

AIA | Topic 2

DHAP 2021

List of common abbreviations:

AIA - ASEAN Investment Area

ASEAN - Association of Southeast Asian Nations

SDS-SEA - Sustainable Development Strategy for Seas of East Asia

USD - United States Dollars

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1. Topic Introduction

For the second topic of the ASEAN Investment Area Council, the council will be tackling the issue of a Blue Economy in the ASEAN region. Blue Economy refers to the sustainable usage of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health¹. Some important sectors include renewable energy, tourism, fisheries, maritime transport, waste management, and climate conservation.

As AIA, delegates are tasked with the drawing in both private and public investments for the region. However, in doing so, the council will also have to take into account sustainable environmental protection and sustainable private investment policies, meaning that a balance must be achieved between economic growth, social and environmental developments. Furthermore, as the resources in our waters are finite, it is imperative that humanity does not over-exploit them; be it the sea bed, the water body or the water surface. Therefore, the council will focus on the creation of sustainable investment policies and frameworks pertaining to the Blue Economy for the ASEAN region, that balances between economic growth and environmental sustainability.

Both the marine environment and the domain for ocean investments are undergoing many changes. In an effort to manage between keeping up with growing competition, and reducing the impact ocean projects development will have on marine ecosystems, governments will have to develop and deepen the regulations to govern their exclusive economic zones in an integrated manner.

At the same time, with a growing global population comes mounting pressure on existing resources from the ocean, as they have to be shared by all. There is an

¹ What is the Blue Economy? (6th June 2017, The World Bank IBRD IDA) Retrieved 20th March 2021, from <https://www.worldbank.org/en/news/infographic/2017/06/06/blue-economy>

increasing impact on coastal and marine environments due to technological advances, accelerated development and exploitation of coastal and oceanic resources in ASEAN. This impact endangers the current investment frameworks in both individual states and ASEAN.. The environmental and social impacts from these activities threaten the long term economic growth and development of the region. Thus, as AIA, delegates should preserve the functions of pre-existing investment frameworks, as well as maintain a long term and sustainable stream of investment into the region in the switch towards a Blue Economy-focused ASEAN.

The Blue Economy serves as a crucial sector for any modern coastal nation, especially for ASEAN and Southeast Asia, given the states' reliance on vast bodies of water such as the South China Seas for economic developments. Through new developments in sustainable energy technology - be it thermal or mechanical - the ocean is becoming a more likely source of sustainable energy, playing a vital social and economic role around the world. Pertaining to tourism, ocean and coastal tourism brings jobs and economic growth to many smaller developing coastal states. Pertaining to maritime transport, global direct gross output reached \$183.3 billion in 2009 and is expected to rise at more than 4% every year. In this sector, Asia, and Southeast Asia remained the leading global player in container port cargo handling, with a share of nearly 65% of global container port traffic². In terms of largest and busiest ports in the world, Singapore is ranked second to China with Malaysia, Indonesia, Thailand, Vietnam and Sri Lanka close behind in terms of countries³. As such, the Blue Economy is an increasingly significant pillar and driver of sustainable economic growth in the region.

Given ASEAN's reliance on coastal and marine industries, it is imperative that the council establishes the common goal of ensuring a Blue Economy. This discussion

²UNCTAD's Review of Maritime Transport 2020: highlights and figures on Asia and the Pacific (12 November 2020) Retrieved 20th March 2021, from <https://unctad.org/press-material/unctads-review-maritime-transport-2020-highlights-and-figures-asia-and-pacific>

³List of busiest container ports (n.d.) Retrieved 20th March 2021, from https://en.wikipedia.org/wiki/List_of_busiest_container_ports

is especially relevant given the varied threats ASEAN faces, including marine pollution, poor management, lack of financial funding, etcetera. Marine pollution from coastal development and manufacturing can damage tourism sites. This will be especially damaging to nations that rely on tourism, such as Indonesia, Malaysia, Thailand and the Philippines. A weak marine ecosystem and environment can lead to the endangerment of essential food sources and tourist sites. The consumption of fish is part of a Southeast Asian's daily diet, going as high as 63.5kg worth of fish and fish products consumed a year by any individual, which amounts to more than a third of the protein intake⁴. As such, it is clear that the protection of our marine ecosystem is tantamount to maintenance and protection of one of our basic human rights - the right to satisfaction of basic needs. Aquaculture, if not properly regulated and managed, can affect ship navigation routes and tourism as a whole. For example, changing migration routes or excessive build up of seaweed and algae due to global warming. This is especially damaging to exporting or port based countries such as Singapore, Vietnam, Thailand and Malaysia, who all rank in the top 10 exporters of Asia. As AIA, the council will have to take into account the needs of fellow members, and form or amend policies to better support the region and its member states.

