They are particularly proud of their marine turtle conservation program, which raises awareness about nesting beaches, transferring eggs to safer places and protocol for handling hatchlings and releases.

- 3.10. The company's responsible tourism model directly benefits the local people, holding stewardship over the environment and enhancing cultural heritage. They push for sustainable menus and have delisted several species known to be endangered, including red grouper and lobsters. On waste management, segregation at source is strictly implemented in all developments, and a Materials Recovery Facility results in only 17-20% of waste being sent to the landfill. The company has instituted a single-use plastics ban. Wastewater is processed through an onsite treatment plant, where the output is used for flushing and irrigation. 88% of resort employees are from Palawan, and each employee receives 46 hours of training annually for their individual development. Medical support is extended to employees' families and to local communities as needed.
- 3.11. El Nido's growing popularity presents a number of challenges, including congestion, pollution and vandalism, land conversion, user conflicts and food security. Ten Knots sees a role for itself in reshaping El Nido to be a truly sustainable tourism destination through local government partnerships. It works hand in hand with the Mayor in implementing the municipal ordinance banning single-use plastics, supported drafting the Municipal Tourism Code and is the top tax payer of the municipality and third in the province. The company has worked with the World Bank CCRES project to create a framework for understanding and managing the pressures, impacts and responses in the local ecosystem and communities.
- 3.12. Ms. Laririt ended by offering three main takeaways and recommendations from what they have learned over the years. First, reduce impacts of "tragedy of the commons" by pushing for tourism business models that are compatible with high biodiversity areas. The tourism economy is one of the few sectors that brings outside revenue into the local economy. Second, create shared value instead of Corporate Social Responsibility (CSR). Make business partners out of the local community. Finally, make sustainable seafood options possible. It's important to take a leadership role by educating guests on the endangered species.

**Discussion:**

- 3.13. **Ms. Leah Karrer** from the Global Environment Facility inquired about whether other hotels are embracing the same sustainable practices, particularly not using single use plastics.

**Ms. Laririt:** In 2013, the legislative council of El Nido passed an ordinance banning the use of plastics, which was born out of the private sector's push to do something about the plastics problem. As a policy, El Nido Resorts does weekly cleanups and has been submitting data to the LGU on waste levels. They requested the new mayor to implement the 4-year old ordinance, and an executive order was signed to enforce the ban of single use plastics. The community was given time to adjust to the new way of operating without plastics, which led to widespread support from business owners who have weaned themselves off plastic. They have also banned the use of plastic bottles during the tours, where guests now have to bring their reusable drinking containers. The challenge is having the manpower for enforcement. She is happy to report that although it wasn't easy, use of plastic straws in all restaurants was almost completely eliminated within two months of the implementation.

**Mr. Pocholo Espiron** from SipPH asked about how to replicate this effort with fewer resources.

**Ms. Laririt:** There are many levels for making change, and participating in activities like this EAS Congress is one. There is so much potential for replication of this in other resorts. Ten Knots has been invited to speak about their experience to groups from youth to the Sustainability Council of Ayala Group of companies and others. They really try to multiply themselves and have been very proud of what they achieved in El Nido. They invite others to visit their Materials Recovery Facility and sewage treatment plant (STP), to share their learnings. There are many versions of STPs available in the market today for 10-room hotels up to big resorts, there is an STP that can work. There is an opportunity for multiple businesses to cluster and share a Materials Recovery Facility if they can't run one on their own. Leadership is so important, for example talking to associations to hasten the pace of adoption of materials recovery. There are low-tech and efficient interventions that can be applied for the different scales of business.

3.14. **Mr. Rene Benguerel**, President and General Manager of Meliomar Inc. presented on Blue Economy and the Role of Private Sector in Sustainable Fisheries and Aquaculture. He opened by providing background on Blueyou, which is a private sector group of companies operating for 25 years focusing on sustainable seafood solutions. It is active in the services, manufacturing, trading and distribution of sustainable seafood. Blueyou engages with the fisheries and aquaculture sector on transition towards sustainability and partners with government and NGOs on private-sector-led programs and projects, with a strong focus on SE Asia and Latin America. Blueyou owns Meliomar Inc., a seafood company located in the Philippines. Meliomar was founded by Blueyou as a private sector partner for its fishery improvement program focused on handline-caught Yellowfin Tuna, where Meliomar handles the manufacturing and distribution of high quality, fresh and chilled tuna products for export (70%) and local market distribution (30%) in Metro Manila.

