

BRIEFING NOTE FOR PRINCIPLES FOR SUSTAINABLE INSURANCE MEMBERS

Turning the Tide: How to finance a sustainable ocean recovery

A practical guide for financial institutions



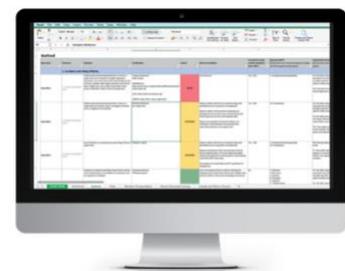
The ocean covers the majority of our planet’s surface, holding 97% of all water and 80% of all life forms. Major ocean sectors such as shipping, aquaculture and marine renewable energy collectively contribute to a ‘blue’ economy, estimated by the OECD at a global gross value added of USD 1.5trn in 2010, and which has been projected to increase to USD 3trn by 2030, with some ocean industries set to grow faster than the global economy.

Within this blue economy, the need for sustainability considerations across economic sectors has led to the development of the ‘sustainable blue economy’, a vision of the blue economy that provides social and economic benefits for current and future generations; restores, protects and maintains diverse, productive and resilient ecosystems; and is based on clean technologies, renewable energy and circular material flows.

Banks, insurers and investors have a major role to play in financing the transition to a sustainable blue economy, helping to rebuild ocean prosperity and restore biodiversity to the ocean. Through their lending, insurance and investment activities, as well as their client relationships, financial institutions have a major impact on ocean health and hold the power to accelerate and mainstream the sustainable transition of ocean-linked industries.

[This seminal new guidance](#), *Turning the Tide*, is the first major release of UNEP FI’s Sustainable Blue Economy Finance Initiative that aims to support this transition. The initiative works across the financial community to provide guidance and frameworks to ensure financial activities are aligned to UN Sustainable Development Goal 14, ‘Life Below Water’, enabling financial institutions to rebuild ocean prosperity, restore biodiversity and regenerate ocean health.

Turning the Tide is intended as a practical, working resource for financial institutions. It offers insurers, as well as other financial institutions, guidance on sustainable financing approaches in the sustainable blue economy, specifically, across the following ocean-linked sectors: seafood, ports, maritime transportation, coastal and marine tourism and marine renewable energy. For each of these sectors, it provides a detailed assessment of potential client activities that can be sought out as best practices, activities that can be challenged, and those activities that have a damaging nature.



Turning the Tide is based on an assessment of materiality of risk as well as opportunities to finance a sustainable blue economy. For PSI signatories, it offers a sector-specific focus in the blue economy that aligns with the four Principles for Sustainable Insurance. It acknowledges the role of the insurance industry as risk managers, insurers and investors, and covers how insurers and other financial institutions can approach sustainability in the blue economy in their core business activities.

More specifically, in line with Principle 1 on embedding ESG issues in insurance business decision-making, *Turning the Tide* articulates some of the key social and environmental impacts associated with the covered sectors in the blue economy.

In the context of risk management, it provides an assessment of the materiality of these impacts to financial institutions. By highlighting key sustainability issues in the blue economy, *Turning the Tide* supports Principles 2 and 3 in setting out how insurers can work together with clients, business partners, governments, regulators and other key stakeholders in promoting sustainable practices.

Finally, it offers a framework to account for impact across the five sectors featured, which supports the commitment to demonstrate accountability and transparency embodied by Principle 4.

UNEP FI intends for *Turning the Tide* to be a living resource, regularly updated and expanded upon in the coming years, and would be delighted to receive any feedback or interest in contributing to the refinement of this guidance.

[Download the Guidance](#)