Within the region, the topic of the Blue Economy is something that the ASEAN council has not touched on in an in-depth manner. Individual member states, however, have begun to take interest in the topic. For example, Indonesia, Laos, the Philippines, Singapore and Vietnam, have signed the Changwon Declaration, under Partnerships in Environmental Management for the Seas of East Asia (PEMSEA)⁵. The Changwon Declaration is a resolution at which member states of PEMSEA discussed to act on the Sustainable Development Strategy for Seas of East Asia.

⁴ The consumption of fish and fish products in the Asia-Pacific region based on household surveys (2015, Food and Agriculture Organisation of the United Nations) Retrieved 20th March 2021, from <http://www.fao.org/3/i5151e/i5151e.pdf>

⁵ Changwon Declaration Toward an Ocean-based Blue Economy: Moving Ahead with the Sustainable Development Strategy for the Seas of East Asia (12th July 2012, The Fourth Ministerial Forum on the Sustainable Development Strategy for the Seas of East Asia) Retrieved 20th March 2021, from http://pemsea.org/sites/default/files/changwon-declaration_0.pdf

For this ASEAN Investment Area council, delegates must recognise the fragility of the marine ecosystem and the impact and consequences from the existing marine industries and practices. Although many member states have taken up initiatives to improve the Blue Economy, or at least mitigate negative impacts on the environment, proper regional governance will still be necessary in enabling sustainable investment in the region as a whole.

Finally, delegates should keep in mind that the Blue Economy revolves around three pillars: environmental sustainability, economic growth, and social development. Even as the purpose of AIA is more aligned to the economic pillar, it is important for the council to consider the other two pillars of the Blue Economy when considering long-term investment needs of the region. To fill in the gaps in the discussion of the blue economy that AIA cannot, the council can consider a greater collaboration - by submission of proposals - between regional agencies and organisations to achieve these goals.

2. Key Terms and Definitions

2.1 Territorial Zoning

Territorial Zoning refers to areas of ocean or sea which are or will be subject to national or international authority, notably encompassing the territorial sea, exclusive economic zone and continental shelf. The zones relate back to the use and ownership of marine resources.