3.15. The seafood sector, whether fisheries or aquaculture, is directly linked to the marine environment. The sector has an intrinsic motivation to ensure that it takes care of our ocean resources. Fisheries and aquaculture have big impacts on sensitive habitats, such as mangrove forests and coral reefs, which are biodiversity hotspots and provide important ecosystem functions. These sectors should ensure that their economic activities do not contribute to the destruction of these habitats. The sectors also have a big responsibility when it comes to local livelihoods and communities. Everything we do that has a direct impact on the resource and communities should be incentivized to follow proper management.

3.16. Blueyou's ARTESMAR program aims to improve artisanal, small-scale fisheries by partnering with community fisheries, local authorities, NGOs and the private sector to create a beneficial environment for reform. The program creates value chain-based incentives and up-side value as drivers for change and improvement, focusing on legalizing fisheries, documentation of catch, traceability, food safety and quality, fishery management and co-enforcement of existing regulations, offering fishermen and local authorities a functional framework for co-management of marine resources. The program has 2500 participating fishermen across 8 provinces in the Philippines. Improvements include vessel registration, electronic traceability from vessels to packed products and quality and value improvement of the catch.

Ultimately, the program promotes hand-line, single-hook caught tuna as a sustainable seafood choice on global markets.

- 3.17. In Vietnam, SELVA SHRIMP is an aquaculture program developed by Blueyou. SELVA SHRIMP acknowledges the specific benefits of naturally raised mud crab and shrimp in Silvofisheries in the Southern Mekong River delta in Vietnam. The program works with 4500 farmers and families that grow shrimp according to organic standards. Blueyou manages farmer group auditing and chain of custody, traceability and food safety, and collaborates with local authorities for co-management and enforcement of regulations. Incentive systems are created for farmers to comply with regulation, maintaining mangrove forest as an important ecosystem and habitat. This is a premium product where some of the additional premium is used to help LGUs implement their programs and to perform the necessary audits to comply with organic and sustainability standards.
- 3.18. Mr. Benguerel concluded by sharing important lessons learned and challenges in Southeast Asia. Through its work, Blueyou has learned that the seafood industry is highly competitive and still based on exploitation at the lowest cost. The private sector has a responsibility and self-interest in the sustainability of our oceans. Responsible practices and transformation towards sustainability do come at a cost, which can only partly be carried by the private sector and the underlying local and global seafood value chains. Competitors are abundant and competing in a price driven market is difficult. Co-management models do work if all stakeholders are fully committed.
- 3.19. The seafood sector presents significant challenges and opportunities. There is increasing demand for healthy protein that will further drive demand for seafood, but SE Asian fisheries are already among the most overfished. USD80B are lost due to mismanagement, overfishing and bad practices, so there is an urgent need for reform and stock rebuilding. But there is huge opportunity to do much better, with upside potential of US\$20-25B annually in SE Asia. Unlocking private capital to fund reforms must involve new models of blended financing for transition and professional project development capacities in the region.

**Discussion:**

- 3.20. **Ms. Leah Karrer** from the Global Environment Facility referenced the plenary presentation by Mr. Dale Galvin, where he talked about the Meloy Fund. I believe that Meliomar was the first company that was invested in by the Meloy Fund? Can you please share your perspective on that relationship with the fund, and what the impacts have been?

**Mr. Benguerel:** Yes, Meloy Fund did invest in Meliomar. We are using this money in part for the electronic traceability system that helps us in our supply chain here in the Philippines, also as a working capital line to buy the seafood, such as tuna, which is very expensive. It is always challenging to get financing for such activities because we are not a huge company. Meliomar has a roughly USD10M turnover, so it is not small but also not big, our business can be seen as risky by investors because we



involve local farms and fishermen, so they are the only working with investors willing to accept the riskiness inherent to the business.

3.21. **Mr. Amado Blanco**, Networks Regional Manager SEA presented on “Redesigning supply chains to create sustainable and scalable ocean solutions”. Mr. Blanco opened by describing SE Asia as a hotspot of plastic pollution and overfishing. The region is home to 3.35 million artisanal reef fishers, more than half of the global total, who depend on declining fish stocks. Over 75% of the Philippines’ fishing grounds are depleted, while the country is the third worst plastic polluter globally. Globally, 640 metric tons of fishing gear is abandoned in the ocean every year, and most coastal communities have no sustainable way of disposing of or recycling their used fishing nets. These nets continue to kill and injure marine life after their useful life through a phenomenon known as “ghost fishing”.

3.22. The Net-Works program was formed as a partnership between Interface, the world’s largest designer and producer of carpet tile, Aquafil, an Italian producer of Nylon yarn and the Zoological Society of London (ZSL), a global conservation organization. These organizations came together with a goal to redesign the supply chain to create positive community and ecological benefit. There was a common interest in innovation. Interface was interested in innovating the way it sourced its raw material and ZSL was looking for innovative conservation models and sources of non-traditional funding for conservation projects. Each organization brings unique strengths to the partnership: Interface, with strategy, seed funding, business acumen, global reach and a market for regenerated yarn; ZSL with local implementation, capacity building, community organizing, community banking, local partnerships and science-based conservation; and Aquafil with the depolymerization technology to turn fishing nets and other waste material into regenerated yarn.

3.23. The Net-Works model was designed to be simple and scalable to address the interlinking issues of plastic pollution, fisheries and poverty. Poverty accelerates the use of destructive fishing practices, which degrades the fishery and further exacerbates issues of poverty. Net-Works aims to redesign global supply chains to reduce marine plastic, replenish declining fish stocks and improve the lives of marginalized coastal communities. The model, has three components:

- 1) Creating efficient community-based supply chains. Applying the principles of fair trade and inclusive business to create efficient community-based supply chains for raw materials abundantly available in coastal communities and linking them to conservation actions that reduce plastic pollution and replenish fish stocks.

- 2) Selling raw materials into global supply chains. Target brands looking to source premium ingredients with a positive social and environmental story and sell raw materials into global supply chains. Provide fishing communities and conservation agencies with alternative income to break the boom and bust nature of donor dependence.

3) Managing local supply chains with new community banks. Set up community banks to manage the local supply chains, using a Village Savings and Loan Associations (VSLA) methodology. These community banks are the “social glue” at the heart of Net-Works. Banks bring communities together in informal cooperatives and give people much needed access to financial services.

3.24. While the program generates income, it is exploring other income streams, such as seaweed farming, that can augment the limited income available from recycling fishing nets. Diversification will be essential.

3.25. To date, the Net-Works program has collected 210 tons of fishing nets, helping to protect 1,286 hectares of aquatic area and 57 hectares of mangrove and empowering 40 local communities, benefitting an estimated 63,500 people. Over 2200 people are in the 97 Net-Works community banks that have been set up. Net-Works replication is underway in Indonesia in partnership with SeaNet Indonesia and the Coral Triangle Center.

#### **Discussion:**

3.26. The moderator, **Ms. Anna Oposa**, commented on the unique business model and asked what it is about this model that can be replicated and applied? What do you think are the ingredients in this model that makes it so successful?

**Mr. Blanco:** The first ingredient is agreement between the organizations on what they can do together. This unity of purpose, in this case, to set up a supply chain that will be good for people and the environment, is essential. It's important to identify research centers to support your activities, and critical to explore options for diversification in terms of income streams. You should not be dependent on a single product.

## **4. DEVELOPMENT PARTNERS**

4.1. The second panel, moderated by **Mr. Ryan Whisnant** from PESMEA, featured development partners sharing their mission, activities and successes in the East Asian region, along with challenges and potential opportunities they see for private sector collaboration.

4.2. The first speaker, **Ms. Ann Moey**, Head of Communications & Private Sector Engagement Focal Point for IUCN Asia, introduced IUCN as the largest environmental network in the world. The organization's private sector engagement goals are to improve the overall sustainability of business practices in the coastal zone and to make the business case for coastal ecosystem conservation and community resilience by promoting good practices, moving away from a CSR mindset. Activities in this region focus primarily on coastal tourism and fisheries and aquaculture.

4.3. Established in 2006, Mangroves for the Future (MFF) is a project co-chaired by IUCN and UNDP, focusing on strengthening the resilience of ecosystem dependent coastal communities. MFF works with eleven

member countries in Asia through a network of 300 regional, national and local partners to support activities that generate & share knowledge, empower communities both socially and economically and promote integrated and inclusive coastal governance. MFF's Grant Facilities are the primary mechanism for delivering results on the ground, by matching cash funding from the private sector. To date, over 380 projects have benefited more than 400,000 people. In Thailand, the facility supported Sukhothai Thammathirat Open University, co-funded by Marriott, which aims to help the Bangkaeo community in applying community based-integrated coastal management and to secure management rights for critical ecosystem resources. MFF has also organized several workshops to share best practices in coastal and marine conservation amongst the private sector.