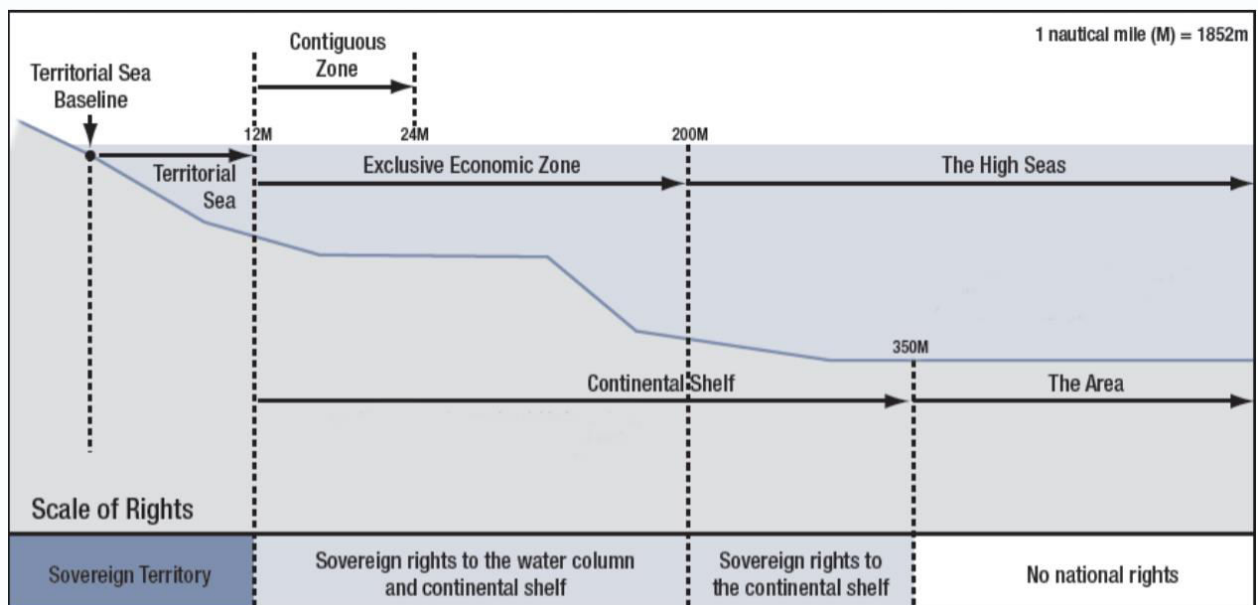


Figure 1: Diagram denoting the respective maritime zones

2.2 Territorial Sea

Territorial Sea of a coastal state refers to the 12 nautical miles of marine territory from the baseline of a coastal state. The coastal state administering the territorial sea has full jurisdiction over all activities, including foreign, within the seas and airspace.

2.3 Exclusive Economic Zone (EEZ)

An EEZ of a coastal state refers to the 200 nautical miles of marine territory adjacent to the territorial sea of said state. The state holds rights to explore and exploit resources, construction of artificial islands and other facilities,

conduct marine scientific research, and is responsible for the protection and conservation of the marine environment.

2.4 Dead Zones

Dead Zones are hypoxic (low-oxygen) areas in the world's oceans and large lakes, which causes these bodies of water to fail to support the aquatic life living there. Hypoxic zones can occur naturally, but scientists are concerned about the areas created or enhanced by human activity. In the 1970s, scientists began noting increased instances and expanses of dead zones. These occur near inhabited coastlines, where aquatic life and human activities are most concentrated.

2.5 Private Investors

Private Investors are people or companies that invest money into a business, with the goal of getting a return on their investment by assisting the company.

2.6 Blue Financing

Blue Financing refers to the funding of marine environmental conservation and sustainable ocean technology.

2.7 Ballast Water

Ballast Water is sea water pumped into steel-hulled vehicles to maintain stability and safe operating conditions throughout a voyage. At the source port, ballast water is loaded, and the ballast tanks stay full during voyage. At the destination port, ballast water is discharged and emptied, causing an exchange of water from point A to point B.

3. Existing Frameworks

3.1 Sustainable Development Strategy for Seas of East Asia (SDS-SEA)⁶

The SDS-SEA, written in part by PEMSEA member states and stakeholders, outlines actionable priorities that fellow signatories have pledged to follow. Some of the major items that the report covers are Climate Change actions which are inclusive of Capacity Development; Blue Economy Investment and Sustainable Financing. Capacity Development in this case pertains to the ability of an organisation - be it as a region or as a company - to work on the issue of sustainable development. The strategy also aims to strengthen sub-national and local capacities to scale up existing investment and sustainable development operations. Furthermore, it aims to strengthen the information dissemination and knowledge-sharing capabilities, and enhance investments in capital (both natural and manmade) assets of a sustainable blue economy. Last but not least, aligning with AIA's main goal, the framework aims to increase public and private sector investments in activities and projects that contribute to sustainable development and a blue economy at the macro-regional, national and local levels. Therefore, delegates are encouraged to understand the SDS-SEA if they still find their understanding of a Blue Economy, as applied to the Southeast Asian context, to be lacking.

The SDS-SEA, while being a commonly adopted strategy in East Asia, is still lacking the full extent of ratification and adoption needed to be fully implemented in Southeast Asia. Presently, the participating countries are: Cambodia, China, Indonesia, Lao, Philippines, Thailand, Timor Leste and Vietnam. A critical reason behind the slow implementation in SEA is the lack of political commitment long-term sustainability, an issue related to ongoing finance. The current governance arrangements for SDS-SEA and PEMSEA rely on contributions from the

⁶ Sustainable Development Strategy for the Seas of East Asia: Implementation Plan 2018-2022 (2018, PEMSEA) Retrieved 20th March 2021, from http://pemsea.org/sites/default/files/PEMSEA_SDS-SEA_IP_2018-2022_20190606.pdf

participating countries, yet only China, Japan, Republic of Korea and Singapore are currently making voluntary contributions to the PEMSEA Trust Fund. There appears to be a disconnect between the non paying countries' expectations and aspirations with respect to the long-term viability, and their commitment to contribute financially to ensure a full adoption and implementation of SDS-SEA.

Interest in sustainable Blue Economy investments is high among investors but industry expertise is low⁷. This is another limitation that has been raised by experts as an issue that has not been fully addressed by the SDS-SEA. The sustainable Blue Economy is expected to increase in importance over the coming years, with over a third of investors seeing it as amongst the most important topics in 2030. However, there is still a lack of active investors for the topic due to the lack of investment grade projects and financial incentives. The dearth of expert and professional analysis, and high risk of investment due to the “new” factor have put off many investors., After all, the Blue Economy is still a relatively new topic of discussion on an international level. These are the other issues pertaining to Blue Financing that the council will have to resolve.

It is AIA's responsibility to understand the limitations and improve upon the present solutions. Delegates should identify the positive factors of the existing framework and adapt them to the ASEAN context. Given that many of ASEAN members are not full members within the present strategy, delegates should understand why these countries may not be fully committed to the framework and develop interventions to resolve these concerns. Furthermore, it is encouraged for the council to weigh the effectiveness of developing the council's own version of the SDS-SEA. The situation of member nations not pitching the requisite resources equally appears to be a key issue. Therefore, delegates should address this issue with some form of long term financial solution that can be supported by the capacity of the ASEAN region, be it

⁷ Ocean risk or opportunity? Is the sustainable Blue Economy investible? (n.d. Dennis Fritsch, PhD) Retrieved 1st April 2021, from file:///Users/vespertine/Downloads/investors-and-the-blue-economy-en.pdf

financially, economically, resource wise or more. Last but not least, delegates should identify solutions that can resolve the long-term financial contribution issues and develop a strategy to increase the incentives for ASEAN members and private investors to support a similar strategy in the Southeast Asia region.

3.2 The Ballast Water Management (BWM) Convention

The written proposal was adopted by consensus at a Diplomatic Conference held at International Maritime Organisation (IMO) Headquarters in London on 13 February 2004. The Convention required all ships to implement a ballast water management plan and was intended at stopping the introduction of superfluous aquatic organisms and pathogens through the discharge of ballast water and sediments.

The current measures, mentioned in the BWM convention, are on a temporary basis until relevant authorities come up with a permanent solution related to ballast water treatment systems. As at September 2017, the BWM treaty has been ratified by more than 60 countries, representing more than 70% of world merchant shipping tonnage⁸. ASEAN countries which have ratified the BWM treaty include, Indonesia, Singapore and Malaysia.

By regulating and standardising the disposal of ballast water, the BWM convention effectively reduces contamination of ballast water and port water, protecting the pre-existing marine ecosystem. This enables the allocation of ocean resources to the fishing industry, and encourages tourism in the ASEAN region. Adherence to the BWM Convention, as well as investment in ballast water treatment systems, can help economically boost the fishing and tourism industry, improving the livelihood of those living in ASEAN.

However, there still exist issues that cannot be resolved with present technology. As of October 2019, close to 10,000 vessels, approximately 10 percent of the global

⁸ *Implementing the Ballast Water Management Convention*. International Maritime Organization. (0AD). Retrieved 20th March 2021, from <https://www.imo.org/en/MediaCentre/HotTopics/Pages/Implementing-the-BWM-Convention.aspx>

vessel fleet, have been fitted with a ballast water management (BWM) system⁹. This represents 90 percent of the global vessel fleet which are still actively part of the problem. As members of the AIA council, delegates are encouraged to produce solutions that tackle Ballast Waste issues with investment incentives. Delegates can look into possible collaborations with other sub national or international organisations, to propose either a monetary tax or trade restrictions on vessels that do not adhere to the BWM Convention in the region. While this may decrease short-term trade and flow of investments into ASEAN, delegates have to consider the deterioration of ocean health that will occur with increased ballast water contamination in ASEAN waters, and determine whether the economic loss outweighs the environmental threat or vice versa.

Extent of Transfer of Alien Invasive Organisms was a proposal by the ASEAN-India working group on Science and Technology in 2008. It was backed with enthusiastic support from the Chair of the Sub-Committee on Marine Science and Technology (SCMSAT) and all ASEAN Member States. The project was approved in April 2010 with funding from the ASEAN-India Cooperation Fund. The project provided the opportunity for each participating country to carry out ballast water and port water sampling and put into practice the recommended methods and techniques in local conditions. With ASEAN countries willingly participating in measures related to the detection of invasive organisms caused by ballast water contamination, the impacts of ballast water contamination can effectively be reduced. The marine research can then be conducted at a regional level, addressing issues related to the transfer of harmful and pest species by vessels. Following the success of the first phase, the proposal to implement a second phase of the project was formally submitted to the ASEAN-India Cooperation Fund in 2016, thus encouraging further investment into the conservation of water in the ASEAN region. As the ASEAN region relies heavily on its fishing industry, the introduction of invasive species can drastically impact the supply of fish and directly affect the livelihoods of the people.