- 4.4. MFF's partnership with Marriott was established in 2013 with a goal to protect the environment and support Thailand's local communities. Through the partnership, Marriott collects donations from its guests to support IUCN's mangrove restoration activities, and raises awareness of the importance of mangrove forests, IUCN and Marriott work together to identify opportunities for sourcing of souvenirs and gifts from local communities, and IUCN supports Marriott in locating locally-sourced seafood for their hotels. The partnership has restored 16 hectares of mangrove forests, purchased THB6.3M worth of locally sourced seafood and handicraft from local communities, improved livelihoods of over 70 families, developed ecosystem profiles for three Marriott properties and established a Reef Education Center to educate guests about reef ecosystems, marine life and proper reef etiquette.
- 4.5. Another partnership is with the Pacific Asia Travel Association (PATA), focused on capacity building, knowledge sharing and networking, allowing for sharing information with PATA member companies to explore business risks and opportunities within the tourism industry, and to create new solutions together. In Vietnam, to help the government address ecosystem restoration priorities, IUCN and SNV implemented the Mangroves and Markets project in Cà Mau to help shrimp farmers achieve organic certification under the Naturland label, which requires each farm to restore 50% mangrove cover. Farmers who obtained the certification received a 10% premium and guaranteed sale of their certified shrimp to Minh Phu Seafood Corporation. IUCN is exploring other partnerships with WWF and Soneva Resorts on responsible seafood and coastal conservation. IUCN facilitates the establishment of Business and Environment platforms in all its countries, focused on educating the private sector on the importance of ecosystems and exploring opportunities to invest in coastal ecosystems and communities. Four platforms have been established, with Thailand launched in 2018.
- 4.6. IUCN is also working closely with governments, industries and society in Africa and Asia to reduce and control plastic pollution through the MARPLASTICCs project. The project aims to develop scientific tools such as a replicable plastic footprint calculator and economic models for national level cost-benefit analyses; facilitate dialogue, promote collaboration and share best practices and lessons learned; support legislative reform and facilitate the development of national programmes, action plans and economic roadmaps; and engage and mobilize business in the fight against plastic pollution, promoting circular economy and working with partner companies to eliminate plastic waste from supply chains. IUCN has a partnership with Coca-Cola to strengthen the community based solid waste management model in Koh Yao Yai sub-district in Thailand.
- 4.7. There are a number of gaps and challenges that need to be addressed. Establishing partnerships is time and resource intensive and has taken anywhere from 1-6 years. Often development organizations don't speak the business language. There can be a lack of incentive or perceived return on investment in partnering, in other words, lack of a business case. Solutions need to address concrete issues such as habitat loss, local economic development and pollution.

- 4.8. On the other hand, there is an opportunity to create business alliances to work on projects collaboratively, for example island-wide coastal conservation projects between resorts. There is a continuing need to share best practices and case studies that demonstrate positive impact and make the business case relevant to specific sectors, providing knowledge and tools. In terms of sectors, there's an opportunity to scale up initiatives that tackle the plastic pollution crisis. Moving forward, a Business and Conservation Alliance for Oceans could be established for the region.
- 4.9. **Mr. Bonar Laureto**, Executive Director of Philippine Business for Environment (PBE), which is now called Business for Sustainable Development, presented on "Compensation for Ecosystem Service Value Improvement". Mr. Laureto opened by providing background on PBE, which serves some of the biggest companies in the Philippines. PBE supports companies throughout their sustainability journey by building capacity, advising on sustainability and integrated reporting and supporting strategy and performance management. PBE aims to create systems transformation in key development areas with its members, including circular economy, mobility solutions and agriculture and ecosystems, all of which contribute to achieving the SDGs.
- 4.10. For his presentation, Mr. Laureto focused on PBE's systemic approach towards building finance mechanisms and private sector engagement for ecosystem protection and conservation. Ecosystems in the Philippines make enormous contributions in terms of services provided, such as water for drinking, agriculture and industry; logs for timber and fuelwood; and contributions from coral reefs and mangroves, including fisheries. Every year there is a huge withdrawal of value from these ecosystems, but nature does not have a way to issue an invoice or demand for payment.
- 4.11. The challenge is that ecosystem value is externalized and payment for these ecosystem services remains voluntary, where methodologies for payment are inconsistent, expenditure for ecosystem is not guaranteed and freeloaders abound. Paying for ecosystem services is ultimately a competitive disadvantage for companies. The question is, how can we shape the market to benefit those who invest in ecosystem protection and restoration? How do we ensure that the companies that are paying for the ecosystem services claim their benefit and not those who do not invest? Companies won't invest if they don't see an equitable return, a return that they value.
- 4.12. To answer this question PBE is developing a mechanism to reduce, if not eliminate, freeloaders and generate returns for investment in ecosystem restoration and protection, with science- and results-based compensation to keep it equitable. The Ecosystem Conservation Fund (ECF), with pooled funding support from national and local government and development organizations, will provide compensation to companies that demonstrate investment in ecosystem service improvement, i.e., investment of money into something that measurably improves the health of some ecosystem service. The premise is that the improved provision of ecosystem services for users will be repaid by the user based on valuation of the service. This model has a precedence, with ER 1-94, a policy supporting a similar model that has worked for energy companies in the Philippines. Under ER 1-94, energy producing companies must set aside PHP0.01/kWh of total electricity sales to finance restoration, environmental enhancement and community development projects.
- 4.13. How do we value ecosystem services? The ECF uses a standard methodology for economic valuation of ecosystem services based on the principle of additionality and ecosystem service value improvement. For example, the health of a forest area can be measured using certain ecological parameters, such as

density or species diversity, and is assigned an Ecosystem Health Index score with an associated Ecosystem Services Valuation Factor valued as PHP per hectare. Using these factors, the value of the ecosystem service improvement can be calculated.

#### **Discussion:**

4.14. **Mr. Juergen Lorenz** with JBTC Manila commented that valuing externalities is the main problem in getting things going towards sustainability in developing economies. The presentation mentioned the PHP0.01/kWh allocation by companies, but that is a limitation because we need more money and investment. Implementing a carbon tax to finance solutions to address climate change is basically the same scheme. Is it better to use general taxation to address the problem of freeloaders?

**Mr. Bonar Laureto:** The P0.01/kWh is the amount for the existing law that applies to energy companies. What we are trying to do is to find a way to have a science-based approach to valuation of what companies should be paying in terms of the value that they get from ecosystems. We are developing something that is really new, even globally. I have seen a lot of models, but none of them have effectively internalized natural capital into the economy, and unless we do this we won't get a world where financing restoration of ecosystems becomes mainstreamed into business.

4.15. **Mr. Guillaume Drillet**, Regional Manager for Environmental Health and Safety Marine Services for SGS presented "WOC: Ocean Business Leadership, Collaboration and Action on Ocean Sustainable Development in the PEMSEA Region" on behalf of Paul Holthus, Founding President and CEO of World Ocean Council. SGS is a member of the World Ocean Council.

4.16. Mr. Drillet discussed how growing ocean use is leading to more and more crowded oceans. A diverse set of sectors of ocean industry are driving this growing ocean use, including offshore oil and gas, shipping, aquaculture, seabed mining, fisheries, coastal tourism, submarine cables, renewable energy, ports and more. We see expanding kinds of use, levels of activity and location of activity. The ocean is one interconnected ecosystem and therefore all of the ocean at some level is impacted by human activity.

4.17. Ocean industries require access and social license to use ocean space and resources. Many of the critical issues creating impacts and affecting access and social license are cross-cutting or cumulative, so sustaining ocean health and productivity requires responsible use and stewardship by all users. The best efforts by a single company, or an entire industry sector, will not be enough to secure ocean health. Ocean industries can benefit from collaboration with other sectors to create synergies and economies of scale to address impacts and ensure access and social license, and they need a structure for ocean industry leadership and collaboration.