⁹ Answering Key Questions About Ballast Water Management (18th May 2021, Desmi) Retrieved 1st April 2021, from <https://www.maritime-executive.com/features/six-questions-about-ballast-water-management-answered>

Therefore, it is crucial to draw investment into the environmental conservation and protection of the water in the ASEAN region, by limiting and preventing the transfer of alien invasive organisms in order to allow the fishing industry to continue to flourish. Delegates can experiment with ways on investing in catalyst projects that can help to appreciate the take-up rate of BWM methods.

4. Case Studies

4.1 Deutsche Bank: Private Investment Projects¹⁰

In Singapore, Deutsche Bank provided a \$25m ‘sustainability-linked’ loan facility to Halcyon Agri Corporation, an agricultural company. Although this case study has its focus on land based plantations, it is still relevant for the discussion of the Blue Economy as it shows the increased interest of private investors in environmental sustainability. One of the conditions laid out by the agreement was a strict no deforestation policy, a major negative impact of large scale plantations. Conditionally, if the company meets a set of agreed sustainability targets over a three-year term of the loan, the interest rate payable on the loan will be lower; otherwise it will be higher. This kind of innovation shows how private companies or investors can incentivise companies to be more sustainable and contribute to the global effort. Delegates should look at Deutsche Bank’s solution of providing special loans at the local area and find alternative solutions that can be implemented across the region, promoting fair and sustainable private-private or even private-public partnerships. When discussing the topic of financial sustainability and input from different members in the region, it is crucial that member states discuss their relative capabilities and resources available for the regional Blue Economy strategy.

4.2 Damen’s InvaSave: Mobile Ballast Water Treatment

Climate Investor Two (CI2) approved an investment potentially amounting to €24.5 million to support the lease of Damen’s portable ballast water treatment solution InvaSave to customers in Africa, Asia and Latin America. The CI2 invests in water, sanitation and ocean infrastructure projects in emerging economies, and receives support from the European Union and Dutch Fund for Climate and Development

¹⁰ Jörg Eigendorf on incentivising sustainability. Deutsche Bank Wealth Management. (OAD). Retrieved 20th March 2021, from <https://deutschewealth.com/en/conversations/joerg-eigendorf-turning-the-tide.html>

(DFCD). The InvaSave technology allows for a one-pass treatment system of ballast water and is IMO D2 certified for port use.¹¹ The project is also estimated to create 240 new jobs locally. This investment is an example of solving the issue of the harmful environmental impacts of Ballast Water while also boosting the economy, through the creation of new job opportunities.¹²

¹¹ *InvaSave*. Damen. (2019, November 28). <https://products.damen.com/en/ranges/port-solutions/invasave>.

¹² Hellenicshippingnews... (2021, March 12). *Climate investor Two Joins damen to fight invasive species in ballast water*. <https://www.hellenicshippingnews.com/climate-investor-two-joins-damen-to-fight-invasive-species-in-ballast-water/>.

5. Stakeholders

5.1 ASEAN Nations

Southeast Asia remains the leading global player in container port cargo handling, with a share of nearly 65% of global container port traffic¹³. In terms of the largest and busiest ports in the world, Singapore is ranked second to China with Malaysia, Indonesia, Thailand, Vietnam and Sri Lanka close behind¹⁴. Furthermore, given ASEAN's geography, marine ecosystems and food items have become heavily integrated into their daily lives, it is accurate to say that Southeast Asians depend on the health of the regional marine ecosystems. As such, the Blue Economy has emerged as an increasingly significant pillar and as a viable opportunity for sustainable economic growth in the region.