- 4.18. World Ocean Council (WOC) is an international, cross-sectoral business leadership alliance that brings ocean industries together, catalyzing private sector leadership, collaboration and action in advancing “Corporate Ocean Responsibility” and communicating responsible ocean industry. WOC currently has more than 75 members worldwide. The goal of WOC is to create business value for responsible companies, including access and social license for responsible ocean use, synergies and economies of scale in addressing issues and stability and predictability in ocean operations.
- 4.19. WOC has partnerships with or formal recognition by a number of organizations, including UNESCO Intergovernmental Oceanographic Commission, the UN Framework Convention on Climate Change and the Division of Ocean Affairs and Law of the Sea, among many others. As part of its cross-cutting collaboration, WOC has activities related to the SDGs, an Ocean Investment Platform, Digital Ocean program, Young Ocean Professionals Network, a Sustainable Ocean Summit and Regional Ocean Leadership Groups.
- 4.20. In East Asia, WOC action areas include improving ocean governance, policy and planning; reducing anthropogenic impacts, such as invasive species, marine sound and plastics; conserving marine biodiversity; ensuring food security; improving ocean knowledge; reducing disaster risks and addressing climate change; and ocean renewable energy.
- 4.21. Taking a closer look at work on biofouling and invasive species, there are multiple potential vectors, such as oceanographic instruments, recreational craft, buoys, offshore structures and marine debris. Activities to address biofouling and invasive species include prevention through new coatings, R&D and proper monitoring, data and metrics, as well as cleaning, where new technologies are emerging. WOC is part of the GloFouling project with the GEF, UNDP and IMO, where WOC serves as the lead private sector partner. The project will span 5-years and cover 12 countries, and aims to raise awareness, generate scientific guidance, develop best practices, conduct R&D forums, build capacity and engage the private sector.
- 4.22. As another example of a program area that depends on strong partnership, Mr. Drillet provided background on the “SMART Ocean - SMART Industries” work of WOC. The program aims to ensure that a wide range of industry vessels and platforms are providing routine, sustained and standardized information on the ocean and atmosphere; contributing to describing the status, trends and variability of oceanographic and atmospheric conditions; and improving the understanding, modeling and forecasting of oceanic ecosystems, resources, weather, climate variability and climate change. Taking advantage of the tens of thousands of ships and offshore rigs at sea, the program is working to expand the number of vessels and platforms that collect data and improve the coordination and efficiency of data sharing and input to national and international systems. WOC is focusing on pilot projects in which it serves as a broker between the science and technology community on one side and companies with platforms and infrastructure on the other side.

**Discussion:**

4.23. The panel moderator, **Mr. Ryan Whisnant** from PEMSEA, closed the session by asking each speaker for a final word on one action they would like to see coming out of this session, or for private sector partnerships for oceans in the region in general.

**Ms. Moey** commented that a regional Sustainable Business Alliance for Oceans between development partners and companies in the region would be useful to advance collaboration with and between the private sector.

**Mr. Laureto** suggested that advancing proper legislation in the Philippines to provide the right policy environment for private sector engagement initiatives, such as the ECF, is critical.

**Mr. Drillet** commented that a longer session is needed to continue the discussion on these topics, and suggested a full workshop focused on private sector partnership, business leadership and blue economy.

## 5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Overall, the workshop concluded that private sector participation remains critical for achieving goals for sustainable development and blue economy growth. Establishing partnerships can be time and resource intensive and often development organizations don't speak the business language. Investment in ecosystems and sustainable practices may put companies at a competitive disadvantage, therefore markets and incentives need to be reshaped to provide benefit to those companies making the investment. More work needs to be done to develop case studies that address concrete issues and make the business case.

5.2. Companies rely on the ecosystem services provided by healthy coasts and oceans, so they have a self-interest in their sustainability. There is huge up-side potential in partnerships to unlock private capital and develop new models for the region. Partnership and co-management models can work if all stakeholders are fully committed, aligned with their strengths and agreed on their purpose. There are a number of good examples of partnerships with the private sector across several sectors, with many useful lessons learned and best practices. Development partners in the region, including PEMSEA, IUCN, World Ocean Council and Philippine Business for Environment can support companies in better coastal and ocean management, in ways that strengthen businesses. There is a chance to align various private sector engagement efforts supporting blue economy development in the region and identify opportunities for concrete partnership activities.

5.3. **Recommendations.** The session generated the following recommendations:

- a) Building on this session, plan a full workshop on private sector partnership, business leadership and blue economy in East Asia, focused around identifying concrete pilot initiatives.
- b) Establish a joint regional Sustainable Business Alliance for Oceans between development partners and companies in the region, focused around a specific topic relevant to companies across multiple sectors.