As members depend on the respective Blue Economies for survival, it is also important to invest back into the Blue Economy, sustaining the ecosystem of blue finance. A system of simply taking is unsustainable, given that resources are finite. Furthermore, recent projection of how global warming and environmental pollution is altering our environments clearly shows that humanity has driven many marine habitats to becoming dead zones. The Southeast Asian region is not exempted from the presence of these dead zones, with multiple found in Thailand and Indonesia. Although AIA is revenue centric, it is important that delegates keep in mind that the protection and conservation of our environment is also a form of investment. Ocean health is key for marine and coastal industries, with the global market value of marine and coastal resources and industries estimated at \$3 trillion per year or about 5 percent of global GDP.

¹³ UNCTAD's Review of Maritime Transport 2020: highlights and figures on Asia and the Pacific (12 November 2020) Retrieved 20th March 2021, from <https://unctad.org/press-material/unctads-review-maritime-transport-2020-highlights-and-figures-asia-and-pacific>

¹⁴ List of busiest container ports (n.d.) Retrieved 20th March 2021, from https://en.wikipedia.org/wiki/List_of_busiest_container_ports

5.2 Foreign Nations

Major world powers and exporters of goods and services are some of the stakeholders that delegates should keep in mind when writing their resolutions. Foreign nations also include those who invest in assets such as international bonds and stocks in ASEAN nations or the region in general. This is largely a result of the region's rising economy. Compared to many western countries, many ASEAN nations are still considered developing nations, with the exception of Singapore as a newly developed nation. Therefore, this makes the region a very good investment opportunity for developed nations or companies, as they often get a more than proportionate return of revenue as compared to their initial investment. In fact, Thailand, Indonesia and Vietnam are all in the top 10 ranking countries for best countries to invest in for 2020.

Given China's strong influence in the South China Seas, and its status as the largest exporter of goods in the world¹⁵, all conditional and actionable clauses that act on the region as a whole must take into account the needs and wants of these stakeholders. Foreign stakeholders such as China and India play an influential role in shaping the economy of Southeast Asia. In fact, Southeast Asia has become China's largest trading partner, ever since the trade war with the United States soured Sino-American relations. It can be expected that China will continue to become one of ASEAN's greatest trading partners. Therefore, as members of the AIA council, delegates must consider the feasibility of any and all resolutions with the perspective of all foreign investors in mind as well.

¹⁵ Workman, D. (2021, January 18). *World's Top Export Countries*. World's Top Exports. Retrieved 20th March 2021, from <http://www.worldstopexports.com/worlds-top-export-countries/>

6. Key Areas of Concern

6.1 The Issue of Blue Financing

Blue Financing is riddled with many limitations. First of all, there is a limit to how much intervention and governance a political body can do for the region in terms of financing for the purpose of the blue economy. It is important to take into account the potential contribution of the private sector to provide funding and resources to improve the Blue Economy. AIA needs to keep in mind what government policies can shape or nudge companies towards being “Blue Economy” centric, whether it be through incentivisation or deterring companies from making certain choices. In particular, social entrepreneurship pertaining to ocean conservation projects can help create a green industry, which helps to solve environmental problems through the development of innovative solutions¹⁶. Globally, the number of environmental conservation and sustainable technology development startups and entrepreneurship have increased. Therefore, it is paramount that the ASEAN Investment Area council considers the importance of existing rules, regulations and policies relating to investment which could increase the incentives for private ventures to invest into the region’s Blue Economy.

Another one of the challenges in Blue Finance is that there is a lack of attractiveness in the investment landscape in the blue economy in Southeast Asia - be it for businesses or even non governmental organisations and public and private conservations efforts. More incentives, means grants and other concessional money would be needed to help develop and incubate projects - pertaining to the conservation and investment into the Blue Economy - to make the region a more attractive place to invest in¹⁷. However, government grants and subsidies are not sustainable in the long run. Due to ASEAN’s dependence on the maritime

¹⁶ Delventhal, S. (2021, January 2). *Fastest Growing Green Startups of 2020*. Investopedia. Retrieved 20th March 2021, from <https://www.investopedia.com/articles/investing/021116/10-fastest-growing-green-startups-2016.asp>

¹⁷ Edwards, B. (2020, November 23). *Blue finance: what is it and why does it matter?* Raconteur. Retrieved 20th March 2021, from <https://www.raconteur.net/finance/investing/blue-finance/>

ecosystem and its environment, sustainable development is an issue that must be addressed by the council. Positive government policies - that can encourage relevant spending and investments to promote Blue Economy - can revolve around management connotation, data access, monitoring, product development¹⁸, and establishing a consensus on how the Blue Economy should be handled in the region.