**ANNEX 1**  
**WORKSHOP PROGRAM AND RESOURCE PERSONS**

**Welcome and Insights from Research Towards a Sustainable Business Roadmap for Oceans in East Asia**

**Ryan Whisnant**

*Director of Strategic Initiatives  
PEMSEA*

**Presentations and Panel Discussion: business and oceans**

Learn about partnerships supporting ocean conservation in sectors including consumer products, coastal tourism, seafood and textiles. Panelists share their successes, challenges and opportunities for contributing to the SDGs and sustainable blue economy in the region.

**Moderator: Anna Oposa, The Purpose Business**

**Joy Munsayac**

*Public Affairs and Communications Manager  
Coca-Cola Far East Limited*

**Mariglo Laririt**

*Director of Sustainability  
Ten Knots Group / El Nido Resorts*

**René Benguerel**

*Chairman and President  
Meliomar*

**Amado Blanco**

*Net-Works Regional Manager - Southeast Asia  
Project Net-Works / Zoological Society of London*

**Presentations and Panel Discussion: development partners**

Development partners share their mission, activities and successes in the East Asian region, along with challenges and potential opportunities they see for private sector collaboration.

**Moderator: Ryan Whisnant, PEMSEA**

**Ann Moey**

*Head of Communications and Private Sector Focal Point  
IUCN Asia*

**Bonar Laureto**

*Executive Director  
Philippine Business for Environment*

**Guillaume Drillet**

*Regional Manager for Environmental Health and Safety Marine Services  
SGS (a member of the World Ocean Council)*



## ANNEX 2 RESOURCE PERSONS



As PEMSEA's Director of Strategic Initiatives, **Ryan Whisnant**, manages the organization's blue economy and ocean investment programs. He has over 15 years' experience building and leading new strategies, initiatives, systems, and capabilities for government, financial institutions, international development organizations and companies including UBS, TIAA-CREF, World Bank, UNDP, USAID, Microsoft, SunGard and Cisco with an emphasis on environmental sustainability, technology, and investment. While based in New York City, Ryan established and led the sustainability office for SunGard, a \$4.5 billion technology services company. He holds a BS in Environmental Engineering from Northwestern University and an MS in Natural Resources & Environment and MBA from the University of Michigan.



**Anna R. Oposa** is the co-founder and Executive Director of Save Philippine Seas, a non-profit organization that empowers Filipinos towards collective action and behavior change. She graduated with a degree in BA English Studies from the University of the Philippines and obtained her MSc in Conservation Science from Imperial College London. She served as the Project Manager and Stakeholder Engagement Adviser for the Purpose Business, which developed a Sustainable Business Roadmap for oceans for PEMSEA.



**Joy Munsayac** has 16 years of experience in sustainability and community development programs management, stakeholder engagement, and communications work. She held various program and advocacy key roles in several government, non-government, and private sector organizations. In her current role as a Public Affairs and Communications Manager deployed at The Coca-Cola Company in the Philippines, she has been able to implement a national women economic empowerment program for micro-retailers under the 5by20 global initiative of the Company or the Sari-Sari Store Training and Access to Resources (STAR) Program in the Philippines. Reaching over a hundred thousand women micro-entrepreneurs to date through multi-stakeholder partnerships with the government and the civil society organizations, the 5by20 STAR program is poised to reach its national and global

commitment up to year 2020. Apart from program and stakeholder management, she developed the Company narrative on women economic empowerment, one of the Company's main sustainability pillars, through customized and targeted communications strategy. In 2018, her role was expanded to The Coca-Cola Company's recent global initiative on World Without Waste (WWW), to help address the looming issues on proper waste management and help position the Company as a pro-active partner in the development of strategic and sustainable mechanisms on solid waste management in the Philippines.



**Mariglo Laririt** is the Director of Sustainability of the Ten Knots Group's resorts in Northern Palawan, Philippines. These resorts are the most awarded and recognised in the country for sustainable tourism practices, which have become the benchmark in the region. Under her leadership, community engagement and environmental stewardship are pursued as incorporated in the company's Quadruple Bottomline (along-side financial profitability and organisational development). Sustainably designed resorts, low carbon footprint-menus, ecological waste management, habitat conservation, community outreach, activities that allow guests to tread on nature lightly, and many other similar initiatives are aligned with providing guests distinct nature-based and high-quality leisure experiences. To achieve this, Mariglo and her team of Environmental Officers work with many sectors. For ten years now, Mariglo has also been the president of the Asian Conservation Foundation (ACF). She is responsible for the implementation of its projects that include, protection of giant clams, and assisting a village-based marine sanctuary and mangrove ecotour enterprise.



**René Benguerel** is Chairman and President of Meliomar, a sustainable seafood company based in the Philippines. He holds a master's degree in Aquatic Ecology and Fish Biology. Before founding Blueyou in 2004, he worked in the Swiss retail sector where he was appointed procurement manager for sustainable fish and seafood. The Blueyou group of companies, of which Meliomar is part, is active in the production, trade and distribution of sustainable seafood worldwide; Blueyou is working with producers in Latin America and SE Asia mainly, connecting to markets in Europe, North America and Asia Pacific. Blueyou has been developing innovative concepts and investable business models for the transition of the seafood sector towards more sustainable practices in SE Asia, Africa and Latin America.



**Amado P. Blanco** is currently Net-Works Regional Manager – Southeast Asia for the Zoological Society of London. He provided leadership in planning and implementing the proof of concept stage and on-going scaling up and diversification of the multi-awarded Net-Works program in the Philippines and Southeast Asia. From 2003 – 2019 he was National Director of Project Seahorse Foundation for Marine Conservation, where he led a team of field biologists and community development specialists. He started his NGO career in 1991 as Project Officer of the Philippine Partnership for the Development of Human Resource in Rural Areas, followed by roles working with the Philippines-Canada Human Resource Development Programme, Foundation for the Philippine Environment, Belgian Integrated Agrarian Reform Support Programme, and Rare, among others. He obtained a degree in Bachelor of Science in Development Communication from the University of the Philippines - Tacloban College. He was granted a leadership training award to train at the Chevron Management Institute in San Ramon California.



**Ann Moey** is the Head of Communications and private sector focal point for IUCN (International Union for Conservation of Nature) Asia. Based in Bangkok, Ann leads all communications, marketing, and private sector engagement efforts across the organization's 11 Asian country offices: Thailand, Vietnam, Cambodia, Lao PDR, Myanmar, Pakistan, Bangladesh, India, Sri Lanka, Nepal and China. Ann is also responsible for mentoring and supporting communications and private sector engagement focal points in Country Offices and regional projects, and serves as the focal point for IUCN's Commission on Education and Communication. In 2018, she was instrumental in establishing Thailand Bio-Diversity Network Alliance, in collaboration with Toyota Motor Thailand. The platform is the country's first-ever initiative that aims to strengthen the Private Sector's role in nature conservation, with a focus on biodiversity and contributing to achieving the Sustainable Development Goals and Aichi Biodiversity Targets.



**Bonar Laureto** engages with the private sector to integrate Sustainability into their Businesses. He represents Philippine Businesses to the World Business Council for Sustainable Development (WBCSD) and brings back a wealth of knowledge, best practices, and sustainability tools and adapts them into the local needs. He also assists companies to develop Corporate Sustainability Strategy and prepare Sustainability Reports using GRI Standards. He is a Certified Trainer of the Global Reporting Initiative on GRI Standards, and of the World Resource Institute (WRI) on GHG Protocol Corporate Standards. He conducts trainings around the Philippines and other Asian Countries. As an Environment Specialist, he provides technical assistance to PWC, World Bank, JICA, UNEP, government agencies, and LGUs on a wide range of disciplines – such as Carbon Credit Mechanisms, Climate Change Adaptation (CCA), Marine Conservation, Watershed Management and Solid Waste Management, Forestry and Mining and Community-Driven Development.



**Guillaume Drillet** is the Regional Manager for Environmental Health and Safety Marine Services at SGS. He has 18 years of experience working with environmental sciences in the public and private sectors. He holds a master's degree with a major in coastal management (France) and a PhD in marine life sciences from Denmark. In 2011, he received the Young Elite Scientist Award from the Danish Ministry of Independent research. He has many global work experiences in the USA, Europe and Asia where he has resided for almost a decade. Mr. Drillet has been re-elected Chairman of the Global TestNet, an organization supporting the robust testing of solutions to manage bio-invasions from shipping (ballast water and biofouling). In recent years he has been deeply involved in the revision of the guidelines for the testing of ballast water management systems. As immediate Past-President of the World Aquaculture Society for the Asia Pacific, he also continues to act as an executive member of the WAS board. Mr. Drillet continues to deliver lectures in academia and to global organizations, and he is an ambassador to the Singapore Exhibition & Convention Bureau for his commitment to the organization of international scientific/technical events.