While private and public investors may not have yet truly embraced the Blue Economy as an attractive investment option, along with its positive and negative implications for the investors, there is an increasing trend in interest gained over investment opportunities in coastal and marine areas. According to the Global Impact Investing Network and Cambridge Associates, impact investment - which represents the investment in reducing negative environmental and societal impact - can indeed generate financial returns¹⁹. For example, the World Bank invested USD 550 million in projects to reduce pollution of the oceans in the Philippines and Indonesia. It also committed USD 37 billion USD in water resources and other ocean-related projects and programmes of more than USD 4 billion USD, including funds invested in the Philippines and Indonesia, aimed at reducing marine pollution.²⁰ Therefore, as investors begin to show interest in Blue Economy and Financing, delegates should take this opportunity to ensure a sustainable framework is established for the prolonged and sustainable development of said interest. Delegates can consider a percentage of gross domestic product contribution to a regional, ASEAN, monetary fund that is used solely for impact investment and financing the Blue Economy.

¹⁸Successful Blue Economy Examples With an Emphasis on International Perspectives (7th June 2019, frontiers in marine science) Retrieved 20th March 2021, from <https://www.frontiersin.org/articles/10.3389/fmars.2019.00261/full>

¹⁹ Introducing the Impact Investing Benchmark (2015, Global Impact Investing Network and Cambridge Associates) Retrieved 4th April 2021, from <https://www.cambridgeassociates.com/insight/introducing-the-impact-investing-benchmark/>

²⁰ *World Bank applauds rising financial investments in blue economy sector.* Xinhua. (n.d.). http://www.xinhuanet.com/english/2018-11/28/c_137635553.htm.

6.2 The Challenges Regarding Ballast Water

Contamination

Ballast water contamination poses serious ecological, economic and health problems as it causes the introduction of alien species, resulting in environmental disturbance, and economic loss. A cause of economic loss could be the endangerment of local marine wildlife, which results in a decrease in supply of a certain popular fish or the destruction of prominent tourism sites. These issues are exacerbated in the ASEAN region due to ASEAN's economic reliance on the ocean for tourism and food security.

The increasing threat of ships' ballast water is largely due to the expanded trade and traffic volume over the last few decades and the issue is expected to accelerate as ships move faster and travel time is shortened²¹. This causes there to be more frequent exchange of ballast water, increasing contamination. This problem is particularly prevalent in ASEAN, where import and export exceeded \$2 trillion USD, in 2019²². With the establishment of more ASEAN free trade agreements (FTA), trade and investment in ASEAN is expected to increase, resulting in the aggravation of the issue of ballast water contamination in ASEAN waters. Furthermore, any effective countermeasure will need to involve a multinational strategy, as it directly impacts maritime trade. Yet, this is challenging due to the broad range of political and economic development models within ASEAN²³. Less-developed ASEAN countries are not able to dedicate the same amount of resources for ballast water

²¹ *Mission*. World Ocean Council. (2017, August 21). Retrieved 20th March 2021, from <https://www.oceancouncil.org/about-us/mission/>

²² *International merchandise TRADE Statistics (IMTS) - Annually: Aseanstatsdataportal*. (0AD). Retrieved 20th March 2021, from <https://data.aseanstats.org/trade-annually>

²³ *Invasive species in Southeast Asia: The knowledge so far* (April 2010, Kelvin Peh) Retrieved 20th March 2020, from https://www.researchgate.net/publication/224858097_Invasive_species_in_Southeast_Asia_The_knowledge_so_far

management, compared to more well-developed ASEAN countries, which can afford the technology. Thus, it is necessary for the ASEAN Investment Area council to address the issue together, such as creating ballast water treatment systems that can be used throughout ASEAN, in compliance with new guidelines enforced in the region, forcing private investors to invest in ballast water management that will ultimately benefit the fishing and trade economy.

7. Questions a Resolution Must Answer

1. How will ASEAN introduce programmes and policies which could incentivise private ventures to invest into the region's Blue Economy?
2. How will ASEAN increase member nations' capacity to act and invest in the Blue Economy?
3. How will ASEAN introduce a long-term framework that can sustain foreign and local investor's growing interest in the Blue Economy?
4. How should ASEAN better advocate for a sustainable Blue Economy in the region at the local and regional level?
5. How can ASEAN address the regional issue of Ballast Water Contamination?

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